FUTURE PLANS

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

USE OF [REDACTED]

Assuming that the [REDACTED] is not exercised, after deducting the [REDACTED] and other estimated [REDACTED] expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] and HK$[REDACTED]), we estimate that we will receive [REDACTED] of approximately HK$[REDACTED] million from the [REDACTED]. We intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used to enhance our production capacity. In particular, we plan to (i) expand our sensor production capacity in Malaysia and (ii) construct a next-generation high-performance sensor and actuator production plant in China.

  - approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used to increase our production capacity in Malaysia. Upon completion, the Malaysia plant is expected to add an annual production capacity of six million units of new high-performance sensors and function as one of our overseas strategic hubs and a principal production plant for our sensor products, serving our overseas customers more efficiently and strengthening our competitiveness.

    We plan to carry out the project in accordance with the following key timeframe:

• Completion of site selection	By end of 2026
• Completion of purchase of land (including factory building(s))	By end of the second quarter of 2027
• Completion of renovation and necessary modifications to the land (including factory building(s))	By end of 2027
• Completion of procurement and installation of machinery and equipment	By end of the second quarter of 2028
• Completion of all construction work (including various ancillary facilities) and ready for commencement of production	By end of 2028

    To maximise operational synergies with our existing production plant in Malaysia, we intend to acquire and construct a new production facility in the state of Selangor, Malaysia. We have inspected several constructed industrial facilities in the area as potential options but have not yet made a final decision on the specific site as of the Latest Practicable Date. Our key site selection criteria include: (i) proximity for synergistic operations — within 80 kilometers of our existing production plant; (ii) convenient logistics — within 60 kilometers of either Westport or Northport at Port Klang; (iii) accessibility for customer visits — within 80 kilometers of an international airport; and (iv) well-developed industrial infrastructure, such as water, electricity, and road access, and convenient living facilities to support local recruitment.

From the PRC regulatory perspective, our proposed overseas investment in Malaysia requires approvals from the Department of Commerce of Guangdong Province ("DOC") and the Guangdong Provincial Development and Reform Commission ("DRC"), as well as completing the foreign exchange registration through the relevant banks. As advised by our PRC Legal Advisor, as of the Latest Practicable Date, the Company has completed all requisite filings and registrations required at the current stage for its outbound investment and is in compliance with the applicable laws and regulations governing overseas investment and foreign exchange administration. From the Malaysian regulatory perspective, a new production facility in Malaysia will be subject to various regulatory approvals and licenses, including factory permits, construction and building permits, environmental impact assessment, and other industry-specific registrations or licenses. As advised by our Malaysian Legal Advisor, as of the Latest Practicable Date, there is no currently identified legal impediment to obtain such approvals and licenses.

The total capital expenditure of this project is estimated to be approximately HK$[REDACTED] million. To facilitate this expansion, we plan to allocate the [REDACTED] to:

(i) approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for site-related expenditures, including the purchase and/or construction of factory premises for production and warehousing purposes.

(ii) approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for the procurement of production equipment and systems such as Surface Mount Technology and automated assembly-line workshops. The table below sets out the breakdown of the expenses to be incurred for purchasing production equipment and systems:

Equipment and System	Unit(s)	Average unit costs	Total expenses
		(HK$ '000)	*(HK$ million)*
Machining center lathe	[REDACTED]	[REDACTED]	[REDACTED]
Assembly workshop production line	[REDACTED]	[REDACTED]	[REDACTED]
Surface mounting workshop production line	[REDACTED]	[REDACTED]	[REDACTED]
Laboratory equipment	[REDACTED]	[REDACTED]	[REDACTED]
Office, warehouse, and ancillary equipment	[REDACTED]	[REDACTED]	[REDACTED]
Robots and intelligent robotic arms	[REDACTED]	[REDACTED]	[REDACTED]
Total			**[REDACTED]**

- approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for the construction of our next-generation high-performance sensor and actuator production plant in China. This new domestic base is expected to increase our annual production capacity of new high-performance sensors and modules by 15.3 million units and new high-performance actuators by ten million units. It will also serve as the production platform for several of our reserve technologies, including, but not limited to, MEMS-based ultrasonic sensors and actuators, lead-free piezoelectric ceramic devices and modules and ultrasonic gas meter sensors and modules.

