
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For details of our future plans, see “Business—Our Strategies.”

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the maximum [REDACTED] stated in this document), after deducting the [REDACTED] and estimated expenses paid or payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised.

In line with our strategies, we intend to apply the [REDACTED] from the [REDACTED] for the following purposes and in the amounts set forth below:

- (1) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to expand our production capacity and upgrade our existing production bases. Specifically:
 - (a) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to increase the production capacity and upgrade the production bases of our automotive electronics business by (A) establishing new production bases, and (B) purchase and upgrade equipment and machinery for the improvement of our intelligent manufacturing production lines at our existing production bases, with a focus on key products such as automotive wiring harnesses, domain controllers, intelligent driving system hardware, and smart chassis solutions. The estimated allocation of capital investment is approximately (i) 9.8% for establishing new production bases, and (ii) 90.2% for purchasing and upgrading equipment and machinery. We plan to accelerate the construction of related production lines, enhancing our production and fulfillment capabilities. By introducing an intelligent manufacturing management platform, we aim to significantly improve the flexible and dynamic allocation of production capacity and increase the automation level of our production lines. This will help us enhance our leading position in the rapidly growing automotive electronics sector, increase our market share in the automotive electronics PIMS industry, and further strengthen our fulfillment network and supply chain resilience. We plan to allocate approximately HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED], respectively, in 2026, 2027, 2028, 2029 and 2030, of the [REDACTED] for such purpose.

We believe this production capacity expansion plan is supported by sufficient potential market demand. According to Frost & Sullivan, the size of the global intelligent vehicle PIMS market is expected to increase from RMB2,672.6 billion in 2024 to RMB3,633.9 billion in 2029. We are the fourth largest automotive wiring harness PIMS provider in the world in terms of revenue in 2024. With our leading market position combined with our vertical integration capability and our edges in technology innovation, we believe we are well positioned to capture this growth opportunity and demand for our automotive electronic products will increase;

- (b) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to increase the production capacity and upgrade the production bases of our consumer electronics business by (A) establishing new production bases, and (B) purchase and upgrade equipment and machinery for the improvement of our intelligent manufacturing

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production lines at our existing production bases. The estimated allocation of capital investment is approximately (i) [REDACTED]% for establishing new production bases, and (ii) [REDACTED]% for purchasing and upgrading equipment and machinery. This will improve our local production and delivery capabilities to timely fulfill purchase orders from key accounts, reduce logistics costs which improves cash flow, and minimize risks arising from trade frictions. By expanding our distributed manufacturing network, we will enhance our global service capabilities in the consumer electronics sector and strengthen our long-term partnerships with customers. We plan to allocate approximately HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED], respectively, in 2026, 2027, 2028, 2029 and 2030, of the [REDACTED] for such purpose.

We believe this production capacity expansion plan is supported by sufficient potential market demand. According to Frost & Sullivan, the size of the global consumer electronics PIMS market is expected to increase from RMB3,421.8 billion in 2024 to RMB4,361.7 billion in 2029. We are the second largest consumer electronics components and modules PIMS provider in the world in terms of revenue in 2024. With our leading market position combined with our vertical integration capability and our edges in technology innovation, we believe we are well positioned to capture this growth opportunity and demand for our consumer electronic products will increase;

- (2) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to invest in technology R&D, refine our manufacturing processes and enhance our intelligent manufacturing capabilities. Specifically:
 - (a) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to the R&D of new products and manufacturing processes in core business areas, such as consumer electronics and automotive electronics solutions over the next five years. This includes next-generation smart terminal products, intelligent cockpit systems, intelligent driving systems, and high-speed connectivity products. These investments will further enhance our foundational R&D capabilities and shorten time-to-market, maintaining our long-term technological edge. We plan to allocate approximately HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED], respectively, in 2026, 2027, 2028, 2029 and 2030, of the [REDACTED] for such purpose;
 - (b) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to the research in foundational technologies, such as acoustics, optics, electromagnetics, thermodynamics, and materials. This includes validating new materials, optimizing production workflows, and developing structural simulations and packaging solutions. Some of these R&D projects will be conducted through collaborative laboratories jointly established with leading global customers. This R&D initiative will help bridge the gap between product concept and mass production, establishing a unique technological moat. We plan to allocate approximately HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED], respectively, in 2026, 2027, 2028, 2029 and 2030, of the [REDACTED] for such purpose;
 - (c) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to the continuous upgrade of our “Intelligent 2.0” The focus will be on integrating key capabilities such as IoT, digital twins, and AI algorithm optimization to achieve a

