
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

Please see “Business — Our Strategies” for a detailed description of our future plans.

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the [REDACTED] and estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED] fees, [REDACTED] and other estimated expenses payable by us in connection with the [REDACTED]. We intend to use the net [REDACTED] from the [REDACTED] for the following purposes:

Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used to support the capacity expansion of our production bases in Kunshan, Huangshi and Jintan. We plan to progressively increase our production capacity, focusing on production capacity for high-end PCBs for future applications. We intend to enhance sustainable production system by upgrading technologies for energy conservation, emission reduction and resource recycling. Specifically:

- o approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated for production capacity construction related to data communications sector, to capture the growth opportunities from demand growth from application scenarios such as data centers.

We plan to expand production capacity in response to downstream demand changes and evolving product requirements within the PCB industry. The market size of global PCB industry projected to reach US\$123.3 billion by 2030, representing a CAGR of 7.7% from 2025 to 2030. Growth is particularly driven by application sectors with higher technical requirements. Upon completion, we expect effective production capacity for PCBs in data communications sector to increase by approximately 0.9 million m² annually. Our planned capacity expansion is designed to support (i) the production of high-layer-count multilayer PCBs above 18 layers, high-performance and high-frequency PCBs, (ii) process and technique upgrades to improve yield, consistency and automation levels, and (iii) enhanced production efficiency through optimized layout and configuration. These objectives cannot be fully achieved through incremental utilization of existing facilities. In particular, the planned capacity expansion will support (i) improved equipment precision and inspection capability, with upgraded back-drilling equipment and testing equipment achieving stub length control accuracy of 0-4mil; (ii) production line configuration supporting higher aspect ratio requirements up to 30-35:1, and (iii) thick-board compatibility, accommodating next-generation board thickness specifications of 8-10mm. In addition, our existing production lines operate at near full utilization, with utilization rates reaching 99.1% in the three months ended March 31, 2026, leaving limited headroom for volume expansion. As advised by our PRC Legal Advisor, capacity expansion projects are subject to regulatory approvals and filings under PRC laws and regulations, including but not limited to project filings with the local bureau of the NDRC, construction project planning permits, construction permits, environmental impact assessments, fire safety approvals and acceptance inspections upon completion. Our PRC Legal Advisor is of the view that there are no legal impediments under current PRC laws that would prevent us from obtaining the necessary approvals or licenses, provided that all applicable requirements are duly complied with and there are no significant changes in current policies, regulations, local government supervision, and law enforcement requirements.

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Accordingly, the production capacity expansion is necessary to align manufacturing capabilities with market demand, enhance ability to meet customer specifications for technical requirements, and support market penetration while improving capacity utilization.

- i. approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is planned for the procurement and upgrade of related equipment. The following table sets forth the details of production equipment that we plan to procure or upgrade:

Relevant Production Process	Estimated Number of Equipment Procured	Estimated Unit Price Range
<i>RMB'000</i>		
Drilling	1,000-1,200	~400-4,750
Lamination	200-350	~60-77,800
Plating	50-150	~850-34,580
Inner Layer Imaging & Etching	150-200	~750-8,500
Electrical Test	100-150	~300-15,900
Others ⁽¹⁾	150-200	~350-7,350

Note:

- (1) Others include equipment for production processes such as profiling & routing, via filling, inner layer AOI and outer layer dry film.

- ii. approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is allocated for (a) land and factory building and (b) supporting facilities.

We plan to enhance collaboration with key equipment suppliers to optimize production equipment performance, increase investment in digital management systems and AI technologies to optimize production efficiency and enhance pollution prevention and resource recycling capabilities.

- o approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be allocated for production capacity construction related to the smart vehicles sector, to meet the growing demand under vehicle electrification, intelligence and connectivity trends. Upon completion, we expect effective production capacity for PCBs in smart vehicles sectors to increase by approximately 0.2 million m² annually. Specifically:

- i. approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is planned for the procurement and upgrade of related equipment. The following table sets forth the details of production equipment that we plan to procure or upgrade:

Relevant Production Process	Estimated Number of Equipment Procured	Estimated Unit Price Range
<i>RMB'000</i>		
Lamination	1-10	~850-76,000
Drilling	60-100	~329-6,000
Plating	1-30	~700-10,000
Electrical Test	1-20	~300-6,000
Profiling & Routing	10-30	~800-5,270
Others ⁽¹⁾	1-10	~200-2,800

Note:

- (1) Others include equipment for production processes such as ENIG/Gold Plating, text/character printing, and inner layer imaging & etching.

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- ii. approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is allocated for (a) land and factory building and (b) supporting facilities.

We plan to increase production capacity for high-end automotive-grade PCBs, such as those for ADAS, smart cockpits, power semiconductor embedded PCBs and battery, motor and electronic control systems. We plan to upgrade production equipment to enhance precision, consistency and reliability and to, improve production efficiency and yield. We will strengthen environmental protection measures and enhance green manufacturing capabilities.

Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for high-performance PCBs R&D and technological innovation in data communications and smart vehicles sectors. Specifically:

- o approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to strengthen R&D on high-performance PCBs for the data communications sector covering R&D personnel expenses, material and testing costs. We focus on technology research such as CoWoP (chip-on-wafer-on-PCB) and the advanced process innovation like mSAP (modified semi-additive process), while carrying out next-generation technology like co-packaged optics, to enhance signal transmission, power delivery and functional integration. We aim to invest in technology for high-end PCB products used in next-generation AI servers and 3.2T high-speed network switches, and continue the R&D of technologies related to high-speed signal transmission at rates of 448Gbps and above. We aim to improve products’ performance on high density, high frequency/speed and high current capacity. The R&D personnel expenses cover ongoing staff costs and salary increments of our existing data communications R&D team, as well as the recruitment of approximately 400 to 500 new R&D hires across 2026 and 2027, comprising five to 10 product development managers, 30 to 45 signal integrity and materials engineers, 120 to 140 engineering design engineers, 150 to 180 process and technology engineers, 55 to 75 testing engineers and 40 to 50 assistant engineers. These new hires are expected to have experience and qualifications in PCB engineering, electronic engineering or related disciplines, with mid- to senior-level hires expected to have a minimum of eight years of industry experience. The expected average annual salary for new hires in the data communications R&D team is within the range of RMB200,000 to RMB300,000.
- o approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to strengthen R&D in high-performance PCBs for smart vehicles and foundational R&D fields, covering related R&D personnel expenses and R&D activity expenses.

For smart vehicles, we focus on trends of vehicle electrification, intelligence and connectivity, the improvement of high voltage, electrical performance, material stability and thermal management properties of automotive-grade PCB products. We promote power semiconductor embedded PCB technology application in automotive components such as main inverters, optimize high-voltage platform technology, validating alternative materials and enhance silver sintering sampling capabilities. For foundational R&D fields, we concentrate on technologies including high-layer-count PCB stack-up architectures, selection and characteristic optimization of high-frequency/high-speed

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materials, HDI technology reliability and high-current power carrying capacity. The R&D personnel expenses cover staff costs and salary increments of existing R&D team, as well as the recruitment of approximately 60 to 90 new R&D hires across 2026 and 2027, comprising approximately one to five R&D managers, 10 to 15 R&D engineers, 10 to 15 design engineers and 15 to 25 process engineers, six to 10 testing engineers and 18 to 20 assistant engineerings. New hires are expected to have experience and qualifications in automotive PCB engineering, electrical engineering or related disciplines, with mid- to senior-level hires expected to have a minimum of eight years of industry experience. The expected average annual salary for new hires in the smart vehicles R&D team is within RMB200,000 to RMB300,000. See “— Use of [REDACTED] — Use of [REDACTED] Timeframe.” We plan to fund shortfall in expenditure to the extent not covered by the allocated net [REDACTED] from our internal cash resources and operating cash flows.

Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for strategic investments and acquisitions.

We will focus on investing in and/or acquiring target companies within the PCB industry value chain, primarily including (i) PCB manufacturers with complementary advanced production technologies, (ii) PCB manufacturers with complementary sales networks and geographic coverage and (iii) other companies beneficial to our technology development and business operations, including but not limited to companies with access to proprietary manufacturing processes or materials technology not currently available within our Group; and companies with channels or customer relationships that expand our addressable markets. We will explore overseas enterprises with technological advantages, particularly those with business divestiture opportunities. We will leverage our industry experience to identify targets globally. When assessing potential investment or acquisition targets, we will consider, among others, the following criteria of the target companies: (i) the principal business and its strategic and operational synergy with our operations, particularly enhancement of our focus on higher value-added PCB products; (ii) the scale of operations: (a) for investment targets which typically involves pre-commercialized entities, with focus primarily on technology and synergy potential without a minimum revenue threshold, and (b) for acquisition targets, with preferences for companies with annual revenue of no less than US\$100 million; (iii) the financial condition, including profitability and financial stability; (iv) the track record of the management team in the PCB industry or related sectors; (v) the internal controls, risk management framework and compliance record. As of the Latest Practicable Date, we had not identified any specific investment or acquisition targets.

Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for working capital and general corporate purposes.

To the extent that our net [REDACTED] from the [REDACTED] are more or less than expected (including as a result of (i) the [REDACTED] being set at a price higher or lower than the mid-point of the [REDACTED]; or (ii) additional net [REDACTED] from the exercise of the [REDACTED]), we will adjust our allocation of the net [REDACTED] for the above purposes on a pro rata basis. If any part of our development plan does not proceed as planned (for reasons such as changes in government policies that would render the development of any of our projects not viable or the occurrence of force majeure events), we will carefully evaluate the situation and may reallocate the net [REDACTED] from the [REDACTED].

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Use of [REDACTED] Timeframe

We intend to use the net [REDACTED] from the [REDACTED] according to the timeframe as set out below, which is subject to changes based on our actual needs and market conditions at the relevant time.

	Percentage of total net [REDACTED] (%)	Net [REDACTED] to be used in					Total
		2026	2027	2028	2029	2030	
		<i>(HK\$ in millions)</i>					
Support the capacity expansion of our production base	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Production capacity construction related to the data communications sector	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Procurement and upgrade of related equipment	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Land and factory building and supporting facilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Production capacity construction related to the smart vehicles sector	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Procurement and upgrade of related equipment	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Land and factory building and supporting facilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
R&D of high-performance PCBs and technological innovation in the data communications and smart vehicles sectors	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
R&D on high-performance PCBs for the data communications sector	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
R&D in high-performance PCBs for smart vehicles and foundational R&D fields	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Strategic investments and acquisitions ⁽¹⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and general corporate purpose	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Note:

(1) The allocation of funds for strategic investments and acquisitions will be determined in accordance with our specific investment and acquisition plans.

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 plan as intended, and to the extent permitted by the relevant laws and regulations, 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 Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.