FUTURE PLANS

Please refer to "Business — Strategies" in this document for a detailed discussion of our future plans.

[REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]**), we estimate that we will receive **[REDACTED]** of approximately HK$**[REDACTED]** from the **[REDACTED]** after deducting the **[REDACTED]** commissions and other estimated expenses in connection with the **[REDACTED]**, and assuming the **[REDACTED]** is not exercised.

In alignment with our strategies and development plans, we intend to allocate the **[REDACTED]** for the following purposes.

Enriching Product Portfolio and Expanding Downstream Applications

We intend to allocate approximately **[REDACTED]**% of the **[REDACTED]** from the **[REDACTED]** (equivalent to HK$**[REDACTED]**) to enriching our product portfolio and expanding our downstream applications. This funding will be split into two key areas:

We believe expanding our product portfolio into higher-speed 5G categories is critical to improving our long-term product mix, margin profile and competitiveness as the cellular IoT market transitions toward mid- and high-speed applications. During the period from 2026 to 2030, global shipments of 5G RedCap chips, which are designed for mid-speed IoT applications, are expected to grow at a compound annual growth rate of approximately 78.7%. Over the same period, shipments of 5G eMBB chips are expected to grow at a compound annual growth rate of approximately 20.1%. Compared with legacy NB-IoT and Cat.1bis technologies, 5G RedCap and 5G eMBB typically support higher bandwidth and lower latency use cases and enable more complex data processing, which generally allows these products to command higher average selling prices and achieve structurally higher gross margins at the industry level.

In parallel with connectivity upgrades, downstream application scenarios are increasingly requiring integrated multimedia processing and on-device AI capabilities. As IoT devices become more intelligent, use cases such as IPCs, asset trackers and AI-enabled consumer devices are increasingly demanding chips that can handle real-time audio-video processing and local AI inference. By strengthening our chip-level video codec, image signal processing and AI acceleration capabilities, we expect to increase the value-added content per chip, expand into higher-value application verticals and enhance customer stickiness, consistent with our strategy of enhancing terminal application scenarios and embracing Edge-AI capability.

The table below summarizes the indicative implementation roadmap and related deployment focus:

	2026	2027	2028	2029	2030	Total
			(RMB in million)			
Product Portfolio Expansion	**30.6**	**62.2**	**68.3**	**59.3**	**54.8**	**275.2**
Research and development personnel	5.6	13.2	19.3	24.3	29.8	92.2
Tape-out expenses	20.0	40.0	40.0	30.0	20.0	150.0
EC80x (Redcap)	20.0	20.0	10.0	10.0	10.0	70.0
EC80x (eRedcap)	—	10.0	10.0	—	—	20.0
EC90x (eMBB)	—	10.0	20.0	20.0	10.0	60.0
Testing and certification	5.0	9.0	9.0	5.0	5.0	33.0
GCF certification	1.0	1.0	1.0	1.0	1.0	5.0
IoT and carrier testing	2.0	4.0	4.0	2.0	2.0	14.0
Field testing	2.0	4.0	4.0	2.0	2.0	14.0
Downstream Application Upgrade	**15.5**	**34.0**	**30.8**	**44.1**	**25.8**	**150.2**
Research and development personnel	3.5	11.0	17.8	21.1	23.8	77.2
Tape-out expenses	10.0	20.0	10.0	20.0	—	60.0
VPU enhancement	10.0	10.0	10.0	10.0	—	40.0
Video and imaging IP integration	—	10.0	—	10.0	—	20.0
Testing and certification	2.0	3.0	3.0	3.0	2.0	13.0
Audio and video quality assessment	—	1.0	1.0	1.0	—	3.0
AI training and testing	1.0	1.0	1.0	1.0	1.0	5.0
Testing for other application expansion	1.0	1.0	1.0	1.0	1.0	5.0
Total	**46.1**	**96.2**	**99.1**	**103.4**	**80.6**	**425.4**

Specifically, approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be allocated to advancing our next-generation cellular IoT chip portfolio, including 5G RedCap, 5G enhanced RedCap and 5G eMBB technologies. These initiatives will support system architecture optimization, modem algorithm enhancement, integration of baseband and radio frequency modules, and multi-scenario validation to ensure scalability across diverse industrial and consumer use cases. The **[REDACTED]** will also support recruitment of specialized research and development personnel and cover non-recurring engineering costs, tape-out expenses, product testing and global certification.

