
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” in this document for a detailed description of our future plans.

USE OF [REDACTED]

Assuming the [REDACTED] is not exercised, after deducting the [REDACTED] and other estimated [REDACTED] expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the [REDACTED]), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED]. We intend to use the [REDACTED] from the [REDACTED] for the following purposes over the next five years:

- Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used to improve our R&D capabilities and expand our product offerings, among which
 - (1) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used to enhance our existing R&D capabilities and expand our product offerings. Specifically,
 - (i) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used to maintain our existing R&D team, to ensure the continuity of our ongoing product pipelines and to maintain our core competencies in the power semiconductor industry. As of April 30, 2026, our R&D team comprised 337 employees, accounting for 58.0% of our total employees. Maintaining and upskilling our existing R&D team is fundamental to enhancing our R&D capabilities because (a) our R&D activities are talent-intensive and rely on the continuity and accumulated know-how of our engineers; (b) retaining and further training our current R&D personnel helps mitigate attrition and ramp-up risks that could otherwise delay our product roadmap; and (c) linking incentives to pre-defined deliverables is intended to improve R&D productivity and execution quality. As a result, we expect to maintain the continuity of our product pipelines and strengthen our technological competitiveness. We intend to use such [REDACTED] to fund; (i) compensation and benefits to retain key R&D personnel; (ii) structured technical, compliance and capability-building programs; and (iii) performance incentives explicitly linked to measurable R&D deliverables and milestones. We also plan to implement a number of initiatives to further enhance the capabilities of our existing R&D team, including (a) introducing or enhancing performance-based incentive schemes linked to specific R&D milestones or deliverables to further motivate the current R&D team and improve the efficiency and quality of R&D execution; (b) integrating AI-driven methodologies into the current R&D team through the procurement of hardware and software and the provision of technical training to optimize overall R&D productivity; and (c) providing rewards to R&D personnel for the successful registration of intellectual property rights to encourage the current R&D team to achieve proprietary breakthroughs.
 - (ii) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used to expand our production capacity and to develop our existing products through (a) the establishment of a SiC module packaging and testing production line and (b) the procurement and upgrade of R&D and testing equipment.

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- (a) SiC module packaging and testing production lines, comprising facility construction and utilities; procurement and installation of packaging and testing equipment; and initial staffing, raw materials and pilot production. We expect to complete site preparation and the installation of major equipment by the third quarter of 2026, and commence trial production and start mass production of the first production line by the fourth quarter of 2026. We also intend to further expand production capacity through the construction of additional production lines at the same site after the first production line achieves stable operations. Upon full commissioning, these lines are expected to increase our annual packaging capacity, and reduce outsourcing costs.
- (b) PMIC and power device R&D and testing equipment, including testing platforms and accessories; reliability and environmental systems; and assembly and laboratory build-out and R&D IT infrastructure. We expect to place major purchase orders and complete delivery, installation and commissioning during the next three to five years. These investments are expected to expand our testing and reliability capacity and shorten development and verification lead time.

Total project capital expenditure is estimated at HK\$[REDACTED] million, to be funded by HK\$[REDACTED] million from the [REDACTED] and HK\$[REDACTED] million from internal resources and/or banking facilities.

- (iii) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used for iteration of our process technologies. In particular, we plan to incur costs relating to wafers, photomasks and other materials for our new product development and process technology iteration and maintain technology competitiveness.
- (a) Expansion of system applications. We intend to enhance system-level optimisation of power semiconductors by aligning our process technologies with evolving application requirements, thereby enabling better performance at the end-system level.
- (b) Strengthening technological innovation. We plan to increase R&D investments in low-power portable electronics and emerging display technologies, with a focus on improving energy efficiency and integration density of our products.
- (c) Refining process capabilities. For PMICs, we aim to advance our process technologies toward smaller geometries and higher density to strengthen integration and power efficiency. For power devices, we plan to pursue narrower line widths and the adoption of new materials such as SiC, in order to enhance device performance and cost efficiency.

These investments are expected to strengthen our process technology platform by improving manufacturability and yield, expanding process qualification windows. Collectively, these initiatives are designed to shorten development and verification lead times, and reinforce our technology leadership.

