FUTURE PLANS

See the section headed "Business — Our Growth Strategies" in this document for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**] commissions, fees and estimated expenses payable by us in connection with the [**REDACTED**], assuming [**REDACTED**] is not exercised, at the [**REDACTED**] of HK$[**REDACTED**] per H Share.

In line with our strategies, we plan to apply the net [**REDACTED**] from the [**REDACTED**] in the following amounts and manner:

(a) approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for enhancing our independent R&D and innovation capabilities in key areas, including memory and controller chip design and advanced memory product development. For details, see "Business — Our Growth Strategies — Continue to Invest in Critical Technology and Capture Opportunities in Edge AI" in this document. In particular:

(i) approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used to invest in our R&D in the PRC. More specifically,

- approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used to maintain and expand our R&D team within the semiconductor memory products industry, with a focus on memory chip design. This investment supports our ongoing R&D of memory products for edge AI devices, including AI smartphones and smart wearables, small-capacity memory chip design, as well as the expansion of our product portfolio such as automotive grade and industrial grade memory products. For example, we plan to develop an integrated memory product for edge AI training and inference applications. This product is intended to address constraints typically faced in AI training and inference, such as limitations on memory performance, bandwidth and capacity, and to provide edge AI applications with unified, high-bandwidth, low-power, low-latency and high-capacity NAND and DRAM solutions. We plan to increase the number of R&D staff with extensive work experience in targeted areas over the next five years.

- approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used to purchase (a) R&D equipment, such as equipment for wafer testing, analysis and simulation verification, (b) relevant software licenses and hardware equipment necessary for chip design, and (c) cover tape-out costs.

- approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to finance the establishment of an R&D center in Shenzhen. The funds are expected to be used for the acquisition of a building and related decoration works. Given that we are headquartered in Shenzhen and that the city has a deep talent pool in the semiconductor industry, we believe establishing an R&D center there will enable us to attract higher-quality R&D talent and enhance collaboration with our existing business operations. As of the Latest Practicable Date, we had not identified any specific property for the R&D center purpose.

- approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for consulting service fees in relation to the engagement of independent third-party professional organizations in the fields of semiconductor memory, quality control and project management to provide consulting services.

(ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used to invest in R&D for Zilia, including but not limited to, conducting R&D projects, enhancing process technologies, training engineering personnel and collaborating with research institutions. Zilia plays a pivotal role in our successful entry into the Latin American market, which is marked by unique geographic development features and local market dynamics. This investment will enable us to further innovate and adapt to the evolving needs of the Latin American market, strengthening our competitive edge and expanding our reach in the region.

(b) approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used to expand our overall production capacity, thereby enhancing our in-house production capabilities. We plan to strategically expand our production capabilities through targeted investments in our key facilities in Suzhou and Brazil. We believe that these expansions will continue to elevate our expertise and capabilities, which will help us enhance product quality through advanced technologies, equipment and processes. For details, see "Business — Our Growth Strategies — Further Develop Our In-house Production Capability and Build a Resilient Global Supply Chain" in this document. In particular:

(i) approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used to expand our production capacity of our facilities in Brazil. To better serve the increasing market demands in Latin America with localized production capabilities, we plan to enhance Zilia's production capabilities in embedded storage, DIMM and SSDs by constructing facilities, procuring advanced equipment, enhancing process technologies and packaging capabilities. In addition, we plan to recruit additional personnel at our facilities in Brazil over the next five years. More specifically:

(a) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for acquisition of land needed for the construction of facilities;

(b) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for construction of factories, manufacturing lines and supportive warehouses, which are primarily for the production of our embedded storage, DIMM and SSDs;

(c) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for the purchase and installation of production equipment, storage equipment, control systems and equipment; and

(d) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for preliminary preparation, trial production and other expense such as recruitment of employees.

(ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for the construction of a new production facility in Suzhou. We plan to optimize the production facility deployment in Suzhou by constructing a new facility in Suzhou. Similar to the existing Suzhou Packaging and Testing Production Base, the new facility in Suzhou will primarily focus on the packaging and testing of our own products, including enterprise-grade memory products such as eSSD, RDIMM, high-end consumer-grade memory products and high-end embedded storage such as UFS products. This construction plan involves acquiring land, obtaining necessary permits and licenses, relocating existing facilities, installing additional packaging and testing equipment, and hiring more employees. More specifically:

(a) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for acquisition of land needed for the construction of facilities;

(b) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for construction of factories, manufacturing lines and supportive warehouses; and

(c) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for preliminary preparation, trial production and other expense such as recruitment of employees.

In determining the investment amount in the expansion of our production capacity, we referred to various factors, including (i) the amount and size of facilities and infrastructure necessary to produce our products, (ii) the types and number of equipment for the production of our products, and (iii) construction and manufacturing timeline.

