

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business” in this Document for a detailed description of our future plans.

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED]), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million after deducting [REDACTED] fees and commissions and estimated [REDACTED] expenses paid and payable by us in the [REDACTED], assuming no [REDACTED] is exercised.

We intend to use the [REDACTED] from the [REDACTED] for the purposes and in the proportions set forth below:

- Approximately [REDACTED]% or HK\$[REDACTED] million of the [REDACTED] will be used for the research and development of embodied AI technology and the development of embodied AI products. Specifically:

- (i) Approximately [REDACTED]% or HK\$[REDACTED] million of the [REDACTED] will be used to enhance our data collection device, develop industrial vertical models and advance the development of general embodied AI models. This includes improving data collection, transmission, processing and storage capabilities, as well as establishing integrated data acquisition systems to support model training and iteration across diversified scenarios, enabling our embodied AI products to truly understand and perform work.

The [REDACTED] will primarily be used for (a) the recruitment of R&D personnel with relevant expertise; and (b) the procurement of related equipment, software, consumables and services, including data collection devices and systems, computing and storage resources, model training platforms, and cloud and data-related services.

- (ii) Approximately [REDACTED]% or HK\$[REDACTED] million of the [REDACTED] will be used for the technological advancement of robotic systems and the development of embodied AI products. This includes integrating AI models into existing multi-joint robots and workstations to enhance AI levels, as well as the research and iteration of embodied AI products, such as humanoid and other multi-form robotic systems. Such technological advancements are supported by the continuous enhancement of our core technologies, including control technology, servo drives and vision systems, which together improve adaptability, precision, reliability and scalability across diverse industrial application scenarios.

The [REDACTED] will be used for (a) the expansion of our R&D team; and (b) the procurement of equipment, software, consumables and services, including prototype development, simulation and testing tools, operating systems and control software, sensors, embedded components, and outsourced design, testing and certification services to support our embodied AI products upgrade.

- (iii) Approximately [REDACTED]% or HK\$[REDACTED] million of the [REDACTED] will be used for the research and development of modular sensing joints and the enhancement of multi-sensor fusion technologies.

The [REDACTED] will be primarily applied to (a) the recruitment of R&D personnel; and (b) the procurement of equipment, software and services, including perception joint components, sensors, chips and related processing units, sensor fusion algorithms, and system integration tools. We set out below our planned recruitment of research and development personnel by function for 2026 to 2028, including their key responsibilities, expected headcount, recruitment expenses and required experience and qualifications.

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Function	Total planned hires	Required experience and qualifications
Data and AI model R&D	20–25	bachelor’s degree or above in computer science, artificial intelligence or related fields; typically 3–8 years of experience in machine learning, data engineering or model training; proficiency in pytorch, tensorflow or similar frameworks preferred
Robotics and embodied AI R&D	15–20	bachelor’s degree or above in robotics, automation or mechanical engineering; typically 3–10 years of experience in robotics development, control systems or ai integration; experience in multi-axis robotic systems preferred
Sensing technology and multi-sensor fusion R&D	40–50	bachelor’s degree or above in electronics, automation or computer engineering; typically 3–10 years of experience in sensor systems, embedded systems or perception algorithms; familiarity with vision, force or imu sensors preferred

The table below summarizes our planned investments, including the allocation of [REDACTED], the nature of such investments, and the expected advancements in intellectual property, equipment and technology infrastructure.

Investment area	Amount (HK\$ million)	Equipment and infrastructure investments	Intellectual property/ technology development	Expected advancements
Data infrastructure and embodied AI model development . . .	[REDACTED]	industrial-grade sensor arrays (vibration, temperature, pressure, vision, acoustic), high-precision displacement and torque sensors, wearable data acquisition devices, gpu workstations, high-performance computing clusters and storage systems, industrial data platforms and cloud-based training infrastructure	development of proprietary data processing pipelines, industrial vertical ai models and embodied ai model architectures	(a) large-scale multi-modal industrial data acquisition and processing capability; (b) development of scenario-specific industrial ai models; (c) integration into general embodied ai frameworks across multiple industrial scenarios
Robotic intelligence upgrade and embodied AI products	[REDACTED]	embodied robot prototypes (including humanoid and multi-form robots), simulation and testing systems (motion capture and environment simulation), embedded ai chips, sensors and system integration equipment	development of operating systems, motion control algorithms, perception and sensor fusion software, human-machine interaction systems and simulation platforms	(a) improved adaptability and precision of robotic systems; (b) enhanced reliability through intelligent diagnostics and predictive maintenance; (c) scalable deployment of ai-enabled robotic systems

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Investment area	Amount (HK\$ million)	Equipment and infrastructure investments	Intellectual property/ technology development	Expected advancements
Modular sensing joints and multi-sensor fusion technologies . . .	[REDACTED]	modular joint components (motors, reducers, encoders), multi-modal sensors (vision, force, tactile, imu), ai chips, fpga units, testing and calibration systems	development of multi-sensor fusion algorithms, perception systems, embedded processing software and modular integration tools	(a) enhanced environmental perception and interaction capability; (b) higher precision and responsiveness; (c) improved compatibility across different robotic platforms

