
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” in this document 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], and assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range stated in this document and that the [REDACTED] is not exercised. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the high end of the indicative [REDACTED] range, we estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the low end of the indicative [REDACTED] range, we estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED].

Assuming an [REDACTED] at the mid-point of the indicative [REDACTED] range and that the [REDACTED] is not exercised, we currently intend to apply these net [REDACTED] for the following purposes:

1. Core Technology R&D and Reserves for Forward-Looking Technologies

We plan to allocate [REDACTED]% or HK\$[REDACTED] of the net [REDACTED] in the next 3 to 5 years to expand our R&D centre, enhance core technology research, and expand our specialized R&D team.

- a. approximately [REDACTED]% or HK\$[REDACTED] will be used for the ongoing iteration and enhancement of our current CSP collector system and thermal storage and exchange system products. Particularly,
 - approximately [REDACTED]% or HK\$[REDACTED] will be used to procure R&D equipment, facilities, and software, including oscilloscopes, BGA soldering stations, X-ray defect detectors, network analyzers, spectrum analyzers, logic analyzers, and related software; and
 - approximately [REDACTED]% or HK\$[REDACTED] will be used for research and development expenses, including personnel costs for our existing R&D team, technical service fees, and other miscellaneous expenses.
- b. approximately [REDACTED]% or HK\$[REDACTED] will be used for R&D expenditure mainly consisted of personnel costs to strength our core and frontend technology research and forward-looking technology reserves. Specifically, this direction focuses on the development of multi-tower single-unit CSP plant solutions, development of next-generation collector systems (including lower-cost high-precision heliostats, wireless mirror field control systems, and 500MW-class large-capacity molten salt receivers to upgrade from the current wired control systems and 300MW-class receivers), development of new-type long-duration thermal storage materials (including higher-temperature, lower-cost solid-state thermal storage materials to overcome the 565°C temperature limit and relatively high costs of conventional molten salt), and development of an intelligent CSP plants management platform (with functions including equipment smart diagnostics and fault early warning, power

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generation quantitative analysis, automatic daily production report generation, and automated operator performance evaluation). To this end, we plan to recruit additional R&D personnel to strengthen our R&D capabilities in these directions.

This project will primarily rely on existing R&D personnel and will be supplemented with additional recruitment as needed. The table below sets forth our recruitment plan for this direction.

Position	Number of Employees to be recruited			Basic salary for each hire RMB'000 per annum
	T+1	T+2	T+3	
R&D Project Manager	1	2	3	750
Technical Manager	1	2	4	600
R&D Engineer	8	18	32	380
Total	10	22	39	

The expansion of our R&D team will result in an increase in staff costs, primarily in the form of salaries and benefits for senior R&D professionals. We expect this incremental cost to be absorbed within our overall operating expenses and to remain modest relative to our total cost base. We believe this investment in human capital is essential to maintaining our technological competitiveness in the CSP industry. A strengthened R&D team will support the continued development of proprietary technologies, which in turn underpins our ability to secure new projects and maintain our market position.

In summary, these investments will collectively enable us to maintain our leading edge in core technologies and maintain our market position, thereby enhancing the commercial viability of the industry and promoting its scaling development through enhanced CSP efficiency and reduced LCOE.

2. Promoting the Deployment of Innovative Molten Salt Energy Storage Technology

We plan to allocate [REDACTED]% or HK\$[REDACTED] of the net [REDACTED] in the next 3 to 5 years to further strengthen and promote our molten salt storage technologies and their application in areas such as waste heat recovery and coal-fired power plant (“CFPP”) flexibility retrofitting. We intend to demonstrate the capabilities of molten salt storage via developing demonstration projects across six application scenarios: (i) CFPP flexibility retrofitting, (ii) recovery of waste heat generated from industrial silicon production, (iii) recovery of waste heat generated from dry quenching processes, (iv) recovery of waste heat generated from production of steel, (v) off-grid power supply for data centers and (vi) clean energy supply for zero-carbon industrial parks.

