## FUTURE PLANS

See "Business — Future Strategies" for a detailed description of our future plans.

## USE OF [REDACTED]

Assuming an [**REDACTED**] of [**REDACTED**] per H Share (being the mid-point of the indicative [**REDACTED**] range of [**REDACTED**] to [**REDACTED**] per H Share), we estimate that we will receive net [**REDACTED**] of approximately [**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] commissions and other estimated expenses payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised.

In line with our development strategies and business priorities, we plan to use the net [**REDACTED**] from the [**REDACTED**] for the purposes set forth below:

- approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], is expected to be allocated to enhancing our core R&D capabilities, in order to maintain our leading position in the tap-changer industry and to respond to the increasingly demanding technical, performance and reliability requirements for power equipment arising from the development of new-generation power systems worldwide.

  (i) approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used for expanding our product portfolio and strengthening our core product technologies. We plan to develop new products for application in new fields and regions. We also intend to build up our technology reserves in frontier areas, including new materials and new manufacturing processes, to support our long-term technological advancement. In addition, we plan to further enhance and upgrade our OLTC intelligent online monitoring systems, and expand the sales and application of power electronic OLTCs.

  (ii) approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used for recruiting R&D talent and optimizing our global R&D footprint. We plan to recruit leading technical experts and senior engineers in areas such as power systems and materials science from a global talent pool. We also plan to establish and strengthen overseas R&D collaborations to align with international technological standards and tailor product development to the specific requirements of different regional power grids.

- approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], is expected to be allocated to expanding our global sales and service networks and strengthening our global marketing and branding initiatives, in order to capture strong overseas demand for power equipment, enhance our global market presence and brand recognition and deepen our relationships with global customers, including major transformer manufacturers and power utilities.

(i) approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used to expand our global sales network and strengthen our sales team. We plan to establish additional sales offices and build localized sales teams in key regions such as Southeast Asia, the Middle East, Europe and North America. We will also continue to pursue product certification and market entry approvals in major overseas markets to support the commercialization and localized deployment of our products in such markets.

(ii) approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used to expand our global service network to improve our regional service capabilities. We plan to establish regional after-sales service centers and spare parts warehouses in major overseas markets to provide full lifecycle services covering installation guidance, commissioning, maintenance and technical support for our products. We also plan to strengthen training for overseas local service engineers and partners to enhance service responsiveness and quality, with a view to ensuring the timely and efficient provision of technical services across our global markets.

(iii) approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used for global marketing activities to enhance our global brand visibility and recognition. We intend to further strengthen our industry engagement efforts by participating in international power industry exhibitions, organizing technical seminars and collaborating with industry organizations through various promotional and outreach initiatives, with a view to reinforcing our brand positioning as a leading global supplier of tap-changers.

- approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], is expected to be allocated to further developing overseas supply chain networks. We plan to identify, develop and qualify local suppliers in high-growth-potential markets to enhance localized sourcing capabilities, shorten delivery cycles, reduce logistics costs and mitigate potential geopolitical risks.

- approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], is expected to be allocated to upgrading our digitalized, intelligent and automated manufacturing capabilities, expanding our production capacity and advancing the application of new materials and manufacturing processes, in order to meet the growing demand from global markets, particularly for high-end products. We plan to continue implementing digitalization and automation upgrades at our existing production facilities by introducing intelligent assembly lines and digitalized quality control systems, with a focus on enhancing production efficiency, assembly precision and testing capabilities. In particular, we aim to further strengthen quality consistency and performance stability for our UHV and EHV products. We also intend to expand our production capacity and further strengthen our manufacturing capabilities. In addition, we plan to apply part of the [**REDACTED**] to the application of new materials and manufacturing processes in our production. These initiatives are intended to support rising demand driven by power grid upgrades and high-end industrial users, while further improving product performance, reliability and cost efficiency.

- approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], is expected to be allocated for working capital and general corporate purposes to support our expanding operations and provide financial flexibility to respond to market changes and capture future growth opportunities.

To the extent that the net [**REDACTED**] from the [**REDACTED**] are either more or less than the amount assumed for the purposes of the allocations described above, we intend to adjust the allocation of the net [**REDACTED**] to the uses stated above on a pro rata basis.

If any part of our plan does not proceed as intended for reasons such as changes in government policies that render the development of any of our projects not viable, changes in market conditions or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net [**REDACTED**] to other uses that we consider appropriate and in the best interests of us and our Shareholders as a whole. In such event, we will comply with the applicable requirements under the Listing Rules.

To the extent that the net [**REDACTED**] are not immediately applied towards the purposes outlined above, and insofar as permitted by applicable laws and regulations, we will place the net [**REDACTED**] exclusively in short-term interest-bearing accounts with licensed commercial banks and/or authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions).