FUTURE PLANS AND PROSPECTS

See "Business — Our 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$**[REDACTED]** million, after deducting **[REDACTED]** commissions, fees and estimated expenses payable by us in connection with the **[REDACTED]**, and based on the mid-point **[REDACTED]** of HK$**[REDACTED]** per Share, assuming the **[REDACTED]** is not exercised.

We currently intend to apply such net **[REDACTED]** from the **[REDACTED]** for the following purposes:

- Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, of the net **[REDACTED]** from the **[REDACTED]** will be used to iterate and upgrade the capabilities of our Innovatech platform, so as to better support the growth of our existing business as well as the implementation and iteration of our future product technologies. We intend to continue enhancing our platform's core capabilities, flexible manufacturing capabilities, overall operational efficiency and digital capabilities, so as to further strengthen the Innovatech platform's support for product research and development, manufacturing and delivery, and operational management. We expect to utilize the relevant net **[REDACTED]** in phases over the next three years in accordance with our business development needs to implement the foregoing plans: In particular, we plan to expand our overall platform capabilities through:

  i. Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used to strengthen our flexible manufacturing capabilities, including advancing production line construction, expanding our production capacity layout, and supporting the upgrading of automation and digital management capabilities. We plan to establish a new manufacturing base in the Pearl River Delta. Meanwhile, we will carry further upgrade and expansion of our production lines at our Yibin manufacturing base, aiming to set up a flexible manufacturing system capable of accommodating multiple product categories, small-batch production, and customized demand. According to our current plan, we intend to establish a total of ten assembly lines in the Pearl River Delta region, which will be primarily used for the production of AIoT- and robotics-related products, with an estimated annual production capacity of approximately 6.0 million units. Construction is expected to commence in October 2026 and be completed in May 2027. At the same time, we plan to add six SMT lines and nine assembly lines at our Yibin manufacturing base, which are expected to add an annual production capacity of approximately 8.0 million units of mobile phones, wearable devices and other AIoT-related products. Upon completion of the relevant production line construction and upgrades, we expect the Yibin and Pearl River Delta manufacturing bases to form a dual-base coordinated development model, which will further optimize our regional production capacity allocation and enhance our overall delivery capability and resilience to operational risks.

     In support of the above production capacity expansion and flexible manufacturing layout, we intend to continue making ancillary investments relating to flexible manufacturing to support the smooth construction and operation of the new and upgraded production lines. Such investments will mainly consist of the following aspects:

a. We will make ancillary investments relating to production line construction and operation, including plant renovation, procurement of production equipment and expansion of personnel.

b. We will continue to advance automation upgrades and the construction of digital management systems relating to flexible manufacturing, so as to further improve line switching efficiency, production process traceability, cross-base coordination and overall operating efficiency. In particular, (i) we intend to continue refining our modular reconfigurable technology; and (ii) we intend to continue advancing full-process automation technology by integrating automated inspection, automated welding and automated packaging equipment across production processes such as printing, placement, fastening, testing, welding and packaging, thereby reducing manual intervention, lowering production costs and improving product quality stability and production efficiency.

c. We expect to gradually expand our production and technical workforce in tandem with the construction and operation of relevant production lines, so as to support the daily operation of new and upgraded production lines. Over the next 3 to 5 years, we plan to recruit up to 400 employees for our Yibin manufacturing base and up to 1,000 employees for our Pearl River Delta manufacturing base.

Through the continued investment in the above core technologies and system construction, we expect to further enhance the flexibility, automation and digitalization of our overall manufacturing platform, so as to better adapt to the evolving market demand of the intelligent manufacturing industry and customers' requirements for efficient delivery and customized production.

ii. Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used primarily to continue optimizing the digital capabilities of our platform and building a full-stack information platform. We intend to continue strengthening the construction of digital systems covering all stages including design, order placement, procurement, production, quality control and delivery, so as to build a full-stack information platform spanning from front-end customer demand identification to back-end fulfillment and delivery, and further improve data connectivity and coordination among different business segments. We plan to establish a digital management system to achieve comprehensive intelligent control through MES, and will continuously upgrade the "Central MES + Edge MES" dual-system synergy technology. We plan to increase our IT investments our existing management systems, such as ERP and MES, and to focus on optimizing key modules including SD (sales and distribution), MM (materials management), PP (production planning) and FI/CO (financial and cost control), thereby forming a complete business closed loop covering front-end business, mid-office operations and back-end management. In addition, we will establish a digital operations platform, displaying key operational metrics of various manufacturing bases in real time through a central control dashboard, thereby supporting dynamic resource allocation among different manufacturing bases and enhancing operational synergy efficiency.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used to expand our market presence and product offerings, so as to further enhance our ability to serve different customers, cover more application scenarios and strengthen our global business expansion capabilities. In response to evolving customer demands, regional developments and industry trends, we continue to enrich our product offerings and broaden the commercialization of our products across different regions and scenarios. At the same time, we plan to further strengthen the build-out of our core business teams and continue improving our domestic and overseas market coverage, so as to enhance our global delivery and service capabilities. We plan to expand our market presence and product offerings in the following ways:

i. Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used primarily to continue enriching our product portfolio. We intend to continue expanding our product boundaries and promoting product innovation around key directions such as robotic accessories and AI glasses, so as to enhance our ability to cover different application scenarios.

   o We will expand our new R&D team for products, such as AI-related products, and industry experts in new application scenarios in order to establish more dedicated teams for target application scenarios and product categories, conducting preliminary market research, analysis and exploration of product types, and, once initial directions are identified, we will then allocate more resources on advancing product design, feasibility analysis, prototype manufacturing and relevant software technology development. We also expect to continue investing in production of product samples and market testing in the subsequent stages, so that we can promote the formal commercialization of relevant products after collecting and analyzing market feedback. Furthermore, we believe we will encounter numerous potential product targets during our preliminary market research.

ii. Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used primarily to further expand our market coverage and enhance our global business presence. We intend to continue expanding into overseas markets over the next three to five years. The relevant investments will primarily be used to participate in overseas exhibitions, recruit overseas sales and support personnel and establish three overseas sales centers, so as to support our market development and customer outreach efforts in key regions. Taking into account factors such as local economic conditions, the penetration of AI-related technologies, and the willingness and ability of small- and medium-sized enterprises to pay, we plan to progressively expand into various regions and countries, including the United States, Europe, and Southeast Asia, so as to further expand our influence in overseas markets and enhance our ability to capture opportunities in the global market.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, of the net **[REDACTED]** from the **[REDACTED]** will be used to support our strategic investments or acquisitions. (a) We will recruit early-stage external teams and key R&D and product development personnel through the restructuring process to enrich our product portfolio; (b) Through strategic investments or acquisitions, we aim to achieve a broader product layout, foster ecosystem development and business expansion by investing domestic or international qualified industry chain participants in our upstream and downstream ecosystem, including consumer electronics companies such as upstream suppliers and downstream AI original products companies, and other potential targets that can complement our existing business operations. As of the Latest Practicable Date, we have not identified any specific investment or acquisition target, nor have we entered into any legally binding agreement in respect of any potential investment or acquisition opportunity.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used to further integrate AI technology into our operations, and we expect to continuously enhance our internal efficiency by improving our AI hardware infrastructure and introducing and incentivizing talent. In particular, we plan to integrate AI technology into our operations through:

i. Expecting to procure computing power to continuously enhance the company's large model capabilities. By developing proprietary algorithms and introducing external advanced algorithms, we plan to build scenario-specific agents to develop AI-native products and further diversify our products into robotic industry, AI wearables, AIoT and other products;

ii. Expecting to be used for AI hardware and related infrastructure construction. We intend to continue procuring core AI hardware infrastructure such as training servers, inference workstations, high-speed network equipment and distributed storage, in order to address the increase in inference workload arising from the continued deepening of AI empowerment and to support the development, training, deployment and iteration of AI-related applications within our company.

iii. Being used to continue attracting outstanding talent in the AI field and improving the relevant incentive mechanisms. We plan to enhance our platform and technological capabilities in supply chain management, resource allocation and other internal application scenarios. By strengthening our talent reserves in relevant areas and improving team stability and motivation, we expect to enhance our overall operational efficiency and further strengthen our delivery capabilities as well as the commercialization capabilities of our products and services.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for our working capital and general corporate purposes, so as to support our day-to-day operations and business development.

Assuming the **[REDACTED]** is exercised in full, we estimate that the net **[REDACTED]** from the **[REDACTED]** will be approximately HK$**[REDACTED]** million. We currently intend to apply such additional net **[REDACTED]** to the above purposes in the same proportions stated above.

To the extent that the net **[REDACTED]** are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we intend to deposit such net **[REDACTED]** only into short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions.

If there is any material change to the above proposed use of net **[REDACTED]**, we will issue an appropriate announcement in due course.