FUTURE PLANS

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

USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the midpoint of the indicative range of the [**REDACTED**] between HK$[**REDACTED**] and HK$[**REDACTED**] per [**REDACTED**]), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**] after deducting the [**REDACTED**], fees and estimated [**REDACTED**] payable by us in connection with the [**REDACTED**], assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised.

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

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be allocated to R&D purposes, including investments in next-generation PV products and energy storage systems, as well as the construction and upgrade of R&D centers. We firmly believe that these investments could further reinforce our core technological barriers and accelerate the commercialization of cutting-edge technologies, enabling us to maintain our technological leadership in the industry. We will incur increased R&D expenses to support these activities and selling expenses to support the commercialization and promotion of our products. In particular:

  ○ Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be allocated to R&D projects in the PV inverter and energy storage sectors, including the R&D of (i) micro energy storage platform, residential energy storage platform, as well as PV inverter and energy storage solutions applicable for diverse C&I scenarios; (ii) next-generation high-efficiency intelligent PV inverters; and (iii) products such as next-generation energy storage systems, PCS, C&I energy storage, modular PV inverters and modular energy storage products, and AI-powered application platform for energy storage systems and new integrated energy storage solutions, as well as technologies such as grid and grid-forming technologies, thermal management technologies, high power density related technologies and high voltage related technologies.

    Specifically, we plan to advance our product R&D through a phased implementation plan comprising the following key steps: (i) in the initial phase, we will focus on technology advancement through further investing in key technologies and deepening the integration of these technologies. In parallel, we will initiate recruitment of top experts and specialists with experience and expertise in areas such as power electronics, electrochemistry and grid technology to expand our R&D team; (ii) in the second phase, we will prioritize platform development, such as building high-standard laboratories for testing and R&D; (iii) in the third phase, we will further expand our global presence in intellectual property and industry influence by deploying our robust IP portfolio across major markets such as China, Europe and the U.S., and participating in the formulation of industry standards.

We intend to adopt the following measures to compete with other market players: (i) build strong technological barriers that are difficult to replicate in order to capture market shares; (ii) target high-value markets and secure business opportunities with representative high-end customers in the industry to demonstrate our product performance; and (iii) collaborate with local business partners and other channels to broaden our market reach and accelerate the adoption of our products.

○ Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be allocated to the construction and upgrade of R&D centers to comprehensively enhance our R&D capabilities, including: (i) expansion of our R&D centers in Hangzhou and Nanjing. We target to focus on the research and development of advanced power electronics technologies, energy digitalization technologies and future grid technologies. We plan to introduce industry-leading R&D and testing equipment, along with supporting simulation platforms and design platforms, aiming to create high-level R&D platform and establish world-class research centers for new energy power electronics, thereby further strengthening our ability to conduct in-depth R&D activities; and (ii) construction and upgrade of the R&D center in Hefei, for which we intend to upgrade our R&D and testing equipment and supporting simulation platforms.

Specifically, we intend to purchase R&D equipment such as real-time power simulators, Hardware-in-the-Loop (HIL) platforms, battery simulators, grid simulators and high-power testing equpment. We plan to complete the construction and upgrade of R&D centers in five years.

• Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be allocated to construction of our overseas production bases. With growing overseas market demand, the establishment of overseas production bases enables us to be closer to our customers and better meet their delivery requirements, while also playing an important role in advancing our global localization strategy and supporting our long-term development. We plan to establish several overseas production bases primarily for PV inverters and energy storage systems. For the location selection of these bases, we will consider factors including proximity to core customer groups, logistics and labor costs. Our overseas production bases are anticipated to enhance our service efficiency, improve delivery flexibility and certainty and strengthen localized supply capabilities, thereby ensuring stable supply chain for our customers. These bases are expected to further ensure the timely supply and delivery of our products, thus strengthening our competitiveness in overseas markets. Specifically, we plan to establish (i) a new production base in Poland with planned production capacity of approximately 22.5 GWh for energy storage systems and 20 GW for inverter products; and (ii) a new production base in Egypt with planned production capacity of approximately 10 GWh for energy storage systems. Leveraging their geographic proximity and localized production advantages, these two production bases are expected to serve our expanding international customer base which is in line with our overseas business growth. We will lease local properties for production, purchase production equipment and recruit production personnel. As of the Latest Practicable Date, we had completed the required approval, authorization and filing procedures for this investment. In particular:

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for leasing production facilities, warehouses and office spaces, as well as for customized modifications of production areas to meet our production requirements, forming the initial step of establishing our production bases.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for the purchase and installation of production equipment. We plan to procure equipment, mainly including assembly and integration equipment, testing equipment and auxiliary equipment. This is a key step to build up our production capabilities following the leasing and setup of facilities.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for recruiting local personnel as a subsequent step to support operational readiness. We plan to primarily focus on local recruitment to manage and operate our overseas production bases. We intend to recruit a dedicated team of technical and quality control personnel to participate in the management and operations of our production bases. Additionally, we intend to build a professional function team comprising engineers, designers and production planning specialists to ensure the efficient operation of the production system. We intend to recruit personnel, mainly including (i) technical engineers and production specialists, with relevant experience and expertise in fields such as power electronics, automation, hardware circuit design and electrical engineering; and (ii) other professionals to support our daily operations, such as human resources, ESG and finance.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for raw material procurement, utility expenses and other daily operating costs during the initial production phase to ensure the smooth launch and stable operation of our overseas production bases.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be allocated to accelerating digital intelligence to empower our business development. We are committed to a long-term approach, firmly advancing our digital and intelligent upgrading strategy, and building a comprehensive digitalization system. We aim to create an agile business structure with a fully digitalized, collaborative and efficient workflow, which will continuously improve our operational efficiency and decision-making quality, ultimately enhancing our market leadership. Specifically, we plan to empower a full value chain digital platform spanning across R&D, marketing services, supply chain, intelligent production to quality management. We also plan to accelerate the application of new technologies such as artificial intelligence, big data and the IoT to support our digital and intelligent operations. At the same time, we will comprehensively strengthen our information security system as our key enabler for digital and intelligent transformation in the digital era. We will also build hardware infrastructure and data centers to further solidify our digital and intelligent foundation.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for working capital and general corporate purposes.

The above allocation of the net [**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 mid-point of the indicative [**REDACTED**] range stated in this document.

If the [**REDACTED**] and the [**REDACTED**] are exercised in full, the 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**] and the [**REDACTED**] are 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**] of the [**REDACTED**] are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may deposit such funds 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 the applicable laws and regulations in other jurisdictions) for so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

If any part of our development plan does not proceed as planned for reasons such as the occurrence of force majeure events, the Directors will carefully evaluate the situation and may reallocate the net [**REDACTED**] from the [**REDACTED**].