
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For a detailed description of our future plans, see “*Business — Strategy*”.

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the midpoint of the range of the [REDACTED] stated in this document), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] after deducting the [REDACTED] commissions and other estimated expenses paid and payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. In line with our strategies, we intend to use our net [REDACTED] for the purposes and in the amounts set forth below.

- approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used to enhance our R&D capabilities, strengthen technology leadership, and further expand product matrix, as we believe these initiatives will enable us to maintain our edge across business lines:
 - o approximately [REDACTED]%, or approximately HK\$[REDACTED], is expected to be used to significantly expand our R&D team to support the development of a wide range of products. We plan to expand our R&D team from 229 employees as of March 31, 2026 to approximately 320, 380 and 430 by the end of 2027, 2028 and 2029, respectively. To improve and commercialize our products, the additional R&D personnel will be allocated across (a) Application-Specific Computing Server Power Supply, to elevate our products’ mass production efficiency from 97% to 97.5% with broader commercialization for 2027 and to increase product power from 10kW to 20kW or above, (b) AI Computing Server Power Supply, to upgrade our CRPS and OCP products, including 5.5kW CRPS products with power density of 115W/in³ and 5.5kW OCP products with peak efficiency above 97.5% by 2027, (c) ESS Power Conversion, to develop new DAB topology products and bidirectional inverters for commercialisation by 2027, and (d) PSL power conversion, to increase unit power from 200kW to over 1MW and complete certification before 2028. The additional R&D personnel will primarily include electronic engineers, software engineers, structural engineers, project managers and R&D shared-function personnel. They will collectively be responsible for product design and optimisation, firmware development, thermal management, project coordination, and reliability and certification testing across product lines. This expansion in innovation capacity will enable us to shorten innovation cycles and strengthen our ability to deliver products that are closely aligned with our customers’ increasingly diverse needs;
 - o approximately [REDACTED]%, or approximately HK\$[REDACTED], is expected to be used to purchase hardware and software to enhance integrated AI computing and energy storage in the upcoming four years. We plan to purchase and deploy advanced equipment for our current and newly recruited staff, such as (i) AC power sources, along with high-power and low-power DC electronic loads for AI Computing Server Power Supply, to simulate real-world grid conditions and complex power demands of AI accelerators for the testing and validation of their performance, efficiency, and reliability and (ii) bidirectional AC sources and walk-in environmental test chambers for ESS Power Conversion, to validate the full charge-and-discharge cycles, and stress-test their safety and reliability under extreme temperature and humidity conditions. Through such efforts, we expect to accelerate commercialization of new high-efficiency solutions, primarily the scaled application of GaN and SiC devices, and also develop integrated digital control algorithms to complement their capabilities;

FUTURE PLANS AND USE OF [REDACTED]

- o approximately [REDACTED]%, or approximately HK\$[REDACTED], is expected to be used to build our new R&D center in Hangzhou in 2028 and 2029. This R&D center will provide the space to support diversified product development, reduce time-to-market, and enhance collaboration across our expanded teams. We currently expect the new R&D center to have a gross floor area of approximately 18,000 sq.m., in which we plan to install various advanced simulation and testing facilities and integrate multiple laboratories for AI computing server power supply, microgrid and ESS technologies;
- approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used to upgrade intelligent manufacturing facilities and optimize our supply chain, through which we expect to strengthen our manufacturing scalability and ensure timely delivery of high-performance products, meeting growing demand across the globe and improving operational efficiency:
 - o approximately [REDACTED]%, or approximately HK\$[REDACTED], is expected to be used to procure and install advanced automation equipment to enhance production scalability, efficiency and quality control in the upcoming four years in Chinese mainland. We expect the equipment to be primarily used in (A) establishing new production lines for AI Computing Server Power Supply, and ESS Power Conversion production equipment that enhances our production capability of these products, and (B) upgrading, maintaining and repairing our existing production lines and utility systems. By further enhancing automation, we expect to improve throughput, minimize manual errors, and ensure consistent quality, which are critical for us to both meet the increasing demand of AI computing and energy storage and maintain high standards of quality and reliability;
 - o approximately [REDACTED]%, or approximately HK\$[REDACTED], is expected to be used to expand our production and related personnel teams to support capacity ramp-up of our new and upgraded production lines. We plan to recruit additional production line management and operating staff, manufacturing engineers, quality assurance personnel, and equipment maintenance technicians over the upcoming four years in Chinese mainland, to ensure the stable and efficient operation of our expanded manufacturing facilities. These personnel will be deployed across our newly established as well as upgraded existing lines.

