
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]

Assuming that the [REDACTED] is not exercised, after deducting the [REDACTED] commission(s) and other estimated expenses paid and payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED] as stated in this document), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED]. We intend to use the net [REDACTED] from the [REDACTED] for the following purposes and in the amounts set out below:

- (i) Approximately [REDACTED] (or approximately HK\$[REDACTED]) of the net [REDACTED] will be used for product portfolio expansion through continued investment in R&D. We will continue to diversify the product mix for humanoid robotic components, intelligent vehicle components liquid cooling components, and enhance system integration capabilities to augment our advantage as a platform provider with a comprehensive product line.
- (a) Approximately [REDACTED] (or approximately HK\$[REDACTED]) of the net [REDACTED] will be utilized for expansion of product categories in humanoid robotic components. We plan to roll out new products over the next two to three years and invest in R&D to achieve technological iteration over the next three to five years.
 - We plan to build a comprehensive product portfolio covering joint actuators, end effectors, visual perception and system integration to achieve integrated development across product offerings, technological capabilities and commercialization of our robotic actuation business segment. We will continue to focus on actuators and grow the product portfolio by extending to high-value-added components, including shock absorbers, dexterous hand motor modules, sensors and electronic flexible skins while enhancing our existing capabilities.
 - o For joint and power unit products, we will continue to develop and iterate products including high-torque density torque/frameless motors and integrated joint modules, to increase per unit weight and improve long-term performance reliability, and meet the requirements for high-speed dynamic movements, long-duration operation and safety-critical applications of humanoid robots. We aim to launch the first-generation products in the next one to two years, and will continuously iterate and upgrade such products, to further improve the performance stability and reliability of humanoid robots.
 - o For end effectors, we will focus on applications such as dexterous hands and high-precision manipulation, and develop a product portfolio comprising dexterous hand motor modules, micro deceleration and transmission components, and bionic tendon-driven cable, to enhance integrated capabilities in grabbing, assembly and tactile feedback. We aim to launch the first-generation products in the next two to three years and will continue to iterate and upgrade such products to achieve better adaptability, miniaturization and enhanced perception.

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- o We will further expand our perception and interaction capabilities by tapping into sensor, electronic flexible skin/tactile sensor array and force/torque sensor products to enhance closed-loop control and safety of robotic systems, enabling higher-precision motion control and environmental interaction. We aim to launch the first-generation products in the next two to three years, and will continue to iterative and upgrade such products to enhance perception and interaction of robots.
 - o Based on above product development goals, we will concurrently strengthen our capabilities in platform and system integration. We will establish a reusable platform combining actuator, terminal and perception capabilities with cross-product line modular standards, interface specifications and testing and verification systems, to meet customers’ customized needs in a faster turnaround and improve efficiency of scaled delivery.
 - We plan to expand our humanoid robot R&D team to support ongoing products iteration and multi-category parallel development. Specifically, we plan to recruit approximately 800 to 1,000 R&D personnel specialized in humanoid robots in the next three years, with a focus on capabilities covering robotic actuation systems, precision transmission, new material applications, structural design and other key technologies. By attracting interdisciplinary R&D talent with industry experience, we will strengthen our technological know-how at both core component and system levels, enhance products performance, reliability and manufacturability, and establish a more robust R&D management and validation framework, supporting systematic collaboration and co-development with key clients and the long-term growth of our humanoid robot business line.
- (b) Approximately [REDACTED]% of the net [REDACTED] (or approximately HK\$[REDACTED]) will be used for enhancing product and technology expertise across the intelligent vehicle value chain in the next five years, with focus on the high-value automotive electronics segment to strengthen system-level R&D and validation capabilities.
- Intelligent suspension systems: as a supplier of mass-produced closed electronically controlled air suspension (C-ECAS) system in China, we will continue to invest in the innovation of core components and dual/three-chamber air suspension systems, further optimizing the adaptability to road conditions, high-speed stability, ride comfort and energy efficiency of suspension systems. Meanwhile, we will develop next-generation intelligent suspension products, such as fully active hydraulic suspension system and active stabilizer bar, characterized by response in milliseconds, adaptability to all operating conditions, active safety design and energy recovery to embrace the future trends of intelligent suspension systems.
 - Braking systems: as a developer and manufacturer of IBS in China, we will prioritize the technology upgrades of next-generation braking systems and key subcomponents, particularly RBS (Redundant Braking System, an intelligent braking system based on brake-by-wire technology), to further improve system performance across lightweight design, response time, functional safety and reliability, enhance interaction with vehicle E/E architecture and chassis domain controller, and deliver the stability, ease of integration and safety required by intelligent electric vehicles.

