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## FUTURE PLANS AND [REDACTED]

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### FUTURE PLANS

Please refer to the section headed “Business — Business Strategies” in this document for a detailed description of our future plans.

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Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the stated range of the [REDACTED] between HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED]), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] after deducting the [REDACTED] and commissions and estimated expenses payable by us in connection with the [REDACTED], if the [REDACTED] is not exercised.

In the event the [REDACTED] is exercised in full and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the stated range of the [REDACTED] between HK\$[REDACTED] and HK\$[REDACTED] per H Share), we will receive additional [REDACTED] of approximately HK\$[REDACTED] million.

If the [REDACTED] is fixed at HK\$[REDACTED] per H Share, being the high end of the stated range of the [REDACTED], our [REDACTED] will be (i) increased by approximately HK\$[REDACTED] million, assuming the [REDACTED] is not exercised, and (ii) increased by approximately HK\$[REDACTED] million, assuming the [REDACTED] is exercised in full. If the [REDACTED] is fixed at HK\$[REDACTED] per H Share, being the low end of the stated range of the [REDACTED], our [REDACTED] will be (i) decreased by approximately HK\$[REDACTED] million, assuming the [REDACTED] is not exercised, and (ii) increased by approximately HK\$[REDACTED] million, assuming the [REDACTED] is exercised in full.

We intend to use the [REDACTED] of the [REDACTED] for the purposes and in the amounts set out below assuming that the [REDACTED] is not exercised and the [REDACTED] is fixed at HK\$[REDACTED] per H Share (being the mid-point of the stated range of the [REDACTED]):

- **Offline business development.** Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for the establishment of an offline digital warehousing and distribution network, as well as a repair service network targeting at commercial automobile aftermarket, including:
  - (i) Offline digital warehousing and distribution system for components and digital centralised warehouses. Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for establishing an offline digital warehousing and distribution system for components, together with the digital centralised warehouses. The establishment of the offline digital warehousing and distribution system was our active response to the fast development of modern supply chain service, in particular the need of high logistics efficiency, low inventory storage and digitalised management of massive products. By using such offline digital warehousing and distribution system, all the components and materials will be labelled with radio-frequency identification tags, which will facilitate automatic data collection through IoT equipment during the process of materials receipt, warehouse management and outbound distribution. As such, the overall timeliness and accuracy of information relating to our supply chain

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services will be further enhanced, which in turn will enable us to conduct real-time inventory check, improve the utilisation rate of our warehousing and distribution resources as well as the overall work efficiency and lay a solid foundation for operation automation in the future. For further details, please refer to the section headed “Business – Business Strategies – We adopt both offline and online measures to improve the commercial automobile aftermarket service offerings – Offline business development” in this document. In addition, we intend to establish 15 high-standard digital centralised warehouses for components of commercial automobile in the next three years. Each centralised warehouse will enable us to maintain a regular inventory of highly consumable components and materials and obtain the capability for instant delivery. Being different from our ten warehouses and logistics centres for provision of automobile manufacturing supply chain service, which are dedicated to facilitating the manufacturing of commercial automobiles, our digital centralised warehouses aim to provide direct purchase and fast distribution of components for the existing reserve market of commercial automobiles, in particular to serve the areas with concentrated needs of components consumption. The network of our digital centralised warehouses provides extensive geographic coverage in China, including (a) three cities in Eastern China, namely Jinan City, Danyang City and Hangzhou City, (b) four cities in Central China, namely Huainan City, Shiyan City, Zhengzhou City and Changsha City, (c) four cities in Northern China, namely Beijing City, Taiyuan City, Shijiazhuang City and Shenyang City, and (d) four city in Western China, namely Urumqi City, Xi’an City, Chengdu City and Chongqing City. Such network enables us to provide competitive service at the national level and ensure the timeliness and efficiency of our delivery of components to all the potential customers. For further details, please refer to the section headed “Business – Business Strategies – We adopt both offline and online measures to improve the commercial automobile aftermarket service offerings – Offline business development” in this document. In particular:

