FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See "Business — Our Development Strategies" in this document for details of our future plans.

USE OF PROCEEDS

We estimate that we will receive **[REDACTED]** from the **[REDACTED]** of approximately HK\$**[REDACTED]** million (after deducting the **[REDACTED]** fees and expenses related to the **[REDACTED]**), assuming the **[REDACTED]** is not exercised and an **[REDACTED]** of HK\$**[REDACTED]** per Share, being the **[REDACTED]** of the **[REDACTED]** range of HK\$**[REDACTED]** to HK\$**[REDACTED]** per **[REDACTED]**.

We intend to use the **[REDACTED]** of the **[REDACTED]** for the following purposes:

(a) **Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used for penetrating and deepening our presence in the application scenarios of our APaaS business and developing and expanding our customer base, including:**

1) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK\$**[REDACTED]** million, is expected to be used for purchases of (i) network and bandwidth, and (ii) server and storage to support our business growth. Network and bandwidth costs were our largest cost of sales during the Track Record Period and accounted for 52.8%, 61.4%, 61.3% and 64.6% of our total cost of sales in 2021, 2022, 2023 and the three months ended March 31, 2024, respectively. Furthermore, server and storage costs accounted for 30.5%, 14.4%, 16.5% and 15.4% of our total cost of sales in 2021, 2022, 2023 and the three months ended March 31, 2024, respectively. We expect that we will require more bandwidth and storage as our business grows and we plan to use the additional bandwidth and storage in all of our five major scenarios of APaaS. Specifically, we plan to spend approximately HK\$**[REDACTED]** million to purchase network and bandwidth and approximately HK\$**[REDACTED]** million to purchase server and storage. Specifically, we plan to purchase two types of network and bandwidth, namely (i) core data center bandwidth with dual-active or triple-active architecture which supports basic requirements for uploads and downloads and meets disaster recovery requirements. Our data center currently has bandwidth with single-active architecture. With dual-active or triple-active architecture, data is saved and backed up in two or three data centers. When data is uploaded from one of the data centers, the data can be quickly distributed to the other data centers. In the event of a technical failure in one of the data centers, another data center will back up thereby ensuring the business continuity, maintaining data accessibility, and resulting in higher reliability; and (ii) CDN bandwidth. We also plan to acquire approximately 450 servers. Among the 450 servers, we plan to acquire approximately 225 servers for storage which are high-density storage models with 36 large-capacity hard drives and approximately 225 servers for computing which have 96 CPU cores and a minimum of 256GB random-access memory (RAM). The specifications of servers we plan to acquire are based on current market offerings. We will assess from time to time and select the most competitive and cost-effective models of servers based on market conditions and technological advancements.

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Specifically, we plan to create more solutions in five major scenarios. In the smart new media scenario, we plan to enhance the design and management of intelligent filming, intelligent media resources, intelligent editing and provide other solutions for television broadcasting media, and increase our television broadcasting customers. In the visual networking scenario, we plan to develop a solution for the agricultural setting, which includes connecting camera directly on cloud and AI processing of gathered data, thereby improving the digitization in agriculture and improving efficiency. In the metaverse scenario, we plan to create digital persons for marketing purpose. We plan to design 2D and 3D digital person, that closely resemble humans in appearances, expressions and interactions. These digital persons can showcase their marketing functions through live streaming. Further, through the use of deep learning technology, customers' marketing can be enhanced using user feedback on these digital persons' performance;

2) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used for enhancing our sales and marketing function. Specifically, over the next 36 to 60 months, we intend to use approximately HK$**[REDACTED]** million to (i) host nationwide and regional summits, forums and exhibitions inviting potential business partners including customers and media platforms; and (ii) enhance our brand image through online channels such as search engines, social media platforms and targeted advertising. We believe that investment in sales and marketing activities will help us achieve market acceptance, reinforce our market position and enlarge our customer base.

3) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used to recruit personnel for developing and accumulating more in-depth scenarios in APaaS. We expect to recruit a total of approximately 25 additional engineers with a bachelor's degree or above and more than five years of relevant experience in the areas of software engineering or industry experience related to our five major scenarios of APaaS with competitive compensation at an average annual remuneration of approximately RMB600,000 to RMB700,000 over the next 60 months.

(b) **Approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED] million, is expected to be used for expanding our overseas business over the next 36 to 60 months, including:**

1) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used for enhancing our overseas IT infrastructure to support the growth in our customer base and traffic as well as our CDN system to enhance network efficiency by managing and optimizing the workload of the servers through real-time optimization and distribution. Specifically, we plan to improve our system and increase server capacity and bandwidth for our overseas customers by purchasing approximately 350 servers and additional network and bandwidth;

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2) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used for establishing local teams in regions and countries including Hong Kong and Southeast Asia where the audiovisual industry is at an early development stage and has large growth potential. We are currently actively searching for suitable talents in Southeast Asia with the objective of market expansion. We plan to establish a team capable of local operations in the second half of 2024 or the first half of 2025 as we expand our overseas business. We plan to expand our presence and customer base by setting up overseas operation teams with local experience and international perspective to provide local operational support and customer service. Specifically, we plan to recruit teams of approximately seven, seven and three members, each with a bachelor's degree or above and more than five years of relevant experience in marketing or operations in Hong Kong, Singapore and Vietnam, respectively, to provide customer service and conduct local marketing and brand promotion activities. The newly recruited team members in Hong Kong are expected to be paid an average annual remuneration of approximately RMB800,000 to RMB1,000,000. The newly recruited team members in Singapore are expected to be paid an average annual remuneration of approximately RMB1,000,000 to RMB1,200,000. The newly recruited team members in Vietnam are expected to be paid an average annual remuneration of approximately RMB400,000 to RMB500,000. We also plan to lease office spaces in the corresponding overseas market as our branch offices. The expected annual rental cost for leasing office space in Singapore and Vietnam is approximately RMB500,000 and RMB120,000, respectively.

(c) **Approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED] million, is expected to be used for enhancing our research and development capabilities and improving our technology infrastructure, including:**

1) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used for building our AIGC capabilities over the next 36 to 60 months. Among which, (i) approximately HK$**[REDACTED]** million is expected to be used to recruit a team of approximately 9 staff members, including four engineers, one product manager, and four operation staff members, each with a master's degree or above and more than seven years of relevant experience in software engineering, product or operation management, or algorithms research. The newly recruited engineers are expected to be paid an average annual remuneration of approximately RMB1,000,000 to RMB1,200,000. The newly recruited product manager is expected to be paid an average annual remuneration of approximately RMB800,000 to RMB1,000,000. The newly recruited operation staff members are expected to be paid an average annual remuneration of approximately RMB500,000 to RMB600,000; (ii) approximately HK$**[REDACTED]** million is expected to be used to purchase a total of approximately 17 servers with sufficient data storage capacities and purchase high performance cloud computing services.

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Specifically, we plan to increase investment in our 3D content generation platform which is currently under development to further improve the accessibility and content generation efficiency of the platform. We have completed preliminary technology research for our 3D content generation platform and are developing and improving functionalities and features of the platform. Our 3D content generation platform currently has basic 3D digital person generation, 3D object generation, 3D scene generation, and 3D material and picture generation features and may be used to generate simple 3D content in marketing or gaming scenarios. The purposes of the 3D content generation platform are to provide content generation, script generation, and low-code script drawing functionalities by using AI technologies in the context of 3D scenario generation. We also plan to use more AI technology in 3D creation and rendering and further improve our 3D scenario generation capabilities. Particularly, we plan to optimize 3D generated models and low-precision models that can be used for different scenes. Additionally, we plan to leverage image generation capabilities to generate virtual scene maps. After laying out and segmenting of 3D scenes, we will split small tasks to use basic modeling capabilities and model markets to complete scene construction, thereby overcoming the current shortcomings of 3D model generation. Character animation is also an important part of virtual content. We plan to utilize AI to learn from a large number of videos, extract expressions, movements and animations of persons, animals, game characters, and integrate skeleton-bound animation technology to generate natural character animations that fit seamlessly with the scenes;

2) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK\$**[REDACTED]** million, is expected to be used for upgrading and iterating our low-code platform over the next 36 to 60 months. We expect to recruit approximately seven additional developers with a bachelor's degree or above and more than five years of relevant experience in the areas of software engineering or platform development with competitive compensation at an average annual remuneration of approximately RMB750,000 to RMB900,000 to develop and enhance our low-code platform.

