FUTURE PLANS

See "Business — Our Business Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate the [REDACTED] of the [REDACTED] which we will receive, assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-end of the [REDACTED] stated in this document), will be approximately HK$[REDACTED] million, after deduction of [REDACTED] and estimated expenses payable by us in connection with the [REDACTED] and assuming the [REDACTED] is not exercised.

In line with our business strategies, we intend to use the [REDACTED] of the [REDACTED] for the following purposes:

- approximately [REDACTED]% (or HK$[REDACTED] million) will be used to enhance our R&D capabilities and strengthen our technology development platforms. These efforts aim to diversify our product portfolio, improve product performance, and expand into additional downstream application markets to better meet evolving customer needs. In particular:

  (i) approximately [REDACTED]% (or HK$[REDACTED] million) will be used to enhance our R&D capabilities in automotive electronics and expand our dedicated packaging and testing capacity for automotive-related products. We plan to support the R&D of automotive-grade products and upgrade our in-house packaging and testing production line to meet stringent safety and performance requirements for automotive applications. The [REDACTED] will be used to cover R&D personnel expenses and support the construction and enhancement of dedicated packaging and testing infrastructure, including equipment procurement and plant renovation costs.

  (ii) approximately [REDACTED]% (or HK$[REDACTED] million) will be allocated to advancing our R&D in industrial control technologies and expanding our packaging and testing capacity specifically for industrial control applications. We plan to develop tailored products for industrial customers while enhancing production flexibility and quality assurance through upgrades to our in-house packaging and testing production line. These investments are expected to reduce reliance on external suppliers, improve integration across design and manufacturing stages, and drive overall operational efficiency. The [REDACTED] will be used to support R&D staffing, related technical activities, and the construction of dedicated production lines;

  (iii) approximately [REDACTED]% (or HK$[REDACTED] million) will be used to advance our R&D in AI and robotics applications. We are proactively positioning ourselves in the AI application space by accelerating technology development and expanding our technical reserves, which will serve as a foundation for future product applications across a broad range of downstream markets. The [REDACTED] will be used for R&D personnel expenses and R&D related expenditures, such as fees and expenses for equipment procurement, software licenses, IP usage, testing and certification, and wafer trial production;

  (iv) approximately [REDACTED]% (or HK$[REDACTED] million) will be used to enhance our platform-level R&D capabilities. We plan to develop a structured and reusable technology framework to convert core technologies into scalable and continuously evolving "technology assets." This platform-based approach is expected to reduce redundant R&D efforts, accelerate product development cycles, and improve our agility in responding to market dynamics. The [REDACTED] will be used to fund related R&D efforts, including personnel expenses, procurement of development tools, and associated infrastructure; and

(v) approximately [REDACTED]% (or HK$[REDACTED] million) will be used to enhance our R&D capabilities in consumer electronics and smart household appliances, which are among our core application markets. Continued investment in these areas will support sustained technological leadership through ongoing innovation and iterative product upgrades. The [REDACTED] will be applied to R&D staff costs and R&D related expenses, including fees and expenses for purchases of equipment and software, IP usage, testing and certification, and wafer trial production.

See "Business — Our Business Strategies — Strengthen R&D investment and drive breakthroughs across multiple technological frontiers" for more details;

- approximately [REDACTED]% (or HK$[REDACTED] million) will be used for strategic investments and acquisitions. We plan to actively explore potential investment and acquisition opportunities on a global scale, with the aim of acquiring high-caliber talent, expanding our product portfolio, and broadening our market reach. Our prospective acquisition targets primarily include companies in the semiconductor industry that offer strong strategic fit with our business, particularly those with differentiated technologies in areas such as automotive electronics, industrial automation, and AI/robotics. We also seek targets that can help broaden our product offerings, accelerate penetration into downstream markets, and are led by management teams with deep industry expertise and a proven track record. In identifying suitable targets, we will also conduct prudent evaluations based on a range of criteria, including financial performance, management capabilities, and regulatory compliance history. According to Frost & Sullivan, over 100 potential targets in the market currently meet our preliminary screening criteria. As of the Latest Practicable Date, we had not identified any definite acquisition targets, nor had we entered into any substantive commercial negotiations, memoranda of understanding, letters of intent, or binding agreements in connection with any potential acquisitions;

- approximately [REDACTED]% (or HK$[REDACTED] million) will be used to establish our global operations and R&D centers in Hong Kong. We intend to leverage Hong Kong's strategic position as a gateway to international markets, along with its robust R&D ecosystem and abundant talent pool, to build a regional base supporting our global expansion.

  The following table sets forth the details of [REDACTED] allocation for establishment of the global operations and R&D centers in Hong Kong:

	Global operation center	**R&D center**
	(HK$ in millions)	
Rental expenses	[REDACTED]	[REDACTED]
Personnel salaries	[REDACTED]	[REDACTED]
Marketing expenses	[REDACTED]	[REDACTED]
Travel and other expenses	[REDACTED]	[REDACTED]
Total	**[REDACTED]**	**[REDACTED]**

  These centers will also serve as a platform to enhance our sales and service coverage, improve responsiveness to domestic and overseas customer needs, and elevate our global brand presence. Specifically, (a) we will continue to expand our overseas sales and service network to strengthen our international market presence and provide customers with responsive and customized support; and (b) we plan to increase our global brand visibility through overseas marketing initiatives, including advertising and promotional campaigns, participation in industry exhibitions and forums; and

- approximately [REDACTED]% (or HK$[REDACTED] million) will be used for working capital and general corporate purposes.

If the [REDACTED] is not exercised, the [REDACTED] that we will receive will be approximately HK$[REDACTED] million, assuming an [REDACTED] of HK$[REDACTED] per H Share (being the midpoint of the [REDACTED]). If the [REDACTED] is set at HK$[REDACTED] per H Share, being the high end of the [REDACTED], the [REDACTED] from the [REDACTED] will increase to approximately HK$[REDACTED] million. If the [REDACTED] is set at HK$[REDACTED] per H Share, being the low end of the [REDACTED], the [REDACTED] from the [REDACTED] will decrease to approximately HK$[REDACTED] million. The above allocation of the [REDACTED] from 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 [REDACTED] stated in this document. To the extent our [REDACTED] are either more or less than expected, we will adjust our allocation of the [REDACTED] for the above purposes on a pro-rata basis.

If the [REDACTED] is exercised in full, the [REDACTED] that we will receive will be approximately HK$[REDACTED] million, assuming an [REDACTED] of HK$[REDACTED] per H Share (being the midpoint of the [REDACTED]). If the [REDACTED] is set at HK$[REDACTED] per H Share, being the high end of the [REDACTED], the [REDACTED] from the [REDACTED] will increase to approximately HK$[REDACTED] million. If the [REDACTED] is set at HK$[REDACTED] per H Share, being the low end of the [REDACTED], the [REDACTED] from the [REDACTED] will decrease to approximately HK$[REDACTED] million. Additional [REDACTED] received due to the exercise of any [REDACTED] will be used for the above purpose accordingly on a pro-rata basis in the event that the [REDACTED] is exercised.

To the extent that the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we will only place the [REDACTED] from the [REDACTED] which are not immediately required for the disclosed purpose in short-term interest-bearing accounts at licensed commercial banks and/or authorized financial institutions (as defined under the Securities and Future Ordinance or applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the proposed [REDACTED] above or if any amount of the [REDACTED] will be used for general corporate purposes.