FUTURE PLANS

For further disclosure of our business objectives and strategies, see "Business — Growth Strategies."

USE OF [REDACTED]

We estimate that the net **[REDACTED]** of the **[REDACTED]**, after deducting the estimated **[REDACTED]** and other fees and expenses payable by us in connection with the **[REDACTED]**, will be approximately **[REDACTED]**, assuming an **[REDACTED]** of **[REDACTED]** per H Share (being the mid-point of the indicative range of the **[REDACTED]** of **[REDACTED]** to **[REDACTED]** per H Share), without the exercise of the **[REDACTED]**.

We currently intend to use the net **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts as set out below:

	Approximate % of the total	Total	For the year ended December 31,				
			2026	2027	2028	2029	2030
		(HK$ million)					
Expanding our PRC and overseas production facilities and enhance the automation, efficiency and localized production support of our manufacturing infrastructure	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enriching and expanding our product and service portfolio and apply product-related intelligent technologies to our products	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expanding our global sales and service network, with a focus on strengthening our brand influence, customer loyalty, and regional channel capabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Repaying a portion of our bank loans	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and other general corporate purposes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	**[100]%**	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- Approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used to expand our PRC and overseas production facilities and enhance the automation, efficiency and localized production support of our manufacturing infrastructure. To meet the growing market demand for our products, we plan to steadily and efficiently increase our production capabilities. We expect sales of our E-mobility products and powersports will increase rapidly from 2026 to 2030, driven by sustained growth in short-distance trip, outdoor leisure, off-road sports and nature exploration use cases. According to Frost & Sullivan, the global LSEVs market, electric two-wheelers market, and ATVs markets are expected to reach US$4.3 billion, US$10.2 billion and US$35.3 billion by 2030, with a CAGR of 25.3%, 4.9% and 5.0% from 2024 to 2029. More specifically:

    - approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used for digital and intelligent upgrade of our PRC manufacturing facilities and the construction of new production facilities in Yongkang, Zhejiang Province. Our PRC facilities will continue to serve as our principal manufacturing, component supply and technical support base for our global operations, rather than solely for finished products exported to the U.S. Our existing Yongkang production operations commenced in 2021 and have historically been conducted mainly through leased premises. The new Yongkang facilities will be constructed on self-owned land and are expected to have a designed annual production capacity of approximately 10,000 LSEVs, 20,000 sets of complete LSEV kits and 500,000 sets of key components. The new facilities will also allow us to consolidate and upgrade our existing leased production operations and leverage proximity to our existing Yongkang operations, local procurement convenience and economies of scale. This includes the construction of digital machining and assembly workshops for LSEV body processing, component assembly and in-process quality inspection and the intelligent automation of key processes such as body processing, component assembly, and in-process quality inspection. By building an efficient and replicable standardized production system, our PRC facilities will not only support global supply chain needs but also export mature technology and management experience to our overseas bases; and

- approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used for construction of one additional overseas production base in Thailand, and related upgrades to our overseas manufacturing capabilities. The Thailand production base is planned to have an annual production capacity of approximately 40,000 LSEVs and 30,000 ATVs. This involves constructing factories and infrastructure, procuring automated production lines and quality inspection equipment, including equipment for automated processes such as robotic welding, automatic blanking/cutting, automatic pipe bending and automated spraying for frame manufacturing at our Vietnam facility, and recruiting approximately 225 additional employees. We believe these initiatives will broaden our manufacturing footprint in Southeast Asia and help reduce production and logistics costs.

- Approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used to enrich and expand our product and service portfolio and apply product-related intelligent technologies to our products. We will expand our R&D teams in key locations, primarily China and the United States, by offering competitive compensation to attract and retain top talent. Our R&D initiatives are intended to improve the performance, reliability, user experience and cost efficiency of our existing products. To implement the foregoing plan, we plan to recruit approximately 200 additional R&D personnel. In terms of qualifications, we will primarily recruit (i) engineers with demonstrable successful project delivery experience who can be deployed to key technology development promptly, (ii) junior engineers and fresh graduates to build a sustainable talent pipeline, and (iii) domain experts with relevant automotive development experience to strengthen our R&D system and technical leadership. The additional R&D personnel will mainly cover (a) intelligent technologies, (b) vehicle development, (c) three-electric systems, and (d) testing and validation. For expected remuneration, the average annual cash compensation for R&D hires is expected to be approximately RMB350 thousand in the PRC and US$150 thousand per person. The key R&D projects currently contemplated include (i) R&D project for LSEVs, focusing on chassis, three-electric systems and intelligent features, (ii) electrification project for powersports products, including electric off-road motorcycles, ATVs and UTVs, with a focus on developing a reusable three-electric platform, and (iii) R&D project for smart electronic products under our GoLabs business, including smart wearable devices, camera products and consumer robotics products, with iterative upgrades after initial product launch. More specifically:

  - approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used for upgrades of our existing LSEV and ATV product lines. For LSEVs, we plan to expand our product matrix by developing four-seat, 4+2-seat and six-seat models, as well as higher value-added products such as panoramic camping carts and utility carts for venues. We will also improve key functions such as motor performance, drivetrain efficiency, battery range and charging efficiency. These initiatives are expected to broaden our customer coverage, address more usage scenarios and support higher-value LSEV models. For ATVs, we plan to improve product performance, reliability and design by optimizing frame structures, steering and braking systems, suspension systems, intake and exhaust matching, electronic fuel injection systems, which electronically controlled fuel delivery to improve combustion efficiency and throttle response. These initiatives are expected to improve off-road performance, fuel efficiency, durability and safety, and help us compete in higher-value powersports segments.

  - approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used to explore emerging technologies, focusing on the secondary development and technical adaptation of robotics. While maintaining growth in our core business, we are strategically positioning ourselves in emerging fields to facilitate the integration of robotics into our outdoor leisure and electrified mobility ecosystem. This allows R&D advancements and application-level innovations in these new areas to enhance our core products and drive the intelligent upgrade of our entire portfolio.

- Approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used to expand our global sales and service network, with a focus on strengthening our brand influence, customer loyalty, and regional channel capabilities. We plan to establish three marketing service centres in Dallas, Texas, the United States, covering LSEVs, E-mobility two-wheelers and powersports, respectively, and recruit approximately 21 additional local sales and service employees. These centres will support dealer training, product demonstration, technical support, after-sales coordination, spare parts support and market feedback collection. Dallas was selected primarily because our North American headquarters and local management team are based in the Dallas area, which allows us to leverage our existing operating resources and support our U.S. dealer, logistics and service network more efficiently.

- Approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used to repay a portion of our bank loans. This is intended to optimize our debt structure, reduce financial costs, increase our operational funding flexibility and create balance sheet headroom for potential future strategic investments and acquisitions, thereby providing a more solid financial foundation for our continued business growth.

- Approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, for working capital and other general corporate purposes.

The above allocation of the **[REDACTED]** will be adjusted on a pro rata basis in the event that the **[REDACTED]** is fixed below or above the mid-point of the indicative **[REDACTED]**. If the **[REDACTED]** is set at **[REDACTED]** per H Share, which is the high end of our indicative **[REDACTED]**, the net **[REDACTED]** from the **[REDACTED]** will increase by approximately **[REDACTED]**. If the **[REDACTED]** is set at **[REDACTED]** per H Share, which is the low end of our indicative **[REDACTED]**, the net **[REDACTED]** from the **[REDACTED]** will decrease by approximately **[REDACTED]**. Any additional **[REDACTED]** received from the exercise of the **[REDACTED]** will also be allocated to the above purposes on a pro rata basis. In the event that the **[REDACTED]** is exercised in full, we will receive additional net **[REDACTED]** of **[REDACTED]** (after deducting the estimated **[REDACTED]** and other fees and expenses payable by us in connection with the **[REDACTED]** and assuming an **[REDACTED]** of **[REDACTED]** per H Share, being the mid-point of our indicative **[REDACTED]**).

To the extent that the net **[REDACTED]** are not immediately applied to the above purposes, we intend to deposit the 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) so long as it is deemed to be in the best interests of our Company.