USE OF [REDACTED]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**], fees and estimated expenses in connection with the [**REDACTED**] payable by us, and assuming that the [**REDACTED**] is not exercised and based on an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range stated in this document.

In line with our strategies, we plan to use the [**REDACTED**] from the [**REDACTED**] for the purposes set forth below:

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be allocated to enhancing our research and development and product innovation capabilities, to continuously strengthen our full-stack R&D platform and core technology systems for Physical AI and to advance the ongoing research and development, iteration, engineering and commercialization of our products and solutions. In particular,

  - approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for recruiting and retaining high-caliber R&D talent globally and for further expanding and strengthening our R&D team, with a focus on addressing the talent requirements for the development of our full-stack R&D platform and core technology systems, supporting the continued advancement of our various R&D initiatives. To support our research and development projects and plans, we target to place strong emphasis on recruiting and retaining technology specialists and senior engineers with extensive experience in optics, chips, algorithms, software, hardware, system integration, calibration and testing.

  - approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for continuously strengthening our core technology innovation capabilities across our full-stack R&D platform and core technology systems, mainly including: (i) the continued development, verification and iteration of our proprietary depth-engine chips, photosensitive chips and other key perception components, encompassing tape-out, packaging and testing, engineering verification, reliability testing, EDA tools and chip IP licensing, (ii) the continued iteration of our optical systems and sensing systems, including the design and prototyping of emission and reception modules, lenses, optical filters and other optical components, (iii) the continued upgrade of our SDKs and developer toolchains, and the advancement of compatibility and adaptation with robotic operating systems and edge computing platforms, and (iv) the expansion and upgrading of our optics, reliability, environmental testing and electromagnetic compatibility laboratories and related equipment, as well as the procurement and/or leasing of computing servers to support the training, verification and iteration of AI algorithms.

  - approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for the iteration of existing products and the research and development, engineering and commercialization of new products and solutions, including procurement of R&D consumables and components, product prototyping and tooling iteration, data collection and processing required for product development, outsourced and commissioned development for reference designs and system-level devices and solutions, and product testing and certification, in order to enhance product performance and adaptability across different application scenarios, shorten the engineering and mass-production introduction cycles, and facilitate the scaled commercial deployment of our products and solutions.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be allocated to the construction, upgrade and expansion of our existing production facilities, to continuously enhance our production efficiency, capacity, flexible manufacturing capabilities, product quality and scaled delivery capabilities. In particular,(i) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for production capacity expansion, and (ii) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for the flexibility and automation upgrade of our existing production lines, including the procurement or upgrade of necessary automated production and testing equipment, intelligent logistics equipment and related software, to enhance our multi-category mixed-line production and rapid changeover capabilities.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be allocated to expanding our global market coverage, enhancing customer service capabilities and deepening Physical AI industry ecosystem collaboration.

    - approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for sales and service team development in key global markets, to drive the growth of our overseas sales, increase the speed of our response to customer demands, and enhance customer satisfaction and long-term partnership stickiness. We plan to continue to strengthen our commercial and technical service networks in key markets and accelerate the scaled replication of our sensor products and introduction of system-level devices and solutions across global markets.

    - approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for Physical AI industry ecosystem collaboration, developer community building, global certification and market access, and strengthening our global marketing and brand positioning.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be allocated to strategic investments and/or acquisitions across the Physical AI value chain centered on our core technologies, with a focus on investment and acquisition opportunities that are strategically synergistic with our core technologies and products or that support our forward-looking positioning in emerging technologies within the Physical AI domain. We intend to leverage strategic investments and/or acquisitions to generate synergies in technology, intellectual property, products and solutions, supply chain, customer base and long-term growth opportunities, and to continuously strengthen our long-term competitive advantages across the global Physical AI value chain. As of the Latest Practicable Date, we had not identified any specific acquisition targets, nor had we entered into any binding agreement in respect of any potential acquisition.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] will be used for working capital and other general corporate purposes.

If the [**REDACTED**] is exercised in full, the [**REDACTED**] of the [**REDACTED**] would increase to approximately HK$[**REDACTED**] (based on the [**REDACTED**] of HK$[**REDACTED**] per Share). We intend to apply the additional [**REDACTED**] to the above uses in the proportion stated above.

To the extent that our [**REDACTED**] are not sufficient to fund the purposes set out above, we intend to finance the remaining portions through a variety of means, including operating cash flows, bank loans and other borrowings. If the [**REDACTED**] of the [**REDACTED**] are not immediately applied to the above purposes, we will deposit the unutilized [**REDACTED**] into short-term interest-bearing accounts with licensed commercial banks or other authorized financial institutions, as defined under the Securities and Futures Ordinance or other applicable laws and regulations, until they are used for the intended purposes. We will publish an appropriate announcement if there is any material change to the above proposed use of [**REDACTED**].