- a. approximately [REDACTED]% or HK\$[REDACTED] will be used to procure specialized equipment such as flue-gas molten salt boilers, molten salt, storage tanks, and molten salt heat exchangers; and
- b. approximately [REDACTED]% or HK\$[REDACTED] will be used as project construction costs, including project construction management fees, service fees, and start-up and test-run costs.

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The demonstration projects differ from normal commercial projects in two key respects. First, while normal projects are commercially mature with profitability as the primary objective, the demonstration projects are intended not only to generate profits but also to validate business models, showcase technological capabilities and establish benchmarks, as the molten salt energy storage market beyond CSP applications is still at an early development stage. Second, the Group intends to invest in and construct these demonstration projects with potential subsequent transfers, whereas for normal projects going forward, the Group expects to operate primarily as a core sub-system and technology provider under an asset-light model.

These demonstration projects are expected to generate revenue for the Group. Similar to the Group’s project developer model for CSP projects, if the Group transfers project ownership during construction, it will receive project transfer proceeds and, as the core systems supplier and service provider, continue to generate revenue from the sale of core systems and the provision of services to the transferee. If projects are retained post-completion, the Group may generate revenue from power supply, heating and other ancillary services.

Through these demonstrations, we aim to further advance our research in the application of molten salt energy storage technologies. Such initiatives and demonstrations will also enhance our brand recognition within the molten salt energy storage sector.

3. CSP Industrialization by the Construction of Intelligent Production Facility

We plan to allocate [REDACTED]% or HK\$[REDACTED] of the net [REDACTED] in the next 3 to 5 years to industrialize the production of our core CSP equipment, thereby strengthening our production capabilities. By acquisition or constructing our own in-house production facility, we seek to internalize the manufacturing of critical CSP system, such as rotary reducers and linear actuators, to support the scaled needs of our operations. This will enable us to improve delivery capability and service quality, while reducing ongoing production costs and increasing production capacity. It will also strengthen quality assurance, enhance supply chain resilience, and reinforce our competitive position in the industry.

- a. approximately [REDACTED]% or HK\$[REDACTED] will be used to procure and upgrade assembly and processing equipment to support on-site heliostat assembly operations. Rather than establishing centralized production facilities, this equipment will be deployed directly at specific project sites to perform on-site assembly work. This investment aims to enhance our technical capabilities through equipment upgrades and retrofitting (技改), enabling us to meet the demands of our project expansion while improving assembly efficiency and quality at each project location.
- b. Approximately [REDACTED]% or HK\$[REDACTED] will be used to establish manufacturing capabilities for critical upstream components, specifically rotary reducers and linear actuators, either through acquisition of relevant production companies or procurement of manufacturing equipment computer numerical control lathes, horizontal machining centers, and related testing equipment. As of the Latest Practicable Date, we had not identified any specific acquisition targets or entered into any memorandum of understanding or letter of intent with respect to any potential acquisition target.

In selecting potential acquisition targets, relevant considerations include: (i) the target company is engaged in the manufacturing of rotary reducers or linear actuators; (ii) the target company possesses quality management system, environmental management system, and occupational health and safety management system certifications; (iii) the

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target company has a demonstrated supply track record in relevant sectors such as engineering machinery, photovoltaic, CSP, home furnishing, and/or medical equipment industries; and (iv) the target company has a sound financial position and compliance record. Our Directors, as advised by Frost & Sullivan, are of the view that there are sufficient number of potential targets as there are approximately 30 to 45 rotary reducer manufacturers and 50 to 70 linear actuator manufacturers in the PRC that meet the Group’s selection criteria.

The total capital expenditures for the above purposes are expected at approximately RMB[REDACTED] (equivalent to approximately HK\$[REDACTED]), mainly covering site rental, renovation and equipment investment or consideration for acquisition of relevant production company. Among such total capital expenditures, HK\$[REDACTED] will be from the net [REDACTED] from the [REDACTED], and any remaining spendings will be funded by our internal resources. The forecast breakeven period for establishing manufacturing capabilities for critical upstream components is currently estimated at approximately six to seven years after tax after the commencement of operation.

Upon commencement of operation, our capacity for critical upstream components is estimated at an annual production capacity of 500,000 sets of heliostats components. The site selection for the critical component production lines will take into comprehensive consideration factors such as transportation distance, supply chain infrastructure, labor availability, and land and construction costs.

