
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” in this document for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of HK\$[REDACTED] after deducting [REDACTED] fees and [REDACTED] and estimated [REDACTED] paid and payable by us in the [REDACTED], assuming no [REDACTED] is exercised, no additional Shares are [REDACTED] pursuant to the Pre-[REDACTED] Share Option Scheme and an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range stated in this document).

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

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for the development and commercialization of memory products. We plan to continuously invest in developing high-performance memory products across (i) consumer-grade application scenarios, (ii) enterprise-grade application scenarios and (iii) automotive-grade application scenarios. Specifically:
 - (i) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for the expansion our memory product R&D team and sales team. We plan to recruit approximately 260 R&D talents, such as NAND analysis engineers, firmware engineers, application software engineers, application engineers and others, to meet the evolving product demands of end-users and maintaining our technological leadership. We also plan to recruit additional approximately 30 field application engineers skilled in memory product industry to enhance our ability to respond to customer needs in a timely manner. The average annual salary for these personnels is expected to range from RMB400 thousand to RMB500 thousand.
 - (ii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for purchasing equipments suitable for memory product development, consisting of (a) R&D equipment such as high-speed digital oscilloscopes, protocol analyzers and logic analyzers; and (b) supporting professional software.

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- (iii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for purchasing advanced testing equipment to conduct additional in-house testing on certain high-end embedded storage and DRAM. Such equipment includes aging test devices, test sorting machines and automated conveyor system, among others.
- (iv) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for leasing or purchasing properties in Shenzhen and Hefei, Anhui Province that support the R&D of memory products, including office areas for R&D personnel, laboratories and testing facilities.

See “Business — Our Strategies — Continuously develop memory products, expand diverse application scenarios.”

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for development and iteration of the controller chips. We will focus on the following areas to advance the design and development of advanced controller chips, including interface upgrades, process optimization and density breakthroughs. Specifically:
 - (i) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for covering the wafer tape-out expenses in our controller chip R&D projects, consisting of MPW tape-out expenses and full-mask wafer tape-out expenses.
 - (ii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for acquiring equipment suitable for controller chip R&D, consisting of (a) R&D equipment such as field-programmable gate array prototyping platform, high-speed digital oscilloscopes and protocol analyzers; and (b) supporting professional software.
 - (iii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for expanding our controller chip R&D team. We intend to recruit approximately 175 R&D talents, including chip architecture engineers, integrated circuit engineers, design verification engineers, firmware development engineers, firmware verification and validation engineers, integrated circuit verification engineers and application engineers. The average annual salary for these personnels is expected to ranges from RMB450 thousand to RMB550 thousand.

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(iv) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for leasing or purchasing properties in Shenzhen and Hefei, Anhui Province that support the R&D of controller chips, including office areas for R&D personnel, laboratories and testing facilities.

See “Business — Our Strategies — Embrace the AI era, fortify technology barriers.”

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for enhancing our wafer and controller chip validation and testing capabilities. We will establish an advanced testing center that covers wafer inspection, BGA testing and reliability testing. Specifically,
 - (i) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for acquiring a range of advanced testing equipment and supporting auxiliary facilities, such as chip core testers, probe stations and automatic test equipments.
 - (ii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for expanding our testing team. We intend to recruit approximately 90 testing team members, including software architecture engineers, software development engineers, firmware development engineers and software validation engineers for our testing center.
 - (iii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for leasing or purchasing properties in Shenzhen for the testing center, including wafer testing area and controller chip testing area.

See “Business — Our Strategies — Embrace the AI era, fortify technology barriers.”

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for working capital and for 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 low 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 net [REDACTED] of approximately HK\$[REDACTED].

FUTURE PLANS AND USE OF [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 net [REDACTED] of approximately HK\$[REDACTED].

To the extent that the net [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 net [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Future 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].