Furthermore, approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be allocated to enhancing chip-level multimedia processing and Edge-AI capabilities. This includes further development and optimization of video codec IP, image processing modules and AI model acceleration engines, as well as integration of Edge-AI frameworks into our chip platform. These investments will enable improved energy efficiency, enhanced real-time processing performance and stronger competitiveness in intelligent terminal applications.

Strengthening Research and Development Capabilities and Technological Innovation

We intend to allocate approximately **[REDACTED]**% of the **[REDACTED]** from the **[REDACTED]** (equivalent to HK$**[REDACTED]**) to enhancing our research and development capabilities.

Approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be allocated toward the procurement of research and development equipment and software to support the design, testing and validation of our cellular IoT chips. This will include (i) wireless device testing systems for evaluating performance in real-world wireless environments and supporting compliance testing against applicable standards; (ii) electronic design automation ("**EDA**") tools for IC design, simulation and verification to improve design accuracy and shorten development cycles; (iii) IC testing equipment, including automated testing and failure analysis capabilities, to validate chip functionality and reliability under varying environmental conditions; and (iv) network emulators and conformance testers that simulate network environments and relevant protocols to verify interoperability and standards compliance. We also plan to procure software toolchains for algorithm modeling, system-level simulation, embedded debugging, PCB layout design, and IC schematic, layout and verification to enhance engineering efficiency and validation rigor.

Approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be allocated to enhancing our core technological capabilities in research and development, including advancements in chip process technology, improvements in chip integration, upgrades to SoC architecture, integrated multimedia processing capabilities and on-device AI model optimization capabilities. We expect to apply these **[REDACTED]** to continuous product optimization to enhance performance while lowering power consumption and reducing production costs, and to strengthen our execution capability across the full development cycle, including architecture definition, design, verification, tape-out, validation and certification. A portion of this allocation will also be used to expand and retain our research and development team through targeted hiring and an annual salary increase for existing personnel, so as to support sustained innovation and maintain our technological expertise.

The proposed development of integrated multimedia processing and on-device AI capabilities is intended to enable our chip products to better support audio, voice, image and video processing functions and lightweight AI functions at the terminal-device level. For example, multimedia processing capabilities may include audio codecs such as AMR, MP3 and OPUS, image/video codecs such as MJpeg and H.264, and quality enhancement algorithms such as noise suppression and echo cancellation. On-device AI capabilities may include keyword spotting, facial recognition and image preprocessing based on lightweight AI models deployed locally on terminal devices. These capabilities are expected to support application scenarios such as AI toys, learning devices, voice assistants, intercom devices, access control systems and monitoring equipment.

Our implementation plan for this portion of the **[REDACTED]** will be carried out in stages over the five years upon the **[REDACTED]**. First, we plan to procure and upgrade research and development equipment and software, including EDA tools, testing systems, network emulators, conformance testers and software toolchains, to support chip architecture design, system-level simulation, embedded debugging, algorithm modeling, multimedia processing and on-device AI model optimization. Second, we plan to recruit additional research and development personnel in key technical functions to support our next-generation product roadmap and enhance our capabilities in 5G communication, multimedia processing, Edge-AI integration, embedded software, security, testing and certification. Third, we plan to apply these enhanced capabilities to the development, validation and commercialization of our next-generation cellular IoT chips and reference designs, particularly for application scenarios that require low-power, high-integration and always-connected AI interaction capabilities. We expect to focus on equipment and software procurement, team recruitment and capability build-out during the earlier stage of the five-year period, and progressively apply the enhanced research and development capabilities to product development, validation, certification and customer introduction as our LTE Cat.4 and 5G-related product roadmap advances.

