
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” in this document for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that we will receive [REDACTED] of HK\$[REDACTED] after deducting [REDACTED] fees and [REDACTED] and estimated [REDACTED] paid and payable by us in the [REDACTED], assuming no [REDACTED] is exercised and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED]).

We intend to use the [REDACTED] from the [REDACTED] for the purposes set forth below:

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for expanding our production capacity for optical transceivers, and other optoelectronic interconnection products, and enhancing automation across our product lines.

These investments are expected to enable us to achieve greater economies of scale, further optimize our cost structure, and strengthen our supply capacity and market position. In response to emerging demand, the ramp-up of next-generation products, and ongoing technological advancement, we are strategically expanding our global production footprint to support product portfolio upgrades, ensure timely delivery, and sustain our long-term competitiveness. In particular, we plan to invest in constructing a production facility in Nantong equipped with automated production lines for high-speed optical transceivers and other optoelectronic interconnection products.

Our production capacity expansion plans include (i) the expansion and upgrade of our existing production facility in Nanjing, primarily to upgrade certain existing 400G production capacity to support the manufacture of 800G products principally through upgrades of chip burn-in chambers, optical coupling alignment equipment and module testing systems, (ii) the procurement of additional new production equipment, principally including high-precision pick-and-place machines, automatic wire bonding machines, automatic coupling alignment machines, high-speed sampling oscilloscopes and switches, which will be deployed primarily at our Nantong and Nanjing production facilities, to support our capacity expansion and the mass production of new products, as well as minor upgrades to our existing equipment to accommodate new product technical specifications and enhance our overall production efficiency, and (iii) the establishment of automated production lines for silicon photonics chips and packaging technology in Beijing, where the products manufactured will be further used in the production of high-speed optical transceivers.

The capacity expansion covers our 400G, 800G, 1.6T and 3.2T/NPO business lines with clear pre- and post-expansion capacity indicators.

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Product Category	Expected Completion Time of Capacity Expansion	Maximum Production Capacity Before Expansion (pcs/month)	Maximum Production Capacity After Expansion (pcs/month)	Project Type	Venue
400G.	2026 Q3	130,000	200,000	Production expansion	Nanjing
800G.	2026 Q3	10,000	70,000	Production expansion	Nanjing
	2027 Q1	70,000	100,000		Nantong
1.6T	2026 Q4	Small-scale sample production	10,000	New production lines	Nantong
	2027 Q2	10,000	100,000		
	2028 Q1	100,000	300,000		
3.2T/NPO products.	2028 Q3	—	10,000	New production lines	Nantong
Silicon photonics chips and advanced packaging.	2026 Q3	Small-scale sample production	200,000	New production lines	Beijing
	2027 Q2	200,000	Over 500,000		

The planned production capacity expansion is strategically aligned with global trends of growing AI computing demand.

In parallel with the production line expansion by facility and product speed set out above, we also plan to carry out general upgrades across our production lines to further enhance production automation, operational efficiency and sustainability. We plan to invest in advanced equipment as mentioned above, which offer higher production efficiency with larger capacity, to enhance automation and production efficiency, improve product quality and increase overall yield. We also intend to advance our ESG initiatives by adopting energy-efficient equipment such as thermoelectric cooling and heating device, which features more advanced technology and lower energy consumption and deploying intelligent environmental monitoring and control systems to further reduce energy consumption and waste emissions.

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for continuous investment in the research and development of new products and technologies over the next three years. Specifically:
 - (i) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used retaining existing and attracting new top-tier R&D talent and professionals from world-class universities to further strengthen our global research and development capabilities. This includes remuneration and incentive programs for R&D personnel engaged in the development of optical transceivers, silicon photonic chips and other advanced optoelectronic interconnection technologies. The plan to retain existing and attract new R&D talent is expected to be implemented from 2026 to 2028, with approximately 27%, 33% and 40% of the [REDACTED] expected to be utilized in 2026, 2027 and 2028, respectively.
 - (ii) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used procuring and installing specialized research and development equipment for optical transceivers, silicon photonic chips and other optoelectronic interconnection products. We plan to develop and test the technologies for high-speed optical transceivers, including 1.6T and 3.2T optical transceivers, next-generation models adopting NPO and CPO packaging technologies, as well as those incorporating LRO and LPO signal processing technologies. The plan to procure and install R&D

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equipment is expected to be implemented from 2026 to 2028, with approximately 28%, 36% and 36% of the [REDACTED] expected to be utilized in 2026, 2027 and 2028, respectively.

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for business promotion and market expansion initiatives over the next three years. Specifically:
 - (i) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for strengthening our domestic sales team and network to enhance customer engagement and responsiveness to client needs.
 - (ii) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for business promotion and brand-building activities, including organizing professional forums and seminars, participating in major industry exhibitions, and implementing targeted marketing campaigns to enhance our brand visibility and recognition.

Our market expansion plan is expected to be implemented from 2026 to 2028, including (i) domestic sales network expansion, and (ii) business promotion and brand-building, with approximately 24%, 38% and 38% of the [REDACTED] expected to be utilized in 2026, 2027 and 2028, respectively.

We believe that these efforts will deepen our relationships with existing customers, attract new clients, and accelerate our market penetration in both domestic and overseas markets.

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for working capital and for general corporate purposes.

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 estimated [REDACTED].

If the [REDACTED] is determined at HK\$[REDACTED] per [REDACTED], being the high end of the [REDACTED] stated in this document, after deducting the [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED], we will receive [REDACTED] of approximately HK\$[REDACTED].

If the [REDACTED] is determined at HK\$[REDACTED] per [REDACTED], being the low end of the [REDACTED] stated in this document, after deducting the [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED], we will receive [REDACTED] of approximately HK\$[REDACTED].

To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to put into effect any part of our future development plans as intended, we will only deposit such [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Future 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].