We plan to allocate [**REDACTED**]% of the net [**REDACTED**] towards expanding overall production capacity due to several strategic considerations:

(i) *Anticipated market growth*. We have experienced significant growth and expansion since our inception and over the Track Record Period. Our total revenue increased by 72.5% from RMB10,125.1 million in 2023 to RMB17,463.7 million in 2024, and continued to increase by 30.4% to RMB22,766.2 million in 2025. According to CIC, the global semiconductor memory market is expected to grow from US$275.4 billion in 2025 to US$875.6 billion in 2030, representing a CAGR of 26.0%. This necessitates the expansion of production capacity to ensure adequate supply capabilities;

(ii) *Scalable production capabilities*. Our seemingly low utilization rates of our Suzhou and Brazil factories is primarily influenced by the ramp-up and integration of their production capacities with our Group's business following the acquisitions. As the factories gradually complete customer integration and production setup procedures, we have observed a notable increase in the factory's utilization rate in 2024 and 2025. Additionally, the nature of the semiconductor memory industry, including cyclical demand patterns, requires flexible and scalable production capabilities. Expanding production capacity and constructing new facilities will enable us to better respond to upward customer demands cycles;

(iii) *Strategic upgrade of equipment*. To meet the growing global demand for high-quality memory products, we plan to focus more on producing premium products in the future. Therefore, we will upgrade our equipment in our facilities to enhance product quality. Our investment will be directed towards advanced equipment and production lines that facilitate the manufacturing of products with more competitive performance, reliability and versatility, while achieving high cost efficiency in product development and production.

(iv) *Resilience of international supply chains*. In response to the recent trade conflicts, such as tariffs, and to mitigate the risks associated with changes in trade policies, we plan to strategically expand our production capacity in Brazil. It will also enable us to more efficiently serve overseas markets, which aligns with our strategic goals to expand our international market share. The expansion of our production capacity of our facilities is essential to meet this demand and prevent supply shortages.

(c) approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used to strengthen our sales and marketing so that we can enhance global recognition and foster customer loyalty for our self-owned brands: Lexar, FORESEE and Zilia. For details, see "Business — Our Growth Strategies — Enhance Global Brand Awareness", in particular:

(i) approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for the recruitment of sales and marketing staff. We plan to increase the number of sales and marketing staff skilled in international trade, digital marketing and marketing analysis over the next five years to expand the geographical coverage of our sales network and provide local customers with better services.

(ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used to carry out promotional activities in the regions that we are expanding to. We plan to actively participate in overseas product exhibitions and conferences to increase our exposure and brand recognition in international markets, thereby attracting more overseas customers.

(d) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated for strategic investments and/or acquisition to further strengthen our overall competitive position. We plan to identify and pursue opportunities involving companies whose capabilities or business can create strong synergies with, or serve as valuable complements to, our existing capabilities or market coverage. Specifically, our potential investment and acquisition targets are expected to be: (i) upstream companies possessing business capabilities that complement or strengthen our own, such as chip design houses, enabling us to achieve greater business synergy, or other emerging integrated circuit enterprises that align with industry development trends; or (ii) memory product companies that can strengthen our presence in specific jurisdictional markets or application scenarios, thereby expanding our customer base, facilitating entry into new application scenarios and seizing new growth opportunities. We also expect the management team of the target should have knowledge and extensive relevant experience in the semiconductor memory industry.

According to CIC, it is estimated that there are over 200 potential investment and acquisition targets that meet our selection criteria set forth above. As of the Latest Practicable Date, we had not identified any specific targets for acquisitions or investments, or entered into any investment agreement, to which we will apply these [**REDACTED**].

(e) approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used to partially repay existing loans, including bank loans that we obtained to supplement our working capital, bearing fixed annual interest rates ranging from 2.5% to 2.8%, and maturing between October 2026 and June 2030.

(f) approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used for working capital and other general corporate purposes.

The table below sets forth the expected implementation timetable of our planned use of our [**REDACTED**] for the purposes listed above, which is subject to changes based on our actual needs and market conditions at the relevant time:

	Period from the [REDACTED] to December 31,	Year ended December 31,				
	2026	**2027**	**2028**	**2029**	**2030**	**Total**
Enhancement of R&D and innovation capabilities						
PRC	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Brazil	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expansion of production capacity						
Suzhou	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Zilia	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Strengthen sales and marketing to enhance brands recognition	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Strategic investments and/or acquisition(1)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Repayment of loans	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and general corporate purposes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Note:

(1) The implementation timeline for strategic investments and/or acquisition depends on investment and acquisition opportunities and the selection process based on our selection criteria.

To the extent that our net [**REDACTED**] are not sufficient to fund the purposes set out above, we intend to fund these activities with available financial resources, including cash available on hands, bank and other borrowings and potential future equity financing.

The above allocation of the net [**REDACTED**] will be adjusted on a pro-rata basis in the event that the [**REDACTED**] is fixed below or above the mid-point of the [**REDACTED**]. If the [**REDACTED**] is set at HK$[**REDACTED**] per Share, which is the high end of our [**REDACTED**], the net [**REDACTED**] from the [**REDACTED**] will increase to approximately HK$[**REDACTED**] million. If the [**REDACTED**] is set at HK$[**REDACTED**] per Share, which is the low end of our [**REDACTED**], the [**REDACTED**] from the [**REDACTED**] will decrease to approximately HK$[**REDACTED**].

Any additional [**REDACTED**] received from the exercise of the [**REDACTED**] will also be allocated to the above purposes on a pro-rata basis. In the event that the [**REDACTED**] is exercised in full, we will receive net [**REDACTED**] of HK$[**REDACTED**] (after deducting the estimated [**REDACTED**] commissions and other fees and expenses payable by us in connection with the [**REDACTED**] and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the midpoint of our [**REDACTED**]).

To the extent that the net [**REDACTED**] of the [**REDACTED**] are not immediately required for the above purposes or if we are unable to put into effect any part of our development plan as intended, we may 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). In such event, we will comply with all applicable disclosure requirements as mandated by the Listing Rules.