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- In addition, we target to continue investing in the R&D and engineering validation of automotive-grade oxygen generating systems. With the vacuum pressure swing adsorption (“VPSA”) oxygen production technology, the product ensures a consistent supply of high-purity oxygen to improve in-cabin air quality while delivering satisfactory performance in function diversification, oxygen generation productivity, NVH, heat dissipation and energy efficiency and intelligent control through deeper vehicle integration. This will address the growing demand for intelligent vehicles with enhanced cabin environment and passenger comfort.
- (c) Approximately [REDACTED]% of the net [REDACTED] (or approximately HK\$[REDACTED]) will be used for R&D of new businesses in the next five years, including technology development and engineering verification of liquid cooling products, to expand the Company’s long-term growth potential.
- We plan to leverage our expertise in thermal management and established automotive customer base to extend and apply relevant technologies to liquid-cooled servers, energy storage and other application scenarios. Given the rapid development of AI, the trend toward centralized development and accelerating demand for data centers and supercomputing centers, we will strengthen our technical presence in frontier markets, with a focus on R&D of core products, including liquid-cooled pumps, temperature and pressure sensors, various flow control valves, gas-liquid separators and others. We will accelerate the commercial application of liquid cooling system solutions by engaging with leading technology and data center service providers.
- (ii) Approximately [REDACTED]% of the net [REDACTED] (or approximately HK\$[REDACTED] million) will be used for production of the humanoid robotic components to satisfy the production and customization in needs of customers around the world, and to improve the efficiency of supply chain collaboration with customers. Specifically, we plan to further expand and optimize domestic humanoid robots related production capacity in the next one to two years in addition to the existing four robotic actuation system production lines. Our new manufacturing plants will mainly manufacture actuators and dexterous hand motor modules and components, with a planned production capacity of approximately 300,000 complete units and production scheduled to commence by 2027. Together with our robot actuator factory in Chachoengsao Province, Thailand, which has commenced construction, the complementary manufacturing facilities will help further improve our overall delivery performance, customer response time and supply chain security, enabling sustainable development of the Company’s humanoid robotic component business.
- (iii) Approximately [REDACTED]% of the net [REDACTED] (or approximately HK\$[REDACTED] million) will be used to expand the vehicle components production capacity and enhance the digital upgrade of production lines.
- (a) We plan to allocate approximately [REDACTED]% of the net [REDACTED] (or approximately HK\$[REDACTED]) to develop and expand capacity for automotive electronics including intelligent suspension systems to support business growth.
- Specifically, we plan to build approximately 8–12 production lines for automotive intelligent suspension systems, each of which with an estimated annual capacity of approximately 100,000–150,000 sets. The intelligent suspension production line will cover air suspension system, hydraulic fully active suspension system, active stabilizer system and other products, with a plan to introduce internationally advanced automated production equipment, precision testing instruments and intelligent control system.

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- We also plan to build approximately three to five production lines for RBS, each of which with an estimated annual capacity of approximately 200,000–250,000 sets to meet the technical requirements of intelligent driving on redundant backup and drive-by-wire operation, thus helping us to gain more market share in the electric vehicles’ braking system market.
 - We plan to build approximately two to four production lines for our in vehicle oxygen concentrator products, each of which with an estimated annual capacity of 150,000–200,000 units, to achieve a fully intelligent production process from precision manufacturing of core components, modular integration to performance verification
- (b) We also plan to allocate approximately [REDACTED]% of the net [REDACTED] (or approximately HK\$[REDACTED]) to digitally upgrade and transform the existing production lines progressively in the next five years. We plan to equip the existing production lines with MES, full-process quality control system, DFM and other digital tools, and further improve the delivery efficiency and product quality by enhancing quality control, manufacturing traceability, refined production management and production process optimization. Meanwhile, the above-mentioned digital initiatives will also enhance our connectivity with customers in respect of product data and demand, thereby further enhancing our overall competitiveness as a platform-based supplier.
- (iv) Approximately [REDACTED]% of the net [REDACTED] (or approximately HK\$[REDACTED]) will be used for strategic acquisition and investment along the auto industry chain. We plan to further deepen our presence in new energy vehicle components, and accelerate expansion of our product portfolio across all categories by combining independent R&D with external acquisitions. For strategic investment and acquisition in the next five years, we will focus on components such as automotive electronics, thermal management systems and chassis systems, and target companies with core technical strength and/or high-quality customer resources, and facilitate related transactions through controlling stake acquisitions or strategic minority investments as appropriate. Through this approach, we will align with the industry-wide shift toward resource integration, to further expand our production lines and customer coverage. Leveraging our diversified product portfolio and Tier 0.5 strategy, relevant acquisitions and investments will also help create cross-selling opportunities between new products and existing customers, as well as between existing products and new customers, thereby increasing our market coverage and business scale on multiple dimensions.
- (v) Approximately [REDACTED]% of the net [REDACTED] (or approximately HK\$[REDACTED]) will be used for general corporate purposes and to replenish the working capital.

If the [REDACTED] is set at HK\$[REDACTED] per Share, being the high end of the indicative [REDACTED] range, the net [REDACTED] from the [REDACTED] will increase to approximately HK\$[REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the low end of the indicative [REDACTED] range, the net [REDACTED] from the [REDACTED] will decrease to approximately HK\$[REDACTED] million.

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] range); (ii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range); and (iii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the minimum [REDACTED] of the indicative [REDACTED] range).

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 proceeds for the above purposes on a pro rata basis.

THIS DOCUMENT IS IN DRAFT FORM. THE INFORMATION CONTAINED HEREIN IS INCOMPLETE AND IS SUBJECT TO CHANGE. THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

FUTURE PLANS AND USE OF [REDACTED]

To the extent that the net [REDACTED] from the [REDACTED] are not immediately used for the purposes set out above, or if we are unable to implement any part of our future development plans as expected, we may, where considered to be in the best interests of our Company, deposit such funds in short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions (as defined in the SFO) or as otherwise permitted under the applicable laws and regulations in other jurisdictions. In such circumstances, we will comply with the relevant disclosure requirements under the Listing Rules.