We expect our expanded and upgraded production lines to increase our annual production capacity from 864.3 thousand units in 2025, excluding AI computing server power supply products for which no fixed capacity is applicable for 2025, to 1,038.0 thousand, 1,324.0 thousand, 1,656.0 thousand and 1,800.0 thousand units in 2026, 2027, 2028 and 2029, respectively. This includes an increase in application-specific computing server power supply capacity from 299.3 thousand units in 2025 to 480.0 thousand units in 2029, an increase in AI computing server power supply capacity from 30.0 thousand units in 2026 to 720.0 thousand units in 2029, and an increase in ESS power conversion capacity from 565.0 thousand units in 2025 to 600.0 thousand units in 2029. The capital expenditure required for such expansion is currently expected to be approximately RMB250.0 million in total. To the extent not funded by the net [REDACTED] from the [REDACTED], we expect to finance the relevant capital expenditure primarily through internal funds generated from operations and bank borrowings.

- approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used to strengthen our sales and marketing capabilities in Chinese mainland. We expect to recruit experienced sales managers and technical support staff in the upcoming four years to strengthen our presence in AI computing and ESS markets. The expanded sales and marketing team will

FUTURE PLANS AND USE OF [REDACTED]

focus on enhancing relationships with key customers, assisting the provision of tailored solutions, and ensuring responsive after-sales service, enhancing our ability to capture new opportunities and deliver superior customer experiences;

- approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used for strategic upstream and peer acquisitions, where we obtain a majority stake, or investments, where we obtain a minority stake. We plan to pursue selective acquisitions or investments to strengthen our industry chain integration and technology portfolio:
 - o The upstream suppliers that we may acquire or invest in are expected to specialize in power semiconductors, main control chips, and magnetic components. These acquisitions or investments will secure critical components for our high-performance products, reduce supply chain risks, and improve cost control. By integrating upstream resources, we can enhance product reliability and performance and maintain competitive pricing.
 - o The peers that we may acquire or invest in are expected to operate in the fields of computing server power supplies and ESS power conversion. These companies should possess strong R&D and delivery capabilities, enabling us to accelerate technological capabilities and expand our product portfolio. By integrating peer resources, we aim to create synergies across design, manufacturing, and service, enhance system-level performance, and shorten time-to-market for next-generation solutions. Such strategic moves will strengthen our competitive position and drive sustainable growth in emerging energy and computing markets.

In screening candidates, we currently will consider private and domestically controlled companies located in China, prioritizing those that (i) have generated a net profit of approximately RMB30 million to RMB50 million in the most recent fiscal year, have an asset-to-liability ratio of less than 50%, (ii) a substantial operating history of over three years to demonstrate stability and experience in its field; and (iii) a clear equity structure and no significant changes in key management personnel in the past two years, ensuring leadership stability and consistency. Our Directors, as advised by Frost & Sullivan, are of the view that there are sufficient number of potential targets as there are well over 100 synergistic upstream and peer companies that meet our criteria. As of the Latest Practicable Date, no specific targets have been identified, and no letters of intent have been entered into.

- approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used for working capital 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 net [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED], respectively. We intend to apply the additional or reduced net [REDACTED] to the above uses on a pro rata basis.

The additional net [REDACTED] that we would receive if the [REDACTED] was exercised in full would be (i) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the maximum [REDACTED]), (ii) HK\$[REDACTED] million (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 minimum [REDACTED]).

To the extent that the net [REDACTED] from the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we will only hold such funds in 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). We will issue an appropriate announcement if there is any material change to the above use of [REDACTED].