
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For a detailed description of our future plans, see “Business—Our Strategies.”

USE OF [REDACTED]

Assuming the [REDACTED] is not exercised and the [REDACTED] is HK\$[REDACTED] per [REDACTED] (being the mid-point of the range of the [REDACTED] stated in this document), after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], 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 HK\$[REDACTED], will be allocated to the construction, expansion and upgrading of our production bases. In particular, we intend to increase both the number and scale of our production bases and implement intelligent upgrades to our manufacturing equipment. Such expansion and upgrade are designed to enhance our delivery capabilities, promote product commercialization and optimize the overall levels of digitalization and automation across our production bases. Specifically:
 - (a) approximately [REDACTED]%, or HK\$[REDACTED], will be used for the upgrade and expansion of our production capacity, continuously driving a broader coverage horizontally by serving a wider range of industries and vertically by offering a more diversified portfolio of products and solutions. To achieve this, we plan to invest in production bases in multiple regions, including Suzhou and Dalian, to expand our mass production capacity and improve production efficiency for our key products, such as servo systems, AC drives and permanent magnet synchronous motors. This will enable us to respond more quickly and efficiently to the growing demand for industrial automation and digitalization solutions across downstream industries, increase our penetration into high-end sectors, and further enhance our competitiveness and reinforce our leading position in the industrial automation and digitalization sector;
 - (b) approximately [REDACTED]%, or HK\$[REDACTED], will be used to establish large-scale production capacity of new products in Nanjing and to cultivate a future-oriented industrial technology ecosystem. We plan to (i) advance the construction of production lines for humanoid robots, including biomimetic arms, planetary roller screws, planetary rotary actuators and linear actuators, to support scaled commercialization of the humanoid robotics industry, there by providing solid support for our business expansion, market positioning and long-term sustainable growth in emerging sectors; and (ii) advance the construction of production lines for high-precision ball screws, linear guide rails and other precision mechanical components, to strengthen our positioning and penetration in key components for high-end machine tools and other downstream sectors, and to further enrich and optimize our existing product portfolio; and
 - (c) approximately [REDACTED]%, or HK\$[REDACTED], will be used to further intelligentize our production and operations and promote the in-depth application of digitalization and other advanced technologies across key areas, such as manufacturing, delivery and operations management. In line with prevailing technological trends, we will introduce automated production, testing software systems, intelligent diagnostic and analytical tools and other intelligent systems. We will promote a deeper integration of such hardware and software facilities with our existing smart factory management systems and manufacturing execution systems.

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These initiatives will comprehensively optimize the production processes of our existing production lines and operational systems, enhance production and operational efficiency, strengthen order delivery responsiveness and supply chain resilience, and reinforce our comprehensive competitive advantages in intelligent manufacturing.

- (ii) Approximately [REDACTED]%, or HK\$[REDACTED], will be used for the continuous iteration and upgrading of our existing products and the development of new strategic products. To expand our market share, we plan to offer industry-leading products with cutting-edge technologies in response to industry trends and evolving customer needs in sectors of industrial automation and digitalization, intelligent robots and digital energy solutions. To achieve this, we will expand our R&D team by recruiting and retaining R&D talent with strong academic backgrounds and extensive industry experience. We will also procure advanced R&D equipment and materials to support product development and the accumulation of foundational technologies. Specifically:
- (a) approximately [REDACTED]%, or HK\$[REDACTED] will be used to continue focusing on the R&D of new products and solutions for our industrial automation and digitalization business line. Specifically:
- leveraging our strong track record in motor drive and control, power electronics and industrial control and communication technologies, as well as our leading position in AC drives and servo systems, we plan to broaden our high-end product portfolio by upgrading our servo systems, PLCs, AC drives, CNCs, pneumatic components, sensors, industrial vision and other high-end products and deepen our penetration into high-end sectors such as machine tools, automobile manufacturing and 3C manufacturing; and
 - with due consideration of industry specific processes and equipment functionalities, we plan to promote hardware-software integration and deliver more software-driven solutions for customers. Leveraging our InoCube and iFA platforms, we will continue to deliver “cloud-edge-device” digital factory solutions with higher integration of cloud computing, edge computing and device-level intelligence. We will also use intelligent technologies to upgrade our industrial software and develop application platforms supporting typical scenarios such as intelligent programming as well as quality and process optimization. In doing so, we aim to provide customers with a comprehensive industrial software system spanning data and process management, agent development, and scenario-based applications, thereby enhancing both our lifecycle solution capabilities and customer loyalty.
- (b) approximately [REDACTED]%, or HK\$[REDACTED], will be used to proactively expand our emerging business portfolio and facilitate the forge of diversified growth curves. Specifically:
- we will continue to explore the intelligent upgrade of industrial robots and the scenario-based deployment of humanoid robots. Leveraging our understanding of a wide range of industrial scenarios, we will upgrade the technologies related to intelligent robots to enhance their stability, precision and intelligence under complex operating conditions. We will also continue to focus on the development and upgrade of core components for humanoid robots, including seven-degree-of-freedom biomimetic arms, planetary rotary actuators, linear actuators, frameless torque motors, low-voltage DC drives and planetary roller screws, promoting the large-scale implementation of humanoid robots across industrial scenarios; and

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- in line with the accelerating adoption of digital and intelligent technologies and the global energy transition, we will conduct R&D on comprehensive digital energy solutions targeting global markets, upgrade our digital energy management platform, and drive the transformation from standalone offerings, such as PCS and energy management systems, to comprehensive solutions with deep integration of storage and load capabilities.
- (iii) Approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to working capital and general corporate purposes.

The above allocation of the net [REDACTED] from the [REDACTED] will be adjusted on a *pro rata* basis in the event that the [REDACTED] is fixed at a higher or lower level to the mid-point of the indicative [REDACTED] stated in this document.

The additional net [REDACTED] that we would receive if the [REDACTED] were exercised in full would be HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range). In the event that the [REDACTED] is exercised, we intend to apply the additional net [REDACTED] to the above purposes in the proportions stated above.

If the net [REDACTED] from the [REDACTED] are not immediately applied for the above purposes, or if we are unable to effect any part of our future development plans as intended, so long as it is deemed to be in the best interests of us, we will only deposit 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, and the relevant applicable laws in the relevant jurisdiction for non-Hong Kong based deposits). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.