
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

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

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], assuming no [REDACTED] is exercised and an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the midpoint of the indicative [REDACTED] range stated in this document.

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

- Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used to expand the production capacity of our fiber optic assemblies and micro-optic assemblies, and further enhance the automation level across our product lines. In particular:
 - (i) Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for the construction of a new production base, the expansion of our current manufacturing facilities, and the scaling up of our workforce to support this expansion. These investments are expected to enable us to achieve economies of scale, further optimize our cost structure, and strengthen our global supply capability, market share and market position. To capture the growing market demand, support the rollout of next-generation products and respond to evolving technology trends, we are strategically expanding our global production capacity to facilitate product portfolio upgrades, timely delivery and the maintenance of our long-term competitiveness. We plan to invest in a new production base in Shenzhen and its vicinity equipped with automated production lines for fiber optic assemblies.
 - (ii) Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for the automation upgrade of our micro-optic assemblies production lines. We plan to invest in advanced equipment to improve automation and production efficiency, and recruit professional R&D engineers to comprehensively enhance product performance, improve overall yield rates and expand total output.
- Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for the upgrade of our R&D center and continued investment in the research and development of new products and technologies. In particular:
 - (i) Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for the development of R&D centers and projects. We plan to establish a new silicon photonics fabless R&D center. In addition, we will continue to invest in our Advanced Optical Connectivity R&D Center and Advanced Fiber Optics R&D Center, as well as the development of optical connectivity technology projects, including high-density optical connectivity modules and data center optical connectivity systems, next-generation connectors and interfaces, CPO and high-density system-level optical connectivity technologies, intelligent management and monitoring systems, and highly reliable waterproof external optical connectivity products. These investments are intended to enhance our core technology R&D capabilities and product competitiveness through the upgrade of our R&D hardware, thereby further enhancing our leading position in the optical connectivity market.

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- (ii) Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used over the next three years for the continued recruitment of outstanding talent for our R&D centers, in particular to attract top-tier R&D talent and professionals from world-leading universities, in order to further strengthen our global R&D capabilities.
- Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be allocated to strategic investments and acquisitions. In particular, we intend to pursue strategic investment and acquisition opportunities in business operating along the upstream and downstream segments of the optical connectivity value chain, as well as in other industries that are complementary or synergistic to our business. Through such strategic investments or acquisitions, we aim to strengthen our forward-looking technology portfolio, expand our ecosystem and increase our market share. As of the Latest Practicable Date, we had not identified any specific investment or acquisition targets.
 - Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for working capital and other general corporate purposes.

If the [REDACTED] is set at HK\$[REDACTED] per Share, being the high end of the indicative [REDACTED] range, the [REDACTED] from the [REDACTED] will increase to approximately HK\$[REDACTED] million. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the low end of the indicative [REDACTED] range, the [REDACTED] from the [REDACTED] will decrease to approximately HK\$[REDACTED] million. The above allocation of the [REDACTED] from 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 midpoint of the indicative [REDACTED] range stated in this document. Any additional [REDACTED] received from the exercise of the [REDACTED] will also be allocated to the above purposes on a pro-rata basis.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the [REDACTED] from the [REDACTED].

To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may, to the extent permitted under applicable laws and regulations, hold 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 and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.