- (2) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used to invest in R&D of emerging application areas of our products including new energy vehicles, AI servers and data centers, and robotics. Specifically,

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- (i) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used for our process engineering and development efforts. In particular, we plan to incur costs relating to wafers, photomasks, consumables auxiliary materials and engineering verification. We are dedicated to providing customers with more comprehensive and efficient product solutions to better capture evolving market demand, and intend to focus on developing a broader range of product series across key growth industries, including:
 - (a) New energy vehicles. With the rapid expansion of the global new energy vehicle market, we plan to broaden our PMIC product portfolio, particularly in display-related technologies, to capture growing demand from this sector.
 - (b) AI servers and computing centers. Driven by the accelerated deployment of large-scale computing clusters, the AI industry is expected to generate significant demand for power semiconductors. According to Frost & Sullivan, the global power semiconductor market for AI is projected to grow at a CAGR of approximately 19.1% from 2025 to 2030. We intend to leverage our process engineering efforts to advance products such as high-current power device products optimized for AI servers and data centers, focusing on reducing energy loss and enhancing power density.
 - (c) Robotics. As industrial automation continues to advance, robotics applications increasingly require higher power density in joint modules to support precision components such as motion control systems and motor drives. Our process development will emphasise motor driver ICs, motion control chips and discrete power devices tailored for robotic arms and automation platforms.
 - (ii) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used for recruiting R&D personnel. We plan to strengthen our R&D team by hiring talents with extensive expertise in new energy vehicles, AI servers and data centers, and robotics, in order to support our expansion into these emerging application areas. Between 2026 and 2030, we intend to recruit approximately 23 to 50 new R&D personnel each year, thereby enhancing our capabilities in product design, process development and system application.
 - (iii) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used for purchasing R&D equipment. We plan to purchase testing equipment as well as reliability and environmental systems to support the enrichment of our product portfolio and diversify our PMIC product line to meet our customers’ needs. The equipment we plan to purchase is primarily used for the analysis and testing of chips and IC, including electrical characterization and bench instrumentation, spectrum analyzers, chip testers, chip sorters and probe stations, reliability/qualification equipment, which have three to 10 years useful life for depreciation.
- (3) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used to enhance the digitalization of our R&D activities. Specifically, we expect to use such [REDACTED] to purchase software for our product design, and to purchase hardware and equipment to further enhance our digitalization capabilities.

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- (a) We plan to acquire four EDA software licences for PMIC and power device development, with staged payments scheduled between 2026 and 2030. By leveraging advanced EDA tools, high-performance simulation platforms and artificial intelligence technologies, we aim to improve design automation, accuracy and efficiency. These initiatives will enable more intelligent analysis and optimisation of design data, thereby improving design yield and reducing iterations.
 - (b) We plan to acquire digital R&D hardware, including high-performance computing platforms and automated testing systems, to support simulation, verification and reliability testing. We are progressively transforming manual testing procedures into automated processes, significantly shortening testing cycles and improving coverage, repeatability and stability. By deepening the use of automated testing solutions, we expect to accelerate product development, enhance verification efficiency and improve product quality.
- Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used for potential strategic investment or acquisition transactions, among which
 - (1) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used for potential strategic investment or acquisition transactions that could expand our product offerings. We target entities that are complementary to, or synergistic with, our existing business, enabling us to quickly gain access to additional product lines, advanced technologies and industry resources. We expect to evaluate potential targets based on the following general criteria:
 - (a) Stage of development. The target should be at a growth stage with clear scalability.
 - (b) Business relevance and synergy. The target’s business should be highly relevant to our core operations or strategic development direction, and demonstrate synergies with or complement our existing business. In particular, the target should: operate in areas closely related to our core business; possess strong technological capabilities or patents that enhance our own technological strengths; or enable us to expand our product offerings and accelerate penetration into additional industry verticals, including (i) power devices for AI servers and data center power architectures (such as driver MOSFETs) and (ii) PMIC products for data center power management and control.
 - (c) Management capabilities. The target should have a management team with relevant industry knowledge, extensive experience and strong innovative capabilities in the semiconductor industry.
 - (d) Financial health. The target should maintain a healthy financial position, with solid profitability or, at minimum, a clear and credible path to profitability.
 - (e) Compliance and intellectual property. The target should not be subject to major legal disputes or compliance issues, and should have clearly defined intellectual property rights to mitigate potential risks of patent disputes.
 - (2) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used for potential strategic investment or acquisition transactions that could consolidate upstream or downstream market players along the industry value chain. We evaluate investment opportunities in semiconductor ecosystem infrastructure, including wafer