- approximately HK\$[REDACTED] million will be used for the establishment of regular inventory of components. Such components generally include tyres, lubricants and other regular components for daily consumption by commercial automobiles. The calculation of the regular inventory of components takes into consideration of the following factors: (a) the estimated number of commercial automobiles to be served by us based on the total number of commercial automobiles manufactured by Shaanxi Heavy Duty Automobile and Shaanxi Commercial Automobile in the region covered by the relevant digital centralised warehouses by reference to the statistics provided by the relevant insurance industry associations, (b) the prevailing market price for ordinary commercial automobile repair and maintenance service per time, (c) the frequency for the need of ordinary commercial automobile repair and maintenance service each year, (d) the regular inventory reserve ratio by reference to the industrial average statistics. After due consideration of all the aforementioned factors, the regular inventory of components will be maintained at approximately HK\$[REDACTED] million for each of the 14 digital centralised warehouse (excluding the digital centralised warehouse located at Xi’an). As the digital centralised warehouse located at Xi’an will become a hub warehouse of the whole network, the regular inventory of components for this warehouse would increase to approximately HK\$[REDACTED] million;

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- approximately HK\$[REDACTED] million will be used for the purchase of warehousing facility, investment in equipment and logistics information system software. The warehousing facility generally includes goods shelves, high-level forklifts, ordinary forklifts, pallet trucks and ancillary pallets for storage and transporting the regular inventory of components. After due consideration of the need of the warehousing facility for establishment of 15 high-standard digital centralised warehouses as mentioned above, we will use approximately HK\$[REDACTED] million for the purchase of warehousing facility. In addition, the equipment and logistics information system software include system servers, jump servers, supervision system software, firewall system software and dedicated operation and maintenance system for the development and operation of our offline digital warehousing and distribution system for components. After due consideration of the performance requirement of our offline digital warehousing and distribution system for components and by comparison with similar system used in the supply chain industry, we will use approximately HK\$[REDACTED] million for the investment in equipment of logistics information system software;
- approximately HK\$[REDACTED] million will be used to pay the expenses relating to site, personnel and sales. In particular, with regard to the personnel arrangement, we plan to recruit additional 57 persons for the routine operation of the 15 digital centralised warehouses we plan to establish. Such 57 persons would be divided into: (a) 12 persons at the senior level providing overall management of these 15 digital centralised warehouses, including one principal taking charge of the general management, four persons being responsible for sales of components (including one sales manager and three sales representatives), two persons being responsible for purchase of components (including one purchase manager and one purchase representative), three persons providing technical support in relation to components (including one technical manager and two technical support staff) and two persons taking charge of financial and administrative affairs. In relation to the principal taking charge of the general management, we aim to recruit a talent with bachelor’s degree or above in automobile or mechanical engineering who also has over five years’ experience in team leading and management. In relation to other staff at the senior level, we aim to recruit talents with associate degrees or above in marketing, automobile, mechanical engineering, financial management or administration according to the different positions, who generally have at least three years’ work experience in the relevant business areas, and (b) 45 persons providing management service at the frontline, including one principal, one warehouse keeper and one operation planner for each of the 15 digital centralised warehouses. In relation to the principals of the digital centralised warehouses, we aim to recruit talents with bachelor’s degree or above who also have over three years’ experience in sales of components and warehouse management. In relation to other staff of the digital centralised warehouse, we aim to recruit talents with degrees from technical secondary schools or above who generally have at least one year’s experience in warehouse management or components coding according to the different positions.

