
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business – Strategies” for a detailed description of our future plans.

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the [REDACTED] Range of between HK\$[REDACTED] and HK\$[REDACTED] per H Share) and the [REDACTED] is not exercised, we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED]. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], will be used for the research and development of new products, the upgrade and optimization of technologies, and the establishment of laboratories and technical platforms, of which approximately [REDACTED]%, [REDACTED]%, [REDACTED]% and [REDACTED]% is expected to be used in 2026, 2027, 2028 and 2029, respectively. Specifically,
 - (i) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated to the construction of advanced technology laboratories and the establishment of a fundamental technology platform, to support forward-looking research into the underlying technologies of micro motors, new materials, and novel principles, as well as control systems and softwares. Our end customers have exhibited a strong and established demand for advanced imaging features. Establishing these laboratories will empower us to collaborate closely with industry-leading terminal brands to pre-research these cutting-edge technologies, accelerating their commercialization to meet such evolving business needs. We will focus on developing advanced solutions such as variable aperture motors, ultra-telephoto folding motors, zero-gravity focus motors, and miniature frameless torque motors, thereby establishing a pipeline of pre-research technologies for our long-term development. Specifically, we plan to allocate (a) approximately [REDACTED]% to lease premises for the R&D center and laboratories, (b) approximately [REDACTED]% to procure R&D and measurement equipment including high-precision 3D printers and imaging light transmission measuring machine, (c) approximately [REDACTED]% to recruit approximately 100 R&D personnel, and (d) approximately [REDACTED]% to cover the procurement of R&D materials and testing expenses. We expect to execute this laboratory establishment plan in phases: (i) in 2026 and 2027, we plan to focus on preparing the sites, procuring the equipment, and establishing the optical precision motor and material laboratories, alongside initiating the optical imaging laboratory in 2027; (ii) in 2028, we expect to commence the establishment of the system laboratory; and (iii) in 2029, we target to complete the establishment of the joint module laboratory. According to Frost & Sullivan, the global micro motor market is expected to continue to expand in the coming years, supported by sustained growth across major downstream application industries. In particular, demand from smartphones, automobiles, medical, consumer-grade UAVs, handheld imaging and robotics is expected to continue to grow, with emerging application segments such as handheld imaging and robotics expected to become increasingly important drivers of future market expansion.

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- (ii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated to the upgrade and optimization of a new generation of imaging motor technology, with a target of achieving a comprehensive technological iteration of our existing imaging motor products to meet the requirements of high-end models. As the penetration of high-end smartphone models deepens, our major customers are imposing increasingly stringent requirements on camera modules, demanding increasingly diversified functionalities, higher response speed, greater precision, and lower power consumption within constrained envelopes. To capture these established business opportunities, we plan to accelerate the comprehensive technological iterations of our existing imaging motor products. We aim to develop high-performance Optical Image Stabilization technology, continuous optical zoom solutions, and piezoelectric technology, to enhance the performance advantages of our imaging motor products in terms of response speed, precision, power consumption, and stability, and to solidify our leading position in the high-end imaging motor market. Specifically, we plan to allocate (a) approximately [REDACTED]% to lease premises for the R&D center, (b) approximately [REDACTED]% to procure equipment such as coordinate measuring machines and scanning electron microscopes, (c) approximately [REDACTED]% to recruit approximately 60 R&D personnel, and (d) approximately [REDACTED]% to cover the procurement of R&D materials and testing expenses. From 2026 to 2029, we plan to continue conducting R&D to support our customers’ product updates and pre-research into new technologies. These developments generally involve team assembly (taking approximately 6 to 9 months), customer communication (taking approximately 6 to 9 months), project initiation and R&D (taking approximately 6 to 9 months), and product tooling (taking approximately 6 to 9 months), followed by trial production and sample delivery (taking approximately 9 to 12 months), and final product evaluation (taking approximately 3 to 6 months). According to Frost & Sullivan, in terms of downstream application industries for micro motors, smartphones dominate the market and the global market is expected to grow at a CAGR of 8.3% from 2026 to 2030.
- (iii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated to the development of (x) UAV drive motors, with a focus on the development of external rotor brushless propeller motors and gimbal motors, and (y) core drive units for embodied robots, with a focus on the development of joint motor components for dexterous hands. We have identified concrete business needs and established robust commercial traction with industry-leading customers. In the consumer-grade UAV sector, we have already achieved mass production cooperation with industry-leading UAV manufacturers. Meanwhile, for embodied robots, we are already in direct communication and sample cooperation with top-tier robotics manufacturers. We have also commenced pre-R&D projects relating to robotic motors in 2025. This plan involves the integrated module development of “motor + gears”, extending our expertise into the high-value-added, high-technical-barrier field of low-altitude economy micro motors and robotic joint motors. Specifically, we plan to allocate (a) approximately [REDACTED]% to lease premises for the R&D center, (b) approximately [REDACTED]% to procure equipment including coordinate measuring machines and high-precision torque testers, (c) approximately [REDACTED]% to recruit approximately 60 R&D personnel, and (d) approximately [REDACTED]% to cover the procurement of R&D materials and testing expenses. From 2026 to 2029, we plan to continuously develop our robotic core drive units and UAV drive motors. These developments generally involve team assembly (taking approximately 3 to 6 months), customer communications (taking approximately 6 to 9 months), project initiation and R&D (taking approximately 3 to 6 months), product tooling (taking approximately 9 to 12 months), and trial production and sample delivery (taking approximately 9 to 12 months). According to Frost & Sullivan, in terms of downstream application industries for micro motors, sectors including UAV and robotics are experiencing rapid growth and will become key drivers for future market expansion. Specifically, the global micro motor market for robotics is expected to grow at a CAGR of 18.7% from 2026 to 2030.

