FUTURE PLANS

For a detailed description of our future plans, see "Business — Our Strategies."

USE OF [REDACTED]

We estimate that the **[REDACTED]** from the **[REDACTED]** will be approximately HK$**[REDACTED]**, assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the **[REDACTED]** range of HK$**[REDACTED]** per Share to HK$**[REDACTED]** per Share, after deducting **[REDACTED]** commissions and estimated **[REDACTED]** paid and payable by us in the **[REDACTED]**, taking into account any additional discretionary incentive fee.

The table below summarizes the expected implementation timeline and specific milestones to be achieved in each of the coming five years by stage of the **[REDACTED]** from the **[REDACTED]** by nature. Investors should note that these plans are based on assumptions and are subject to uncertainties, including the risks described in the "Risk Factors" section of this Document. As such, we cannot guarantee that our plans will proceed as scheduled or that our goals will be fully achieved.

	2027	2028	2029	2030	2031	Total	Approximate % of the total
						(HK$ million)	
Product iteration and product matrix building through continuous R&D and innovation	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**	**[REDACTED]**%
Operational capacities enhancement	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**	**[REDACTED]**%
Strategic investments and acquisitions	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**	**[REDACTED]**%
Working capital and general corporate purposes	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]%**	**[REDACTED]%**	**[REDACTED]%**	**[REDACTED]%**	**[REDACTED]%**	**[REDACTED]**	**[REDACTED]%**

The implementation of our future plans utilizing the **[REDACTED]** from the **[REDACTED]** is expected to have the following impacts on our financial profile: (i) our operating expenses, particularly research and development expenses and distribution and selling expenses, are expected to increase in absolute amounts in the near to medium term, as we deploy approximately 60% and 15% of the **[REDACTED]** towards R&D and operational capacity enhancement; (ii) while the increased R&D and operational expenses may exert short-term pressure on our net profit margin, these investments are strategically designed to yield higher-margin products in the long term after the successful launch of our new products, coupled with enhanced operational efficiencies and economies of scale from our expanded sales network; (iii) the receipt of the **[REDACTED]** will significantly strengthen our cash and cash equivalents, thereby improving our liquidity position and net current assets. The deployment of these funds will increase our cash outflows from operating and investing activities in the near term. However, as the newly developed products are launched and generate revenue, we expect a subsequent

positive impact on our net cash generated from operating activities, enhancing our long-term cash flow generation capabilities and self-sustaining growth. The execution of our future plans entails certain execution and commercialization risks, see "Risk Factors".

In line with our strategies, we intend to use the **[REDACTED]** from the **[REDACTED]** for the following purposes:

- approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for driving product iteration and building a diversified product matrix through continuous R&D and innovation. We will iterate and enhance our core flash memory product lines and intensify the development of analog IC products, as well as optimize our product performance to address the AI computing and information security demands of edge computing scenarios, thereby expanding our product portfolio. In particular:
  - approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for expanding our R&D activities of our code storage flash memory products and promoting the iterative update of technologies and products. We are actively advancing the development of NOR Flash products based on the next generation NORD process platform and are pursuing a mass production for SLC NAND Flash at the 20nm process node. In particular:
    - approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for recruiting additional R&D personnel with experienced code storage flash memory practice. We mainly plan to recruit (i) IC design engineers to design and implement on-chip digital circuits, and optimize memory algorithms to enhance product competitiveness; (ii) test engineers to test wafer and chip functionality and conduct reliability tests; (iii) verification engineers to identify functional design defects before tape-out; (iv) layout engineers to design and implement chip layouts, optimize chip area, and enhance chip reliability; (v) project managers and assistants to lead overall project R&D progress and ensure successful execution;
    - approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to support our R&D activities, thereby consolidating and expanding our technological advantages and our market share by: (i) purchasing advanced semiconductor testing and reliability equipment for process validation, and yield optimization. For example, reliability aging testing machines and three-temperature testing equipment; (ii) purchasing photomasks and conduct engineering tape-out for our code storage flash memory chips to achieve the physical formation and functional verification of our IC design; (iii) purchasing probes cards for testing the function of our code storage flash memory chips during CP test; (iv) purchasing electronic devices and software tools, such as EDA tools and other software licenses, to facilitate our daily operations and IC design; and (v) other expenses including pre-project work expenses, project contingency expenses and lease expenses.
  - approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for expanding our R&D activities of our CIM AI chips and promoting the iterative update of technologies and products. We will leverage the novel ReRAM to develop CIM AI chips that could provide AI computing power with low energy consumption, higher efficiency and better cost performance for the main-control chip. In particular:

  - approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for recruiting additional R&D personnel with experienced CIM AI IC practice. Our recruitment plans include: (i) chip development engineers to design the logical functions and control units of chips, conduct circuit design and simulation; (ii) software algorithm system development engineers to implement algorithms, design system architecture, and optimize performance and efficiency; (iii) AI application and adaptation engineers to do performance modeling and requirements feedback, develop and optimize software stacks, and manage model migration with full-stack performance optimization, ensuring utilization of chip hardware capabilities by software; and (iv) project managers to oversee project execution, ensuring completion within schedule, budget, and quality requirements;

  - approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to support our R&D activities, thereby consolidating and expanding our technological advantages and our market share by: (i) conducting engineering tape-out to support the physical formation and functional verification of our IC design; (ii) purchasing electronic devices and software tools, such as EDA tools and other software licenses; (iii) other expenses including pre-project work expenses, project contingency expenses, lease expenses, competitor analysis expenses and operating expenses.

- approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for expanding our R&D activities of our analog ICs and promoting the iterative update of technologies and products, to enable us to upgrade from a standalone memory supplier to a comprehensive general-purpose IC design company. In particular:

  - approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for recruiting additional R&D personnel with experienced analog IC practice. Our recruitment plans include: (i) chip R&D engineers to ensure chip performance by overcoming technical difficulties; (ii) engineering implementation engineers to transform sophisticated analog IC designs into stable, reliable, and manufacturable high-quality products for volume delivery; (iii) algorithm engineers to be responsible for core performance metrics to balance functionality and costs; and (iv) project managers to oversee and coordinate the entire project execution.

  - approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for (i) purchasing photomasks and conduct tape-out for our analog chips to achieve the physical formation and functional verification of our IC design; (ii) purchasing electronic devices and software tools, such as EDA tools and other software licenses; (iii) purchasing advanced equipment for different stages of IC design, debugging, maintenance and verification, such as High-bandwidth oscilloscope; and (iv) other expenses to our projects, including pre-project work expenses, project contingency expenses and lease expenses.

We expect to expand our R&D team with around 300 new hires over the next five years, recruiting and retaining talents from countries and regions including Chinese Mainland, Hong Kong, Japan, and South Korea. These new hires will include both mid- to senior-level semiconductor professionals with more than three years of experience, as well as high-potential graduates from top-tier universities nationwide. Their fields of expertise are required to cover electronic engineering, communication and information systems, microelectronics science and

engineering, integrated circuit engineering, and optoelectronic information science and engineering. The expected average annual salary will be within the range between RMB**[REDACTED]** and RMB**[REDACTED]**.

Leveraging these R&D talent hires, we intend to steadily advance our product development and overcome key technological bottlenecks. For example, centering on our new memory process platform, we will continuously expand our wide-voltage and low-voltage product portfolios to further enhance the long-term competitiveness of our small-to-medium capacity products, thereby meeting the ultra-low power consumption requirements of AIoT, edge AI, and smart terminal devices. Simultaneously, we will continuously optimize product reliability and improve our automotive-grade product system, driving the adaptation and implementation of our products in automotive scenarios such as autonomous driving and smart cockpits (e.g., image sensor applications). Furthermore, we will accelerate the development of our new NOR Flash process platform, including the development of large-capacity products based on 55nm NORD and 4xnm ETOX, and conduct research on key 3D NOR technologies to provide higher-capacity and more cost-effective product solutions for applications such as AI PCs and AI servers. In addition, we will continuously invest in the development of SLC NAND and MLC products. Relying on their stability, read/write endurance, and reliability, we will focus on covering key sectors including industrial control, automotive electronics, consumer electronics, network communications, and embedded storage. We will fully build a domestically produced supply chain system to achieve independent controllability from chip design and manufacturing to packaging and testing, providing secure, stable, and sustainable storage solutions for various embedded applications.

See "Business — Research and Development — R&D Achievements" for specific milestones of our R&D projects.

- approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for enhancing our operational capacities in next five years. This allocation reflects the strategic commitment in long-term competitiveness and support sustainable growth. In particular:

  - approximately **[REDACTED]**%, or HK$**[REDACTED]** will be used for the expansion of our engineering center to improve our R&D abilities and facilitate our operational efficiency, which includes (i) site rental costs over the expected lease term and renovation of the engineering center facility; (ii) essential equipment expenses for office and R&D, such as high-speed automated test equipment and accelerated simulator; (iii) hardware and software infrastructure expenses covering servers, storage systems and EDA tools; and (iv) expenditure for trial fabrication and experimental testing of semiconductor products. These investments will increase both the physical footprint and the functional scope of facility, enabling us to support broader research, product development and testing capacities.

  - approximately **[REDACTED]**%, or HK$**[REDACTED]** will be used for expanding sales network and customer reach in next five years. To deepen our market penetration and broaden our global customer base, we plan to strategically expand our footprint to core markets. In Chinese Mainland, we will target the Southern China (Xiamen and Shenzhen), Eastern China (Hangzhou and Shanghai), Central China (Wuhan), and Northern China (Qingdao and Xi'an) regions. In overseas markets, we will primarily focus on the United States and Japan. To support this business expansion, we will retain our existing marketing

and sales personnel and plan to recruit approximately 25 new sales and marketing professionals in Chinese Mainland and overseas. These new hires are required to possess more than 2 years of sales experience in the semiconductor or related industries, with preference given to those demonstrating a global perspective and proven track record in overseas market development. The expected average annual salary will be within the range between RMB**[REDACTED]** and RMB**[REDACTED]**. The new hires will focus on deepening our penetration in target markets, growing our customer base, and increasing our market share across all of our participating verticals by strengthening cooperative relationships with key customers and enhancing pre- and post-sales support services. Furthermore, we plan to incur expenses for exhibitions and advertising to improve our brand promotion. We will actively sponsor and participate in renowned industry exhibitions, including the Flash Memory Summit, International IC & Component Exhibition, China Public Security Expo domestically, as well as Consumer Electronics Show, and Mobile World Congress overseas. These initiatives will serve as crucial platforms to showcase our technological capabilities and establish broad connections with global customers.