Over the five years upon the **[REDACTED]**, we plan to recruit approximately 70 additional research and development personnel in phases to support the implementation of our next-generation product roadmap and the strengthening of our core technology capabilities. We plan to recruit approximately 20 additional research and development personnel in the first year after the **[REDACTED]**, a further 20 in the second year, and a further 10 in each of the third, fourth and fifth years. The planned recruitment will be allocated across our principal technical functions. We expect to

hire approximately five personnel in SoC architecture design, responsible for system-level architecture planning and overall chip framework design; approximately ten in baseband algorithm development focusing on 5G physical layer optimization; and approximately ten in digital IC design dedicated to RTL design and logic verification. We also plan to recruit approximately five engineers in RF analog design to enhance RF front-end capabilities and five in backend physical design to support layout implementation and timing closure. In software development, we intend to add approximately fifteen personnel to protocol stack development covering 5G L1/L2/L3 implementation and optimization. In addition, we expect to recruit approximately five engineers in Edge-AI integration to support on-device AI model optimization, cloud-edge collaboration and low-power device-side AI interaction; five engineers in audio and multimedia development to support codec optimization, voice and audio processing, multimedia data transmission and audio-visual application adaptation; and three engineers in embedded security focusing on secure boot, encryption technologies and protection of device-side data transmission. To strengthen product commercialization and quality assurance, we plan to add approximately ten engineers in reference design for module and terminal platform development and approximately fifteen personnel in testing and certification to support operator certification and product validation.

We expect architecture-level experts to generally have a master's degree or PhD in microelectronics or communications engineering, substantial SoC design experience and commercial tape-out exposure; senior engineers to generally have a relevant graduate degree with meaningful industry experience in IC design, communications or computer science; and junior engineers to generally have at least a bachelor's degree in relevant disciplines. We believe this talent expansion, together with our retention measures and planned equipment and software procurement, will enhance our ability to (i) accelerate the development of 5G-related and LTE Cat.4 products; (ii) improve the power consumption, integration, connectivity and cost efficiency of our cellular IoT chips; (iii) support multimedia and on-device AI application scenarios such as AI toys, learning devices, voice assistants, intercom devices, access control systems, monitoring equipment and other intelligent terminal devices; and (iv) strengthen the testing, validation and commercialization capabilities required for next-generation cellular IoT products.

Domestic Market Brand Building and Overseas Market Expansion

We intend to allocate approximately **[REDACTED]**% of the **[REDACTED]** from the **[REDACTED]** (equivalent to HK$**[REDACTED]**) to enhancing our domestic market brand presence and expanding our overseas market footprint. This funding will be distributed across three key areas as below.

- **Enhancing technical services and after-sales support**. Approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be used to improve the technical services and after-sales support for our existing products in the domestic market. This investment will primarily focus on expanding our sales and customer support teams to better serve both current and prospective customers within China. We plan to recruit approximately 15 additional staff members over the next two years, specifically for sales, customer support, and product service roles. This team expansion is critical for improving our customer engagement and technical support capabilities, thereby strengthening relationships with clients in sectors such as IoT, smart cities, and industrial automation.

- **Overseas market expansion, brand promotion, and business activities.** Approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be allocated to expanding our overseas market presence, including brand promotion and related business activities. During the Track Record Period, the majority of our revenue was generated in Chinese Mainland and Hong Kong, and we plan to expand overseas in a phased manner to diversify our revenue base and capture international growth in cellular IoT connectivity. Overseas markets typically feature established local competitors, mature module ecosystems and higher certification barriers. We plan to compete by leveraging our product-level optimization, a cost-efficient fabless model, and a flexible supply chain, while emphasizing

execution capabilities such as localized technical support, faster customer integration and structured certification planning. Our overseas expansion will prioritize markets with (i) active development of IoT module ecosystems, (ii) demand for cost-effective, scalable connectivity solutions, (iii) relatively clear operator or customer certification pathways, and (iv) meaningful downstream application opportunities in areas such as smart metering, asset tracking, industrial IoT, payment terminals, consumer IoT devices and other connected terminal applications. We will initially focus on our mass-market product categories and progressively introduce higher-speed 5G offerings as our product roadmap, customer validation and local certification progress. In executing this strategy, we expect to build local commercial and technical coverage through a combination of recruiting regional sales leadership and field application engineers, establishing representative presence and technical exchange touchpoints, participating in industry exhibitions and customer roadshows, and developing local channel relationships with module makers, solution partners and customers, while coordinating closely with our overseas certification plan described below. As of the Latest Practicable Date, we had commenced product testing, customer validation and/or promotional activities in selected South and Southeast Asian markets, and had also initiated or maintained customer engagement in selected European markets.