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- Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used for the development of new production base and lines, of which approximately [REDACTED]%, [REDACTED]%, [REDACTED]% and [REDACTED]% is expected to be used in 2026, 2027, 2028 and 2029, respectively. Specifically,
 - (i) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated to the establishment of a production base for low-altitude economy micro motor. We plan to construct automated production lines for external rotor brushless propeller motors and gimbal motors, to establish a high-technology, highly automated brushless motor factory. The designed annual production capacity is 120 million units, with the expected value of RMB600 million. Specifically, we plan to allocate (a) approximately [REDACTED]% to lease new production workshops and warehouses, (b) approximately [REDACTED]% to procure and install automated production equipment for brushless motor and gimbal motor lines including automatic pin insertion machine and wire harness winding machine, and (c) approximately [REDACTED]% to recruit approximately 300 personnel, comprising approximately 250 operators, 25 engineers (including mechanical design, process, and quality engineering), 10 managerial and supervisory staff (such as plant managers and project managers), and 15 supporting functional staff (such as quality inspectors, warehouse keepers, and maintenance staff). We expect the construction of this production base to take approximately four years, with site preparation and renovation primarily in 2026, phased equipment procurement, commissioning and commencement of production from 2026 to 2028, and the overall construction expected to be completed by 2029.
 - (ii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated to the establishment of production lines for core components of embodied robots. The designed annual production capacity is 10 million units. Specifically, we plan to allocate (a) approximately [REDACTED]% to lease new production workshops and warehouses, (b) approximately [REDACTED]% to procure and install equipment such as precision motor assembly lines, precision gear grinding machines, and joint module assembly lines, and (c) approximately [REDACTED]% to recruit approximately 100 personnel covering production managers, skilled operator with relevant working experience, quality managers and other supporting functions. The establishment of these production lines is expected to be rolled out as follows: (i) in 2026, we plan to finalize the production line planning and complete the required plant renovations, followed by the initiation of equipment procurement; (ii) in 2027, we target to complete the equipment commissioning and commence trial production of the joint module components; and (iii) in 2028 and 2029, we expect to further expand our production capacity in phases through additional equipment procurement and installation to align with customer demand and market developments.
- Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], will be used for advancing the automation and digitalisation of our production lines, of which approximately [REDACTED]%, [REDACTED]%, [REDACTED]% and [REDACTED]% is expected to be used in 2026, 2027, 2028 and 2029, respectively. We aim to systematically upgrade our manufacturing infrastructure, thereby optimising manufacturing processes, elevating automation level and improving overall production efficiency.

The proposed investment is expected to optimize multiple stages of our production process, including material handling, component assembly, in-process inspection, product testing, quality control, data collection, equipment monitoring and production scheduling. In particular, automated equipment is expected to reduce direct operator involvement in certain repetitive assembly, handling, inspection and testing procedures, lower direct labour input per unit for the relevant production steps, improve production and testing throughput, and reduce production variance caused by manual operations. Digitalisation measures, including equipment data networking and production data management, are expected to improve production scheduling, equipment monitoring, process control and quality traceability. As the relevant measures will be implemented in phases across different production lines, products

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and process steps, the actual benefits may vary depending on product mix, customer demand, equipment commissioning progress, utilisation rate and production ramp-up. We believe that such investment will help optimize our production process, improve cost absorption, strengthen our cost competitiveness and support our profitability over time. Specifically,

- (i) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated to the procurement of new automation equipment including upgrades to automated production lines, automated testing/inspection equipment and ancillary automation systems, such as cleaning and robotics. Through these procurement, we plan to increase the automation rate and complete the upgrade and transformation of our production lines. We aim to achieve breakthroughs in appearance AI and develop automation equipment for key posts in 2026 and 2027. Data networking for automation equipment is expected to be established by 2028. Finally, we plan to set up the data processing center and broadly roll out our digital platform by 2029.
 - (ii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated to the recruitment of technical personnel dedicated to advancing our digital infrastructure and workforce training. In particular, we plan to recruit approximately 160 technical and engineering personnel with experience in smart manufacturing to support our digitalization initiatives, which primarily include approximately 65 engineering and maintenance personnel, 45 production technology specialists, 30 fixture development engineers, and 20 equipment design and development engineers. In parallel, we will conduct specialised training for employees to enhance their skills related to smart manufacturing processes.
- Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], will be used for the working capital and general corporate purposes.

In the event that the [REDACTED] is set at the maximum [REDACTED] or the minimum [REDACTED] of the indicative [REDACTED] range, the net [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED], respectively.

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

To the extent that the net [REDACTED] of the [REDACTED] are not immediately used for the above purposes, we may only hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.