

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

For a detailed description of our future plans, see “Business — Our Strategies.”

USE OF PROCEEDS

Assuming the [REDACTED] is not exercised and the [REDACTED] is [REDACTED] per [REDACTED] (being the midpoint of the range of the [REDACTED] stated in this document), after deducting [REDACTED], fees, and estimated expenses payable by us in connection with the [REDACTED], we estimate that we will receive net proceeds of approximately HK\$[REDACTED] from the [REDACTED].

We intend to use our proceeds for the purposes, subject to adjustments based on our ongoing business needs and changing market conditions:

- (i) Approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to further improve our production capabilities.
 - (a) Approximately [REDACTED]%, or HK\$[REDACTED], will be used in the construction of a new production facility for anode materials in Malaysia with a planned annual production capacity of 50,000 tonnes. This expansion is expected to enhance our overseas production footprint and improve our ability to serve international customers. According to CIC, as the production capacity of anode materials is primarily concentrated in the PRC, there exists a supply-demand gap in overseas markets due to limited local production capacity for anode materials. As global adoption of EVs accelerates, we believe this supply shortfall continues to drive strong international demand. By establishing local production capabilities in proximity to our key international customers, we are able to provide faster and more responsive services, thereby strengthening our long-term relationships with these customers. We believe that deepening such customer relationships will, in turn, generate positive spillover effects on our domestic order growth, as our enhanced global reputation and strengthened customer partnerships reinforce our overall competitiveness. The total construction period of the Malaysia manufacturing base is approximately 24 months.
 - (b) Approximately [REDACTED]%, or HK\$[REDACTED], will be used in the construction of a new base separator film production facility in Sichuan. This expansion is expected to increase our self-sufficiency ratio in base separator film for our coated separator business and further enhance our market share in the base separator film and coating processing industries. According to CIC, we are the only company in the upstream of the new energy battery value chain to achieve a high degree of integration of materials and equipment with our self-developed manufacturing capabilities. We possess independent, leading capabilities in the development and manufacturing of base separator film and in the development of coating technologies and equipment. According to CIC, we ranked first globally in 2025 in terms of shipment volume of coated separators for new energy batteries. Through the establishment of our production capacity in Sichuan, we aim to further enhance our ability to provide customers with more efficient and more large-scale coated separator production capacity. The total construction period of the new Sichuan manufacturing base is approximately 18 months.
- (ii) Approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to support our R&D initiatives, primarily in advanced anode materials and separator materials, as well as novel solid-state battery electrolyte materials. We believe such investment will enhance our product offerings and better position us to capitalize on the future opportunities.
 - (a) Approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to our anode materials segment, primarily to support the R&D of ultra-high capacity composite graphite anode materials, ultra-fast charging composite graphite anode materials, biomass-based graphite anode materials, high-loading vapour-deposited silicon-based anode materials and their porous carbon materials, lithium metal anode materials for solid-state batteries, high-performance single-walled carbon nanotubes and other

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advanced anode and conductive materials, as well as the associated processing technologies. We believe that these R&D initiatives are critical to addressing the evolving performance requirements of next-generation lithium-ion batteries, including higher energy density, faster charging speeds and improved cycle life. As downstream customers increasingly demand anode materials with superior electrochemical performance to support the growing adoption of EVs and energy storage systems, we believe that continued investment in these areas is essential to maintaining our technological competitiveness and strengthening our market position.

- (b) Approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to our separator and functional materials business segments and will mainly be used to support the research and development of new coated separator products, low shut-down temperature high-strength separator products, sodium-ion battery separators and new electrolyte materials for solid-state batteries. We believe that, as battery systems are increasingly applied in more demanding use cases such as high energy density electric vehicle batteries and large-scale energy storage systems, the development of high-end coated separators and low shut-down temperature high-strength separators will be critical to enhancing the overall safety and reliability of batteries.

As sodium-ion batteries, which are characterized by lower cost, abundant resources, high safety and good low-temperature performance, gradually achieve commercial application, we believe that the development of and investment in sodium-ion battery separators will help us expand the boundaries of our product offerings and capture new opportunities in the sodium-ion battery market. At the same time, the development of next-generation electrolyte materials is an indispensable component in advancing solid-state battery technologies. As the industry moves towards the commercialization of solid-state batteries, we believe that the investment in the research and development of new electrolyte materials will enable us to establish a first-mover advantage in this rapidly evolving market, broaden our product portfolio and capture emerging market opportunities.

- (iii) Approximately [REDACTED]%, or HK\$[REDACTED], will be allocated for working capital and general corporate purposes.

The above allocation of the net proceeds 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 to the mid-point of the indicative [REDACTED] range stated in this document.

The net proceeds that we would receive if the [REDACTED] were exercised in full would be (i) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the [REDACTED] of the indicative [REDACTED] range), (ii) HK\$[REDACTED] (assuming an [REDACTED] of [REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range), and (iii) HK\$[REDACTED] (assuming an [REDACTED] of [REDACTED] per [REDACTED], being the [REDACTED] of the indicative [REDACTED] range). In the event that the [REDACTED] is exercised, we intend to apply the additional net proceeds to the above purposes in the proportions stated above.

If the net proceeds are insufficient to fund our development plans, we intend to make up the shortfall through various means, including bank financing and available cash reserves.

To the extent that the net proceeds 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 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, and the relevant applicable laws in the relevant jurisdiction for non-Hong Kong based deposits). We will make an appropriate announcement if there is any change to the above proposed use of proceeds.