FUTURE PLANS

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

USE OF [REDACTED]

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

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

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, will be used to expand our production capacity and further enhance the level of automation and intelligent manufacturing capabilities across our production facilities and product lines. In particular:

  (i) Approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, will be used for the construction and expansion of our production facilities and related production lines in Malaysia. We plan to invest in the construction and upgrading of factory premises and supporting infrastructure, procure production equipment to expand our manufacturing capacity for 800G and 1.6T optical transceiver and related products, establish initial production capabilities for 3.2T products, and upgrade the supporting information technology systems. These investments are expected to enhance our overseas production capacity, improve our responsiveness to growing customer demand and strengthen the robustness and agility of our global supply chain.

  (ii) Approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, will be used for the construction and upgrade of our domestic production facilities and production lines. We plan to construct and expand our manufacturing facilities and upgrade our domestic manufacturing infrastructure, procure production equipment for our 800G, 1.6T and 3.2T optical transceiver and related products. We plan to invest in automation, production traceability, quality control, yield improvement and intelligent manufacturing systems and also upgrade the information technology systems supporting our production and operational processes. These investments are intended to improve our manufacturing efficiency, product quality and delivery performance.

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, will be used for investment in R&D and the broadening of applications for our innovative products. In particular:

  (i) Approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, will be used for the procurement and upgrade of R&D equipment. We plan to procure laboratory and testing equipment and upgrade our R&D facilities to support the research, development, testing and verification of high-speed optical transceivers and technologies, including 1.6T and 3.2T high-speed optical transceivers, 12.8T XPO, 6.4T and 7.2T NPO architectures, and CPO architectures. Through such strategic investments in R&D equipment and facilities, we aim to enhance our R&D infrastructure, improve our product development and testing capabilities and support the continuous iteration of our optical transceiver products.

(ii) Approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, will be used for other R&D expenditures, including acquisition of R&D consumables and materials, upgrading of proprietary or specialized software systems, development of laboratories for high-end products and upgrade of our laboratory. Such projects aim to improve the efficiency of our product development process, enhance the technical reliability of our products, and support the timely commercialization of next-generation optical transceiver solutions.

(iii) Approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, will be used for the recruitment and expansion of our R&D team, both in the PRC and overseas. In particular, we plan to recruit engineers with expertise in areas, including but not limited to hardware development, high-end packaging technology development, SiPh development, architecture development, software engineering, device design, and coupling technique.

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, will be used for our global business expansion. In particular:

(i) Approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, will be used for sales and marketing activities, including product promotion, participation in industry exhibitions and conferences, and other customer engagement activities, to enhance our brand recognition and further expand our business opportunities in global markets.

(ii) Approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, will be used for the recruitment of additional sales and marketing personnel in the PRC and overseas markets, including the United States, to expand our global footprint, deepen our market penetration, enhance our customer service capabilities and support the expansion of our customer base.

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

If the **[REDACTED]** is set at HK$**[REDACTED]** per Share, being the high end of the indicative **[REDACTED]** range, the net **[REDACTED]** from the **[REDACTED]** will increase to approximately HK$**[REDACTED]** million. If the **[REDACTED]** is set at HK$**[REDACTED]** per Share, being the low end of the indicative **[REDACTED]** range, the net **[REDACTED]** from the **[REDACTED]** will decrease to approximately HK$**[REDACTED]** million. The above allocation of the net **[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 net **[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 net **[REDACTED]** from the **[REDACTED]**.

To the extent that the net **[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.