

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” for a detailed description of our future plans.

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, after deducting the [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], assuming no [REDACTED] is exercised and an [REDACTED] of HK\$[REDACTED] per H Share, being the [REDACTED] of the indicative [REDACTED] range between HK\$[REDACTED] and HK\$[REDACTED] per H Share.

In line with our strategies, we intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]% or HK\$[REDACTED] million, of the [REDACTED] will be allocated to increasing our investment in technology innovation and product development. This investment is intended to continuously enhance our research and development (“R&D”) capabilities, solidify our core technological competitiveness, and leverage our independent R&D achievements and core technologies to support product innovation and the iterative upgrading of our existing product portfolio. In particular:
 - (i) Approximately [REDACTED]% or HK\$[REDACTED] million of the [REDACTED] will be invested in the technology innovation and product development of our storage products centered on NAS. We will continue to adhere to our design philosophy, “simple and easy to use,” and our technological pathway, “AI + data storage.” Our investment in storage products will focus on software innovation, hardware design, and team building. On the software front, we will further enhance our proprietary UGOS Pro operating system to broaden application scenarios, including home gaming for individual and family users, and provide developer-oriented capabilities such as Docker-based application deployment and IoT application development.

In terms of hardware design, we will strengthen computing power by adopting high-performance chips to support on-device AI computing, and refine our product matrix. For example, we plan to comprehensively upgrade our NAS hardware architecture and strengthen the local AI computing capabilities of our devices. These products will be equipped with high-performance processors and dedicated NPU execution units, delivering high aggregate AI computing power. In addition, they will feature high-frequency memory to enable enhanced Input/Output throughput, and support discrete GPU expansion to further unlock AI inference capabilities, such as semantic image search and intelligent classification. They will also incorporate high-speed interfaces to support faster data transfer and multi-display collaboration. For team building, we will recruit talents in agent engineering, model development, and Linux kernel optimization to build foundational low-level system capabilities. Through these efforts, we aim to enhance the scalability, data access efficiency, stability, security, and intelligent interaction capabilities of our NAS products.

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- (ii) Approximately [REDACTED]% or HK\$[REDACTED] million of the [REDACTED] will be invested in the technology innovation and product development of smart home products. Smart home products represent a key step in constructing our consumer technology product portfolio. Our initial focus will be on three core subcategories of IPC products: outdoor smart cameras, smart video doorbells, and indoor smart cameras, positioned with “no subscription, data stays at home” — aligning with the needs of our existing NAS user base. After market validation, we plan to expand to a complete home security product system centered on local AI and NAS integration. Our investments will focus on software improvements, hardware advancements, and team building. On the software side, we will improve on-device AI detection accuracy and response speed, and advance lightweight vision language model inference locally. On the hardware side, we will overcome key challenges in ultra-low power standby and 24/7 power stability, while benchmarking industry leaders in image quality, battery life, and noise reduction. For team building, we will recruit talents in edge AI engineering and full-stack IPC firmware development to support product iteration. For details of our plans to develop smart home products, please refer to “Business — Our Strategies.”
- (iii) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to promoting continuous iterative upgrades of our other product categories, which include charging products and accessories, office products and audio and visual products. Our investments will cover hardware, software, talent strategy, and overall objective. In hardware, we will enhance innovation and time-to-market capabilities for core categories such as docking stations, mobile storage, networking products, keyboards and mice, and audio-visual products, while proactively developing new categories like external AI computing boxes to enable interoperability between existing hardware and AI computing devices. On the software side, we will develop a proprietary desktop productivity tool to form a unified software platform for our peripherals, building capabilities in device connectivity, configuration, status management, and scenario automation to improve multi-device collaboration. For talent strategy, we will recruit talents in desktop systems, embedded systems, AI applications, firmware development, network protocols, and audio-video technology to support product upgrades and long-term technical capabilities. Our overall objective is to evolve into a desktop efficiency platform and an intelligent hardware platform, supported by integrated software-hardware capabilities and cross-category collaboration. Through these efforts, we will systematically promote product evolution and innovation driven by technological iteration and user insights, ensuring our products are adapted to diverse scenarios and continuously enhancing product value and competitiveness.

The following table sets forth a detailed implementation plans for R&D from 2026 to 2029:

Phase I (2026-2027)

For storage products, we will build out our UGOS Pro system, including standardized application programming interfaces and software development kits, bring in third-party developers, and improve our ability to run AI locally on devices. We will also upgrade our AI NAS product line, which is part of our broader NAS product category, and continue strengthening our algorithm and engineering capabilities. For

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smart home products, we will move into mass production of both outdoor and indoor smart cameras and video doorbells, creating a connected system that combines front-end sensing, NAS storage and edge AI processing. For other product lines, our audio team will refine the modules used in true wireless earphones and begin developing AI-driven acoustic software. Our charging products team will adopt advanced gallium nitride and silicon carbide technologies while expanding its capabilities. Our electronic accessories team will build a software platform to enable connectivity across multiple product categories.

Phase II (2028-2029)

For storage products, we will launch a developer platform targeting multiple applications, further develop an AI assistant for complex skills execution, enhance file management and security capabilities, develop AI NAS products with higher processing capabilities, and expand the algorithm team. For smart home products, we will expand the home smart security portfolio to include door locks, sensors and lighting, and deploy lightweight visual models for cross-camera tracking. For other products lines, our acoustic team will develop high-end true wireless earphones with AI adjustment and health monitoring functions; our charging products team will develop wireless charging products and expand AI teams; our electronic accessories team will develop integrated desktop solutions enabling automated scenario-based functionality across docking stations, storage, network and input devices.

The following table sets forth a breakdown of details of our proposed allocation of [REDACTED] for R&D plans:

	Year ended December 31,				
	2026	2027	2028	2029	Total
	<i>(HK\$ in million)</i>				
R&D personnel expenses . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
R&D equipment and materials	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
R&D laboratories	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others (testing and certification)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

- Approximately [REDACTED]% of the [REDACTED] or HK\$[REDACTED] million will be allocated to our brand building. We intend to increase our investment in brand building and communicate our brand story and values, strengthen emotional connections with consumers, cultivate a high-quality and high-value brand image. By doing so, we seek to enhance our global brand awareness and securing sustained consumer loyalty. In particular,
 - (i) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to the execution of our diversified brand building strategies. In particular, we plan to: (i) continuously conduct advertising campaigns in key markets to enhance our brand visibility; (ii) collaborate with celebrities, top-tier key opinion leaders, and IP holders to effectively engage target users and amplify our brand influence; (iii) continuously promote brand advertising campaigns tailored for young consumers to establish a strong

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brand awareness among them; and (iv) actively participate in or host technical seminars, industry summits, and professional trade shows to showcase our product strengths and enhance our brand awareness.

The following table sets forth a breakdown of details of our proposed allocation of [REDACTED] for the above plans:

	Year ended December 31,				
	2026	2027	2028	2029	Total
	<i>(HK\$ in million)</i>				
Advertising in key markets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Collaboration with celebrities, KOLs and IP holders . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Brand promotion . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Technical seminars, summits and exhibitions	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

The following table sets forth the number of celebrities, KOLs and IP holders with whom we plan to cooperate:

Period	Planned Celebrity and KOL Cooperation	Planned IP Cooperation	Total
2026	[REDACTED]	[REDACTED]	[REDACTED]
2027	[REDACTED]	[REDACTED]	[REDACTED]
2028	[REDACTED]	[REDACTED]	[REDACTED]
2029	[REDACTED]	[REDACTED]	[REDACTED]

- (ii) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used to recruit experienced professionals with in-depth understanding of market conditions and trends in selected key markets, expand and optimize our brand marketing team serving these key markets, and manage our global brand assets.

We plan to hire approximately [REDACTED] staff in 2026, 2027, 2028 and 2029, respectively, to fulfill various roles. These roles include, but are not limited to, (a) high-end brand marketing managers, who will build and implement high-end brand marketing systems and have over five years of consumer electronics or high-end brand marketing experience; (b) IP and cross-border collaboration managers, who will lead IP cooperation and cross-brand collaboration and have over five years of related brand IP experience; (c) digital marketing and KOL operations leads, who will develop digital marketing and KOL systems and have over six years of consumer electronics digital marketing experience; and (d) brand visual and terminal image design leads, who will upgrade and implement brand visual systems and have over six years of brand visual design experience.

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The candidates we intend to recruit are generally expected to hold a bachelor’s degree or above and possess more than three years of relevant experience in consumer technologies, high-end brand marketing, and/or brand IP cooperation. The average annual remuneration per employee is expected to range from [REDACTED], subject to potential adjustment in line with the market rate from time to time.

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to enhancing our sales channel development and market penetration. While brand building aims to cultivate brand awareness and consumer recognition, thereby generating consumer demand, sales channel development and market penetration focus on optimizing the pathways through which consumers can access our products and complete purchases, thereby converting such recognition and demand into actual sales revenue. We aim to continue diversifying our sales channels and driving sustained sales growth through an integrated online and offline strategy. In particular:
 - (i) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used to strengthen our online sales channels. With respect to the Chinese mainland market, we will continue to deepen our cooperation with major e-commerce platforms and broaden traffic acquisition channels through on-platform and off-platform advertising, public platform promotions, and diversified online operational initiatives. Apart from established e-commerce platforms, we will also increase investment in new-generation social e-commerce platforms such as Douyin, TikTok Shop, and Xiaohongshu. With respect to international markets, we plan to gradually build live-commerce and video content operation capabilities to serve key markets, including Europe, the United States, and Southeast Asia, encompassing e-commerce operations, livestreaming, short-form video production, and digital marketing. At the same time, we will continue to strengthen the operation of our direct-to-consumer website by enhancing the user interface, shopping experience, membership program, and precision marketing capabilities, thereby improving traffic conversion and customer repurchase rates.
 - (ii) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used to further develop our offline sales channels. We will strengthen our cooperation with offline distributors, in key international markets to enhance channel management, key account management, and retail operations capabilities, as well as improving logistics, order fulfillment, and after-sales service capabilities. In the Chinese mainland market, we plan to strengthen our distributor operation teams in selected new first-tier and prefecture-level cities and improve retail execution through measures such as optimizing in-store product displays and establishing dedicated brand zones, thereby enhancing sales efficiency at the point of sale. As part of this initiative, we have identified our target geographic markets for the next three years. Our core focus regions will be the Chinese mainland, North America (with emphasis on the United States), Europe (including Germany, the United Kingdom, France, Spain, Italy and the Netherlands), and Japan. Our strategic development regions will be Latin America (starting with Mexico), Southeast Asia (covering Indonesia, Thailand, Malaysia, Singapore, Vietnam and the Philippines), and the Middle East (including Saudi Arabia, the United Arab Emirates and Turkey). Our new pilot regions will be Latin America (further expanding into Peru, Brazil and Chile), South Korea, and Eastern Europe (notably Poland).

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- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to the intelligent evolution of our business processes. The term “intelligent evolution” refers to the systematic integration of artificial intelligence (“AI”), machine learning (“ML”) and natural language processing (“NLP”) into our internal business processes to enhance operational efficiency, automate manual tasks, improve data-driven decision-making and strengthen cross-departmental collaboration. To achieve this goal, we plan to review and analyze our existing systems and processes, and develop upgrade solutions aligned with our long-term strategies, including but not limited to:

We aim to deploy ML technology for demand forecasting, which integrates historical sales data, seasonal trends and market factors to predict future sales volumes, achieving high accuracy in pilot runs. This system automatically adjusts replenishment plans, optimizes inventory levels in real time, identifies potential stock-out items and flags slow-moving products to reduce stock-out risks and minimize inventory write-downs. We have also built a centralized and shared finance service center that automates data cleansing, reconciliation and multi-system collaboration. Using rule-based engines, the system identifies and corrects abnormal financial data, achieving timely processing efficiency, and supports automatic matching of transactions across multiple accounts and platforms with high accuracy in pilot runs. In addition, we apply NLP to automatically analyze customer feedback through our Voice of Customer system, performing sentiment classification, theme extraction, automatic tagging, root cause analysis and generation of visualized insight reports to support management decision-making. Other digitalization initiatives include AI-assisted advertising placement, new product launch management, automated testing and market intelligence agents. Through these efforts, we aim to shorten the demand-to-task cycle and improve cross-departmental responsiveness, while enhancing system stability and ensuring accurate and consistent data across all interconnected systems.