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For the period from the Latest Practicable Date to 31 December 2022 and the four years ended 31 December 2023, 2024, 2025 and 2026, we estimate to use approximately HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million and HK\$[REDACTED] million, respectively, for the hardware, personnel and ancillary expenses in relation to the establishment of an offline digital warehousing and distribution system for components. In particular, we expect to:

- (a) complete the construction of 2 offline digital warehouses for components during the period from the Latest Practicable Date to 31 December 2022;
- (b) (1) complete the construction of 5 offline digital warehouses for components, and (2) commence the establishment of logistics information system, for the year ended 31 December 2023;
- (c) (1) complete the construction of 8 offline digital warehouses for components, and (2) commence the operation of warehousing facilities, and (3) complete the establishment of logistics information system and commence full operation, for the year ended 31 December 2024;
- (d) (1) complete upgrading the logistics information system, and (2) expand the coverage of offline digital warehousing and distribution system, for the year ended 31 December 2025; and
- (e) complete the radio-frequency identification tags labelling for all the components and materials for the year ended 31 December 2026.

Our establishment of an offline digital warehousing and distribution system for components is expected to be fully completed by the end of 2026.

- (ii) Commercial automobile repair and service network. Approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for the establishment of the commercial automobile repair service network. At present, each repair service station has its own repair service procedure, repair tools and visual identification image, where the service quality and overall customer experience might not be maintained in a standardised and consistent manner. Through the establishment of commercial automobile repair and service network, we will provide unified digital repair tools and visual identification image standards for the franchised repair service stations. For further details, please refer to the section headed “Business – Business Strategies – We adopt both offline and online measures to improve the commercial automobile aftermarket service offerings – Offline business development” in this document.

For the period from the Latest Practicable Date to 31 December 2022 and the four years ended 31 December 2023, 2024, 2025 and 2026, we estimate to use approximately HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million and HK\$[REDACTED] million, respectively, for the hardware and ancillary expenses in relation to the establishment of the repair service network. In particular, we expect to:

- (a) (1) complete the construction of digital repair tools system and establish visual identification image standards, and (2) commence the establishment of trial service points for the repair service network, during the period from the Latest Practicable Date to 31 December 2022;

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- (b) expand the repair service network based on the performance of the trial service points in 2021 and the need of marketing planning for the year ended 31 December 2023;
- (c) further expand the repair service network through operation optimisation, enhancement of business operation and brand building for the year ended 31 December 2024;
- (d) further timely adjust the density of the service points in repair service network pursuant to the latest market conditions and customer needs for the year ended 31 December 2025; and
- (e) complete the expansion of the repair service network with full capability to provide repair service for the year ended 31 December 2026.

Our establishment of the repair service network is expected to be fully completed by the end of 2026.

For further details, please refer to the section headed “Business — Business Strategies — We adopt both offline and online measures to improve the commercial automobile aftermarket service offerings” in this document.

- **Online business development.** Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for ongoing establishment of online service platform for commercial automobile aftermarket (being our **CLGG Online Platform**). Based on our existing CLGG Online Platform, we will carry out a system upgrade and development in order to establish a unified online service platform for users, including:
  - (i) approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for the development and operation of the service platform for aftermarket business, including providing end-users with information and purchase channel of aftermarket products and commercial automobile repair services, and [REDACTED] aftermarket product and service suppliers registered on the platform with order management, statistical analysis and other business management services. Such service platform for aftermarket business is an indispensable component of our CLGG Online Platform, which provides information of aftermarket products together with quality services at the same time and enables the customer to enjoy an one-stop shop experience in a convenient manner. For further details, please refer to the section headed “Business – Business Strategies – We adopt both offline and online measures to improve the commercial automobile aftermarket service offerings – Online business development” in this document.

