FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See "Business — Our Strategies" in this document for our future plans.

USE OF [REDACTED]

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

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to enhance our R&D capabilities to strengthen our core competitiveness in automotive intelligent chassis systems, including braking, steering and suspension and, by leveraging our core technological expertise, expand our product portfolio in emerging business sectors including embodied robotics, among which:

  (i) Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be allocated to our chassis integration strategy, focusing on continuous investment in the technological innovation and product development of braking, steering and suspension products. Specifically, our R&D investments will focus on the following areas: (i) product R&D and iterative upgrades of EPB, WCBS, EMB, mechanical disc brakes, calipers and lightweight chassis components, so as to expand competitive advantages through continuous innovation and strengthen our leading position in the domestic braking sector; (ii) product R&D and iterative upgrades of EPS products such as C-EPS, DP-EPS and R-EPS, while developing SBW technology to continuously enhance our R&D capabilities in relevant fields and enhance our competitive advantages in the steering sector; (iii) product R&D and iterative upgrades of core suspension components such as air springs, EDC and air supply units, rapidly establishing core competitiveness in the field of electronically controlled suspension and expanding our business in this area. Such **[REDACTED]** is expected to be primarily allocated to maintain and expand the R&D team, procure R&D equipment and software and support product prototyping.

  (ii) Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for the R&D of embodied robotics. Leveraging our own technological expertise, we plan to continuously develop robotics motion control algorithms, rolling screws frameless torque motors and robotics joint module products, progressively establishing R&D capabilities for motion control solutions. This will allow us to capture growth opportunity arising from the embodied robotics industry's rapid development. Such **[REDACTED]** is expected to be primarily allocated to maintain and expand the R&D team, procure R&D equipment and software and support product prototyping.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to invest in our domestic production capacity expansion to meet rapidly growing demand in the automotive intelligent chassis systems and establish mass production capabilities in emerging business sectors, including:

  (i) Approximately **[REDACTED]**%, or HK$**[REDACTED]**, is expected to be used for capacity expansion in the field of automotive intelligent chassis systems. According to F&S, driven by technological changes and favorable policies, the global automotive braking systems, automotive steering systems and automotive air suspension systems markets are expected to achieve CAGR of 8.0%, 7.3% and 18.3%, respectively, from 2026 to 2030.

  To capture market growth opportunities, we will continue to invest in production capacity expansion for braking, steering and suspension products. Specific production capacity upgrade and expansion plans will be targeted on the following production lines: (i) our key braking products such as EPB, WCBS, EMB and lightweight chassis components, to meet the growing demand from downstream customers, further maintain our leading market position; (ii) steering systems and components, continuously enhancing our competitiveness in this field by expanding production capacity and optimizing production efficiency; and (iii) reserving capacity for electronically controlled suspension system products, accelerating commercialization and thoroughly implementing the chassis XYZ-axes integration strategy. Upon completion, the enhanced production capacities will steadily enhance our mass production capabilities to support the diversified needs of our customers. Such **[REDACTED]** is expected to be primarily allocated to land acquisition, plant construction and the procurement and installation of production line equipment.

  (ii) Approximately **[REDACTED]**%, or HK$**[REDACTED]**, is expected to be used for the commercialization and capacity building of motors, rolling screws and robotics joint module products for embodied robotics, accelerating our transition in this segment from the R&D and validation stage to mass production, and establishing a new growth engine for us. Such **[REDACTED]** is expected to be primarily allocated to land acquisition, plant construction and the procurement and installation of production line equipment.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to expand our global manufacturing footprint and enhance localized service capabilities to respond more efficiently to overseas customer needs and support international expansion, including:

  (i) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for construction of the production base in Morocco, enhancing our supply chain resilience and response efficiency. This will further expand our global layout and enhance localized service capabilities to meet increasing demand from our customers in Europe and North Africa. Such **[REDACTED]** is expected to be primarily allocated for the procurement and installation of production line equipment as well as plant construction.

  (ii) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to to maintain and expand our local teams in Europe, supporting our overseas operations and customer service capabilities, facilitating the international expansion of our existing domestic customers and further broadening our overseas customer base.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for working capital and other general corporate purposes.

If the net **[REDACTED]** of the **[REDACTED]** are not immediately applied to the above purposes, we will only deposit those net **[REDACTED]** 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 applicable laws and regulations in other jurisdictions).

The additional net **[REDACTED]** that we would receive if the **[REDACTED]** is exercised in full would be (i) HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the maximum **[REDACTED]**), (ii) HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the **[REDACTED]** range) and (iii) HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the minimum **[REDACTED]**).

To the extent that the net **[REDACTED]** from the **[REDACTED]** (including the net **[REDACTED]** from the exercise of the **[REDACTED]**) are either more or less than expected, we may adjust our allocation of the net **[REDACTED]** for the above purposes on a pro rata basis. We will issue an appropriate announcement if there is any material change to the above proposed use of **[REDACTED]**.