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fabrication, advanced packaging, testing, and process technology, to further secure our competitive edge. Through effective industry resource integration, we will strengthen our competitive positioning and drive sustainable long-term value creation. In evaluating potential investment or acquisition targets, we intend to apply the following general principles:

- (a) Business relevance. The target should be engaged in wafer fabrication, advanced packaging, testing, process technology, or other activities closely related to the semiconductor ecosystem, and demonstrate clear synergies with our business.
- (b) Technological capability. The target should possess advanced technology, patents or know-how that complements or enhances our own capabilities.
- (c) Strategic value. The target should enable us to consolidate our value chain presence, expand product coverage, or accelerate market penetration into adjacent verticals.
- (d) Management quality. The target should have an experienced management team with relevant industry knowledge and proven execution capabilities.
- (e) Financial and compliance standing. The target should maintain a sound financial position and not be subject to material legal, regulatory or intellectual property disputes.

Currently, we are still in the process of searching for potential targets and have not identified any specific target, or participated in any commercial negotiation or entered into any memorandum of understanding or letter of intent with respect to any potential target.

- Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used for improving sales and operation efficiency, among which
 - (1) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used to enhance our operating facilities. In particular, we are considering the purchase of a self-owned office property to replace leased premises. The proposed office building is intended to (i) provide a more stable and cost-efficient workplace for our employees; (ii) support the continued expansion of our R&D, sales and administrative teams by accommodating additional headcount; and (iii) centralise our R&D, testing and administrative functions to improve collaboration, communication and overall operational efficiency. We expect to complete the purchase by early 2027 and commence phased fit-out and occupation thereafter. In assessing whether to continue leasing additional premises or to purchase office property, we compared the long-term cost and risk profile of both options. We believe that, over a long operating horizon, the estimated all-in cost of purchasing office property is broadly comparable to the cumulative cost of leasing an equivalent office footprint. In addition, purchasing is expected to improve (i) cost predictability by reducing exposure to rental increases and renewal uncertainty; (ii) operational stability by securing long-term premises to support our ongoing expansion; and (iii) balance sheet flexibility by preserving an underlying asset compared with leasing arrangements.
 - (2) approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used to expand our sales network and strengthen our after-sales services, and to purchase digital systems for our business operations.

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- (a) Sales network expansion. We plan to hire approximately 3-8 new sales and customer service personnel each year from 2026 to 2030 (totalling around 15-30 personnel) to broaden our geographic coverage and enhance service delivery in both domestic and overseas markets. By strengthening our international customer base while deepening market penetration in China, we aim to achieve balanced development across domestic and overseas operations. We have established supply chain integration with key international benchmark clients, leveraging our first-mover advantage to serve major overseas customers. According to Frost & Sullivan, as of December 31, 2025, the localisation rate of PMICs in Chinese Mainland was approximately 17%, while that of power devices was approximately 36%, indicating substantial potential for domestic substitution. We intend to capitalise on this opportunity by strengthening our sales network and capturing additional market share.
 - (b) Digitalisation of operations. We plan to invest in a suite of digital software and systems to improve operational transparency, efficiency and data security. These include electronic document and compliance systems, financial systems, office automation platforms, network and data security systems, general office software, and manufacturing and operations systems. In addition, we plan to acquire digital R&D and operational hardware, such as high-performance computing platforms and servers, to support AI-driven analytics, data processing, automated vulnerability scanning and other applications.
- Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, is expected to be used for working capital and general corporate purposes.

To the extent the allocated [REDACTED] are insufficient, any shortfall will be funded by our internal resources and/or available banking facilities.

In the event that the [REDACTED] is set at the maximum [REDACTED] or the minimum [REDACTED] of the indicative [REDACTED], the [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED] million, respectively. If we make an upward or downward [REDACTED] adjustment to set the final [REDACTED] to be above or below the mid-point of the [REDACTED], we will increase or decrease the allocation of the [REDACTED] to the above purposes on a *pro rata* basis.

The [REDACTED] that we would receive if the [REDACTED] were exercised in full would be (i) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the minimum [REDACTED]), (ii) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the [REDACTED]), and (iii) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per 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] of the [REDACTED] are not immediately required for the above purposes or if we are unable to put into effect any part of our plan as intended, the [REDACTED] which are not immediately applied will only be deposited into short-term interest-bearing accounts at licensed banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions), as well as other licensed banks or authorised financial institutions in China where we have accounts with (as defined under applicable laws in China).