For the period from the Latest Practicable Date to 31 December 2022 and the three years ended 31 December 2023, 2024 and 2025, we estimate to use approximately HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million and HK\$[REDACTED] million, respectively, for the hardware and ancillary expenses in relation to the development and operation of the service platform for aftermarket business. In particular, we expect to:

- (a) complete the initial establishment of the service platform for aftermarket business by providing basic functions such as ordering aftermarket products and related services during the period from the Latest Practicable Date to 31 December 2022;

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## FUTURE PLANS AND [REDACTED]

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- (b) (1) complete the enhancement of business offerings on the service platform for aftermarket business and provide additional functions such as status enquiry in relation to ordered long-term service, and (2) complete connecting the service platform for aftermarket business with digital warehousing system as well as franchisee management platform at the operation level for initial information exchange, for the year ended 31 December 2023;
- (c) (1) complete connecting the service platform for aftermarket business with digital warehousing system as well as franchisee management platform in the background system, and (2) further improve the service platform for aftermarket business by providing additional functions such as ordering commercial automobile repair services, for the year ended 31 December 2024; and
- (d) (1) complete the unified brand promotion and client service enhancement for the service platform for aftermarket business, and (2) coordinate with digital warehousing system to achieve dynamic monitoring of the inventories and automatic allocation among the warehouses, for the year ended 31 December 2025.

Our development and operation of the service platform for aftermarket business is expected to be fully completed by the end of 2025.

- (ii) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for the development and operation of an online digital warehousing system for components centralised warehouses. Such system provides indispensable software support to the aforementioned 15 high-standard digital centralised warehouses for components of commercial automobiles, and enables the operation of the warehouses to be undertaken with support of an advanced technical system. In addition, through the development of operation of such system, we would be placed at the frontline of modern supply chain service advancement and our core competence would be enhanced to face the competitive market. Such system include the use of VR technology to establish a virtual centralised warehouses, visualised control the inventory of each type of components in different centralised warehouses, the use of AI technology to form a dynamic trend map of the distribution of components in the network, realising the intelligent inventory and allocation management of components, thereby enabling us to efficiently distribute and dispatch components to better meet the repair needs of end users. For further details, please refer to the section headed “Business – Business Strategies – We adopt both offline and online measures to improve the commercial automobile aftermarket service offerings – Online business development” in this document.

For the period from the Latest Practicable Date to 31 December 2022 and the three years ended 31 December 2023, 2024 and 2025, we estimate to use approximately HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million and HK\$[REDACTED] million, respectively, for the hardware and ancillary expenses in relation to the development and operation of a digital warehousing system for components centralised warehouses. In particular, we expect to:

- (a) complete the initial establishment of the digital warehousing system for components centralised warehouses with capability to provide information system support to offline digital warehousing and distribution network during the period from the Latest Practicable Date to 31 December 2022;

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## FUTURE PLANS AND [REDACTED]

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- (b) complete connecting the digital warehousing system for components centralised warehouses with the service platform for aftermarket business at the operation level to realise automatic transfer of commercial automobile repair order for the year ended 31 December 2023;
- (c) (1) complete connecting the digital warehousing system for components centralised warehouses with the service platform for aftermarket business in the background system for unified management of inventories, and with franchisee management platform for provision of centralised purchasing of components by the franchisees, (2) complete the establishment of virtual centralised warehouses, (3) complete the visualised control of the components inventories in different centralised warehouses, and (4) commence the component allocation management among the different centralised warehouses, for the year ended 31 December 2024; and
- (d) (1) complete the establishment of input, output and inventory models for components in centralised warehouses under the digital warehousing system, and (2) complete the establishment of dynamic trend map of the distribution of components to enable automatic distribution and dispatching among the different centralised warehouses, for the year ended 31 December 2025.

Our development and operation of a digital warehousing system for components centralised warehouses is expected to be fully completed by the end of 2025.

- (iii) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for the development and operation of online service and franchisee management platform. In particular, with the estimated fast development of our CLGG Online Platform in the future, we expect that the administration of our franchisees would bring in additional workload for our daily business operations. In order to manage such foreseeable workload in an efficient manner, it is crucial for us to develop and operate this online service and franchise management platform, which also lays a solid foundation for long-term sustainable development of our CLGG Online Platform. Through such platform, we can review the franchise application and conduct business management, assessment and rating for them, etc. For further details, please refer to the section headed “Business – Business Strategies – We adopt both offline and online measures to improve the commercial automobile aftermarket service offerings – Online business development” in this document.

For the period from the Latest Practicable Date to 31 December 2022 and the three years ended 31 December 2023, 2024 and 2025, we estimate to use approximately HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million and HK\$[REDACTED] million, respectively, for the hardware and ancillary expenses in relation to the development and operation of online service and franchisee management platform. In particular, we expect to:

- (a) complete the initial establishment of online service and franchisee management platform to undertake management of franchise application and business management during the period from the Latest Practicable Date to 31 December 2022;

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## FUTURE PLANS AND [REDACTED]

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- (b) complete connecting the online service and franchisee management platform with the service platform for aftermarket business at the operation level to achieve automatic transfer of service orders from end-users for the year ended 31 December 2023;
- (c) (1) complete connecting the online service and franchisee management platform with the service platform for aftermarket business in the background system, and (2) complete the provision of components purchase for franchisees on the online service and franchisee management platform and enhancement of the functions for business management, for the year ended 31 December 2024; and
- (d) (1) complete the assessment and rating of franchisees through the online service and franchisee management platform, and (2) coordinate with digital warehousing system to achieve dynamic monitoring of franchisee’s components and allocation alert, for the year ended 31 December 2025.

Our development and operation of online service and franchisee management platform is expected to be fully completed by the end of 2025.

- (iv) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for the development and operation of intelligent repair and training platform. The fast development of existing reserve market of commercial automobile is essentially supported by the provision of efficient commercial automobile repair service, which is in turn supported by massive external professional repair and maintenance personnel. In addition, with the fast development of commercial automobile, the trainings and skills for such personnel is also constantly updating. Based on our close cooperation with a wide range of commercial automobile manufacturers, we are well positioned to seize the business opportunity of providing training for commercial automobile repair services to various external professional repair and maintenance personnel and the development and operation of intelligent repair and training platform enables us to deeply tap the potential of this market. On this platform, we will provide visualised training of repair and maintenance skills for franchisees, fleets, drivers and company business personnel by setting up 3D module for main commercial automobile sales models and key components through VR technology, realise rapid positioning of potential failure points through AI technology and IoV data, reduce the automobile failure rate in order to ultimately improve the end-users driving experience. For further details, please refer to the section headed “Business – Business Strategies – We adopt both offline and online measures to improve the commercial automobile aftermarket service offerings – Online business development” in this document. In particular:
  - approximately HK\$[REDACTED] million will be used for the purchase of core hardware such as VR tools, digital training accessories, servers and network security equipment;
  - approximately HK\$[REDACTED] million will be used for the establishment of core teams, expert consultation, application promotions and other expenses.

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For the period from the Latest Practicable Date to 31 December 2022 and the three years ended 31 December 2023, 2024 and 2025, we estimate to use approximately HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million and HK\$[REDACTED] million, respectively, for the hardware and ancillary expenses in relation to the development and operation of intelligent repair and training platform. In particular, we expect to:

- (a) complete the initial establishment of intelligent repair and training platform by setting up training database and providing basic practicable training programmes during the period from the Latest Practicable Date to 31 December 2022;
- (b) (1) complete setting up 3D modules for certain main commercial automobile sales models through cooperation with the relevant commercial automobile manufacturers, and (2) enhance the training programmes on safe driving for drivers through application of VR technology, for the year ended 31 December 2023;
- (c) (1) complete setting up 3D modules for all main commercial automobile sales models and key components, and (2) enhance the training programmes on repair and maintenance skills for commercial automobile repair staff, for the year ended 31 December 2024; and
- (d) (1) achieve rapid malfunctioning probability calculation and positioning of potential failure points through AI technology and IoV data, and (2) achieve remote diagnosis and repair coaching through utilising VR technology for on-site repair staff in relation to complicated commercial automobile failure, for the year ended 31 December 2025.

Our development and operation of intelligent repair and training platform is expected to be fully completed by the end of 2025.

For further details, please refer to the section headed “Business — Business Strategies — We adopt both offline and online measures to improve the commercial automobile aftermarket service offerings” in this document.

- **Our core IoV technology and data service capabilities.** Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used to enhance the core technology capabilities and data service capabilities of IoV and data service sector, including:
  - (i) IoV base facility. Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for the establishment of IoV technology base facility, mainly including:
    - IoV private cloud and hardware system. Approximately HK\$[REDACTED] million will be used for the development of IoV private cloud and hardware system upgrade. With the fast development of our IoV and data service business, the data we collect is increasing in a rapid manner, which requires more and more hardware support in order to provide stable and speedy analysis for massive amount of data. As such, the development of IoV private cloud and hardware system upgrade meets such needs of IoV and data service business. In addition, such upgrade

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can improve the security and exclusivity of our IoV data and lay a solid foundation for our data analysis and building capabilities for our data products. For further details, please refer to the section headed “Business — Business Strategies — We focus on improving the core IoV technology and data service capabilities in order to consolidate our advantages — Our IoV platform” in this document;

- Expansion of office place. Approximately HK\$[REDACTED] million will be used for the expansion of office place for IoV research and development personnel. In relation to our office place, our current place is not sufficient to meet the needs of our development, particularly after considering the expansion of our research and development team and the adding of new research and development hardware. As such, our office place need to be expanded accordingly. In terms of place expansion, the size of office place for research and development personnel will be increased to 3,350 square metres from the existing 1,910 square metres. For further information, please refer to the section headed “Business — Business Strategies — We focus on improving the core IoV technology and data service capabilities in order to consolidate our advantages — Data analysis capabilities — (i) Expansion of office areas” in this document.

For the period from the Latest Practicable Date to 31 December 2022 and the two years ended 31 December 2023 and 2024, we estimate to use approximately HK\$[REDACTED] million, HK\$[REDACTED] million and HK\$[REDACTED] million, respectively, for the software (including IoV private cloud) and hardware, working space and ancillary expenses in relation to the establishment of IoV technology base facility. In particular, we expect to:

- (a) complete the planning for IoV private cloud and the construction of the technology background environment, during the period from the Latest Practicable Date to 31 December 2022;
- (b) complete the expansion of IoV private cloud and the full data integration for the year ended 31 December 2023; and
- (c) complete (1) the enhancement the data security mechanism and the overall security classification accreditation for IoV private cloud, and (2) the device commissioning, for the year ended 31 December 2024.

Our establishment of IoV technology base facility is expected to be fully completed by the end of 2024.

- (ii) Research and development capabilities. Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used to enhance our research and development capabilities, mainly including:
  - approximately HK\$[REDACTED] million will be used for the expansion of our research and development team. We aim to extensively recruit about 481 outstanding talents in order to expand into a professional IoV research and development team with diverse backgrounds. The 481 talents we aim to recruit to enhance our core IoV technology and data service capabilities could be mainly divided into three categories,

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including: (a) 251 talents for development of our IoV related technologies application solutions. Such staff will focus on exploring the various potential needs of our customers and develop relevant products as solutions addressing the difficulties encountered by the customers, including 114 staff for Java development, 23 staff for IOS, Android and other development, 14 staff for system operation and testing and 100 staff for product design and operation. We aim to recruit talents with bachelor’s degrees or above who are also proficient at mastering the relevant software or system for undertaking the work, (b) 67 talents for development of our intelligent IoV products. Such staff will focus on hardware design and embedding technology development, which will ensure our intelligent IoV products are always in line with the technology advancement, including 21 staff for hardware design, 41 staff for software embedding technology and five staff for system maintenance. We aim to recruit talents with bachelor’s degrees or above in computer science or software engineering who also have at least three years’ work experience in the relevant areas, and (c) 100 talents for research of big data and artificial intelligence technologies. Such staff will primarily work in the big data research centre we plan to establish and focus on the optimisation of data collection, storage, calculation and analysis through applying the latest technology, including 56 staff for data development, 12 staff for data analysis, 22 staff for algorithm design and 10 staff for system maintenance. We aim to recruit talents with bachelor’s degrees or above in mathematics or information and computing science who are also proficient at mastering the relevant data processing technologies for undertaking the work. For further details, please refer to the section headed “Business — Business Strategies — We focus on improving the core IoV technology and data service capabilities in order to consolidate our advantages — Data analysis capabilities — (ii) Expansion of our research and development team” in this document;