To implement the above plan, we have purchased a piece of land in Shiqi Smart Manufacturing Innovation Park, Guangzhou, Guangdong province, China with an area of 13,326.84 square meters. The site was selected primarily based on favorable local industrial policies, well-developed supply chain infrastructure, and the potential synergy with our existing production facilities in the area. In regard to this production plant, we have obtained the Land Use Right Certificate (土地使用權證) in December 2024 and the Construction Work Commencement Permit (建設工程施工許可證). In addition, we are required to pass acceptance of safety, environmental protection, occupation health and fire protection before commencement of operation. As advised by our PRC Legal Advisor, as of the Latest Practicable Date, we have obtained all requisite approvals and licences necessary for our current operations.

The construction of this production plant has started and is progressing smoothly as of the Latest Practicable Date. As of 31 December 2025, we have completed land acquisition, preliminary project planning and design, relevant filings and approvals, earth excavation, foundation pit support, and pile foundation construction. The subsequent construction schedule is planned as follows:

Item	Commencement	Completion
Main structure and roof construction; installation of water, electricity, gas, and fire protection systems	November 2025	November 2026
Main structure regulatory inspection and approval	November 2026	December 2026
Exterior decoration	September 2026	May 2027
Interior decoration	September 2026	June 2027
Landscaping	March 2027	June 2027
Application of qualifications and certifications	September 2026	June 2027

The total cost for constructing the main structure and ancillary facilities and interior decoration work of the domestic base is estimated at HK$[REDACTED] million. Aside from the portion to be funded by the [REDACTED] from [REDACTED], the remaining funds required will be sourced from our internal resources or other financing arrangements, primarily including bank loans. For details of a secured bank loan, the proceeds of which are intended for this purpose, see "Summary — Recent Development and No Material Adverse Change."

In particular, the [REDACTED] from the [REDACTED] will be allocated as follows:

(i) approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for construction of the main structure of the base and plant buildings. We plan to undertake the foundation works and structural engineering for the main buildings.

(ii) approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for interior decoration work and the construction work of other ancillary facilities.

We believe that our expansion plans in China and Malaysia are supported by sufficient demand, having considered:

(i) Our sensor production lines' annual utilisation rate reached 85.6% in 2025, which is relatively high and strongly supports our plan to expand our production capacity for sensor products. For our actuator products, the production utilisation rate was relatively low in 2025 primarily due to fluctuations in overseas customer demand. We expect that, with continued growth in downstream applications such as smart terminals and automotive electronics, our production capacity utilisation rate of actuators will improve gradually from 2026 onwards. See "Industry Overview — Overseas Production Expansion Analysis" for details of the expected growth of the markets for actuators. In addition, our next generation actuator products, including micro-actuators, haptic feedback solutions and thermal dissipation products, have only recently been introduced into emerging application markets. By actively advancing their mass production and strengthening cooperation with quality customers, we aim to accelerate their sales growth and thereby increase our production volume of actuators. Furthermore, we plan to replace part of our existing actuator production capacity with newly built, energy-efficient, high-end production lines to reduce labor time, improve efficiency, and achieve energy savings and carbon reduction goals, enhancing the competitiveness of our actuator products; and

(ii) Our overseas capacity expansion is justified by the expected continuing growth of global demand for high-precision sensors and actuators, driven by the expansion of the automotive industry, maturation of the smart home market and increasing demand for health monitoring applications. For details, please see "Industry Overivew — Overseas Production Expansion Analysis." We plan to strengthen our international sales capabilities and expand our local partner network by establishing our own sales and service network. This is expected to improve our responsiveness and service quality for international customers, thereby helping accelerate the growth of our export revenue.

