FUTURE PLANS

For details of our future plans, see "Business — Growth Strategies."

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK$[REDACTED], after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], and based on an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range stated in this document, assuming that the [REDACTED] is not exercised.

We intend to apply such [REDACTED] from the [REDACTED] for the following purposes:

- Approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used to strengthen our R&D and testing capabilities and to expand our production capacity of laser chips. We are in a technology-intensive industry, where sustained investment in R&D and testing capabilities is critical to secure our technological advantages in the industry. In particular,

  - approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used to procure the equipment for wafer fabrication, chip processing and testing, which is expected to enhance our R&D tape-out and testing efficiency and expand our production capacity for laser chips. Specifically, (i) approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used to procure the equipment covering key processes across the laser chip manufacturing and R&D workflow, including epitaxial growth, photolithography, etching, polishing, dicing and testing; and (ii) approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used to procure manufacturing auxiliary equipment to improve cost efficiency through enhanced automated and intelligent manufacturing. In addition to chip design, manufacturing know-how and yield control are also critical in building technological barriers and sustaining competitive advantages in the industry. By enhancing our equipment base to support R&D and manufacturing activities in parallel, we expect to accelerate development cycles, improve yield management and increase effective output capacity to better seize the identified market opportunities for laser chip products.

  - approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used to acquire land and construct manufacturing, R&D and ancillary facilities. In selecting potential sites for new manufacturing and R&D bases, we primarily consider:

    (i) *production expansion and efficiency*. We prioritize locations that can support large-scale manufacturing capacity, streamline logistics and supply-chain operations, and enhance coordination between production and R&D activities;

    (ii) *business environment*. We give preference to regions offering, among others, favorable investment incentives and tax benefits, thereby creating an overall business environment conducive to efficient operations and our long-term growth; and

    (iii) *operating cost efficiency*. With a comprehensive evaluation of property, labor, and utility-related costs, we prioritize locations with robust infrastructure, skilled professionals, and abundant higher-education resources.

These criteria together aim to ensure that our new facilities are positioned strategically, operated efficiently, and aligned with our long-term global development roadmap.

- o approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used to strengthen our R&D capabilities. We will continue to purchase and upgrade software and ongoing expenditure associated with our R&D projects. These expenditures may be used to fund raw materials essential to our R&D activities, the outsourced testing and verification, and R&D-related travel expenses and office expenses. We will also maintain and expand our R&D team. We plan to recruit approximately 160 additional R&D personnel with substantial experience in the R&D of laser chips. We intend to prioritize candidates with relevant academic backgrounds and professional experience, with a view to strengthening our capabilities in the pre-research, design and mass-production introduction of laser chips for high-speed interconnect solutions for data center applications. These investments are expected to enhance our long-term innovation capacity, improve efficiency of product commercialization and iteration, and support the scalability of our high-performance laser chip portfolio.

- o approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used to recruit additional manufacturing personnel to support our production capacity expansion. We expect to recruit approximately 640 manufacturing professionals and approximately 40 production management staff. These hires are intended to form a specialized and well-structured manufacturing workforce for improved manufacturing efficiency, delivery time and quality.

- Approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used for strategic investments and business synergy initiatives to fully leverage the growth potential of our customer base. We plan to pursue strategic investments and acquisitions of high-quality targets in the optical transceiver and component sectors to achieve a complementary and synergistic product portfolio and to provide integrated solutions to downstream customers. As a leading provider of laser chips, we have established long-term and stable partnerships with several tier-one optical transceiver suppliers in the world. With these strong customer relationships, we enjoy natural advantages in product adoption and, through an expanded and diversified product portfolio, are well-positioned to deliver more comprehensive services, enhance customer loyalty, and consolidate our competitive edge in the industry. As of the Latest Practicable Date, we have not identified any specific investment or acquisition targets.

- Approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used to expand our sales and service network and support our marketing activities. In particular,

  We will continue to support our market promotion initiatives and efforts on customer relationship management. We plan to establish a sales and service network in key markets and scale up our sales and marketing team to deepen our reach into markets where AI-related products and services flourish. We intend to recruit approximately 56 sales professionals, who possess a solid understanding of our industry and extensive experience in the sales of semiconductor products. We also plan to engage senior sales talents with established industry connections to accelerate customer acquisition and strengthen our participation in the AI industry. These initiatives will bring us closer to direct and end-customers, enhance customer engagement and responsiveness, and drive the sustainable expansion of our business within and beyond China.

We will expand our office premises to accommodate the growth of our global sales and service network. We intend to purchase or lease additional properties as our office premises, which will serve as regional hubs for customer engagement, sales coordination and after-sales services, enabling us to provide more efficient and localized support to our customers. We will also continue to enhance our market presence by actively participating in leading global AI and communications industry exhibitions to raise our products' visibility, stay abreast of industry trends, and accelerate the iteration of our products in line with customers' evolving performance demand.

- Approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used for our working capital and other general corporate purposes.

If the [REDACTED] is exercised in full, the [REDACTED] of the [REDACTED] would increase to approximately HK$[REDACTED] (based on the [REDACTED] of HK$[REDACTED] per Share). We intend to apply the additional [REDACTED] to the above uses in the proportion stated above.

To the extent that our [REDACTED] are not sufficient to fund the purposes set out above, we intend to finance the remaining portions through a variety of means, including operating cash flows, bank loans and other borrowings.

If the [REDACTED] of the [REDACTED] are not immediately applied to the above purposes, we will deposit the unutilized [REDACTED] into short-term interest-bearing accounts with licensed commercial banks or other authorized financial institutions, as defined under the Securities and Futures Ordinance ("**SFO**") or other applicable laws and regulations, until they are used for the intended purposes.

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