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closed-loop control system spanning data auto-collection, auto-analysis, auto-decision-making, and auto-execution. Through intelligent transformation of existing production lines, we aim to significantly enhance automation level and yield rate, contributing to a green, efficient, and sustainable global manufacturing platform. We plan to allocate approximately HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED], respectively, in 2026, 2027, 2028, 2029 and 2030, of the [REDACTED] for such purpose;

- (3) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to invest in high-quality targets in upstream and downstream sectors or related industries. The factors we will consider when selecting targets are (i) whether the target aligns with our long-term goals, taking into account (A) the target company’s market share, technological barriers (e.g., patents and R&D investment) and brand influence, (B) alignment with our development strategy, (C) potential expansion into new sectors and rapid market entry, and (D) customer base, sales network and supply chain resources; (ii) financial indicators, including (A) historical profitability and growth prospects, and (B) reasonable valuation compared with industry peers to avoid excessive premiums; and (iii) operational indicators, including (A) management’s experience, stability, and feasibility of smooth integration, (B) capability of the R&D team and alignment of technology roadmap with industry trends, and (C) management of capacity utilization and production cost. All our investment projects undergo thorough due diligence to assess legal, compliance, and financial risks. Depending on the industry and target, the weighting of the above indicators may vary, with alignment with our long-term goals being the priority. According to Frost & Sullivan, there were approximately 130 to 170 potential targets that meet our criteria as of the Latest Practicable Date. We may acquire either majority or minority equity interest of the potential targets subject to the circumstances. This investment will help us quickly acquire cutting-edge technologies or new product capabilities and accelerate the introduction of existing products or solutions to new clients and industries through synergies in customer resources, sales channels, and supply chains. It will enrich our ecosystem and enhance our integrated capabilities across different fields. As of the Latest Practicable Date, we had not identified any specific investment target;
- (4) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to repay certain existing interest-bearing bank borrowings for working capital purposes, to optimize our capital structure, reduce finance costs, and enhance overall risk resilience and future financing flexibility. Specifically, such existing interest-bearing bank borrowings are loans we borrowed from five commercial banks in China of an aggregate outstanding balance of RMB1,938.0 million with an interest rate of 2.35% per annum, which will mature in June 2026; and
- (5) approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and other general corporate purposes.

With the implementation of the aforementioned plans, we believe we will have increased production capacities, higher production efficiency, a more diversified product portfolio, solidified technological advantages and a lower gearing ratio, which will increase our revenue and gross profit, and enhance our risk resilience. Our operating cash flow may be pressured upon initial investment in production capacity expansion and R&D due to rising costs and expenses; as the increased production capacity is utilized and R&D results are commercialized, we expect our operating cash flow to improve.

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If the [REDACTED] is fully exercised, we will receive additional [REDACTED] of approximately HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the maximum [REDACTED] stated in this document). In the event that the [REDACTED] is exercised, we intend to apply the additional [REDACTED] to the above purposes on a pro rata basis. To the extent our [REDACTED] is less than expected, we will adjust our allocation of the [REDACTED] for the above purposes on a pro rata basis.

To the extent that our [REDACTED] are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings.

If any part of our plan does not proceed as planned for reasons such as changes in government policies that would render any of our plans not viable, or the occurrence of force majeure events, our Directors will carefully evaluate the situation and may reallocate the [REDACTED] from the [REDACTED]. We will issue an appropriate announcement if there is any material change to the above proposed [REDACTED].

To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the purposes described above, and to the extent permitted by the relevant laws and regulations, we will only deposit such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under SFO or applicable laws and regulations in the other jurisdictions).

If we urgently need the funds for the above purposes, but cannot immediately obtain the [REDACTED] from the [REDACTED], we will use self-raised funds to meet the relevant funding requirements and replace these self-raised funds with the [REDACTED] from the [REDACTED] when the [REDACTED] become available to us.