- Approximately [REDACTED]% or HK\$[REDACTED] million of the [REDACTED] will be used for expansion of sales service network and brand building. The portion of [REDACTED] allocated to the expansion of our sales and marketing network will be deployed as follows: (i) approximately 60% will be used for our in-house sales and marketing teams, including recruitment of sales, technical support and marketing personnel; (ii) approximately 20% will be allocated to distributors, primarily in the form of sales support, channel development incentives and collaboration arrangements; and (iii) approximately 20% will be used for marketing service providers, including digital marketing, media partnerships and local marketing activities. Specifically:
 - (i) Approximately [REDACTED]% or HK\$[REDACTED] million of the [REDACTED] will be used to establish local sales and marketing teams in international markets. We plan to progressively establish local sales and service capabilities in key overseas markets. Our in-house sales and marketing team will primarily cover selected international markets, including Southeast Asia (such as Vietnam and Thailand), the Americas, as well as certain markets in Europe, the Middle East, Africa and Central Asia. We plan to (a) recruit and introduce high-skilled talent to establish localized teams; (b) lease office space; and (c) strengthen our overseas sales network.
 - (ii) Approximately [REDACTED]% or HK\$[REDACTED] million of the [REDACTED] will be used to expand sales network in Chinese Mainland, including (a) expanding the sales, marketing, and after-sales service personnel teams; and (b) establishing additional regional sales and marketing offices as well as after-sales service centers.
 - (iii) Approximately [REDACTED]% or HK\$[REDACTED] million of the [REDACTED] will be used for promotion of our “TopStar” branding, including (a) investing in strategic brand marketing initiatives, including brand promotion and market outreach activities, to enhance our brand awareness and influence in both domestic and international markets; (b) expanding marketing channels, increasing our use of online marketing and media partnerships, so as to broaden our local customer outreach; and (c) organizing seminars, participating in industry exhibitions and forums, and sharing the latest industry trends with potential customers and industry stakeholders worldwide to strengthen brand image and influence among a wider customer base.

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We set out below the Group’s planned recruitment of sales, marketing and related personnel by function for 2026 to 2028, including their key responsibilities, expected headcount, recruitment expenses and required experience and qualifications.

Function	Total planned hires	Required experience and qualifications
Overseas sales and technical support	38–47	bachelor’s degree or above in engineering, business or related fields; typically 3–8 years of experience in industrial equipment sales or technical support; familiarity with local markets and languages preferred
Domestic sales and after-sales service	300	diploma or above; typically 1–5 years of experience in industrial sales, customer service or after-sales support; strong communication skills and regional market knowledge preferred
Branding and marketing	15	bachelor’s degree or above in marketing, communications or related fields; typically 3–8 years of experience in branding or digital marketing; experience in industrial or technology sectors preferred

- Approximately [REDACTED]% or HK\$[REDACTED] million of the [REDACTED] will be used for strategic [REDACTED]. This will be used for strategic investments, acquisitions, or strategic alliances. We plan to apply this portion of the [REDACTED] to pursue external investment and acquisition opportunities that are consistent with our strategic objectives in the embodied AI-related value chain, including potential investments in technologies or businesses that complement our existing operations, enhance our product portfolio, or extend our presence in related application sectors.

The target should have (a) strong R&D capabilities, especially technologies that are complementary to our technologies, such as embodied AI models, multi-modal sensing and motion control technologies, (b) deep industry expertise and insights within the embodied AI-related value chain, backed by a management team with full-chain industry experience and strong resource reserves to enhance our supply chain resilience, (c) extensive experience with and recognition among customers, evidenced by batch deliveries to a diversified customer base and proven real-world operations free of major technical or delivery defects, or (d) product or service offerings that are synergistic with our business in terms of technology, applications, supply chain, and sales channels. In addition, we will consider certain quantitative factors in our selection process, including (1) the target’s revenue scale and product mix, measured by proprietary product revenue and confirmed order volume, (2) growth potential, capturing historical revenue CAGR and addressable market headroom, (3) profitability profile assessed through consolidated and segment gross margins as well as sustained R&D reinvestment efficiency, and (4) financial position evaluating liquidity, cash flow sustainability, and market-comparable valuation multiples. As of the Latest Practicable Date, we have not identified specific acquisition targets. We believe that such investments and acquisitions would allow us to strengthen our core technologies, diversify our application scenarios, and accelerate our global market penetration, thereby generating synergies to support long-term revenue growth.

According to Frost & Sullivan, there are over 500 potential investment and acquisition targets within the embodied AI-related value chain, including companies engaged in AI algorithms, sensing technologies, machine vision and key components, and such target pool is considered sufficient to support our strategic investment plans.

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- Approximately [REDACTED]% or HK\$[REDACTED] million of the [REDACTED] will be used for bank loan repayment. This will be primarily used to partially repay existing loans, including working capital facilities and guaranteed investment credit facilities obtained for fixed asset investments. As of March 31, 2026, we had RMB665.4 million in bank and other borrowings. These borrowings were primarily obtained to support our working capital needs and capital expenditure requirements for business expansion. Certain of our borrowings include fixed-asset loans entered into, to finance investments in production base and related fixed assets and are long-term in nature, with maturities extending to 2027 and 2034, respectively. These borrowings bear interest at fixed or floating rates. Floating-rate borrowings are generally priced with reference to the loan prime rate published by the National Interbank Funding Center, subject to an agreed adjustment margin and periodic repricing in accordance with the relevant loan agreements. The applicable interest rates for such floating-rate borrowings are generally determined based on the relevant LPR minus an adjustment margin of approximately 50 to 70 basis points, with repricing on a periodic basis in accordance with the terms of the respective loan agreements. We believe utilizing the [REDACTED] to repay these loans will help us save interest costs, optimize our capital structure, and improve our overall financial position.
- Approximately [REDACTED]% or HK\$[REDACTED] million of the [REDACTED] is expected to be used for working capital supplementation and 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 at a higher or lower level compared to the mid-point of the estimated [REDACTED].

If the [REDACTED] is determined at HK\$[REDACTED] per [REDACTED], being the high end of the [REDACTED] stated in this Document, after deducting the [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED], we will receive [REDACTED] of approximately HK\$[REDACTED] million.

To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to put into effect any part of our future development plans as intended, we will only deposit such [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 the applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the above proposed use of [REDACTED].