FUTURE PLANS

For a detailed description of our future plans, see "Business — Our Strategies."

USE OF [REDACTED]

The table below sets forth the estimated [**REDACTED**] of the [**REDACTED**] that we will receive after deduction of [**REDACTED**] and other estimated expenses payable by us in connection with the [**REDACTED**]:

[**REDACTED**]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately [**REDACTED**] based on an indicative [**REDACTED**] of [**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] stated in this document) and assuming no exercise of the [**REDACTED**], or [**REDACTED**] if the [**REDACTED**] is exercised in full, after deducting estimated [**REDACTED**] and other estimated expenses payable by us in connection with the [**REDACTED**]. In line with our strategies, we plan to use the [**REDACTED**] from the [**REDACTED**] for the purposes set forth below:

(1) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], is expected to be allocated to continuous investment in the research and development of new products and technologies. Aside from these [**REDACTED**] from the [**REDACTED**], in the third quarter of 2025 we successfully raised approximately RMB1.0 billion to enhance our R&D capabilities and expand our production capacity for optical chips. With respect to the [**REDACTED**],

   (i) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], will be used to retain existing and attract new top-tier R&D talent and professionals from world-class universities to further strengthen our research and development capabilities globally. This includes remunerations and compensation to recruit and incentivize R&D personnel for optical transceivers, optical chips and optical network terminals. Specifically, we plan to recruit over 450 R&D personnel in the fields of optical transceivers, optical network terminals and optical chips. These R&D personnel are expected to have an average of over five years of experience in the optical communications industry or other related technology areas. In line with our globalization and high-tech manufacturing strategies, we will focus on acquiring top global talent with expertise in core technology related R&D and intelligent manufacturing, particularly those with experience working at multinational companies. The annual salary of our existing and newly recruited R&D personnel is expected to range from approximately RMB0.4 million to RMB2.2 million per person, depending on their experience, qualification, position and location. We expect that the portion of the [**REDACTED**] from the [**REDACTED**] allocated for this purpose will be able to cover their salaries up to 2030. See "Business — Our Strategies — Strengthen our R&D capabilities, particularly in emerging technologies, to enhance our products' competitiveness."

(ii) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], will be used to procure and install specialized research and development equipment for optical transceivers and optical network terminals. Specifically, we plan to invest in dedicated equipment for:

(a) the development and testing of emerging technologies for high-rate optical transceivers, including 1.6T and 3.2T optical transceivers, next-generation optical transceivers deploying NPO and CPO packaging technologies and those deploying LRO and LPO signal processing technologies. The expected total purchase cost of such equipment is approximately HK$590.3 million. For more details on our optical transceivers under development, please see "Business — Our Products — Optical Transceivers"; and

(b) the development and testing of optical network terminals, such as 25GS-PON and 50G ONT boxes. The expected total purchase cost of such equipment is approximately HK$62.5 million. For more details on our optical network terminals under development, please see "Business — Our Products — Optical Network Terminals."

(iii) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], will be used for our research and development activities. These include expenditures for the purchase and upgrade of our R&D software tools, procurement of R&D materials, and operations of our R&D facilities.

(2) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], is expected to be allocated to expanding our production capacity for optical transceivers and optical chips, and enhancing automation across our product lines.

(i) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], will be used for expanding our production capacity for optical transceivers and high-end laser chips. These investments are expected to help us achieve greater economies of scale, further optimize our cost structure, deepen our localized collaboration with customers, and enhance our overseas supply capabilities and market share. In anticipation of the emerging market demand, the ramp-up of next-generation products and evolving technological trends, we are strategically expanding our global production capacity to ensure product matrix upgrade (particularly for the production of higher-rate optical transceivers and higher-end laser chips), timely delivery and long-term competitiveness. In particular, we plan to invest in (a) constructing a new production facility in Thailand, (b) purchasing equipment to scale up the manufacturing of high-end optical transceivers, particularly 1.6T and 800G optical transceivers, at our existing production facilities in Qingdao and Jiangmen, China, and Thailand, and (c) purchasing equipment for the manufacturing of high-end laser chips at our Qingdao facility. We have leased a property and commenced construction of our new production facility in Thailand. We expect to commence commercial production at this facility around mid-2026. As advised by our local counsel in Thailand, the establishment of our new production facility in Thailand would generally be subject to applicable laws and regulations, including those relating to land use, zoning, factory notification or licensing, building permits, environmental assessments/approvals, and hazardous substances controls, depending on the location, size, and other specification of the new production facility. Our local counsel in Thailand is of the view that, provided that the facility complies with all applicable legal requirements, there is no material legal impediment to obtaining the requisite licences or approvals. As discussed above, aside from these [**REDACTED**] from the [**REDACTED**], the RMB1.0 billion we raised in the third quarter of 2025 will also be used to expand our production capacity for optical chips, including to establish a new R&D and production facility in Xiamen, China. For more details on our production capacity expansion plans, see "Business — Production — Upgrade and Expansion Plans."

