

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our strategies” in this Document for a detailed description of our future plans.

USE OF [REDACTED]

After deducting the [REDACTED] and other estimated [REDACTED] expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the indicative [REDACTED] of HK\$[REDACTED] and HK\$[REDACTED]), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED]. We intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to expand our automotive seating production lines as part of our interior-exterior-seating full-chain solutions in the next three years, and strengthen our position as a comprehensive solutions provider.
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for the acquisition of land and the construction of new production facilities in China. We intend to build standardized, customer-proximate manufacturing facilities with modular line design and reusable process packages, which will enable faster commissioning and ramp-up, improve delivery responsiveness and reduce logistics and operating costs. These facilities will also support the expansion of our interior-exterior-seat and seat accessory manufacturing capabilities and enhance our ability to undertake additional nominations from OEM customers.

The automotive seating market is undergoing a structural upgrade, with seats evolving from basic mechanical components into integral elements of intelligent cockpits. Driven by rising penetration of new energy vehicles and increasing consumer demand for comfort and smart features, the value of automotive seats per vehicle has increased significantly.

According to Frost & Sullivan, the market size of China’s automotive seat solutions reached approximately RMB147.5 billion in 2024 and is expected to grow to RMB267.0 billion by 2029, representing a CAGR of 12.6% from 2024 to 2029. Against this backdrop, we plan to expand our automotive seating production capacity and advance the strategic deployment of our seat and seat accessory business, with a view to enhancing per-vehicle value and strengthening our position as a comprehensive solutions provider across interior, exterior and seat and seat accessory systems.

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- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for the procurement of production equipment and software systems. We plan to invest in high-precision equipment and intelligent software systems to accelerate automation and digitalization. We also intend to extend our in-house mold-making capabilities developed in interior trim assemblies to seat and seat accessory, leveraging our mold development and precision manufacturing expertise to deepen our presence in seating. Through technology synergies, we aim to back-propagate emerging technologies to upgrade existing production lines.
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for the recruitment of management personnel, production engineers and R&D personnel, to support the ramp-up of new programs and process development for next-generation seating systems. Leveraging this expanded talent pool, we aim to closely track advancements in seat and seat accessory system processes and technologies and increase our R&D investment, applying resulting innovations to new products to enhance our core competitiveness. We believe we can foster cross-disciplinary collaboration to deliver breakthrough solutions for our customers by drawing on top-tier talent.
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to advance our global footprint, closely aligning with the global expansion strategies of our key and potential strategic customers in the next three years. We intend to replicate our proven localized manufacturing capabilities in major overseas markets and secure additional overseas orders by leveraging our rapid response capabilities and close integration with customers’ R&D systems. We expect to deepen collaboration with existing overseas customers and strengthen our engagement with their global networks. Further, we plan to apply new technologies to existing overseas production lines to improve yield rates and operational responsiveness, thereby supporting the smooth execution of our global expansion plans.
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to land acquisition and new production facilities construction in Mexico, Europe and Southeast Asia, while upgrading existing plants to enhance capacity and operational flexibility. In selecting locations, we will take into account a combination of factors, including proximity to customers, land costs, local labor costs and the robustness of the local supply chain ecosystem. We believe these expansions will enable us to serve strategic customers in emerging markets and capture incremental overseas orders. We intend to establish “customer-proximate” production hubs primarily in Mexico and Europe, where our key and potential strategic customers have significant manufacturing footprints. By leveraging standardized process packages for rapid deployment and building localized supply chain systems, we aim to continuously shorten the commissioning cycle of new facilities.

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- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for the procurement of production equipment and software systems. Our planned procurement primarily includes major production equipment such as foaming machines, injection molding machines, industrial robots and other automated production systems. We plan to invest in smart manufacturing technologies, including industrial IoT solutions and machine vision algorithms, to enable end-to-end production visualization and process optimization. Building on these technological enhancements, we aim to establish regional supply chain networks and adopt standardized processes to support rapid deployment and flexible production models, which will reduce lead times and improve delivery reliability.
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for the recruitment of management personnel, production engineers and R&D personnel. We aim to deepen our global footprint by leveraging our R&D personnel to lead joint development initiatives with customers, thereby enhancing our full-service capabilities. Through our global manufacturing bases, we expect to undertake customer orders while simultaneously advancing our “Craftsmanship Globalization Program,” aimed at increasing the localization rate of core positions in overseas plants. We believe these efforts will strengthen our global market presence and improve product profitability, further build an integrated competitive moat throughout the restructuring cycle of the new energy vehicle industry chain.
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to strengthen our research and development capabilities, focusing on next-generation technologies and materials in the next three years. We believe these efforts will enhance our innovation capabilities and ensure sustained competitiveness in high-value automotive segments.
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to support our initiatives in robotics and automation technologies. We aim to capture opportunities in this emerging market by growing alongside our customers as they expand into the humanoid robotics sector, while deepening our strategic collaborations with leading domestic and international robot manufacturers, which we believe will collectively lay a solid foundation for our next phase of growth.

The intelligent humanoid robot industry is experiencing rapid growth. According to Frost & Sullivan, China’s intelligent humanoid robot market is expected to expand significantly from RMB2.2 billion in 2024 to RMB24.3 billion in 2029, representing a CAGR of 62.3%. In parallel, a number of leading automobile manufacturers are leveraging their accumulated manufacturing capabilities, supply chain resources and engineering experience to explore opportunities in the humanoid robotics field. Against this backdrop,

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we intend to selectively invest in robotics-related technologies and manufacturing capabilities, primarily focusing on components, materials and processes that are adjacent to our existing businesses. We expect such investments to enable us to grow alongside our customers as they expand into emerging application scenarios, while maintaining a disciplined and phased approach to capital deployment and prioritize projects where we have clear technical adjacency, a defined customer demand or collaboration pathway, and an executable industrialization plan. Our objective is to build optionality for future growth while maintaining focus on our core automotive business and preserving overall operational and financial discipline.

- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to pursue research in innovative materials and manufacturing processes for automotive interiors, exteriors and seat and seat accessory systems, applying these advancements to new product development. We plan to strengthen partnerships with leading OEMs and technology providers to co-develop solutions that meet evolving industry standards and customer requirements.
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for working capital and other general corporate purposes.

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], respectively.

The additional net [REDACTED] that we would receive if the [REDACTED] were 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 [REDACTED] of the indicative [REDACTED]); and (iii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the minimum [REDACTED] of the indicative [REDACTED]).

To the extent that the net [REDACTED] from the [REDACTED] are either more or less than expected, we will adjust our allocation of the net [REDACTED] for the above purposes on a pro rata basis, but the proportion dedicated to research and development will be maintained at a reasonable level to ensure our core technologies' competitiveness.

We do not expect to rely on the net [REDACTED] of the [REDACTED] to carry on our ordinary business operations. While the net [REDACTED] from the [REDACTED] are expected to cover the majority of the capital expenditure associated with our above mentioned expansion plans, to the extent that the net [REDACTED] of the [REDACTED] are not sufficient to fund our development plan, we intend to fund the shortfall through a variety of means, including proceeds from cash generated from operation.

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To the extent that the net [REDACTED] of the [REDACTED] are not immediately used for the above purpose, we will only deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would hinder the development of any of our projects, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net [REDACTED] from the [REDACTED].