- **Phase 1 (2026-2027): South Asia, Southeast Asia, and Europe.** We plan to prioritize selected key markets in South Asia, Southeast Asia, and Europe, initially including India, Vietnam, Thailand, Singapore and Norway. We had also commenced product testing in Indonesia. These markets are expected to be our first-stage overseas focus because they have sizeable or fast-growing cellular IoT application demand, relatively active module and solution ecosystems, and demand for cost-effective connectivity products. Our initial product focus will be Cat.1bis and NB-IoT chips to address broad-based and cost-sensitive cellular IoT applications, including smart metering, asset tracking, payment terminals, shared economy devices, industrial IoT terminals and consumer IoT devices. As of the Latest Practicable Date, our relevant products had completed testing and entered customer validation in India, and had completed testing in Vietnam, Thailand, Singapore, Germany, France, Spain, South Africa, Kenya, Nigeria, Ethiopia and the United States, where we expect to primarily promote our products through existing module customers' overseas business development channels. We had also commenced product testing in Indonesia. During this phase, we plan to focus on customer sampling, design-in opportunities, local channel development, technical support and preliminary operator/customer certification work.

- **Phase 2 (2027-2028): Europe.** Leveraging the foothold gained with our existing Norwegian customer, we plan to deepen this cooperation while continuing to expand into selected European markets, such as Germany, France and Spain, subject to customer demand, local certification progress, channel resources and commercialization readiness. We expect to prioritize Europe because it has relatively mature IoT module ecosystems, established industrial and consumer IoT application demand, and more stringent certification and compliance requirements, which are better suited for a phased entry after we accumulate initial overseas customer engagement and certification experience. Our product focus in this phase will include Cat.1bis Open-CPU solutions and 5G RedCap offerings, with potential application scenarios including industrial IoT, smart metering, asset tracking, connected devices, smart city applications and selected AIoT terminal devices, subject to product readiness, customer validation and certification progress. We plan to support this phase through enhanced local compliance readiness, cooperation with European module makers and ecosystem partners, and targeted engagement with customers requiring higher-value and higher-speed cellular IoT solutions.

- **Phase 3 (post-2028): Further deepening and broader overseas expansion.** Subject to market conditions, product readiness, certification progress and geopolitical considerations, we plan to continue deepening our presence in South and Southeast Asia, further evaluate opportunities in Europe, and explore opportunities in North America, notably the United States, where customer demand, regulatory requirements, local certification progress, channel resources and commercialization readiness support such expansion. In these markets, we expect to prioritize higher-speed and higher-value products, including 5G RedCap and other 5G-related products, where supported by product readiness and customer validation. We expect this phase to focus more on higher-speed and higher-value products and technology collaboration opportunities, rather than broad-based entry into lower-speed, highly price-sensitive mass-market segments.

- **Accelerating overseas operator/customer certification**. Approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be dedicated to accelerating the certification process with overseas operators and customers. This step is crucial for expanding our international market presence, ensuring our products comply with regional regulatory requirements and meet the approval standards of key industry players. These certifications will focus on major overseas operators and key customers in strategic markets, ensuring our products are fully compatible with their networks and meet their specific operational and technical needs.

Working Capital and Corporate Purposes

Approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, will be reserved for general working capital and operational flexibility. This allocation will allow us to respond to strategic opportunities, unforeseen market shifts, and other financial needs in a timely and prudent manner, including the repayment of loans or any other necessary funding requirements.

In the event that the designated **[REDACTED]** are insufficient to fully fund the aforementioned purposes, we intend to utilize internal resources or equity debt financing to address any shortfalls. Conversely, should there be surplus funds, these will be applied toward other projects consistent with our strategic objectives.

In the event that the **[REDACTED]** is fixed below or above the mid-point of the indicative **[REDACTED]**, the **[REDACTED]** allocated to the above purposes will be adjusted on a pro rata basis. Any additional **[REDACTED]** received from the exercise of the **[REDACTED]** will be allocated to the above purposes on a pro rata basis.

In the event of any material change in our use of **[REDACTED]** of the **[REDACTED]** from the purposes described above or in our allocation of the **[REDACTED]** among the purposes described above, a formal announcement will be made.

To the extent that the **[REDACTED]** from the **[REDACTED]** are not immediately applied to the above purposes, we will only deposit such **[REDACTED]** into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions).

We will issue an announcement in the event that there is any material change in the use of **[REDACTED]** of the **[REDACTED]** as described above.