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## FUTURE PLANS AND [REDACTED]

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### FUTURE PLANS

For details of a description of our future plans, see “Business – Our Strategies” in this document.

[REDACTED]

At an [REDACTED] of HK\$[REDACTED] per [REDACTED], we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] commissions and other estimated expenses paid and payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised.

We currently intend to use the [REDACTED] we expect to receive from the [REDACTED] for the following purposes and in the amounts set out below.

- Approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance the fundamental research on our key technologies, improve the development of our standardized solutions and iteratively launch diverse commercialization applications and functions for more business scenarios. We plan to further apportion the use of such [REDACTED] as follows.
  - Approximately [REDACTED]%, or HK\$[REDACTED], will be used to strengthen our research and development team, including:
    - (i) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated for our research and development team on further explorations into our key technological areas, so as to strengthen our competitiveness over existing and emerging enterprise-level conversational AI solution providers, and maintain our competitiveness and innovativeness of our conversational AI technologies. Specifically,
      - (1) approximately [REDACTED]%, or HK\$[REDACTED], will be used for reinforcement learning, transfer learning and federated learning technologies. We will continue our fundamental AI technological explorations under the self-supervised learning framework to further reduce the dependence of AI algorithms training on the amount of data and significantly enhance the generalization ability of our algorithms. These technologies will further enhance the ability of our solutions to be applied across different application scenarios, thereby reducing our costs of expansion into new use cases and end-customer industries;

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- (2) approximately [REDACTED]%, or HK\$[REDACTED], will be used for technologies related to visualizable conversational AI empowered by computer vision AI. We will endeavor to strengthen our technological accumulations in visualizable conversational AI that is further empowered by computer vision AI technologies, in order to launch, for instance, conversational AI-enabled digital avatars that can be applied in not only customer service scenarios, but also in wider areas that have demand for more vivid and engaging conversational interaction experiences;
- (3) approximately [REDACTED]%, or HK\$[REDACTED], will be used for technologies related to next-generation unified communications compatible with visualizable conversational AI. We will continue our research into unified communication technologies for signal processing and intelligent integration with respect to video calls made via the original calling interface compatible with the networks of each major telecommunications company in China, which we believe are likely to achieve a new enterprise-level interactive mode and have broad applicability in various scenarios where video-based conversations will provide better user experiences and improve customer services;

We had demonstrated promising prospects for stable profitability with accessible research and development expenses during the Track Record Period, leveraging the high standardization of our solutions based upon our mature technological and know-how precipitation in the area for decades. The aforementioned key technological development projects, however, feature higher technological thresholds where multiple technological areas intersect. We believe that such projects represent the future of underlying conversational AI technologies that we are committed to pursue, on which we will need to enlarge our spending to expedite our technological accumulations so as to profit on our first-mover advantages in the future. For details, see “Business – Our Technologies – Key Technological Development Projects” in this Document.

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- (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated for our research and development team on the improvement of our standardized solutions to enhance their functionalities as applied in various application scenarios of different end-customer industries, which we believe will help improve our competitiveness in the enterprise-level conversational AI market characterized by increasingly intensifying competitions. For example, with the expansion of our business footprints both domestically and globally, we plan to continue to strengthen our capabilities of processing and analyzing conversations involving an increasing number of linguistic contexts, ranging from Chinese dialects to foreign languages.

To achieve the plans above, we plan to (i) recruit scientists, researchers, architects and engineers with experience in unified communications, AI and software development; and (ii) increase the compensation levels for our present research and development staff.

To maintain our competitive edges and further innovate our solutions and technologies, we plan to hire additional scientists, researchers, architects and/or engineers with the [REDACTED] from the [REDACTED] over the next three years upon the [REDACTED]. Qualified candidates are expected to include (i) experienced laterals from renowned AI companies or academic institutes who have published relevant papers on international journals or have extensive experiences in the commercialization of AI technologies; and/or (ii) outstanding and talented fresh graduates from leading universities. We believe that qualified and experienced talents are crucial for sustaining our leadership in the aforementioned key technologies and continuously upgrading our algorithms and technological engines.

To effectively retain our R&D staff and prevent them from joining our competitors, we intend to gradually increase the compensation levels for our R&D staff to keep up with any increase in the industry level and maintain the competitiveness of our compensation package. Specifically, we intend to gradually increase their wages and benefits and implement share-based incentives to motivate them by providing such persons with an opportunity of sharing our business growth and future success. According to our current recruitment plan, by the end of the said year, the compensation levels of our R&D staff are expected to reach around RMB228 thousand per year, representing an approximate 20.2% increase compared with that during the Track Record Period.

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- Approximately [REDACTED]%, or HK\$[REDACTED], will be used to strengthen our technological infrastructure and research and development capabilities. Specifically,
- (i) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated for the procurement and installation of equipment, devices and/or software to support our increasing business needs over the next three years upon the [REDACTED]. Specifically, we were establishing an AI empowerment computing center as of the Latest Practicable Date, which, equipped with ample GPU resources, could cloudify the computing power and training of AI models, in order to further enhance the capabilities of our AI technologies. As the computing center can significantly empower the efficiency of training our AI models, we are able to effectively improve the performance of our solutions in various specific scenarios. Accordingly, we plan to procure GPUs, advanced servers and other hardware components such as network and other telecommunication equipment and resources, as well as other accessory equipment, in order to increase the total computing power and support training and production of AI models. The table below sets forth the expected costs by each major type of equipment/resource to be procured:

<u>No.</u>	<u>Equipment/Resource</u>	<u>Expected Approximate Cost</u>
1	Customized servers (including GPUs)	[REDACTED]/unit
2	Computer memories	[REDACTED]/unit
3	Bandwidths	[REDACTED] per month/MB
4	Firewall	[REDACTED]/unit
5	Core switches	[REDACTED]/unit