Specifically, we plan to continue to improve three aspects of our low-code platform, namely ease of use, scalability and openness. We also plan to continue to consolidate and optimize our technologies in audiovisual data transmission, compression and rendering.

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(d) **Approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED] million, is expected to be used for selected mergers, acquisitions, and strategic investments, including to continue seeking potential businesses and assets that can supplement or enhance our existing business and are strategically beneficial to our long-term goals in the next 36 to 60 months.** Potential targets include businesses with leading audiovisual or AI technologies complementary to our technology stack, businesses with successful PaaS or SaaS products to broaden our customer base, among others. In selecting acquisition and investment opportunities, we will take into account a number of considerations, including our strategic goals and the target company's market position, management experience, valuation, track record and financial performance. We will select target companies: (i) at a growing stage, (ii) led by senior management with more than five years of experience, (iii) with a successful track record offering PaaS or SaaS products, with robust IPs, talent and technical skills in the audiovisual or AI technologies that we can leverage to expand our capabilities, and (iv) with average annual revenue of at least RMB50 million for the past three years and with a valuation ranging from RMB100 million to RMB500 million (subject to future market condition, industry development and valuation multiples such as price-to-sales ratios and price-to-earnings ratios of comparable companies). We primarily consider targets located in China and we understand that such targets are available in the industry. According to iResearch, there are over 20 targets that match our criteria in China.

As of the Latest Practicable Date, we had not identified any specific acquisition target, or adopted a concrete timetable or expected capital expenditure plan to implement any acquisition, and we had not entered into any agreements, commitments or understandings with respect to any such transaction, to which we plan to apply the **[REDACTED]** from the **[REDACTED]**. The timetable for the deployment of the **[REDACTED]** will be subject to the identification of suitable targets, market conditions and the opportunistic nature of strategic acquisitions.

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(e) **Approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED] million, is expected to be used for working capital and general corporate purposes.**

The table below sets forth the expected implementation timetable of our planned use of our **[REDACTED]**:

	For the year ending December 31,					
	2024	**2025**	**2026**	**2027**	**2028**	**Total**
	(HK$ in millions)	*(HK$ in millions)*	*(HK$ in millions)*	*(HK$ in millions)*	*(HK$ in millions)*	*(HK$ in millions)*
Penetrating and deepening our presence in the application scenarios of our APaaS business and developing and expanding our customer base						
Purchasing network and bandwidth and servers	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhancing our sales and marketing function						
– enhancing our brand awareness through online channels	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Recruiting personnel for developing and accumulating more in-depth scenarios in APaaS	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expanding our overseas business						
Enhancing our overseas IT infrastructure	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Establishing local teams in various regions and countries	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhancing our research and development capabilities and improving our technology infrastructure						
Building our AIGC capabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Upgrading and iterating our low-code platform	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Selected mergers, acquisitions, and strategic investments	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and general corporate purposes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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The above allocation of the **[REDACTED]** will be adjusted on a pro rata basis in the event that the **[REDACTED]** is fixed at a higher or lower level compared to the **[REDACTED]** of the **[REDACTED]** range or the **[REDACTED]** is exercised.

If the **[REDACTED]** is fixed at HK$**[REDACTED]** per **[REDACTED]** (being the high end of the **[REDACTED]** range) and assuming the **[REDACTED]** is not exercised, we will receive **[REDACTED]** of approximately HK$**[REDACTED]** million, after deduction of **[REDACTED]** and expenses related to the **[REDACTED]**.

If the **[REDACTED]** is fixed at HK$**[REDACTED]** per **[REDACTED]** (being the low end of the **[REDACTED]** range) and assuming the **[REDACTED]** is not exercised, we will receive **[REDACTED]** of approximately HK$**[REDACTED]** million, after deduction of **[REDACTED]** and expenses related to the **[REDACTED]**.

In the event that the **[REDACTED]** is exercised in full, we will receive additional **[REDACTED]** ranging from approximately HK$**[REDACTED]** million (assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the low end of the **[REDACTED]** range) to HK$**[REDACTED]** million (assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the high end of the **[REDACTED]** range), after deduction of **[REDACTED]** and expenses related to the **[REDACTED]**.

If the **[REDACTED]** of the **[REDACTED]** are not immediately used for the purposes described above, they will be only be placed in 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).