In addition, as China's largest trading partner, the ASEAN market presents a significant opportunity for our overseas expansion. Leveraging our new production plant in Malaysia, we will actively explore local ASEAN markets and deepen business cooperation with customers in ASEAN countries such as Malaysia, Vietnam, Indonesia, and Thailand. This strategy is supported by deepening of China-ASEAN cooperation and steady bilateral trade growth. According to Frost & Sullivan, bilateral trade remained resilient in 2025, driven by the China-ASEAN Free Trade Area 3.0 upgrade (signed in October 2025, expanding into digital and green economies), enhanced connectivity (e.g., the China-Laos Railway as a "golden corridor"), and closer industrial chain integration (e.g., textiles and auto parts). According to data from the General Administration of Customs of China, between January and November 2025, China's exports to ASEAN grew by 14.6%, with Vietnam, Malaysia, and Indonesia ranking as China's top three trading partners, providing solid market support for our overseas expansion and capacity expansion. See "Industry Overview — Overseas Production Expansion Analysis."

- approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for our continued R&D and digitalisation development. We intend to enhance our technological competitiveness by increasing investment in R&D projects and building digital capabilities supporting intelligent R&D, production, and management.

  - approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for next-generation sensor and actuator R&D projects. We plan to focus on several initiatives relating to advanced sensing and actuation technologies, including D-TOF 4D ultrasonic imagining technology and solutions, next-generation digital obstacle-avoidance sensor solutions, thermal-management solutions, multi-medium material sensor solutions, and electronic skin solutions. Specifically,

    (i) approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used to recruit and retain R&D talents. We plan to maintain a R&D team of over [REDACTED] personnel. To support the above R&D initiatives, we intend to recruit [REDACTED] additional professional engineers on a phased basis over the next four years, with the related personnel costs budgeted at an average annual remuneration of approximately HK$[REDACTED] per engineer, amounting to an aggregate expected investment of approximately HK$[REDACTED] million over such period. Recruitment will focus on candidates with master's degrees or above, with preferred expertise in AI, microelectronics, physics, optical engineering, materials science and engineering, mechanical engineering (precision instrumentation), chemistry, and computer science and technology (embedded systems/algorithms);

(ii) approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for the procurement of raw materials and product testing during the R&D process; and

(iii) approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for the costs of special tools, molds and fixtures, technology development expenses and other related investments.

- approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for digitalisation development, including AI-enabled R&D and production system and MES upgrades. These investments will support (i) the implementation of AI-assisted design and testing systems, (ii) digital simulation and modelling tools, (iii) MES upgrades, and (iv) enhanced data governance frameworks to support end-to-end digital operations.

- approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used as working capital and general corporate purposes. In particular, we expect to allocate a portion of these [REDACTED] to expand our sales and service network and enhance our brand influence. For details, see "Business — Our Strategies — Strengthen Sales Network and Enhance Sales Channel Development and Brand Influence" in this Document.

The following table summarises the timeframe for the intended use of our [REDACTED] from the [REDACTED] for the period from the [REDACTED] to 2029. Potential [REDACTED] should note that the following implementation plans are formulated on the bases and assumptions which are inherently subject to uncertainties, in particular the risk factors set forth in the section headed "Risk Factors" in this Document.

	[REDACTED]					
	2026	**2027**	**2028**	**2029**	**Total**	**% of total net proceeds**
	(HK$' million)	*(HK$' million)*	*(HK$' million)*	*(HK$' million)*	*(HK$' million)*	
Construction of Malaysia production facility	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Construction of our new-generation high-performance sensor production plant in China	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Research and development projects for new-generation sensors and actuators	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Digitalisation development	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
General working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

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 mid-point of the indicative [REDACTED] range stated in this Document.

If the [REDACTED] is exercised in full, the [REDACTED] that we will receive will be approximately HK$[REDACTED] million, assuming an [REDACTED] of HK$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range). In the event that the [REDACTED] is exercised in full, we intent to apply the additional [REDACTED] to the above purposes in the proportions stated above.

FUTURE PLANS AND [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 will only deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions) for so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

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