FUTURE PLANS

Please see "Business — Our Strategies" 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$[**REDACTED**], after deducting [**REDACTED**], fees and estimated expenses payable by us in connection with the [**REDACTED**], assuming no [**REDACTED**] is exercised, and an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the midpoint of the indicative [**REDACTED**] stated in this Document.

In line with our strategies, we intend to use the net [**REDACTED**] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- Approximately [**REDACTED**]% or HK$[**REDACTED**], will be used to increase our production capacity for ESS batteries to address the increasing demand from downstream customers. According to CIC, the global shipment volume of lithium-ion ESS batteries is expected to grow from 314.7GWh in 2024 to 1,451.3GWh by 2030, at a CAGR of 29.0% from 2024 to 2030. We will increase our production capacity to better position ourselves to take advantage of such favorable industry tailwinds. In particular:

  - approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used over three years to develop our overseas production capacity to further achieve our international growth strategies, including a production base in the Middle East with an expected designed production capacity of 15GWh for ESS batteries. In particular, approximately [**REDACTED**]%, or HK$[**REDACTED**], will be mainly used for procurement of machinery and equipment for ESS battery production, testing equipment, and supporting logistics facilities, while approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for mechanical and electrical engineering and procuring auxiliary equipment. We expect to begin planning the Middle East production base in the second half of 2025, with construction beginning in 2026, and production will commence in 2028. As of the Latest Practicable Date, no finalized plans have been made, and the Company is in the process of obtaining relevant approvals; and

  - approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used over three years for procurement of machinery and equipment for ESS battery production, testing equipment, and supporting logistics facilities for stage two of Phase I of our Chongqing production base, with a designed production capacity of 28GWh of ESS batteries. We expect to commence construction of stage two of Phase I of the Chongqing production base in 2025, which is expected to commence production in 2027. See "Business — Manufacturing — Planned Production Capacity Expansion" for more details.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for research and development to further enhance our technological leadership in the energy storage field. In particular:

  - o approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used over three years for establishing an international R&D center in Hong Kong, including for [procuring R&D equipment, hiring R&D staff, constructing R&D laboratory and building a digital intelligence R&D platform], in order to better develop competitive and tailored products and services for our global customer base;

  - o approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used over three years for enhancing R&D and industrialization of sodium-ion battery materials, ESS batteries and energy storage systems, including for procuring R&D equipment, hiring R&D staff, constructing R&D laboratories, constructing test production lines, and testing and verification; and

  - o approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used over three years for R&D into LDES scenarios and demands and accelerating the R&D and industrialization of dedicated LDES products, including for procuring R&D equipment, hiring R&D staff, constructing R&D laboratories, constructing test production lines, and testing and verification;

- Approximately [**REDACTED**]% or HK$[**REDACTED**] will be used to build our global sales and service network over the next three years to support our international growth strategies. In particular:

  - o approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to establish overseas warehousing and international customs and trade capabilities. We will establish overseas warehouses in locations such as America, Europe and Saudi Arabia including both self-owned and through third party warehousing and logistics service providers, with an estimated storage space of approximately 35,000m^2 to 45,000m^2, to meet the needs of rapid international delivery and enhance our ability to respond quickly to customers' after-sales requirements. We also plan to hire approximately 5 professionals in the next year to establish a professional customs team to drive our digital transformation of logistics and customs management and better meet the needs of international large-scale delivery and service management;

  - o approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to improve and establish overseas sales and service centers and localized sales and marketing channels in major markets such as the Americas, Europe, and the Middle East (including further building localized sales teams). We expect to construct new sales and service centers in such major markets, and plan to recruit approximately 40 sales, project delivery and service personnel over the next two years to enhance localized delivery and service capabilities and expand our brand sales channels. We believe that we can effectively compete in the markets leveraging (i) our high-quality products, (ii) our localized global operations that cover the entire value chain including R&D, product development, production, supply chain, marketing, delivery, and operation and maintenance services, (iii) our in-depth insights into the culture, customer preference and regulatory requirements of target markets, and (iv) our success experience in other overseas markets; and

  o approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to build a global professional after-sales service center, including for purchasing spare parts, hiring personnel, and purchase testing equipment and other professional sales and service tools. The after-sales service center will integrate training, parts support, warehousing, maintenance, fault analysis, data monitoring and other service capabilities to provide localized support and multi-dimensional after-sales services to our global customer base; and

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

If the [**REDACTED**] is not exercised, the net [**REDACTED**] that we will receive will be approximately HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the midpoint of the indicative [**REDACTED**]). If the [**REDACTED**] is set at HK$[**REDACTED**] per [**REDACTED**], being the high end of the indicative [**REDACTED**], the net [**REDACTED**] from the [**REDACTED**] will increase to approximately HK$[**REDACTED**]. If the [**REDACTED**] is set at HK$[**REDACTED**] per [**REDACTED**], being the low end of the indicative [**REDACTED**], the net [**REDACTED**] from the [**REDACTED**] will decrease to approximately HK$[**REDACTED**]. 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**] stated in this Document.

If the [**REDACTED**] is exercised in full, the net [**REDACTED**] that we will receive will be approximately HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the midpoint of the indicative [**REDACTED**]). If the [**REDACTED**] is set at HK$[**REDACTED**] per [**REDACTED**], being the high end of the indicative [**REDACTED**], the net [**REDACTED**] from the [**REDACTED**] will increase to approximately HK$[**REDACTED**]. If the [**REDACTED**] is set at HK$[**REDACTED**] per [**REDACTED**], being the low end of the indicative [**REDACTED**], the net [**REDACTED**] from the [**REDACTED**] will decrease to approximately HK$[**REDACTED**]. In the event that the [**REDACTED**] is exercised in full, we intend to apply the additional net [**REDACTED**] to the above purpose in the proportions stated above.

To the extent that our net [**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. To the extent that the net [**REDACTED**] from the [**REDACTED**] are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, they will be placed 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). We will issue an appropriate announcement if there is any material change to the above proposed use of [**REDACTED**].