- approximately **[REDACTED]**%, or HK$**[REDACTED]** will be used for strengthening our supply chain capacity, which will be used mainly for (i) optimizing our supply chain infrastructure and process by paying supplier advance payments and supply chain training expense, as well as developing and refining our procurement process; (ii) maintaining and scaling our operational teams in headquarters, outsourced assembly and testing factories, and CP test factories, which will result in overall salary expenditures increase following the increase of team members.

In 2027, we plan to initiate the engineering center renovation and establish our sales presence mainly in Northern China, Central China and Southern China and recruit sales professionals; During 2028 and 2029, we plan to complete the facility renovation and achieve full operational capacity of it, as well as expand our sales footprint to other regions and recruit professionals; In 2030 and 2031, we will focus on continuous infrastructure upgrades, deepening market penetration, and maintaining supply chain stability.

- approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for strategic investments and acquisitions over the next five years. These funds will be used to selectively pursue strategic and industry-related partnerships, investments, and acquisitions, both in Chinese Mainland and overseas, with a focus on technologies and companies that complement and enhance our existing portfolio. Under our "AI+" and "Memory+" dual-pillar strategy, we will actively identify potential merger, acquisition, and investment targets along the industry chain. We will focus on opportunities that offer significant synergistic value with our existing product portfolio, core technologies, and target markets. Geographically, we prioritize emerging markets with industrial clusters of code storage flash memory chips, such as Chinese Mainland, Hong Kong, Japan, and South Korea, while also considering targets in mature European and American markets. We generally intend to acquire majority interests in target companies; for early-stage startup targets with scarce technologies, we may negotiate to acquire minority interests, with stipulated terms for subsequent stake increases. Through the strategic integration of high-quality industry resources, we aim to perfect our product matrix and expand into

high-value-added downstream application markets. See "Business — Our Strategies — V. Seeking Mergers, Acquisitions, and Investment Opportunities along the Industry Chain to Achieve Inorganic Growth."

We select potential targets based on the following general criteria: (i) the target company should demonstrate strong business synergy or complementary value with our existing operations; and (ii) the target should possess an R&D and management team with deep industry knowledge and extensive experience in the semiconductor sector. The downstream applications of the target companies must focus on core scenarios of code storage flash memory, including network communications, AI communications, consumer electronic, smart home appliances, and the IoT. For startup targets, we generally require an operating history of 1 to 3 years, a stable core R&D and management team of at least five dedicated members, and R&D expenses accounting for no less than 70% of total operating expenses in the most recent fiscal year. For mature targets, we generally require an operating history of no less than 3 years, a stable core R&D and management team of at least ten dedicated members, annual revenue ranging from RMB**[REDACTED]** to RMB**[REDACTED]**, and R&D expenses accounting for no less than 10% of total revenue. We expect the acquisition process to proceed in three phases: target screening of 1 to 6 months, due diligence and negotiation of 6 to 12 months, and closing and integration of 12 to 18 months. According to CIC, as of March 31, 2026, there are not less than 200 companies in the market that meet our criteria, providing us with a large pool of available targets. As of the Latest Practicable Date, we have not identified any specific acquisition or investment targets. We plan to allocate these funds between 2027 and 2029 to selectively pursue strategic partnerships, investments, and acquisitions that complement our existing portfolio under our dual-pillar strategy. Any potential opportunities will be carefully evaluated and pursued in an orderly manner, taking into account market conditions, technological alignment, and potential investment returns.

- approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for working capital and general corporate purposes. We plan to allocate the funds generally on an even basis over the next five years to support our daily operations and general corporate purposes.

In the event that the **[REDACTED]** is set at the maximum **[REDACTED]** or the minimum **[REDACTED]** of the indicative **[REDACTED]** range, the **[REDACTED]** of the **[REDACTED]** will increase or decrease by approximately **[REDACTED]**, respectively.

The **[REDACTED]** that we would receive if the **[REDACTED]** is exercised in full would be (i) HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the minimum **[REDACTED]**), (ii) HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the mid-point of the **[REDACTED]** range) and (iii) HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the maximum **[REDACTED]**).

To the extent that the **[REDACTED]** from the **[REDACTED]** (including the **[REDACTED]** from the exercise of the **[REDACTED]**) are either more or less than expected, we may adjust our allocation of the **[REDACTED]** for the above purposes on a pro rata basis.

To the extent that the **[REDACTED]** from the **[REDACTED]** are not immediately used for the above purposes, we will only 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). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.