To achieve these goals, we plan to procure core software and systems, conduct customized secondary development and system iteration tailored to our specific business scenarios, and recruit experienced professionals in AI, big data analytics, financial digitalization and enterprise IT architecture.

We plan to hire approximately [REDACTED] staff in 2026, 2027, 2028 and 2029, respectively, to fulfill various roles. These roles include, but are not limited to, (i) AI algorithm technology experts, who will develop AI-powered algorithms and possess rich experience in AI R&D and industry application; (ii) software product managers, who will lead business-end e-commerce product requirements and solution design and possess a bachelor’s degree or above with at least five years of product experience; (iii) front-end development engineers, who will design and develop front-end architecture for internal systems and possess at least five years of front-end development experience; and (iv) Java development engineers, who will undertake core Java module development for key projects and possess at least five years of large or medium-sized project development experience.

The aforementioned senior personnel will typically serve as core experts or team leaders to guide and lead the respective technical functions; however, the total recruitment plan also encompasses relatively junior team members who will execute specific operational tasks under their guidance. The candidates we intend to recruit are generally expected to hold a bachelor’s degree or above, preferably in computer science or a related discipline for technical roles, and possess relevant experience in AI

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R&D and industry application. The average annual remuneration per employee is expected to range from RMB400,000 to RMB600,000, subject to potential adjustment in line with the market rate from time to time.

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to working capital and other general corporate purposes.

We expect the proposed applications of the [REDACTED] to have various effects on our financial and operational profile:

Increased R&D expenses and capital expenditures are expected to impact our cost structure and cash flow in the near term. We intend to manage these effects through rigorous cost control and by adjusting the pace and scope of our R&D activities in light of the actual utilization of the [REDACTED], ensuring that our efforts are directed towards commercially viable products. Our experience with storage products, particularly NAS, demonstrates that although upfront R&D costs are significant, the resulting high-value-added products can be a new growth driver and promote cross-selling across our product categories, thereby delivering attractive long-term returns. We are also mindful of the inherent risks, including the possibility of failing to achieve technical breakthroughs or encountering insufficient market acceptance. To address these risks, we adopt a prudent, market-driven approach to product development.

Selling and distribution expenses will increase in the near term and may widen the gap between cash outflows and inflows. We will closely monitor these costs and scale back or suspend any campaigns that do not meet expectations, so as to protect our liquidity. Although these expenditures are likely to compress operating margins during the initial investment stage, we believe that the resulting enhancement in brand visibility and market penetration will drive revenue growth and support margin recovery over time. Risks such as slower-than-expected customer conversion, intensified competition or adverse macroeconomic conditions are managed through phased roll-outs, real-time performance analytics and periodic strategy reviews.

General and administrative expenses will increase as a result of these digitalization initiatives, which may also widen the gap between cash outflows and inflows. We will track these costs closely and adjust any digitalization measures that fail to achieve expected outcomes, in order to safeguard our liquidity. While the related spending may compress operating margins in the short term, the anticipated efficiency gains are expected to contribute to profit improvement. Risks, including employee unfamiliarity with new systems or tools, are mitigated through phased implementation, ongoing performance monitoring and regular strategic reassessments.

Through the above measures, we aim to balance short-term financial discipline with long-term value creation, ensuring that our investments strengthen our competitive position while preserving liquidity and profitability.

In the event that the [REDACTED] is set at the [REDACTED] or the [REDACTED] of the indicative [REDACTED] range, the [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED] million, respectively.

The additional [REDACTED] that we would receive if the [REDACTED] is exercised in full would be (i) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the [REDACTED]), (ii) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the [REDACTED] of the [REDACTED] range) and (iii) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the [REDACTED]).

To the extent that the [REDACTED] from the [REDACTED] (including the [REDACTED] from the exercise of the [REDACTED]) are either more or less than expected, we may adjust our allocation of the [REDACTED] for the above purposes on a pro rata basis.

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To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the above purposes, we will only hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.