
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

Please see “Business — Development Strategies” for a detailed description of our future plans.

USE OF [REDACTED]

Assuming that the [REDACTED] are not exercised, after deducting the [REDACTED] and other estimated [REDACTED] 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 net [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 net [REDACTED], or HK\$[REDACTED] million, is expected to be used for R&D of vehicle camera products and other vehicle optical products, as well as building a comprehensive testing system to enhance our technological capabilities and product offerings. Specifically:
 - Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for R&D of advanced intelligent driving full-scenario image sensing technology in relation to sensing products. This investment is planned to be carried out in 2027 and to be completed by the end of 2030. The [REDACTED] will be deployed across the following two areas:
 - (i) expanding our R&D team (approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million). We plan to recruit approximately 500 new staff across project management, product development, engineering technology, digital engineering and supplier quality functions, at engineer and manager level.
 - (ii) procuring relevant software, hardware and equipment and R&D-related renovations (approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million). More specifically, the software we plan to procure are those that will support our design, simulation and engineering activities, and hardware and equipment we plan to procure include servers, materials for product development and office equipment.

Through the above [REDACTED], we will focus on developing key technologies focusing on (i) enhancing core technical capabilities, including anti-interference technologies, high-precision AA processes, ultra-high precision testing technologies, as well as design and simulation capability. These enhancements will improve product detection distance, resolution and reliability, enhance the performance of sensing products, and optimize assembly yield rates; and (ii) integrated products for L3 and above autonomous driving, specifically researching and developing a series of integrated products that ensure safe, reliable operation and a comfortable user experience in complex driving environments.

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- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for the R&D of diversified image interaction technologies in relation to cabin products. The investment is planned to be carried out on a continuous basis from 2027 to 2030. We mainly focus on strengthening human-machine interaction algorithm capabilities by:
 - (i) expanding our R&D teams (approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million). We plan to recruit approximately 120 new R&D personnel across project management, product development, engineering technology, digital engineering and supplier quality functions.
 - (ii) acquiring software and equipment and renovation (approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million). We plan to invest in image-enhancing software and hardware based on mainstream SOC platforms and relevant materials to support smart cabin sensor interactions, as well as R&D-related renovation expenses.

Through the above investments, we expect to focus on the key R&D projects, such as ultra-low reflection coating technology, high-stability glass-plastic hybrid structure lenses and miniaturization technologies. Through these R&D initiatives, we aim to achieve an upgrade from “basic visual interaction” to “concealed high-definition interaction”, with further improvements in resolution and broader viewing angle coverage, thereby enhance product performance, optimize processes and reinforce our technology market position in cabin products.

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used to enhance system-level integration application capabilities in relation to other vehicle optical products. The investment is planned to be carried out on a continuous basis from 2027 to 2030. The [REDACTED] will be deployed in the following two areas:
 - (i) expanding our R&D teams (approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million). We plan to recruit approximately 200 new R&D personnel across projection display R&D, LiDAR R&D, optoelectronics research, engineering technology and digital engineering functions, at engineer and manager level.
 - (ii) acquiring equipment and software and renovation (approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million). We plan to advance investment in the equipment and testing systems to support our R&D on LiDAR systems. We also plan to invest in R&D-related renovation to accommodate an expanded team and enhanced research capabilities.

Through the above investments, we will focus on (i) developing products for LiDAR, in-cabin projection display and automotive lighting, such as enhancing detection distance and precision for long-range LiDAR and developing holographic technology for in-cabin projection display; and (ii) developing related algorithm capabilities to drive continuous innovation in our next-generation products. Through these R&D initiatives, we aim to expand our strategic presence in this market segment, enhance our system-level integration application capabilities and serve a broader range of vehicle application scenarios.

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- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for the construction of a comprehensive opto-mechanical-electro-algorithmic testing center. We plan to (i) establish a professional testing team, with approximately 50 new personnel, including laboratory management and director-level positions; (ii) procure various specialized testing equipment (for temperature environment, mechanical shock and other reliability testing purposes), and (iii) plan and construct testing facilities, focusing on building enclosed simulated laboratory environments for testing and calibration scenarios for ADAS, ADS and in-cabin interaction. These initiatives will build a comprehensive testing system that closely aligns with customers’ application needs.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for enhancing our manufacturing capacities and optimizing our supply chain management. Specifically:
 - Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for enhancing our manufacturing capacities. This investment is planned to be carried out in 2027 and to be completed by the end of 2030.

Between 2023 and the six months ended June 30, 2026, the capacity utilization rates of our sensing products and cabin products segments ranged between approximately 70% and 84%, which are already at a high level within the industry. According to F&S, the relevant market in which we operate are expected to continue to grow during the forecast period, primarily driven by the upgrading of vehicle intelligence, increasing penetration of ADAS, the rising amount of sensing hardware installed per vehicle, multi-modality and greater integration, providing room for the absorption of additional capacity. See “Industry Overview.”

The following table sets forth a comparison of our current production capacity and our planned expanded capacity, broken down by product category:

Product Category	Production Capacity in 2025	Planned Additional Production Capacity by 2030	Total Production Capacity upon Completion
	<i>(million units)</i>	<i>(million units)</i>	<i>(million units)</i>
Sensing products	115.1	95.4	210.5
Cabin products	91.0	69.3	160.3

We believe there will be sufficient market demand to absorb our existing and planned capacity expansion, and that we possess the capabilities to capture such demand, supported by the following factors:

- **Favorable Industry Growth and Demand Forecasts:** According to F&S, the global vehicle camera solution market is projected to grow from RMB107.0 billion in 2025 to RMB222.1 billion in 2030, representing a CAGR of 15.7%. This growth is primarily driven by booming global vehicle market and the continuous advancement of vehicle intelligence. Consequently, the average number of cameras installed per vehicle is expected to increase significantly from 3-5 units in 2025 to 8-12 units in 2030. Furthermore, our emerging

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product lines, including LiDAR and HUD products, are also experiencing rapid market expansion as they become essential components of intelligent driving and interactive cabin systems. Please see “Industry Overview” for details.

