
FUTURE PLANS AND [REDACTED]

FUTURE PLANS

For a detailed description of our future plans, please refer to the section headed “Business – Business strategies” in this document.

[REDACTED]

Assuming an [REDACTED] of [REDACTED] per [REDACTED], being the mid-point of the [REDACTED] range between [REDACTED] and [REDACTED] and assuming the [REDACTED] is not exercised, we estimate to receive net proceeds from the [REDACTED] of approximately [REDACTED], [REDACTED].

We intend to use the [REDACTED] of the [REDACTED] as follows:

- (a) approximately [REDACTED] (or approximately [REDACTED] of the total net proceeds) will be used for increasing our production capacity and capabilities, out of which we intend to spend:
- approximately [REDACTED] (or approximately [REDACTED] of the total net proceeds will be used for upgrading our production facilities in the PRC, out of which we intend to spend:
 - (i) approximately [REDACTED] (or approximately [REDACTED] of the total net proceeds on the production of trays and tray related products for (i) upgrading our existing injection moulding machines with robotic arms and crushing machines; (ii) setting up a control room with automated machineries for crushing recycled trays and blending material; (iii) upgrading our warehouse in Houjie Production Factories; (iv) purchasing automated machineries and equipment;
 - (ii) approximately [REDACTED] (or approximately [REDACTED] of the total net proceeds on the production of carrier tape for the purchase of one fully automated rotary carrier tape manufacturing line, two semi-automated flatbed carrier tape machines and ancillary supporting systems, equipment and mould tools and renovation of the production area;
 - (iii) approximately [REDACTED] (or approximately [REDACTED] of the total net proceeds on the production of MEMS and sensor packaging for (i) increasing production capacities of our Shatian Production Factory by acquiring automated machineries and equipment;
 - approximately [REDACTED] (or approximately [REDACTED] of the total net proceeds will be used for implementing production in the Philippines for carrier tape by acquiring three fully automated rotary carrier tape manufacturing line,

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six semi-automated flatbed carrier tape machines and ancillary supporting systems, equipment and mould tools and renovating the production site as our Directors consider that the costs of implementing production, in particular labour costs, in the Philippines are relatively lower in Southeast Asia and such location will be beneficial for our sales to our major customers based in the Southeast Asia;

- (b) approximately [REDACTED] (or approximately [REDACTED] of the total net proceeds) will be used for intensifying our sales and marketing efforts in the global market including PRC market, out of which we intend to spend:
- approximately [REDACTED] (or approximately [REDACTED] of the total net proceeds) for recruiting two sales representatives in each of Shenzhen and Chengdu, the PRC, being the two new sales points in the PRC and setting up workplace for the sales representatives in each of such location;
 - approximately [REDACTED] (or approximately [REDACTED] of the total net proceeds) for recruiting one sales representative in Boston, the United States;
 - approximately [REDACTED] (or approximately [REDACTED] of the total net proceeds) for recruiting two sales representatives for technical support function in each of Malaysia and the Philippines in support of the sales and marketing function by providing customer services, quality assurance and technical support to the customers;
- (c) approximately [REDACTED] (or approximately [REDACTED] of the total net proceeds) will be used for purchasing ERP system and upgrading the information system in support of the ERP system;
- (d) approximately [REDACTED] (or approximately [REDACTED] of the total net proceeds) will be used for the strengthening our R&D and material engineering capabilities, out of which we intend to spend:
- approximately [REDACTED] (or approximately [REDACTED] of the total net proceeds) for the recruitment of a total of five personnel as research engineers, material specialists and mould design engineers; and
 - approximately [REDACTED] (or approximately [REDACTED] of the total net proceeds) for the purchase of mould design software; and
- (e) approximately [REDACTED] (or approximately [REDACTED] of the total net proceeds) will be used for general working capital.

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If the [REDACTED] is fixed at [REDACTED] per [REDACTED], being the high-end of the [REDACTED] range and assuming the [REDACTED] is not exercised, the net proceeds from the [REDACTED] will increase to approximately [REDACTED]. If the [REDACTED] is fixed at [REDACTED] per [REDACTED], being the low-end of the [REDACTED] range, the net proceeds will decrease to approximately [REDACTED]. Under such circumstances, we will adjust the allocation of the intended [REDACTED] for the above purposes on a pro rata basis.

If the [REDACTED] is exercised in full and assuming an [REDACTED] of [REDACTED] per [REDACTED], being the mid-point of the [REDACTED] range, we estimate that the net proceeds from the [REDACTED] will be approximately [REDACTED], [REDACTED]. If the [REDACTED] is set at the high-end or low-end of the [REDACTED] range, the net proceeds of the [REDACTED], including the proceeds from the exercise of the [REDACTED], will increase to approximately [REDACTED] or decrease to [REDACTED], respectively. Under such circumstances, we will adjust the allocation of the intended [REDACTED] for the above purposes on a pro rata basis.

To the extent that the net proceeds from the [REDACTED] are not immediately used for the above purposes and to the extent permitted by applicable law and regulations, we intend to deposit the net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the above proposed [REDACTED] or if any amount of the proceeds will be used for general corporate purpose. In the event that we would require additional financing apart from the net proceeds from the [REDACTED] for our future plans, the shortfall will be financed by our internal resources generated from the net cash from operating activities and/or bank financing, as appropriate.

IMPLEMENTATION PLANS

The implementation plans for each of the six-month periods until 31 December 2026 for carrying out our business strategies are set out below. The following implementation plans are formulated on the bases and assumptions set out in the paragraph headed “Bases and key assumptions” below in this section and are subject to uncertainties, variables and unexpected factors. There is no assurance that the implementation plans will materialize in accordance with the timetable below or that our business objectives will be accomplished at all.

FUTURE PLANS AND [REDACTED]

From the [REDACTED] to 31 December 2024

Business strategies

Implementation plans

HK\$'000
(Approximately)

Increasing our production capacity and capabilities

- Upgrading our production facilities in the PRC

- Production of trays and tray related products

- Installing robotic arms on 23 of our injection moulding machines

[REDACTED]

- Installing crushing machines on 27 of our injection moulding machines

- Setting up a control room with automated machineries for crushing recycled trays and blending material

- Upgrading our warehouse in Houjie Production Factory with automated machineries and equipment

Intensifying our sales and marketing efforts in the global market including PRC market

- Recruiting 2 sales personnel in each of Shenzhen and Chengdu, the PRC and setting up workplace for the sales representatives

[REDACTED]

Strengthening our R&D and material engineering capabilities

- Installing mould design software

[REDACTED]

General working capital

[REDACTED]

[REDACTED]

FUTURE PLANS AND [REDACTED]

For the six months ended 30 June 2025

Business strategies

Implementation plans

HK\$'000
(Approximately)

Increasing our production capacity and capabilities

- Upgrading our production facilities in the PRC

- Production of trays and tray related products

- Purchasing 6 three-dimensional visual inspection systems

[REDACTED]

- Purchasing 5 sets of injection moulding machines with automated ancillary equipment such as robotic arms

- MEMS and sensor packaging

- Purchasing one molding system machine

[REDACTED]

- Purchasing one automatic optical inspection machine

Intensifying our sales and marketing efforts in the global market including PRC market

- Recruiting sales representative in Boston, the United States

[REDACTED]

Purchasing ERP system and upgrading the information system

- Installing and maintaining ERP system

[REDACTED]

- Upgrading of information system in support of the ERP system

Strengthening our R&D and material engineering capabilities

- Recruiting 2 mould tooling design engineers

[REDACTED]

General working capital

[REDACTED]

[REDACTED]

FUTURE PLANS AND [REDACTED]

For the six months ended 31 December 2025

Business strategies

Implementation plans

HK\$'000
(Approximately)

Increasing our production capacity and capabilities

• Upgrading our production facilities in the PRC

– Production of trays and tray related products

• Purchasing 35 automated loading robotic systems and 4 electric lift trucks

[REDACTED]

• Purchasing 5 sets of injection moulding machines with automated ancillary equipment such as robotic arms

– Production of carrier tape

• Purchasing one fully automated rotary carrier tape manufacturing line

[REDACTED]

• Purchasing two semi-automated flatbed carrier tape machines

• Purchasing ancillary supporting systems and equipment such as vision inspection system, punching system and raw material filtration system

• Renovating the production area

– MEMS and sensor packaging

• Purchasing one die attach machine

[REDACTED]

Intensifying our sales and marketing efforts in the global market including PRC market

• Recruiting sales representative in Boston, the United States

[REDACTED]

FUTURE PLANS AND [REDACTED]

Business strategies

Implementation plans

HK\$'000
(Approximately)

Purchasing ERP system and upgrading the information system

- Installing and maintaining ERP system
- Upgrading of information system in support of the ERP system

[REDACTED]

Strengthening our R&D and material engineering capabilities

- Recruiting 1 material engineer
- Installing mold design software

[REDACTED]

[REDACTED]

FUTURE PLANS AND [REDACTED]

For the six months ended 30 June 2026

Business strategies

Implementation plans

HK\$'000
(Approximately)

Increasing our production capacity and capabilities

- Upgrading our production facilities in the PRC

- Production of trays and tray related products

- Purchasing 5 sets of injection moulding machines with automated ancillary equipment such as robotic arms

[REDACTED]

- Implementing production in the Philippines for carrier tape

- Purchasing 1 fully automated rotary carrier tape manufacturing line

[REDACTED]

- Purchasing 2 semi-automated flatbed carrier tape machines

- Purchasing ancillary supporting systems and equipment such as vision inspection system, punching system and raw material filtration system

- Renovating the production area

Intensifying our sales and marketing efforts in the global market including PRC market

- Recruiting sales representatives for technical support function in Malaysia and the Philippines

[REDACTED]

Strengthening our R&D and material engineering capabilities

- Recruiting 1 material engineer

[REDACTED]

[REDACTED]

FUTURE PLANS AND [REDACTED]

For the six months ended 31 December 2026

Business strategies

Implementation plans

HK\$'000
(Approximately)

Increasing our production capacity and capabilities

- Upgrading our production facilities in the PRC

- Production of trays and tray related products

- Purchasing 5 sets of injection moulding machines with automated ancillary equipment such as robotic arms

[REDACTED]

- Implementing production in the Philippines for carrier tape

- Purchasing 2 fully automated rotary carrier tape manufacturing line

[REDACTED]

- Purchasing 4 semi-automated flatbed carrier tape machines

- Purchasing ancillary supporting systems and equipment such as vision inspection system and quality control inspection smart scope

Intensifying our sales and marketing efforts in the global market including PRC market

- Recruiting sales representatives for technical support function in Malaysia and the Philippines

[REDACTED]

Strengthening our R&D and material engineering capabilities

- Recruiting 1 material engineer

[REDACTED]

[REDACTED]

FUTURE PLANS AND [REDACTED]

In summary, for the period from the [REDACTED] to 31 December 2026, we expect to make [REDACTED] from the [REDACTED] as below:

	From the [REDACTED] to 31 December 2024 <i>HK\$'000</i>	From 1 January 2025 to 30 June 2025 <i>HK\$'000</i>	From 1 July 2025 to 31 December 2025 <i>HK\$'000</i>	From 1 January 2026 to 30 June 2026 <i>HK\$'000</i>	From 1 July 2026 to 31 December 2026 <i>HK\$'000</i>	Total amount of [REDACTED] expected to be expended <i>HK\$'000</i>
Intended [REDACTED]						
Increasing our production capacity and capabilities						
• Upgrading our production facilities in the PRC						
– Production of trays and tray related products	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
– Production of carrier tapes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
– MEMS and sensor packaging	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
• Implementing production in the Philippines for carrier tape	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Intensifying our sales and marketing efforts in the global market including PRC market	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Purchasing ERP system and upgrading the information system	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Strengthening our R&D and material engineering capabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
General working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

FUTURE PLANS AND [REDACTED]

Bases and Assumptions

The implementation plans are based on the following bases and key assumptions:

- (a) there will be no material change in the funding requirement for each of our Group’s future plans as set out in this document;
- (b) our Group will have sufficient financial resources to meet the intended capital expenditure and business development requirements during the period to which our future business strategies relate;
- (c) there will be no material changes in the existing political, legal, fiscal, social or economic conditions in Hong Kong, the PRC, Singapore, or in any other places in which any member of our Group carries on its business or intends to carry on its business;
- (d) there will be no material change in existing laws and regulations, or other governmental policies relating to our Group, or in the political, economic or market conditions in which our Group operates;
- (e) our Group will be able to retain key staff in the management and other major operational departments;
- (f) there will be no change in the effectiveness of the licenses, permits and qualifications obtained by our Group;
- (g) there will be no material changes in the bases or rates of taxation applicable to the activities of our Group;
- (h) our Group will be able to maintain our existing business relationships with our customers and suppliers;
- (i) there will be no disasters, natural, political or otherwise, which would materially disrupt the businesses or operations of our Group;
- (j) our business operation will not be materially affected by the risk factors as stipulated in the section headed “Risk Factors” in this document; and
- (k) the [REDACTED] will be completed in accordance with and as described in the section headed “Structure and conditions of the [REDACTED]”.