- approximately HK\$[REDACTED] million will be used for the continuous upgrade of our software and hardware research and development system. It mainly includes the middle research and development platform, which provides a flexible and efficient structure meeting the needs of fast reaction from top platform and the needs of stability from foundation platform. The development of middle platforms will also enable us to avoid the high expenses caused by duplicated infrastructure development, which in turn improves the efficiency of our business operations. Through the establishment of the middle data platform, middle business platform, middle technology platform and middle management platform, we can achieve the standardisation and stability of our foundation platform and reduce the application development cost. We will also establish big data research centre and undertake the research of big data and artificial intelligence technologies, in order to fully tap the potential value of data and place us at the frontline of industry development. For further details, please refer to the section headed “Business — Business Strategies — We focus on improving the core IoV technology and data service capabilities in order to consolidate our advantages — Data analysis capabilities — (iii) Upgrade of our software and hardware research and development team” in this document.

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## FUTURE PLANS AND [REDACTED]

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For the period from the Latest Practicable Date to 31 December 2022 and the four years ended 31 December 2023, 2024, 2025 and 2026, we estimate to use approximately HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million and HK\$[REDACTED] million, respectively, for the software and hardware, personnel and ancillary expenses in relation to enhancement of research and development capabilities. In particular, we expect to:

- (a) (1) commence the recruitment of data analysis talents to set up the professional IoV research and development team, (2) commence the research for establishment of IoV data research centre, and (3) complete the unification of the specification for data storage and the unification of the business scenarios and models, during the period from the Latest Practicable Date to 31 December 2022;
- (b) (1) complete the research, project approachment and finalisation of the construction plan for IoV data research centre, (2) accomplish the standardised output and search of data storage and calculation results, and (3) accomplish the retrieval of the full flow of business scenarios through middle business platform, for the year ended 31 December 2023;
- (c) (1) complete the unified output of all IoV products through standardised middle data platform, (2) complete the accreditation of all IoV products and external data interface pursuant to technical permissions by middle business platform, and (3) initially complete the establishment of IoV data with established base data and algorithm, for the year ended 31 December 2024;
- (d) complete the development of competence for artificial intelligence technologies in order to be prepared for undertaking artificial intelligence analysis for the year ended 31 December 2025; and
- (e) (1) complete the establishment of IoV data research centre, and (2) develop analysis capabilities in relation to data, image, video and audio, for the year ended 31 December 2026.

Our enhancement of research and development capabilities is expected to be fully completed by the end of 2026.

- (iii) Diversified data products and data services. Approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for the continuous development of IoV technology products and big data as well as industry application products, including:
  - approximately HK\$[REDACTED] million will be used for the continuous development and upgrade of IoV products and terminal products adaptive to 5G telecommunication environment. As 5G technology gradually becomes the new standard of telecommunication industry, all our IoV products and terminal products must be compatible with 5G telecommunication environment in order to be equipped with the basic data carriage capacity for development in the foreseeable future. For further information, please refer to the section headed “Business — Business Strategies — We focus on improving the core IoV technology

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and data service capabilities in order to consolidate our advantages — Diversified data products and data services — (iii) development of IoV and data solutions” in this document;