- **High Historical Utilization Rates:** Our need for capacity expansion is underscored by our consistently high production utilization rates. During the Track Record Period, the utilization rates for our sensing products decreased from 72.1% in 2023 to 69.9% in the six months ended June 30, 2026, and for our cabin products, from 75.6% in 2023 to 82.0% in the six months ended June 30, 2026, which were at high levels in the industry.
- **Robust Project Pipeline and Confirmed Orders:** Our capacity expansion is directly aligned with our customers’ capacity commitments and our robust project pipeline. As of June 30, 2026, we had secured over 40 project design wins across our vehicle camera, LiDAR, HUD and lighting product line, representing an estimated aggregate contract value of over RMB13.0 billion.
- **Competitive Advantages and Customer Loyalty:** We have established barriers to entry through our integrated R&D and manufacturing capabilities, large patent portfolio and stringent automotive-grade qualifications. Because the validation cycle for automotive-grade optical products typically requires three to five years, customer replacement costs are exceptionally high, resulting in strong customer loyalty. We have maintained stable relationships with our five largest customers.

We plan to deploy the [REDACTED] in the following two areas:

- (i) Rental, renovation of production bases and equipment procurement (approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million). We plan to fulfil rental payments for our production bases, renovate our existing production bases and procure fully automated dual-station AA equipment, AA automatic cleaning equipment, LiDAR/projection complete product assembly lines, fully automated lens assembly lines and other production equipment for our production bases, with annual capital expenditure amounts of HK\$414.3 million, HK\$306.3 million, HK\$282.1 million and HK\$297.5 million respectively for each of the years from 2027 to 2030.
- (ii) recruitment of production personnel (approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million). We plan to hire a total of approximately 1,600 new production personnel, comprising management and technical staff and skilled production workers.

These initiatives will expand and upgrade the production capacity for our vehicle camera and other vehicle optical products, enhancing the scaled production and delivery capabilities to meet evolving needs of customers. Upon completion of the expansion, we expect to increase our production capacity for sensing products, cabin products and other products by an additional 90-100 million units and 65-75 million units and 25-30 million units, respectively, by 2030.

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While the expansion will increase fixed costs in the near term, we anticipate that rising production volumes and improvements in production automation levels will generate economies of scale, reducing per-unit production costs and improving overall cost efficiency. The expanded capacity is expected to support revenue growth by enabling us to meet increasing customer demand, contributing positively to our gross profit margins over the medium to long term.

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for digitalization across R&D and production by building vertical automated warehousing, establishing digitalized logistics systems and procuring manufacturing related automated equipment. In addition, we expect to integrate AI technology across the full value chain encompassing supply chain, R&D and production, increasing automation and optimizing flexible production levels and production efficiency across our manufacturing bases, enhancing our production yield rates and overall operational efficiency. This investment plans to add a total of 15 new employees comprising software development engineers and equipment commissioning personnel.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for optimizing our sales and services networks by strengthening partner-facing sales team deployment and enhancing technical support teams. These initiatives will provide full lifecycle technical support to customers and continuously optimize our customer service capabilities. The Company plans to recruit a total of 170 personnel across sales, technical support, market development, marketing operations and client quality service functions. The 170 new personnel is expected to be hired in China but to cover specific customers and end market in designated geographical regions. Specifically, we plan to hire 36, 52, 50 and 32 personnel to cover the end markets in China, Europe, North America and other Asia-Pacific regions (such as Korea and Japan), respectively. These new hires will focus on serving and supporting customers such as leading OEMs and Tier-1 suppliers within their designated markets.

We believe that this expansion aligns directly with our strategy to enhance our global presence and providing localized services. By having dedicated sales, technical support, market development, marketing operations and client quality service personnel to cover customers within the designated markets, we aim to deliver quick, professional technical support throughout the product lifecycle. This approach not only improves our operational resilience and customer response times but also facilitates deeper integration into our customers’ supply chains, allowing us to better capture emerging opportunities in both our core vehicle camera products and our expanding portfolio of other vehicle optical products.

The anticipated annual average remuneration for newly hired personnel in R&D, sales and production roles is projected to be approximately HK\$390,000, HK\$290,000 and HK\$170,000, respectively.

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

In the event that the [REDACTED] is set at the maximum [REDACTED] or the minimum [REDACTED] of the indicative [REDACTED] range (assuming the [REDACTED] is not exercised), the net [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED] million (after deducting [REDACTED] fees and expenses related to the [REDACTED]), respectively.

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The additional net [REDACTED] that we would receive if the [REDACTED] were exercised in full would be (i) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the maximum [REDACTED] of the indicative [REDACTED] range), (ii) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range), and (iii) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the minimum [REDACTED] of the indicative [REDACTED] range).

To the extent that the net [REDACTED] from the [REDACTED] are either more or less than expected, we will adjust our allocation of the net [REDACTED] for the above purposes on a pro rata basis.

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 deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such an event, we will comply with the appropriate disclosure requirements under the Listing Rule.

We will issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].