
FUTURE PLANS AND [REDACTED]

FUTURE PLANS AND [REDACTED]

[REDACTED]

Assuming (1) an [REDACTED] of [REDACTED] per H Share, being the mid-point of the indicative [REDACTED] of [REDACTED] to [REDACTED] per H Share, and (2) that the [REDACTED] is not exercised, the [REDACTED] from the [REDACTED] are estimated to be approximately [REDACTED] after deducting [REDACTED], incentive fees and other expenses payable by us in connection with the [REDACTED]. In line with our business strategies, we intend to use our [REDACTED] for the following purposes:

- approximately [REDACTED]% of the [REDACTED] (approximately [REDACTED]), will be used to further advance our R&D capabilities to enhance our core technologies and smart service robotic products and services offerings:
 - (i) [REDACTED]% of the [REDACTED] (approximately [REDACTED]) will be used to upgrade the core technologies utilized in our **humanoid robots**, out of which (a) approximately [REDACTED] will be used for partially funding the acquisition costs of machinery, equipment, software and R&D materials including (1) over 220 units of machinery and equipment such as visible light spectrophotometers, vibration testing equipment, electrostatic discharge generator and profilometer; and (2) over 15 sets of software for purposes such as ID design and rendering, 3D modeling and algorithm services; and (b) approximately [REDACTED] will be used for partially funding the recruitment of over 110 staff including R&D related personnel such as project and product managers, engineers and operational staff who generally possess master degrees with more than 5 years of work experience in a field related to core technologies utilized in humanoid robots. As the R&D of humanoid robots involves research across multiple disciplines and technologies which are relatively more complex and advanced in nature compared to other robotic products, we expect to recruit some candidates with doctorate degrees in order to enhance our capabilities in achieving technological breakthroughs and shortening the R&D cycle for humanoid robots. During the Track Record Period, it generally took four to 16 months to achieve commercialization from the conceptualization and R&D stages for our humanoid robots. With the additional R&D staff, based on the experience and estimation of our Directors, we expect to shorten our R&D cycle by approximately 0.7 to 2.2 months.
 - (ii) [REDACTED]% of the [REDACTED] (approximately [REDACTED]) will be used to develop and launch our **education smart robotic products and services**, out of which (a) approximately [REDACTED] will be used for partially funding the acquisition costs of machinery, equipment, software and R&D materials including (1) over 430 units of machinery and equipment such as testing equipment, molding equipment, servers and computers; and (2) over 10 sets of software for purposes such as cloud storage and computing and algorithm services; and (b) approximately [REDACTED] will be used for partially funding the recruitment of over 70 staff including R&D related personnel such as project and product managers, engineers and operational staff and educational curriculum staff and the engagement of external consultation service providers who generally possess bachelor's degrees with more than 3 years of work experience in a field related to education smart robotic products and services. We expect to shorten the R&D cycle for education smart robotic products and services following the recruitment of additional R&D related personnel as a result of having more R&D manpower in the execution of our R&D projects. During the Track Record Period, it generally took five to 24 months to achieve commercialization from the conceptualization and R&D stages for our education smart robotic products and services. With the additional R&D staff, based on the experience and estimation of our Directors, we expect to shorten our R&D cycle by approximately 0.9 to 2.4 months.
 - (iii) [REDACTED]% of the [REDACTED] (approximately [REDACTED]) will be used to develop and launch our **logistics smart robotic products and services**, out of which (a) approximately [REDACTED] will be used for partially funding the acquisition costs of machinery, equipment, software and R&D materials including (1) over 580 units of

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machinery and equipment such as millimeter wave radar, industrial PCV readers, multi-terrain test equipment and fast friction drivers; and (2) over 10 sets of software for purposes such as offline cloud mapping, machine learning datasets and finite element analysis; and (b) approximately [REDACTED] will be used for partially funding the recruitment of over 110 staff including R&D related personnel such as project and product managers, engineers and operational staff who generally possess bachelor's degrees with more than 3 years of work experience in a field related to logistics smart robotic products and services. We expect to shorten the R&D cycle for logistics smart robotic products and services following the recruitment of additional R&D related personnel as a result of having more R&D manpower in the execution of our R&D projects. During the Track Record Period, it generally took 11 to 13 months to achieve commercialization from the conceptualization and R&D stages for our logistics smart robotic products and services. With the additional R&D staff, based on the experience and estimation of our Directors, we expect to shorten our R&D cycle by approximately two months.

- (iv) [REDACTED]% of the [REDACTED] (approximately [REDACTED]) will be used to develop and launch our **general service smart robotic products and services**, out of which (a) approximately [REDACTED] will be used for the acquisition costs of machinery, equipment and software including (1) over 150 units of machinery and equipment such as detection equipment and product testing equipment; and (2) approximately 5 sets of software for purposes such as cloud storage and computing and algorithm services; and (b) approximately [REDACTED] will be used for recruitment of over 20 staff including R&D related personnel such as product managers and engineers who generally possess bachelor's degrees with more than 3 years of work experience in a field related to general service smart robotic products and services. We expect to shorten the R&D cycle for general service smart robotic products and services following the recruitment of additional R&D related personnel as a result of having more R&D manpower in the execution of our R&D projects. During the Track Record Period, it generally took five to 12 months to achieve commercialization from the conceptualization and R&D stages for our general service smart robotic products and services. With the additional R&D staff, based on the experience and estimation of our Directors, we expect to shorten our R&D cycle by approximately one to 2.2 months.
- (v) [REDACTED]% of the [REDACTED] (approximately [REDACTED]) will be used to develop and launch our **wellness and elderly care smart robotic products and services**, out of which (a) approximately [REDACTED] will be used for partially funding the acquisition costs of machinery, equipment, software and R&D materials including (1) over 350 units of machinery and equipment such as robot reliability laboratory equipment, various servers (e.g. for code, bugs, document backup management) and network analysers; and (2) approximately 10 sets of software for purposes such as cloud storage and computing and algorithm services; and (b) approximately [REDACTED] will be used for partially funding the recruitment of over 70 staff including R&D related personnel such as project and product managers, engineers and operational staff who generally possess bachelor's degrees with more than 3 years of work experience in a field related to wellness and elderly care smart robotic products and services. Since we only launched our wellness and elderly care smart robotic products and services in the second half of 2022, our R&D capabilities in relation to such products and services are comparatively under-developed compared to our other existing and more established business segments. As such, our Directors believe that the recruitment of additional R&D staff which have more specialized experience and vocational focus in the wellness and elderly care smart robotic products and services industry than our existing R&D staff is necessary in order to enhance our R&D efforts in this area. For instance, as we intend to upgrade our visual recognition technology to improve our companion smart robot's ability to identify and analyze the movement of the elderly, we expect our newly-recruited R&D staff to have experience in designing the relevant necessary algorithms. We also expect our newly-recruited R&D staff to have experience in designing health monitoring and analyzing platforms to facilitate the management and monitoring of our products.

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- (vi) [REDACTED]% of the [REDACTED] (approximately [REDACTED]) will be used to develop and launch our **consumer-level robots and other hardware devices**, out of which (a) approximately [REDACTED] will be used for partially funding the acquisition costs of machinery, equipment, software and R&D materials including (1) over 240 units of computers and product testing equipment; and (2) over 5 sets of software for purposes such as cloud storage and computing and algorithm services; and (b) approximately [REDACTED] will be used for partially funding the recruitment of over 15 staff including R&D related personnel such as project and product managers, engineers and operational staff who generally possess bachelor’s degrees with more than 3 years of work experience in a field related to consumer-level robots and other hardware devices. As we intend to enhance our existing offerings of consumer-level robots and other hardware devices by developing next generation vacuum cleaners, pool cleaning robots and lawn mowers, we expect to recruit new R&D staff who possess relevant experience in the R&D of these products in order to enhance the overall R&D efficiencies of such products. In particular, we expect such newly-recruited R&D staff to have experience in the R&D of pool cleaning robots and lawn mowers since we have never launched such products before.
- approximately [REDACTED]% of the [REDACTED] (approximately [REDACTED]), will be used for partial repayment of the following bank loans:

Nature of bank loans	Principal amounts	Interest rate	Due date	Purpose of bank loans
(1).. Bank working capital loans	RMB300.0 million	3.7%-5.7%	January 12, 2024 to January 29, 2024	General corporate purpose
(2).. Fixed investment credit portion of the Guaranteed Facility	RMB900.0 million	5-year loan prime rate plus 2.19%, adjusted annually	June 18, 2031	Construction works in relation to our headquarters in Shenzhen

See “Relationship with our Controlling Shareholders – Independence from our Controlling Shareholders – (iii) Financial independence” for details in relation to the Guaranteed Facility.

- approximately [REDACTED]% of the [REDACTED] (approximately [REDACTED]), will be used to upgrade our R&D laboratories in our Shenzhen R&D institute to enhance our R&D infrastructure to improve our R&D capabilities and efficiencies, in particular (a) approximately [REDACTED] will be used for partially funding the acquiring of machinery, equipment and software including (1) over 240 units of machinery and equipment such as GPU servers, storage servers and integrated gear measurement center; and (2) over 15 sets of software for the purpose of machine learning datasets, mechanical system design simulation and servo actuator vibration testing; and (b) approximately [REDACTED] will be used for partially funding the recruitment of over 90 staff including R&D related personnel such as project and product managers, engineers and operational staff who generally possess master or PhD degrees with more than 5 years of work experience in a field related to our robotic and/or AI technologies. The newly-recruited R&D staff are expected to have more experience and academic achievements than our existing R&D staff in relation to the relevant robotic and/or AI technologies which are the subject matters of our R&D laboratories in our Shenzhen R&D institute, as such we expect them to be better equipped to facilitate the enhancement of our R&D infrastructure to improve our R&D capabilities in respect of these technologies. Such experience and academic achievements may include the publication of research papers and conference papers on international reputable journals, participation in the design of patents and involvement in major projects in respect of the relevant robotic and/or AI technologies.
- approximately [REDACTED]% of the [REDACTED] (approximately [REDACTED]), will be used for the enhancement of our brand awareness and market penetration by expanding our overseas sales channels. In particular, (a) approximately [REDACTED] will be used for partially funding the recruitment of over 350 staff including sales and marketing personnel and support

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staff; (b) approximately [REDACTED] will be used for partially funding the setting up of (1) a total of 12 showrooms in the PRC, Korea, United Arab Emirates, Thailand, Germany, India, USA, Japan and Singapore. We intend to demonstrate the functionalities and applications of our latest smart service robotic products and services from each of our business segments in the PRC showrooms, whereas the overseas showrooms will focus on the demonstration of our latest smart service robotic products and services under our other sector tailored smart robotic products and services and consumer-level robots and other hardware devices segments; and (2) a total of 19 branch offices and regional offices across the PRC for strengthening our sales and marketing network, developing our relationship with customers and end-users and expanding our customer and end-user base; (c) approximately [REDACTED] will be used for partially funding the (1) providing of trainings to our sales and marketing team in order to equip them with the necessary marketing skills, linguistic skills and latest technological and industry developments to effectively market our smart service robotic products and services; and (2) participating in major national and international events which allows us to benefit from word-of-mouth marketing while minimizing our selling and marketing expenses; and (d) approximately [REDACTED] will be used for partially funding the upgrading of our office equipment of our sales and marketing team to facilitate better communication with and experience of customers and end-users of our smart service robotic products and services.

- approximately [REDACTED]% of the [REDACTED] (approximately [REDACTED]), will be used to partially fund the further optimization of our management and operational efficiency by purchasing various systems such as enterprise resource planning (ERP) system, product lifecycle management (PLM) system, human capital management (HCM) system, customer relationship management (CRM) system and warehouse management (WMS) system.
- approximately [REDACTED]% of the [REDACTED] (approximately [REDACTED]), will be used for working capital and other general corporate purposes.

Based on our strategies and intended [REDACTED] from the [REDACTED], we set out below our proposed implementation plans from the [REDACTED] for your reference. Potential investors should note that the following implementation plans are formulated on the bases and assumptions which are inherently subject to many uncertainties and unpredictable factors, in particular the risk factors set forth in the section headed “Risk Factors” in this document. Therefore, there is no assurance that our business plans will materialize in accordance with the estimated time frame and that our future plans will be accomplished at all. The details of our future plan are set out below:

	[REDACTED]				% of [REDACTED]
	2024	2025	2026	Total	
	(HK\$' million)	(HK\$' million)	(HK\$' million)	(HK\$' million)	
Further advance our R&D capabilities to enhance our core technologies and products and services offerings	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Repayment of bank loans	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhance our R&D infrastructure to improve our R&D capabilities and efficiencies	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhance brand awareness and market penetration	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Further optimize our management and operational efficiency	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
General working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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To the extent that the [REDACTED] of the [REDACTED] are not immediately applied to the above purposes or if we are unable to put into effect any part of our plan as intended, we will hold such funds in short-term interest-bearing deposits at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance, the Law of the People’s Republic of China on Commercial Banks (《中華人民共和國商業銀行法》) and other applicable laws in the PRC). We will comply with the PRC laws relating to foreign exchange registration and proceeds remittance.

In the event that the [REDACTED] is set at the high-end or low-end of the proposed [REDACTED] of [REDACTED] to [REDACTED] per [REDACTED] and the [REDACTED] is not exercised at all, the [REDACTED] of the [REDACTED] received by us will increase or decrease by approximately [REDACTED]. Under such circumstances, our intended [REDACTED] will be increased or decreased on a pro-rata basis.

If the [REDACTED] is set at the high-end or low-end of the proposed [REDACTED] of [REDACTED] to [REDACTED] per [REDACTED] and the [REDACTED] is exercised in full, the [REDACTED] of the [REDACTED] (including the [REDACTED] from the exercise of the [REDACTED]) received by us will increase or decrease by approximately [REDACTED]. We intend to apply the additional [REDACTED] to the above uses in the proportions stated above.

If the [REDACTED] is exercised in full, the additional [REDACTED] we will receive after deducting [REDACTED], the discretionary incentive fee (assuming the full payment of the discretionary incentive fee) and the estimated expenses in relation to the [REDACTED], will be:

- approximately [REDACTED], assuming an [REDACTED] of [REDACTED] (being the minimum [REDACTED]);
- approximately [REDACTED], assuming an [REDACTED] of [REDACTED] (being the mid-point [REDACTED]); or
- approximately [REDACTED], assuming an [REDACTED] of [REDACTED] (being the maximum [REDACTED]).

The additional [REDACTED] will be allotted to the above purposes on a pro rata basis if the [REDACTED] is exercised.

We will issue announcements, where required, if there is any material change in the [REDACTED] mentioned above.