- approximately HK\$[REDACTED] million will be used for the development and operation of big data and industry application products and platform, including but not limited to: (1) over-the-air (OTA) platform development and operation, which uses Tianxingjian channel to remotely upgrade the components embedded software in order to reduce the cost of our after-sales service and improve our service efficiency. With the upgrade of electrical architecture of commercial automobile, the need of upgrade through OTA will further increase and our development and operation of an OTA platform will provide a systematic response to such market demand. For further details, please refer to the section headed “Business — Business Strategies — We focus on improving the core IoV technology and data service capabilities in order to consolidate our advantages — Diversified data products and data services — (ii) over-the-air (OTA) platform development and operation” in this document; (2) development and operation of data quality inspection platform for electronic components, which uses such platform to conduct screening test for electronic components, and assists components suppliers to ensure the quality of components and automobile products since the beginning. In particular, due to the limited resources owned by commercial automobile manufacturer for electronic components inspection, the waiting period for components suppliers to go through such inspection has always been prolonged. Through our development and operation of data quality inspection platform for electronic components, we can assist both commercial automobile manufacturers and components suppliers to address their practical problems and explore a new market for our development. For further details, please refer to the section headed “Business — Business Strategies — We focus on improving the core IoV technology and data service capabilities in order to consolidate our advantages — Diversified data products and data services — (i) development of data service products” in this document; and (3) development and operation of data assets trading platform, which integrates internal and external data resources, and provision of data demanding side with fast data matching transaction in order to achieve rapid data output and automatic settlement. In particular, a data assets trading platform will avoid the problems of low efficiency, high cost and slow response of customised data service and enable the data demand side to obtain the desired data in a speedy manner, which in turn increases the overall value of the internal and external data resources. For further information, please refer to the section headed “Business — Business Strategies — We focus on improving the core IoV technology and data service capabilities in order to consolidate our advantages — Diversified data products and data services — (iii) development of IoV and data solutions” in this document.

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## FUTURE PLANS AND [REDACTED]

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For the period from the Latest Practicable Date to 31 December 2022 and the four years ended 31 December 2023, 2024, 2025 and 2026, we estimate to use approximately HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million and HK\$[REDACTED] million, respectively, for the software and hardware and ancillary expenses in relation to continuous development of IoV technology products and big data as well as industry application products. In particular, we expect to:

- (a) (1) complete the relevant accreditation and sample production of 2 types of new IoV products, (2) complete the development of OTA platform and IoV terminal product, (3) complete the development plan of inspection centre for electronic components, and (4) complete the initial establishment of basic data assets trading platform, during the period from the Latest Practicable Date to 31 December 2022;
- (b) (1) complete the relevant accreditation and sample production of additional 3 types of new IoV products, (2) complete the development of remote upgrading capabilities in complex environment and under multitude conditions for OTA platform, as well as the improvement of the encryption system, (3) complete the equipment selection, purchase and accreditation application of inspection centre for electronic components, and (4) complete the establishment of the settlement system for the data assets trading platform, for the year ended 31 December 2023;
- (c) (1) complete the relevant accreditation and sample production of additional 3 types of new IoV products, (2) complete the development of the base for remote upgrading of compatible electrical units of commercial automobile, (3) commence the business operations of inspection centre for electronic components, (4) complete the establishment of multi-party data assets trading platform through introduction of third party data, for the year ended 31 December 2024;
- (d) complete the development of data analysis service system for data assets trading platform for the year ended 31 December 2025; and
- (e) complete the full establishment of data assets trading platform for the year ended 31 December 2026.

Our continuous development of IoV terminal products and big data as well as industry application products is expected to be fully completed by the end of 2026.

For further details, please refer to the section headed “Business — Business Strategies — We focus on improving the core IoV technology and data service capabilities in order to consolidate our advantages” in this document.

- approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for the replenishment of general working capital.

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## FUTURE PLANS AND [REDACTED]

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

To the extent that the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we will only place [REDACTED] in short-term interest-bearing accounts such as bank deposits with licensed banks and/or authorised institutions in Hong Kong or the PRC.