FUTURE PLANS

See "Business – Our Strategies" for further details of our future plans.

USE OF [REDACTED]

We estimate that we will receive **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]**, after deducting **[REDACTED]**, fees and estimated expenses payable by us in connection with the **[REDACTED]**, assuming no **[REDACTED]** is exercised and an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the midpoint of the indicative **[REDACTED]** range stated in this Document.

In line with our strategies, we intend to apply the **[REDACTED]** from the **[REDACTED]** for the following purposes and in the amounts set forth below:

- Approximately **[REDACTED]**% or approximately HK$**[REDACTED]** million will be used for enhancing research and development ("**R&D**") investment and technological innovation. Technological innovation is the cornerstone of our competitiveness in the power electronics industry. We believe that sustained and efficient R&D investment is a key strategy to drive our future growth, accelerate the industrialization of cutting-edge technologies, and help us build long-term technological moats in the power electronics industry while continuously capturing market opportunities in emerging fields. Specifically, our R&D investment will focus on the following areas:

    - approximately **[REDACTED]**% or approximately HK$**[REDACTED]** million will be used to expand our R&D team over the next five years.

      To accelerate our exploration and breakthroughs in frontier technologies, we plan to strengthen and expand our R&D team through recruiting industry talents and optimizing team structure, which will bring us innovative vitality. Our recruitment will focus on professional talents in fields such as power electronics and related controls, thermal management, drive systems, mechanical engineering, process engineering, component engineering, and simulation testing, covering functions such as product design, R&D, performance evaluation, and process optimization. Candidates are generally required to possess relevant work experience and solid technical capabilities.

    - approximately **[REDACTED]**% or approximately HK$**[REDACTED]** will be used for investment in advanced R&D and testing equipment.

      We plan to strengthen and upgrade our R&D infrastructure, including procuring internationally advanced experimental, testing, and R&D equipment, to support our full R&D process encompassing basic scientific research, product development, validation, and testing. This will ensure that our team has the resources necessary in a rapidly evolving industry. We will improve our testing capabilities that simulate various extreme application environments, thereby shortening product development cycles and enhancing the reliability and stability of our products under stringent conditions.

- approximately **[REDACTED]**% or approximately HK$**[REDACTED]** will be used for the land acquisition and construction and installation costs for two new R&D centers in Shenzhen and Northwest China, to further improve and upgrade our R&D capabilities.

  The Shenzhen R&D Center will leverage the industrial cluster advantages and talent hub of the Greater Bay Area, building a comprehensive R&D hub integrating functions of the *"central research department"*, *"global testing and validation center"* and *"new product validation and pilot production center"*. This Shenzhen R&D center will become one of our core facilities for advanced research and quality assurance, supporting all six business segments. Its purpose is to drive our innovation roadmap and ensure the highest standards of product quality.

  The Northwest China R&D Center is proposed to be located in Xi'an, which will serve as an important strategic foothold for our further market expansion. This R&D center is expected to focus on breakthroughs and upgrades in core technologies and products in three high-growth potential areas, namely, AIDC power supplies, energy storage charging stations, and new energy vehicle electronic control systems.

  Leveraging these two new R&D centers, we expect to form an efficient and synergistic innovation network along with existing ten R&D centers, fully utilizing the locational advantages of each region to improve our R&D layout, and jointly build a globally competitive technological innovation system.

- Approximately **[REDACTED]**% or approximately HK$**[REDACTED]** will be used to expand and optimize our manufacturing capabilities. This initiative aims to build a more flexible, efficient, and cost-advantaged production network through forward-looking capacity planning and intelligent automation upgrades. Specifically,

  - approximately **[REDACTED]**% or approximately HK$**[REDACTED]** will be used for the construction of our Zhuzhou New Production Base.

    We expect to establish this manufacturing base in Zhuzhou, Hunan Province, and include highly automated production facilities, warehousing and logistics facilities, quality control laboratories, and office supporting facilities. With the completion of our Zhuzhou New Production Base, we expect that it will significantly enhance our production capacity and economies of scale, while using intelligent automation to optimize processes and ensure consistent, reliable product quality. This will also strengthen our delivery capabilities to global customers and market responsiveness. The planning details of this production base are as follows:

    (i) establish multiple highly flexible intelligent production lines, covering (a) fully automatic surface mount technology high-speed placement lines, (b) high-precision power module packaging and testing lines, and (c) customized assembly and testing production lines;

    (ii) establish automatic vertical warehousing and logistic facilities to achieve full-process automation from material receiving, storage, to line feeding, significantly improving material turnover efficiency;

    (iii) enhance quality control with investment in industry-leading testing equipment and instruments to build high-standard incoming quality control laboratories for stringent screening and verification of key components;

(iv) complement supporting facilities with modern office facilities to provide employees with a quality working environment.

After commencing production in this Zhuzhou New Production Base, we expect that it will serve as the core manufacturing force, primarily undertaking the mass production of the high value-added products for power supplies, industrial automation, power electronics for NEVs and energy storage.

- approximately **[REDACTED]**% or approximately HK$**[REDACTED]** will be used for the automation upgrade and renovation of existing production facilities over the next five years. By introducing more advanced automated production and testing equipment, we aim to achieve steady improvements in production efficiency and product yield by optimizing production processes and increasing the automation coverage of key processes. This will effectively increase consistency of the production process, improve our flexible manufacturing capabilities to respond to different product orders, ultimately reduce overall operating costs, and further strengthen our core competitiveness in manufacturing.

- Approximately **[REDACTED]**% or approximately HK$**[REDACTED]** will be used to improve and upgrade our global marketing and service capabilities. As our business expands globally, we believe that further expanding our global sales team and localized service system will help solidify our overseas market position, leading to enhanced market responsiveness, higher customer retention, and greater pricing power. We plan to recruit sales and marketing, technical support, and after-sales service teams with localized experience in key global markets (including but not limited to North America, Europe and Asia-Pacific). This initiative aims to

  - stay close to customers: provide global customers with more timely and professional services and technical support, such as support from field application engineers (FAEs);

  - deepen market penetration: enhance our brand awareness and market share in key overseas markets;

  - gain market insights: quickly capture the latest dynamics and customer needs in regional markets around the world, feeding back into our product development and market strategies.

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

To the extent our **[REDACTED]** are either more or less than expected, we will adjust our **[REDACTED]** of the **[REDACTED]** for the above purposes on a pro rata basis.

If the **[REDACTED]** is fully exercised, we will receive additional **[REDACTED]** of approximately HK$**[REDACTED]** (based on the maximum **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**). In the event that the **[REDACTED]** is exercised, we intend to apply the additional **[REDACTED]** to the above purposes on a pro rata basis.

To the extent that our **[REDACTED]** are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings.

If any part of our plan does not proceed as planned for reasons such as changes in government policies that would render any of our plans not viable, or the occurrence of force majeure events, our Directors will carefully evaluate the situation and may **[REDACTED]** the **[REDACTED]** from the **[REDACTED]**. We will issue an appropriate announcement if there is any material change to the above proposed use of **[REDACTED]**.

To the extent that the **[REDACTED]** of the **[REDACTED]** are not immediately used for the purposes described above, and to the extent permitted by the relevant laws and regulations, we intend to deposit the **[REDACTED]** in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under SFO or applicable laws and regulations in the other jurisdictions).