
FUTURE PLANS AND [REDACTED]

FUTURE PLANS AND PROSPECTS

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

[REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per H share (being the [REDACTED] of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per H share) and that the [REDACTED] is not exercised, we expect to receive [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting [REDACTED] and other estimated expenses paid and payable in connection with the [REDACTED]. Pursuant to our strategy, 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], is expected to be used for R&D and innovation in precision optical products and related technologies, including:

Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] is expected to be used for the continuous upgrading of our core products and related technologies. We plan to maintain our focus on R&D of mid- to high-end precision optical modules and upstream components to continuously introduce cutting-edge products that align with industry trends and customer demands. Specifically, we plan to continue investing in areas including but not limited to: (i) the iterative development of optical modules such as continuous optical zoom and variable apertures to further enhance the imaging quality and performance of our optical module products; (ii) material optimization of glass prisms for periscope cameras to achieve further improvements in weight and cost efficiency; and (iii) driving the further miniaturization of master camera modules through the integration of advanced software algorithms and optical structural design.

Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for advancing the development of emerging products. We plan to focus on the broad emerging optical scenarios to make forward-looking deployments, achieving long-term growth in both our business scale and profitability. Emerging products that we plan to continue advancing include, but are not limited to: (i) core components for XR smart devices and smart glasses, such as micro-display optical engines and thin optical waveguides; (ii) sensing modules for intelligent robots; and (iii) naked-eye 3D products and components. Leveraging our optical technology reserves, we intend to seize the vast opportunities presented by the next wave of technological transformation.

Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for the optimization and upgrade of the intelligent manufacturing platform:

Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for R&D of our technologies in manufacturing processes and procedures. Specifically, we plan to invest in the following process technologies, including but not limited to: (i) iterative R&D of multi-axis AA high-precision adjustment technology and algorithms to further optimize the assembly quality of our multi-group modules; and (ii) various miniaturization packaging technologies to advance the mass production of more compact optical modules.

Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for the purchase and deployment of various types of automation production and testing equipment or systems. Our visionary investment in automated production lines has laid a crucial foundation for maintaining highly efficient production and delivery capabilities as well as superior product quality. We plan to continue to invest in and introduce or independently develop advanced automated equipment

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and systems for production and testing, integrating them deeply with our existing highly intelligent production management system. This will enable us to continuously enhance our delivery capabilities to keep pace with ongoing technological advancements and diverse customer demands.

Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for investing in upstream high-quality targets in the industry value chain or other related industries:

We plan to continue investing in or acquiring high-quality enterprises across the upstream of the precision optical solutions industry to further deepen our vertical integration capabilities along the industry value chain. Meanwhile, we plan to focus on merger and acquisition opportunities to further expand our business breadth and customer coverage through horizontal integration. We also plan to focus on investment opportunities in emerging fields to fuel our long-term growth.

We believe such investments will enable us to continuously optimize cost efficiency, swiftly seize development opportunities in emerging industries, and achieve sustained business expansion, thereby solidifying our leading position in the precision optical solutions industry.

Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used to repay certain existing interest-bearing bank borrowings.

Specifically, we intend to repay part of our interest-bearing bank borrowings, with a total principal amount of RMB454.0 million outstanding from three commercial banks, bearing an annual interest rate ranging from 1.3% to 2.1%, which were used as working capital. Such bank borrowings will mature in the first or second quarter of 2027. By settling these interest-bearing liabilities, we will be able to optimize our capital structure, reduce finance costs, and enhance our overall risk resilience and future financing flexibility.

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

If the [REDACTED] is exercised in full, the [REDACTED] that we will receive will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share. In the event that the [REDACTED] is exercised, we intend to apply the additional [REDACTED] to the above purposes on a pro rata basis.

To the extent that our [REDACTED] are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings.

If any part of our plan does not proceed as planned for reasons such as changes in government policies that would render any of our plans not viable, or the occurrence of force majeure events, our Directors will carefully evaluate the situation and may reallocate the [REDACTED] from the [REDACTED]. We will issue an appropriate announcement if there is any material change to the above proposed [REDACTED].

If the [REDACTED] of the [REDACTED] are not immediately applied to the above purposes, and to the extent permitted by the relevant laws and regulations, we will only deposit those [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions).