
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

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

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [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 [REDACTED], being the midpoint of the indicative [REDACTED] stated in this Document.

In line with our strategies, we intend to use the net [REDACTED] for the following purposes, subject to changes with respect to our evolving business needs and changing market conditions:

- **Approximately [REDACTED]% or HK\$[REDACTED] of the net [REDACTED] will be allocated to research and development to reinforce our technological leadership.**
 - (i) Approximately [REDACTED]% or HK\$[REDACTED] of the net [REDACTED] will be allocated to accelerating our product innovation, including the development of new products and the enhancement of existing product performance, which will be achieved mainly through strategic investments in three key areas: (a) top-tier talent acquisition, (b) advancing testing and prototyping capabilities, and (c) expanding experimental projects.

We aim to build a world-class R&D team by hiring additional professionals, including experts with strong academic backgrounds and proven achievements in developing tech-enabled personal creative tools over the next two to three years.

Through these initiatives, we aim to significantly enhance the functionality, quality, and user accessibility of our current products by improving laser power efficiency, optimizing optical and motion systems, and expanding material compatibility. We also plan to broaden our product portfolio by exploring diverse printing technologies and extending our offering across a wider range of price points. These will enable us to address the varied needs of different customer segments and diverse usage scenarios.

- (ii) Approximately [REDACTED]% or HK\$[REDACTED] of the net [REDACTED] will be allocated to advancing our core hardware and software. For hardware, key investments will focus on developing next-generation high-precision motion control systems, enhancing advanced optical components, refining print architecture, and further optimizing motion control to achieve measurable gains in both accuracy and operational speed. For software, we will enhance computer visual recognition, processing path algorithm, 3D modeling, AIGC, material detection, and automated parameter optimization, ensuring seamless integration between our machines and intelligent software platforms.

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These initiatives will be supported by continued hiring of specialized technical talent and the strategic upgrade of our dedicated labs and testing centers for laser-based personal creative tools and material printers, enabling faster prototyping and rigorous performance validation.

All outlined activities are planned for implementation over the next two to three years, to strengthen our technology leadership, improve system efficiency, shorten development cycles, and deliver consistently superior user experiences across our expanding product portfolio.

- **Approximately [[REDACTED]%] or HK\$[REDACTED] of the net [REDACTED] will be used to expand our vibrant overseas user community and enhance our brand awareness.**
 - (i) Approximately [[REDACTED]%] or HK\$[REDACTED] of the net [REDACTED] will be invested in expanding the scale and impact of our online and offline user community over the next 3 years.

For our online community, we will expand the capabilities of our proprietary platform, Atomm, through the introduction of diversified features including AI-powered creative tools to lower user barriers for content creation, Atomm Creator Programs to incentivize high-quality content production, and the launch of Creator Academy to provide support and provide courses for creators, strengthening the foundation for our creator community.

For our offline community, we will strengthen our physical presence by growing the network of xTool Squad and hosting targeted community events, driving both activation and expansion of our offline user base.

Together, these parallel efforts are designed to build a dynamic, interconnected ecosystem that stimulates content sharing, co-creation, and user-driven collaboration, ultimately strengthening brand loyalty and extending the reach and influence of our products.

- (ii) Approximately [[REDACTED]%] or HK\$[REDACTED] of the net [REDACTED] will be used to further strengthening our brand presence across both online and offline channels. Our online branding strategy focuses on measurable, high-impact initiatives, including targeted digital advertising on leading e-commerce platforms and high-traffic video channels to drive conversions and brand visibility, as well as strategic social media engagement through collaborations with selected key opinion leaders. For our offline channels, we plan to deepen partnerships with established retail brands, launch integrated brand campaigns, and implement localized marketing activations to build stronger resonance in key markets.

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- **Approximately [[REDACTED]]% or HK\$[REDACTED] of the net [REDACTED] will be used to enhance our manufacturing capacity and strengthen supply chain resilience.**
 - (i) Approximately [[REDACTED]]% or HK\$[REDACTED] of the net [REDACTED] will be invested in expanding and upgrading our manufacturing facilities in China over the next 3 years. We will scale up our domestic bases through infrastructure enhancements and process optimization, upgrading existing equipment and enhancing manufacturing layout to support scalable growth and ensure consistent product quality. In addition, we will upgrade our supply chain systems through the digitalization of core processes, including the adoption of advanced software solutions and the establishment of after-sales warehouse personnel, rental, and inventory management systems. These investments will enhance both the resilience and cost efficiency of our supply chain operations.
 - (ii) Approximately [[REDACTED]]% or HK\$[REDACTED] of the net [REDACTED] will be dedicated to selective strategic upward investments in the supply chain that aligns with our business strategy. We aim to build a more regionally distributed supplier ecosystem to ensure resilience and cost efficiency. These investments have no fixed timeline or predetermined targets, and may be pursued as suitable opportunities arise. As of the Latest Practicable Date, we have not identified any investment or acquisition target or enter into any definitive investment or acquisition agreement.
- **Approximately [[REDACTED]]% or HK\$[REDACTED] of the net [REDACTED] will be used to expand our overseas operation.**

We plan to scale our overseas operations and upgrade infrastructure in strategically important regions, such as the U.S. and Europe. We will expand our local teams in these key regions and provide comprehensive employee training, ensuring more effective localization of promotional strategies and after-sales support. Through our existing overseas subsidiaries, these measures will enable efficient overseas operations and deliver consistent superior customer service.

- **Approximately [[REDACTED]]% or HK\$[REDACTED] of the net [REDACTED] will be allocated to general corporate purposes, including providing additional working capital.**

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In the event that the [REDACTED] is set at the maximum [REDACTED] or the minimum [REDACTED] of the indicative [REDACTED], the net [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED] or HK\$[REDACTED], respectively. If we make an upward or downward [REDACTED] adjustment to set the final [REDACTED] to be above or below the mid-point of the [REDACTED], we will increase or decrease the allocation of the net [REDACTED] to the above purposes on a pro rata basis.

The additional net [REDACTED] that we would receive if the [REDACTED] was exercised in full would be (i) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the maximum [REDACTED] of the indicative [REDACTED]), (ii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED]) and (iii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the minimum [REDACTED] of the indicative [REDACTED]). We intend to apply the additional net [REDACTED] to the above uses on a pro rata basis.

To the extent that the net [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.