FUTURE PLANS

Please see "Business — Development Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

Assuming that the [**REDACTED**] are not exercised, after deducting the [**REDACTED**] and other estimated [**REDACTED**] payable by us in connection with the [**REDACTED**], and assuming an [**REDACTED**] of [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] of [**REDACTED**] and [**REDACTED**]), we estimate that we will receive net [**REDACTED**] of approximately [**REDACTED**] from the [**REDACTED**]. We intend to use the [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- Approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], is expected to be used for R&D of vehicle camera solutions and other vehicle optical solutions, as well as building a comprehensive testing system to enhance our technological capabilities and product offerings. Specifically:

  - Approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], is expected to be used for R&D of advanced intelligent driving full-scenario image sensing technology in relation to smart sensing solutions, by expanding our R&D team and procuring relevant equipment. Specifically, we focus on developing key technologies focusing on (i) enhancing core technical capabilities, including anti-interference solutions, high-precision AA processes, ultra-high precision testing solutions, as well as design and simulation capability. These enhancements will improve product detection distance, resolution and reliability, enhance the performance of smart sensing solutions, and optimize assembly yield rates; and (ii) integrated solutions for L3 and above autonomous driving, specifically researching and developing a series of integrated solutions that ensure safe, reliable operation and a comfortable user experience in complex driving environments.

  - Approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], is expected to be used for the R&D of diversified image interaction solutions in relation to smart cabin solutions. We mainly focus on strengthening human-machine interaction algorithm capabilities by (i) expanding our software and hardware development teams and (ii) acquiring software and equipment (such as image-enhancing software and hardware based on mainstream SOC platforms) to support smart cabin sensor interactions. In addition, we expect to invest in a series of R&D projects, such as ultra-low reflection coating technology and high-stability glass-plastic hybrid structure lenses, to enhance product performance, optimize processes and reinforce our technology market leadership.

- Approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], is expected to be used to enhance system-level integration application capabilities in relation to other vehicle optical solutions, by (i) developing products for LiDAR, in-cabin projection display and smart automotive lighting solutions, such as enhancing detection distance and precision for long-range LiDAR and developing holographic technology for in-cabin projection display; and (ii) developing related algorithm capabilities to drive continuous innovation in our next-generation products. These initiatives will expand our strategic presence in this market segment and serve a broader range of vehicle application scenarios.

- Approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], is expected to be used for the construction of a comprehensive opto-mechanical-electro-algorithmic testing center. We plan to establish a professional testing team, procure various specialized testing equipment (for temperature environment, mechanical shock and other reliability testing purposes), and plan and construct testing facilities, focusing on building enclosed simulated laboratory environments for testing and calibration scenarios for ADAS, ADS and in-cabin interaction. These initiatives will build a comprehensive testing system that closely aligns with customers' application needs.

• Approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], is expected to be used for enhancing our manufacturing capacities and optimizing our supply chain management. Specifically:

- Approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], is expected to be used for enhancing our manufacturing capacities. We plan to construct or renovate our manufacturing factories, procure and develop equipment (such as high-precision AA equipment, calibration equipment and laser welding equipment) and recruit production personnel. In addition, we expect to expand technology-focused procurement team to strengthen supply chain technology and enhance supply chain competitiveness. These initiatives will expand and upgrade the production capacity for our vehicle camera and other vehicle optical solutions, enhancing the scaled production and delivery capabilities to meet evolving needs of customers.

- Approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], is expected to be used for digitalization across R&D and production by building vertical automated warehousing, establishing digitalized logistics systems and procuring manufacturing related automated equipment. In addition, we expect to integrate AI technology across the full value chain encompassing supply chain, R&D and production, increasing automation and optimizing flexible production levels and production efficiency across our manufacturing bases, enhancing our production yield rates and overall operational efficiency.

- Approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], is expected to be used for optimizing our sales and services networks by strengthening partner-facing sales team deployment and enhancing technical support teams. These initiatives will provide full lifecycle technical support to customers and continuously optimize our customer service capabilities.

- Approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], is expected to be used for supplementing 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**] (assuming the [**REDACTED**] is not exercised), the net [**REDACTED**] of the [**REDACTED**] will increase or decrease by approximately [**REDACTED**] (after deducting [**REDACTED**] and expenses related to the [**REDACTED**]), respectively.

The additional net [**REDACTED**] that we would receive if the [**REDACTED**] were exercised in full would be (i) [**REDACTED**] (assuming an [**REDACTED**] of [**REDACTED**], being the maximum [**REDACTED**] of the indicative [**REDACTED**]), (ii) [**REDACTED**] (assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**], being the mid-point of the indicative [**REDACTED**]), and (iii) [**REDACTED**] (assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**], being the minimum [**REDACTED**] of the indicative [**REDACTED**]).

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

To the extent that the net [**REDACTED**] of the [**REDACTED**] are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may 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) for so long as it is deemed to be in the best interests of the Company. In such an event, we will comply with the appropriate disclosure requirements under the Listing Rule.

We will issue an appropriate announcement if there is any material change to the above proposed use of [**REDACTED**].