
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] stated in this document), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) from the [REDACTED] after deducting the [REDACTED] 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 [REDACTED] from the [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 for the establishment of a new production base. We intend to build the new production base on the property in Zhoushan, which we acquired in October 2025, with a site area of 74,801 square meters. Please see “Business — Properties — Owned Properties” for details. The total estimated investment for this project is expected to be between RMB[REDACTED] and RMB[REDACTED]. We intend to fund the remainder of the project cost through our own funds and/or other financing sources. Specifically:
 - (i) Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used for construction expenses in relation to the establishment of the new production base. This is expected to include (a) engineering and construction fees, (b) decoration fees and (c) other construction-related fees and contingency reserve to cover potential cost overruns and unforeseen expenses in relation to the project;
 - (ii) Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be allocated for procurement and installation of equipment and machinery for the new production base;
 - (iii) Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used as initial working capital to cover labor and material costs for the project to support the initial operational phase of the new production base.

Upon completion, the newly established production base is designed to provide the production capacity for certain new products. The products to be manufactured in the Zhoushan production line represent an extension of our existing product portfolio, which primarily include (i) power modules and automotive-grade components; (ii) supporting medium- and low-voltage MOSFET products co-developed that underpins power modules and automotive-grade components; and (iii) power modules and automotive-grade components designed to meet higher reliability standards for automotive applications. Such products are intended to be developed based on our existing power semiconductor process platform, leveraging our established expertise. Power modules and automotive-grade components are designed to work seamlessly with our power devices, offering wide voltage range, high current capacity, strong interference resistance, and built-in protection, improving overall system efficiency and reliability. The accompanying MOSFET products are co-optimized to match the performance of these modules. These new

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products are primarily intended for the automotive electronics market, building on our existing power semiconductor platform and our presence in our current end markets, which include renewable energy inverters, industrial drives, and energy storage. Our automotive-grade components additionally meet stringent standards such as AEC-Q100, with wide temperature tolerance, EMI resistance, and long-term durability for harsh automotive environments. According to CIC, automotive electronics is the largest downstream application segment of the power semiconductor device industry. The market size of automotive power semiconductors in China reached RMB45.6 billion in 2025, representing approximately 41.8% of the overall power semiconductor market. It is also the fastest-growing among the more mature application segments, with a projected CAGR of 12.1% from 2026 to 2030, driven by the increasing volume and value of power devices used in each vehicle as new energy vehicles move towards high-voltage electrification and greater intelligence. In addition, the localization rate of automotive power semiconductors in China was approximately 20% in 2025 and is projected to exceed 50% by 2030, according to CIC. Given the expected market growth prospects and accelerating localization trend, we believe there will be substantial demand for domestically produced power modules and automotive-grade components, which is expected to support the utilization of the production capacity at our Zhoushan production base.

On the process level, the packaging and testing processes required for developing power modules and automotive-grade components impose materially higher requirements with respect to cleanroom classification, process precision and electromagnetic interference controls, compared to the existing production lines at our Zhuhai production base. In addition, the packaging methodology required for these products involves a manufacturing approach that differs from the processes currently adopted at our Zhuhai factory, which carries out WLCSP packaging at the wafer level on a single-die basis. By contrast, the power modules and automotive-grade components to be produced at our Zhoushan production base require system-in-package packaging, an assembly-based approach under which one or more chips are integrated onto a single substrate to form an integrated module. For automotive-grade products, additional reliability testing will be carried out at our Zhoushan production base to meet stringent automotive standards such as AEC-Q100. The Zhoushan factory is designed to accommodate system-in-package packaging suitable for power modules and automotive-grade components, which cannot be supported by our Zhuhai factory. Given these differentiated process flows, establishing a dedicated facility is technically significant for stable mass production and would enhance our capacity and capabilities in the core manufacturing stages, thereby strengthening the autonomy, stability and long-term resilience of our supply chain.

- Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used to strengthen our R&D capabilities and fund key R&D projects. In order to capture emerging opportunities and meet future demand in higher-growth sub-segments of the broader WLCSP market, we intend to further strengthen our product portfolio and enhance the capabilities of our products. We plan to increase our investment in technological innovation, with a focus on next-generation products for the new energy vehicle sector and the development of next-generation power semiconductor devices, as well as R&D efforts targeting broader downstream applications beyond CSP, such as industrial control, AI servers and industrial-grade unmanned aerial vehicles, to enhance the technological sophistication of our products and maintain our industry-leading position. In

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particular, our targeted application scenarios cover photovoltaic and energy-storage inverters, industrial inverters and servo-motor drivers in industrial control; high-power, high-reliability GPU/CPU power units, server power modules and data-centre redundant power systems in AI servers application scenarios; and electronic speed-controller, flight-control and power-management modules for agricultural, inspection and logistics UAVs in the industrial-grade UAV segment. Specifically:

- (i) Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used for purchase of R&D materials such as substrate, epitaxy, metal organic source and sputtering targets to support our core R&D initiatives, including the development of next-generation power semiconductor devices, the development of high-reliability product series for industrial control and new energy vehicle applications including AI servers and industrial-grade unmanned aerial vehicles, and the technological iteration of our existing products. Our next-generation new energy vehicle products extend our automotive-grade MOSFET products and technologies into higher-integration product forms for use in power modules and automotive-grade components, and incorporate customized system-level optimization to provide greater value to customers;
- (ii) Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used to retain, expand and strengthen our R&D team. In response to the growing demand in the downstream applications that adopt our products, in the next few years, we plan to attract and retain around 100 additional R&D personnel with professional knowledge, degree and/or background in the semiconductor field, thereby continuously enhancing our R&D capabilities;
- (iii) Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used for testing and verification expenses.
- Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used to prudently pursue strategic investments and acquisitions. Our primary objective is to seek targets with complementary technologies, products or talent to expand our market reach and solidify our position in high-growth sectors.

In evaluating potential targets, we intend to apply a comprehensive set of selection criteria focused on strategic synergy, technical capabilities, commercialization track record and financial discipline. Our key considerations will include:

- (i) ***Strategic and Technology Complementarity:*** We will prioritize targets with mature technologies that complement our existing product portfolio. Our focus areas include automotive-grade power modules, advanced MOSFETs for industrial applications and third-generation semiconductor technologies like GaN. Specifically, we will focus on targets that have incurred no less than RMB10.0 million in R&D expenses in the recent fiscal year. We will emphasize on targets that possess strong intellectual property portfolios and have demonstrated capabilities in developing products that meet stringent industry reliability standards, such as automotive-grade (AEC-Q101) certification including those with no fewer than 15 registered core patents or

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equivalent proprietary technologies. This will help us strengthen our technology capability, particularly for high-voltage and high-power applications in new energy vehicles and renewable energy systems.

- (ii) ***Customer and Channel Synergy:*** We will seek targets that can provide access to new key customers and sales channels, especially leading automotive Tier-1 suppliers and major renewable energy equipment manufacturers where we have opportunities to grow. We will prioritize targets with complementary customer bases to maximize market expansion and avoid internal competition.
- (iii) ***Team Expertise and Commercialization Capability:*** We will value the quality and experience of the target’s management and R&D teams. We will look for teams with proven track records, such as approximately ten-year experiences at leading international semiconductor companies, and full-stack experience in bringing complex products, particularly automotive-grade devices, from the design phase to successful mass production.
- (iv) ***Financial Discipline and Risk Management:*** Any potential investment or acquisition will be subject to a rigorous financial evaluation. We will target companies with a strong track record of revenue growth and profitability, and a demonstrated resilience to industry downturns including those with annual revenue of not less than RMB150.0 million during the Track Record Period. We intend to apply a disciplined valuation methodology and may consider various transaction structures, including minority investments with board representation or full acquisitions, to align incentives and ensure strategic oversight.

As of the Latest Practicable Date, we had not identified any specific investment or acquisition targets, nor had we entered into any definitive agreements for such transactions. According to CIC, there are over 20 potential targets in Asia that match our selection criteria in the market.

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

To the extent that the net [REDACTED] from the [REDACTED] are either more or less than expected (including as a result of (i) the [REDACTED] being set at a [REDACTED] 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].

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.