FUTURE PLANS

See "Business — Our Strategies" in this document for detailed descriptions of our future plans.

USE OF [REDACTED]

We estimate that the net [**REDACTED**] from the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share (being the mid-point of the [**REDACTED**] stated in this document), will be approximately HK$[**REDACTED**], after deduction of [**REDACTED**] fees, [**REDACTED**], and estimated expenses payable by us in connection with the [**REDACTED**], and assuming the [**REDACTED**] is not exercised.

We intend to use the net [**REDACTED**] from the [**REDACTED**] for the following purposes and in the approximate amounts set forth below:

- Approximately [**REDACTED**]% or HK$[**REDACTED**] of the net [**REDACTED**] will be used for the R&D, testing and commercialization of our planned high-performance DRAM products for AI applications. According to Frost & Sullivan, AI is driving continuous upgrades in on-device electronic products, which in turn fuels demand for high-performance and low-power DRAM. The global on-device AI market reached RMB251.7 billion in 2024 and is expected to grow to RMB1,223.0 billion by 2029, representing a CAGR of 37.2% from 2024 to 2029. We intend to capture this market opportunity by developing high-performance DRAM products for AI applications. In particular:

    - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to (i) purchase R&D and testing equipment for our planned high-performance DRAM products for AI applications, in particular, we plan to purchase equipment to verify and optimize LPDDR, GDDR, LPCAMM, SOCAMM and related designs, such as AI-based LPDDR5X product verification and testing platform, high-speed logic analyzers, and high-speed DRAM engineering test systems, as well as other equipment used for testing after the R&D phase, before the product enters mass production, and (ii) will be used to procure raw materials and consumables for R&D and pilot production activities for this project. In addition to procuring non-customized R&D equipment, we also plan to develop and design customized R&D platforms and equipment and collaborate with equipment suppliers for the manufacturing, allowing us to ensure that the equipment fully meets our specific R&D requirements.

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to expand our R&D team and enhance our innovation capabilities through the recruitment of talent in hardware development, software development and production for our planned advanced DRAM products for AI applications. Over the next five years, we expect an aggregated increase of R&D 48 personnel for the development of AI-enabled high-performance DRAM products.

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to expand our R&D premises by renting additional space for R&D purposes.

- Approximately [**REDACTED**]% or HK$[**REDACTED**], will be used for R&D focused on upgrading existing and developing new memory controller chips, as well as for the R&D, testing, and commercialization of memory products equipped with such self-developed controller chips, aimed at strategically expanding our product portfolio and enhancing our market competitiveness. In particular, the [**REDACTED**] are intended to: (i) procure additional equipment specialized for the R&D and testing of the planned memory controller chip products. In particular, we plan to purchase equipment for UFS module functional verification, protocol analysis and performance verification, such as high-bandwidth UFS protocol analyzer, as well as other equipment used for testing after the R&D phase, before the product enters mass production; (ii) recruit talent with expertise in memory controller chip development. In particular, over the next four years, we expect to add up to 106 R&D personnel in aggregate to support the upgrade and development of our existing and new memory controller chips; (iii) engage outsourced chip tape-out services; and (iv) procure raw materials, consumables, and other resources necessary for this project.

- Approximately [**REDACTED**]% or HK$[**REDACTED**], will be used for the construction of a new production base, aimed at expanding our production capacity and enhancing our in-house operational capabilities. The planned production base will cover key development and production stages of our memory products. In particular:

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the construction and development of the new production base, including the development of essential infrastructure such as production workshops, warehouses, laboratories, and supporting facilities, which are necessary to ensure efficient, high-quality manufacturing operations and the wellbeing of staff. We intend to establish the new production base in Zhongshan, Guangdong Province, strategically positioned in the Guangdong-Hong Kong-Macao Greater Bay Area, adjacent to Shenzhen and Zhuhai. Construction is expected to commence in 2026, followed by equipment installation and trial operations in 2027, capacity ramp-up in 2028, and full production by 2029, targeting an annual output over 150 million memory chips. Building on our established experience, the new production base will support R&D and testing of our new product portfolio. We expect our business and order demand to continue expanding in the coming years, and our existing production bases may not be sufficient to meet future growth requirements. Therefore, this expansion not only addresses immediate market demand but also serves as a strategic initiative to advance advanced memory technologies, enhance our supply chain independence, and reinforce our market competitiveness. The new production base will relieve potential upgrading bottlenecks, and support us to seize opportunities arising from the rapidly expanding AI-driven market.

  ◦ Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to procure production-related hardware and software. This includes testing line equipment, R&D laboratory equipment, as well as other essential infrastructure, environmental protection systems, and auxiliary equipment necessary to support efficient and high-quality large-scale production, in particular, testing operations.

  ◦ Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the recruitment and training of personnel for the production base, including R&D and technical staff, manufacturing staff and management staff, to ensure smooth operations and adherence to quality standards. In particular, over the next three years, we expect to add up to 50 R&D personnel in aggregate to support the development of our new production base. The training-related investment will primarily focus on: (i) establishing internal training systems, developing materials and SOPs, appointing instructors, and setting up simulation training areas; (ii) engaging external experts and certification programs, including equipment operation and industry-standard quality and reliability training; and (iii) providing necessary training materials and simulation equipment.

- approximately [**REDACTED**]% or HK$[**REDACTED**], will be used for the R&D and testing of our new automotive and industrial-grade products to capture market opportunities. The [**REDACTED**] will primarily be applied to recruit product engineers, hardware and software development personnel, and to procure raw materials, consumables, and other resources necessary to support this project. In particular, over the next three years, we expect to add up to 24 R&D personnel in aggregate to support the development of our new automotive and industrialgrade products.

- approximately [**REDACTED**]% or HK$[**REDACTED**] will be used for general corporate and working capital 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**] or that the [**REDACTED**] is exercised.

If the [**REDACTED**] is fixed at HK$[**REDACTED**] per H Share (being the high-end of the [**REDACTED**] stated in this document), and assuming the [**REDACTED**] is not exercised, we estimate that the net [**REDACTED**] from the [**REDACTED**] will be approximately HK$[**REDACTED**], after deduction of [**REDACTED**], [**REDACTED**], and estimated expenses payable by us in connection with the [**REDACTED**].

If the [**REDACTED**] is fixed at HK$[**REDACTED**] per H Share (being the low-end of the [**REDACTED**] stated in this document), and assuming the [**REDACTED**] is not exercised, we estimate that the net [**REDACTED**] from the [**REDACTED**] will be approximately HK$[**REDACTED**], after deduction of [**REDACTED**], [**REDACTED**], and estimated expenses payable by us in connection with the [**REDACTED**].

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

To the extent that the net [**REDACTED**] from the [**REDACTED**] are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we intend to deposit the 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 or 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**].