(ii) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], will be used to accelerate the upgrade of the intelligence levels of our manufacturing system. Building on our existing core automated production lines, we plan to implement end-to-end intelligence level upgrade at our current Qingdao and Jiangmen, China and Thailand production facilities, with the aim of increasing production efficiency, improving product quality, and enhancing overall production yield. We also plan to advance our ESG strategy, including to upgrade our energy-efficient equipment and intelligent environmental monitoring and control systems, thus further reducing our energy consumption and waste emissions.

(3) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], is expected to be allocated to enhance business promotion and overseas market expansion.

(i) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], will be used to expand our global sales network and deploy dedicated local sales teams in the PRC, North America (including the United States and Canada) and European Union (for example, in Italy), to strengthen customer coverage and improve responsiveness to customer demands across domestic and overseas markets. Specifically, we plan to recruit close to 30 sales personnel, including those for North America and Europe with over ten years of related industry experience and those for the Asia-Pacific region with over five years of related industry experience.

(ii) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], will be used for business promotion and brand-building initiatives. We plan to organize professional forums and seminars and participate in trade shows to enhance our brand recognition. We believe that engaging in these marketing activities will enable us to establish connections with potential customers and demonstrate the technical superiority of our products, thereby facilitating and accelerating the market penetration rate of our products.

(4) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], is expected to be allocated to strategic investments and acquisitions across the optical communication value chain in domestic and overseas markets over the next five years. We intend to pursue strategic investment and acquisition opportunities that could have synergies with our existing business and align with our long-term objectives, focusing primarily on upstream sectors of the optical communication industry's value chain (mainly manufacturers of critical components for optical transceivers) and companies with advanced packaging technologies. These investments are expected to enhance our vertical integration and generate operational synergies. In particular, we will seek investment or acquisition opportunities that will enable us to secure critical raw materials, broaden our customer base, strengthen our technological capabilities, and expand our production capacity. We anticipate for these investments or acquisitions to help us achieve economies of scale, unlock our growth potential, and enhance our overall profitability. In selecting investment or acquisition targets, we will consider mainly whether we can achieve synergies through the investment or acquisition, including whether it will bring in new customers, new technologies and additional manufacturing capacity to complement our existing capabilities. We may consider both acquisitions of controls and minority equity investments in the target companies. We intend to primarily target upstream companies for minority equity investments, and may also consider acquiring controls of companies in upstream sectors or in the same sectors as ours in our industry's value chain. The number of investments or acquisitions we may make will depend on the size of the targets that we consider meet our criteria and align with our growth strategies, considering then-prevailing market conditions. Our Directors believe, and Frost & Sullivan concurs, that given the rapid growth and significant breadth of the optical communication industry, there are plenty of potential targets available in the market that satisfy our criteria. As of the Latest Practicable Date, we had not identified any specific targets for acquisitions or investments, or entered into any investment agreement, to which we will apply these proceeds. For more details, see "Business — Our Strategies — Strategic investments and acquisitions."

(5) approximately [**REDACTED**] of the [**REDACTED**], or approximately [**REDACTED**], is expected to be allocated for working capital and general corporate purposes to support our business operation and growth.

The table below summarizes the planned yearly allocation of the [**REDACTED**] from the [**REDACTED**], from 2026 through 2030. These plans are based on assumptions and are subject to uncertainties, including the risks described in the "Risk Factors" section of this [**REDACTED**]. As such, we cannot guarantee that our plans will proceed as scheduled or that our goals will be fully achieved.

	2026 to 2028	2029 to 2030	Total
Item (1) above	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Item (2) above	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Item (3) above	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Item (5) above	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

If the [**REDACTED**] is fixed at the high end (low end) of the [**REDACTED**] stated in this document and assuming the [**REDACTED**] is not exercised, our [**REDACTED**] will increase (decrease) by approximately [**REDACTED**]. To the extent that our actual [**REDACTED**] from the [**REDACTED**] are higher or lower than our estimate above, we will adjust our allocation of the [**REDACTED**] for the purposes set out above on a pro rata basis. The additional [**REDACTED**] that we would receive if the [**REDACTED**] were exercised in full would be (i) [**REDACTED**] (assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**], being the high end of the [**REDACTED**] stated in this document), (ii) [**REDACTED**] (assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**], being the mid-point of the [**REDACTED**] stated in this document) and (iii) [**REDACTED**] (assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**], being the low end of the [**REDACTED**] stated in this document). Additional [**REDACTED**] received due to the exercise of any [**REDACTED**] will be used for the above purposes accordingly on a pro rata basis in the event the [**REDACTED**] is exercised.

To the extent that the [**REDACTED**] of the [**REDACTED**] are not immediately applied to the above purposes or if we are unable to put into effect any part of our plan as intended, 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 the Securities and Futures Ordinance or applicable laws in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.