

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For more details of our future plans, see “Business — Our Strategies.”

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million after deducting the [REDACTED], fees and estimated expenses paid and payable by us in the [REDACTED], assuming no exercise of the [REDACTED] and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED] Share in this Document.

We intend to use the net [REDACTED] from the [REDACTED] for the following purposes:

- Approximately HK\$[REDACTED] million, representing [REDACTED]% of the net [REDACTED], will be used for accelerating innovation and R&D of both existing and new products, as well as forward-looking technologies, further enhancing our R&D capacities and enriching our product portfolio:
 - Approximately HK\$[REDACTED] million, representing [REDACTED]% of the net [REDACTED], will be used for the ongoing enhancement and iterative improvement of our existing products. Our efforts will focus on upgrading, optimizing, and refining existing products to improve performance, reliability, and cost competitiveness, while continuously advancing key components and manufacturing processes. Such upgrades will be implemented through a series of customer-specific R&D projects conducted on a phased basis from 2026 to 2028, covering both overseas and domestic customer programs. In particular, these enhancements include (i) overseas customer hybrid drive and pure electric drive platform development, (ii) domestic customer hybrid drive and pure electric drive platform upgrade and iteration, and (iii) our next-generation technical solutions, including medium- and low-power controller fusion and packaging solutions, three-level distributed electric drive systems, integrated multi-function assembly controllers and on-board power supply systems. We expect to incur HK\$[REDACTED] million in 2026, HK\$[REDACTED] million in 2027 and HK\$[REDACTED] million in 2028, and plan to deploy 343 R&D personnel for the above enhancements. We also plan to enhance our solution portfolio by promoting greater standardization across the platform, accelerating product development cycles to better meet diverse customer needs.
 - Approximately HK\$[REDACTED] million, representing [REDACTED]% of the net [REDACTED], will be applied to forward-looking R&D of new products and technologies, with a focus on cross-scenario product development, including eVTOL propulsion systems and electric-drive solutions that enable embodied-intelligence applications. In addition, we will establish an innovative R&D framework centered on foundational technologies related to electronic power, extending across multiple application scenarios, to lay a solid foundation for capturing opportunities in the next-generation intelligent electric control market. Such innovative R&D framework is intended to support platform-based and modular development, enabling the reuse and scalability of core technologies across different products and application scenarios. We expect to incur HK\$[REDACTED] million in 2026, HK\$[REDACTED] million in 2027 and HK\$[REDACTED] million in 2028, and plan to deploy 93 R&D personnel for the above enhancements.
- Approximately HK\$[REDACTED] million, representing [REDACTED]% of the net [REDACTED], will be used to enhance our domestic delivery capacity, optimize intelligent systems, and strengthen lean management capabilities and operational efficiency:

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- Approximately HK\$[REDACTED] million, representing [REDACTED]% of the net [REDACTED], will be used for the expansion and capability upgrade of our existing production bases, facilities and lines in China, including our Jiaxing plant, Wuhu plant and Chongqing plant. We plan to expand our current site, invest in advanced production equipment, and recruit additional production and technical personnel for our facilities. Investment in advanced production equipment mainly include the purchase of additional electric control and power module production lines, such as power module lines, aging lines, testing lines and assembly lines, which is expected to cost HK\$[REDACTED] million. In connection with such expansion, we plan to recruit additional production and technical personnel, primarily including 130 production workers, 60 technical engineers and 12 supporting administrative personnel, with expected staff costs of HK\$[REDACTED] million. We believe these initiatives can enhance our manufacturing capacity and improve operational efficiency, thereby supporting sustainable growth and future scalability.
- Approximately HK\$[REDACTED] million, representing [REDACTED]% of the net [REDACTED], will be used to enhance our digital and intelligent management capabilities through upgrades to our core operational and management information systems, including our enterprise resource planning (“ERP”) system, supply chain management system, manufacturing execution and quality management systems, and product life-cycle management (“PLM”) system. We also plan to deploy supporting digital infrastructure and selected AI-enabled operational tools to improve production planning, process automation and operational coordination across R&D, manufacturing and supply chain functions. Such enhancements are expected to improve our operational efficiency, production planning accuracy and quality traceability as our business scales, and to strengthen coordination across key functions. From a financial perspective, these initiatives are expected to support better cost control, improved utilization of production capacity and enhanced working capital efficiency over time, thereby supporting the sustainability and scalability of our global operations. We expect to incur HK\$[REDACTED] million in 2026, HK\$[REDACTED] million in 2027 and HK\$[REDACTED] million in 2028.
- Approximately HK\$[REDACTED] million, representing [REDACTED]% of the net [REDACTED], will be used for furthering our internationalization strategy, deepening our overseas market presence and building localization capabilities. In the European Union, we plan to continue deepening our market presence by expanding our business with leading international OEMs and commercial vehicle customers, with allocated budget of HK\$[REDACTED] million. In Japan, we plan to build a local sales and technical support team of approximately five to ten personnel to support our business expansion, with allocated budget of HK\$[REDACTED] million. In Southeast Asia, we plan to enhance market visibility and explore business opportunities through participation in exhibitions and industry forums via our Hong Kong subsidiary, and to establish a local sales and technical support team of approximately five to ten personnel, which will be covered by our domestic personnel. The net [REDACTED] will primarily be applied to talent recruitment and training, establishment of local service networks, local compliance and certifications, market development activities, and technical investment for joint solutions with partners.
- Approximately HK\$[REDACTED] million, representing [REDACTED]% of the net [REDACTED], will be used to foster in-depth strategic collaborations with leading technology enterprises across the industry value chain and emerging frontier sectors. The allocation of net [REDACTED] for strategic collaborations and acquisitions is therefore based on the Group’s overall business strategy and long-term development plan, taking into account industry dynamics, the typical scale of similar transactions in the industry, and the Group’s anticipated funding needs to support potential opportunities that may arise. The [REDACTED] will be applied to identify and pursue potential investment, acquisition and partnership opportunities. In particular, we are

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seeking potential upstream collaborations with suppliers of advanced manufacturing processes, raw materials and production equipment that meet our criteria for technological capability and reliability, with a view to enhancing supply chain controllability and resilience. In addition, we are seeking potential downstream collaborations with leading enterprises in emerging application areas, such as embodied intelligence and the low-altitude economy, that satisfy our criteria in terms of technological leadership, market position and strategic alignment, with the objective of deepening cooperation with leading players in specific segments. We also plan to promote the research, development and commercialization of next-generation technology and solutions through joint development, joint ventures and other strategic cooperation models, with a view to building new growth engines for our future business expansion. According to Frost & Sullivan, as our potential targets span across upstream and downstream value-chain segments, such broad market landscape provides us with a diversified pool of opportunities for strategic collaborations, investments or acquisitions. However, the implementation of any such plans will be subject to, among others, market conditions, the availability of suitable targets and the outcome of commercial negotiations. As of the Latest Practicable Date, we had not identified any particular acquisition target.

- Approximately HK\$[REDACTED] million, representing [REDACTED]% of the net [REDACTED], will be used for repaying short-term bank borrowings.
- Approximately HK\$[REDACTED] million, representing [REDACTED]% of the net [REDACTED], will be used 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 at a higher or lower level compared to the midpoint of the estimated [REDACTED] range. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the high end of the indicative [REDACTED] range, the net [REDACTED] from the [REDACTED] will increase to approximately HK\$[REDACTED] million. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the low end of the indicative [REDACTED] range, the net [REDACTED] from the [REDACTED] will decrease to approximately HK\$[REDACTED] million.

If the [REDACTED] is exercised in full, and net [REDACTED] that we will receive will be approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range). In the event that the [REDACTED] is exercised in full, we intend to apply the additional net [REDACTED] to the above purpose in the proportions stated above.

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).