FUTURE PLANS AND PROSPECTS

See "Business — Our Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**], after deducting the [**REDACTED**] and other estimated expenses payable by us in connection with the [**REDACTED**], assuming that the [**REDACTED**] is not exercised and an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range in this document. We intend to use the net [**REDACTED**] from the [**REDACTED**] for the following purpose:

- approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used to research and development of key technologies in the fields of intelligent sensing machine vision and imaging to strengthen our leadership position and accelerate commercialization of our pipeline products, including:
  - approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used to (i) expand our existing R&D centers in Wuhan and Suzhou in China, and the R&D center in Netherlands, (ii) establish a new R&D center in Shenzhen in China, and (iii) to a lessor extent, recruit a number of engineers in Singapore and South Korea.

    Our R&D initiatives primarily include further strengthening our capabilities in the three core areas of intelligent sensing, machine vision, and imaging technology, continuously improve the performance and scenario adaptability on various smart devices, and solidify our technological position. We will systematically improve our product lines to provide one-stop solutions covering a wider range of needs, with a focus on products and continuous launching of new-generation high-performance sensors to integrate technologies to accelerate the commercialization of diversified and high-performance products. We plan to develop new products and technologies to expand our market reach and strengthen our competitive position. We are developing bio-sensor solutions for health monitoring in smartphones and wearables, optical navigation sensors for user interface controls in mobile devices and laptops, and magnetic sensors for camera stabilization in smartphones. These products are expected to meet growing demand for advanced sensing in consumer electronics. We plan to develop imaging co-processors and camera power management ICs to improve photography features in smartphones, drones, and professional cameras, such as night mode and AI-powered image processing. In addition, we will develop technologies that support our core capabilities, including improvements in sensor elements and manufacturing processes, mixed-signal IC design, and intelligent sensing algorithms. These technology improvements are expected to improve product performance, reduce costs, and enable faster product launches across our target applications. For details, see "Business — Our Strategies — Increasing investment in R&D to maintain technological leadership" and "Business — Our Strategies — Continuous development of products, enrichment of our solution portfolio and expansion of our advantages." Substantial upfront R&D investments is common in the chip industry. Therefore, we expect to make substantial R&D investments in the next few years to realize our growth strategy and business expansion.

    We manage our R&D centers in an integrated manner, that is, each R&D center functions as an integral component of one R&D team and may participate in any R&D program with other R&D centers as needed. As a result, we generally tend to establish R&D centers where sufficient suitable talent candidates are accessible. Historically, we have established our Wuhan, Suzhou and Netherlands R&D centers leveraging our local connections and benefiting from local policies encouraging development of chip industry, each serving distinct functions to support our technology development and business growth, and we hence intend to further expand our existing R&D centers taking advantage of our local presence and reputation. Our Wuhan R&D center is our headquarters and main research facility, focusing on core technology development in intelligent sensing, machine vision, and imaging. The center conducts fundamental research in sensor elements, algorithms, and system design. We plan to expand this center to support development of new products including bio-sensors, hyper-spectral sensors, and photon counting imaging sensors, which require specialized facilities and equipment. Our Suzhou R&D center focuses on R&D technical support and specializes in optical R&D. We plan to expand this center to further enhance our optical and system-level R&D capabilities. Our Netherlands R&D center provides access to European talent and research networks. We plan to expand this center to enhance our R&D capabilities and support potential business development in Europe. We plan to establish a new R&D center in Shenzhen leveraging our existing local sales and technical support operations. As one of China's leading technology hubs, Shenzhen provides access to a concentrated pool of experienced semiconductor and electronics talent, proximity to major smart device manufacturers and suppliers in the Greater Bay Area, and a supportive innovation ecosystem.

In addition to establishing the above R&D centers, we also plan to recruit a number of engineers primarily to support our product engineering team in Singapore to better manage our product quality and manufacturing from global supply chain, and to support our sales team in South Korea, in terms of better understanding the demand and technical specifications requested by local potential customers in BD activities, as well as providing after-sales technical supports more efficiently.

By the end of 2030, we expect to recruit approximately 450 R&D personnel to support our expansion plan, by using the net [**REDACTED**] from the [**REDACTED**]. The recruitment of these new personnel will be funded primarily by the net [**REDACTED**], with any shortfalls to be covered by our own funds. The potential candidates for our R&D centers include (i) analog IC design engineers with extensive experience in semiconductor devices and process flows, (ii) IC design engineers with extensive experience in DSP, (iii) signal and system analysis and digital IC design processes, (iv) algorithm engineers with strong proficiency in programming tools, (v) chip quality engineers with strong experience in quality management in semiconductor design or manufacturing. The average salary for R&D personnel located in the PRC in 2026 is expected to range from approximately RMB250,000 to RMB650,000 per annum, and for those located outside the PRC, approximately US$60,000 to US$110,000 per annum, depending on their background and seniority. The average salary levels for subsequent years will be adjusted according to market conditions.

○ approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used to procure tape-out services, raw materials and non-recurring engineering services. We expect the total number of R&D projects for new products or new iterations of existing products which are expected to enter into tape-out stage between the second half of 2026 and 2030 will be over 180, and we expect to apply the net [**REDACTED**] from the [**REDACTED**] to approximately 90 projects. The expected tape-out costs for each of such projects range from a few hundreds of thousands RMB to tens of millions RMB depending on the nature and complexity of products as well as the scale of tape-out.

○ approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used to upgrade our R&D technology and purchase advanced R&D equipment, including chip reliability testing systems, laboratory testing equipment, computing servers, simulation software and other supporting infrastructure, to further enhance our in-house development capabilities and shorten time-to-market.

- approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used to expand our global sales and service network, promote our products worldwide and strengthen our relationship with customers, including:
  - establish regional sales and technical support teams in China, Singapore, South Korea and Europe to directly engage with global customers; and
  - invest in international marketing and promotional activities, including joint marketing initiatives with local distributors, participation in leading industry exhibitions and technology forums, and targeted campaigns to strengthen our brand visibility and market penetration.
- approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used for strategic investments and/or acquisitions to achieve our long-term growth strategies. In general, we expect to invest as a minority shareholder in several target companies which are small-and-medium enterprises with mature commercialized products and a market valuation not exceeding RMB350 million, to ensure our target companies will prioritize or ensure supply of their products to us for our integrated modules; and we may consider to further acquire controlling stakes in the target companies to expand our product portfolio if that is more cost effective than our in-house development. We intend to explore potential investment and acquisition opportunities in both domestic and international markets. We also seek potential investment and acquisition opportunities on select potential targets based on the following general selection criteria:
  - businesses or technologies that generate synergies with our existing product portfolio, which would enable us to gain access to complementary intellectual property, broaden our product offerings, diversify our customer base and strengthen our long-term growth prospects; and
  - opportunities that support our expansion into emerging markets, allowing us to extend our product portfolio and accelerate our market penetration into these additional industries.

  Particularly, we expect potential targets to: (i) be leading market players in their respective fields, which have commercialized products to expand our product portfolio or being important components to complete our solutions; (ii) focus on high-barrier application segments, including consumer electronics, and rank among the top five players in their niche markets; (iii) possess a solid customer base or established distribution networks; (iv) have a stable and competent research and development team; and (v) maintain steady profitability or demonstrate a clear pathway to synergistic profitability following integration. By effectively consolidating industry resources, we aim to strengthen our competitive position and support long-term sustainable value creation.

  As of the Latest Practicable Date, we had not identified any specific acquisition target and had not entered into, or participated in, any commercial negotiation, memorandum of understanding or letter of intent with respect to any potential target.
- approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used for working capital and general corporate purposes.

The following table demonstrates the timeframe for implementing each of the above expansion plans with a detailed breakdown on the net [**REDACTED**] allocated to each plan:

	2H2026	2027	2028	2029	2030	Total approximate % of the net [REDACTED]
Research and development of key technologies	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%

	2H2026	2027	2028	2029	2030	Total approximate % of the net [REDACTED]
Expand our global sales and service network	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%
Strategic investments and/or acquisitions	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%
Working capital and general corporate	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%
Total	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%

The above allocation of the [**REDACTED**] will be adjusted on a pro rata basis in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the mid-point of the indicative [**REDACTED**] range. If the [**REDACTED**] is set at HK$[**REDACTED**] per Share, being the high end of the indicative [**REDACTED**] range, the net [**REDACTED**] from the [**REDACTED**] will increase by approximately HK$[**REDACTED**] million. If the [**REDACTED**] is set at HK$[**REDACTED**] per Share, being the low end of the indicative [**REDACTED**] range, the net [**REDACTED**] from the [**REDACTED**] will decrease by approximately HK$[**REDACTED**] million.

If the net [**REDACTED**] are not immediately applied to the above purposes, we will only deposit those net [**REDACTED**] 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). We will make an appropriate announcement if there is any change to the above proposed use of [**REDACTED**].