FUTURE PLANS AND [REDACTED]

REASONS FOR THE [REDACTED]

Our Directors are of the view that the [REDACTED] is strategically beneficial to the long term development of our Group by enabling us to capture more business opportunities, providing additional avenues to raise capital in the long run and reinforcing our corporate recognition and image. Our Group considers that it is critical for our Group to raise fund through the [REDACTED] for the following reasons:

- We will be able to increase our production capacities to capture more opportunities in the global market including the PRC market with the additional funds through the [REDACTED]. As we serve customers from the semiconductor industry by providing JEDEC tray, carrier tapes and MEMS and sensor packaging, our business is highly driven by the semiconductor industry. According to the F&S Report, both the semiconductor industry and the semiconductor shipping and transport media industry has been growing and are expected to continue to grow. The global market size of semiconductor industry by sales value increased at a CAGR at 6.3% from 2019 to 2023 and is forecasted to increase at a CAGR of 8.8% from 2024 to 2028. The global and the PRC market size of back-end semiconductor transport media industry has increased at a CAGR of 7.8% and 3.6% from 2019 to 2022 but showed a decrease of 17.3% and 14.8% in 2023, respectively, and is forecasted to increase at a CAGR of 7.8% and 9.7% from 2024 to 2028, respectively. In view of the positive industry outlook, it is necessary for our Group to increase our production capacities to capture the market growth. During the Track Record Period, our production capacity for our tray and tray related products at our two production factories has been substantially utilised. Therefore, we intend to upgrade our manufacturing facilities in the PRC by upgrading our existing production facilities with automated functions and purchasing automated machineries.

We will be able to capture the growth in market demand and demand from its customers in the MEMS and sensor packaging industry. According to the F&S Report, the global market size by revenue of MEMS and sensor packaging industry has increased from US\$4,361.2 million to US\$6,409.8 million from 2019 to 2023 representing a CAGR of approximately 10.1%. It is expected to grow at CAGR of approximately 5.2% to reach approximately US\$8,481.3 million in 2028. Meanwhile, there has been an increase in customers' demand for MEMS and sensor packaging, given that UBOTIC has developed into a more mature stage for which the Company heavily invested in R&D costs at UBOTIC's early stage of business and the products developed including semi-hermetic sensor packaging (ERAQFN) and flow sensor module could be commercialised in the market. As at the Latest Practicable Date, the products developed altogether have been qualified by over 10 international customers, which provides a stable client base for our Group in relation to its MEMS and sensor packaging. The utilisation rate for flow sensor module has reached 97.1% for the year ended 31 December 2022 and 82.3% for the year ended 31 December 2023 and that of semi-hermetic sensor packaging (ERAQFN) has even reached 102.5% for both of the

FUTURE PLANS AND [REDACTED]

year ended 31 December 2022 and 2023. In view of this, it is necessary for our Group to expand the production capacities and capabilities for MEMS and sensor packaging such that UBOTIC has the capacity to take up further purchase orders.

We will be able to diversify the operational risk by having an additional production facility given that our existing two production factories are all located in the PRC in light of the rapidly changing political environment.

- The [REDACTED] can further provide a long term platform for equity fund raising. During the Track Record Period, we were capable of expanding our scale of operation by using the internally generated funds and bank borrowings. Nonetheless, we believe our Group may be placed under undue financial burden if our internal funds are predominately used for implementing our business strategies in the future. As at 31 March 2024, our bank balances and cash were negative of approximately HK\$1.8 million (unaudited). The additional funds raised through the [REDACTED] is therefore important to support the long term development of our business operation. It is expected that the current banking facilities will not be sufficient to fund the implementation of our business strategies. Our Directors consider that our Group’s current financial resources will only be sufficient to support our Group’s existing operations for the next 12 months from the date of this document, and we will need to raise funds through the [REDACTED] to facilitate the implementation of our business strategies as stated in the paragraphs headed “Business – Business Strategies” in this document.
- Our Directors believe that with a public listing status, our brand recognition can be broadened and our competitiveness and credibility can be strengthened. The increased level of information transparency subsequent to the [REDACTED] would allow our existing and prospective customers, suppliers and the general public to gain public access to our corporate information and financial position, which can in turn boost up our brand awareness and their confidence in our Group. Our Directors believe that the enhanced corporate awareness can help us to attract more new customers and business opportunities.