The establishment of the computing center provides the infrastructure support necessary for carrying out our future R&D endeavors, as we continue to scale up our solution offerings. In addition to the historical expenditures incurred during the Track Record Period, we expect to further invest in this aspect in order to solidify our technologically competitive position in the full-stack enterprise-level conversational AI market in the long run. For details, see “Business – Our Technologies – AI Technologies – AI Empowerment Computing Center” in this document;

- (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated on technology development fees in relation to research and development activities to be carried out under new research and development centers/labs, among others. To further enhance our research

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and development capabilities and attract research and development talents, we plan to establish a number of such research and development centers/labs jointly with more reputed technology companies and academic institutes. Under the management of our headquarter, these new research and development centers/labs will work with us in jointly conducting research and development activities that are informed by the optimal industry experiences and customer insights, so as to develop technological leading and commercially viable solutions. To the best estimates of our Directors, we expect to establish approximately two to three new research and development centers/labs with other technology companies and academic institutes, respectively, in the near future and the average technology development fees in association with each research and development center/lab over the next three years upon the [REDACTED] thus range around approximately RMB15 million, depending upon the subject matter, complexity and depth, etc. of the collaboration. For details of our exemplary external collaborations during the Track Record Period, see “Business – Our Technologies – AI Technologies – Technological Collaboration” and “Business – Research and Development” in this document.

- Approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to expand our solution offerings, build our brand and enhance our commercialization capabilities. By leveraging our go-to-market strategies and accumulated industry insights proven to be successful in serving our four key end-customer industries, we plan to accelerate our penetration into other industries such as the media, healthcare, E-commerce and retailing, etc., in order to empower their intelligent transformation and improve our industry coverage. We will conduct careful evaluation and analysis on the expected market size, competitive landscape and potential challenges before entering into other new end-customer industries. We plan to further apportion the use of such [REDACTED] as follows.
  - Approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our business development efforts and increase market penetration. As an important way to strengthen our sales and marketing capabilities, we plan to recruit and retain diversely backgrounded professionals with rich industry and customer insights, which we believe can help us capture the business needs of users and the pain points of the industry to expand our user base and increase customer loyalty, hence increasing the customers’ spending on our solutions. We plan to hire additional sales and marketing staff over the next three to four years upon the [REDACTED] to support our business growth and gradually improve the compensation levels for our present sales and marketing staff, as well as to implement share-based incentives.

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- Approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our brand awareness through various channels and develop relationships with industry participants. We plan to promote our solutions by engaging in more marketing activities through both offline and online channels, in order to build our brand. Specifically,
  - (i) approximately [REDACTED]%, or HK\$[REDACTED], will be used for brand promotion and exposure, including organizing and sponsoring highly influential industry events and other sales and marketing activities, over the next three years upon the [REDACTED];
  - (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated for collaborating with our eco-partners in other forms of marketing. We will build an eco-collaboration department to promote our brand awareness among our existing and potential customers and users.
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used to pursue domestic and overseas strategic investment and acquisition opportunities, so as to implement our long-term growth strategy to optimize our solutions and expand and penetrate the end-customer industries that we cover. Specifically, we plan to select businesses (i) with technologies that are complementary to our solutions in terms of improving our cutting-edge conversational AI technologies and allowing us to comprehensively optimize our deployment efficacy and the completeness of our solution offerings; (ii) with proven market position, extensive know-how and stably maintained and healthy financial track record in the end-customer industries where we have already established strong presence and intend to further increase the penetration, and the end-customer industries that we may expand into in the future; and/or (iii) with promising overseas customer resources and conversational AI technological capabilities.

As such, we may invest in leaders in the cutting-edge technologies that we are focusing on and paying close attention to, providers focusing on solutions applied to specific end-customer industries or sub-end-customer industries, and overseas conversational AI enterprises with early-mover advantages. Leveraging such potential strategic investments and acquisitions, we expect to achieve synergies therewith in terms of optimizing our overall deployment efficacy, improving our technological capabilities and solution offerings, enlarging our user base, and enhancing and expanding our overseas presence, among others. We intend to make such investments and acquisitions mainly through equity (controlling or non-controlling) and may consider other forms of investment such as debt or that with convertible features if such are better suited for the need of the transaction, evaluated on a case-by-case basis. As of the Latest Practicable Date, we did not identify any investment and acquisition target in this regard.

- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for general corporate purposes.

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If the [REDACTED] is exercised in full, the additional [REDACTED] that we will receive will be approximately HK\$[REDACTED] at the [REDACTED] of HK\$[REDACTED] per [REDACTED]. In the event that the [REDACTED] is exercised in full, we intend to apply the additional [REDACTED] to the above purpose on a *pro rata* basis.

To the extent that the [REDACTED] from the [REDACTED] are not immediately used for the above purposes and to the extent permitted by applicable laws and regulations, we may hold such funds in short-term interest-bearing accounts at other authorized financial institutions as defined under the Securities and Futures Ordinance and/or licensed commercial banks so long as it is deemed to be in the best interests of our Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules. In addition, there remains the risk that our [REDACTED] from the capital market or other open markets might not be sufficient for our purposes planned above, and in such case, we would need additional capital to fund our business expansion plans. See “Risk Factors – Risks Relating to Our Financial Position and Need for Additional Capital – We had net loss for the year and net cash flows used in operating activities during the Track Record Period, and may need to obtain additional financing to fund our operations, which may cause dilution to our Shareholders and restrict our operations, and we may not be able to obtain additional financing on favorable terms or at all” in this document.