We believe our proposed investment in production capabilities is consistent with, rather than a departure from, our asset-light operational model. While we could continue to fully outsource component manufacturing, selective in-house production of critical components such as rotary reducers and linear actuators offers strategic benefits in terms of supply chain resilience and cost optimization. This targeted vertical integration allows us to secure stable supply of key components and achieve better cost control as project scale increases — without fundamentally shifting to a heavy-asset model. Going forward, we will continue to leverage external manufacturing partners where appropriate.

As a result of the investment in production equipment and manufacturing capabilities, we expect our revenue to grow in line with our expanded project delivery capacity. As far as cost structure is concerned, we expect the investment to have a neutral to positive impact on our overall cost of sales over time:

- *On-site assembly operations:* The deployment of assembly equipment at project sites is expected to expand our assembly capacity to meet the demands of our project expansion. The upgraded assembly lines are also expected to improve assembly efficiency and quality, which will contribute to better cost control and project delivery over time.
- *Upstream component manufacturing:* Establishing in-house production capacity for critical components such as rotary reducers and linear actuators is expected to reduce our per-unit procurement costs as production scales, while also mitigating supply chain risks and potential cost volatility from third-party suppliers. Raw materials are expected to remain the largest portion of our cost of sales for these components.

While the investment will result in incremental depreciation and operating costs, we believe these will be offset by improved unit economics and operational efficiency as our project pipeline grows. We will continue to outsource non-critical production processes to maintain overall cost flexibility.

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Overall, the construction of our Intelligent Production Facility will enhance our core business and support the growth of the CSP industry. By producing CSP components in-house, we will improve delivery speed and service. This allows us to capitalize on the rapid industry growth while maintaining quality and cost competitiveness.

4. Operating Efficiency Enhancement

We plan to allocate [REDACTED]% or HK\$[REDACTED] of the net [REDACTED] in the next 1 to 3 years to establish approximately 5 regional technical service locations strategically positioned near major project clusters across China, namely in Xining (Qinghai), Urumqi (Xinjiang), Hohhot (Inner Mongolia), Lanzhou (Gansu), and Chengdu (Sichuan), as well as a business center in Beijing for brand promotion and customer relationship development. The capital expenditures will cover location rental and leasehold improvements, renovation and fit-out costs, personnel recruitment and training, equipment and tools procurement. Each location will serve as a service node equipped with digital exhibition centers, field commissioning tools, digital service infrastructure, remote diagnostics capabilities, and spare parts inventory to provide rapid response for commissioning, warranty support, and performance optimization services.

Together, these investments are designed to improve our efficiency, strengthen service quality, and build lasting competitive advantages.

5. Working capital and general corporate purposes

We plan to allocate [REDACTED]% or HK\$[REDACTED] of the net [REDACTED] as working capital and for other general corporate purposes to support our day-to-day operations and future business development.

The table below sets forth description of the potential short-term and long-term impact of the use of [REDACTED] indicated. The figures presented in the table below are estimates based on current projections and assumptions. Actual results may vary depending on market conditions, project implementation timelines, and other factors. These estimates are provided for illustrative purposes only and should not be construed as guarantees of future financial performance.

Use of [REDACTED]		Short-term Impact	Long-term Impact
Core technology R&D and Reserves for Forward-Looking Technologies	Iteration and enhancement of CSP collector system and thermal storage and exchange system products.	An estimated average annual increase of approximately RMB[REDACTED] from 2026 to 2028 for R&D personnel salaries, R&D equipment depreciation, software amortization, and other R&D expenses.	Through core technology R&D and forward-looking technology reserves, this will enhance our technology and product competitiveness, driving sustained business growth.
	R&D center establishment and forward-looking technology reserve		
Promoting the Deployment of Innovative Molten Salt Energy Storage Technology		An estimated average annual increase of approximately RMB[REDACTED] from 2027 to 2028 for equipment and construction depreciation expenses. Through the operation of demonstration projects, corresponding returns are expected.	Through the demonstration application of innovative molten salt energy storage technology, opening up our second growth curve.

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Use of [REDACTED]		Short-term Impact	Long-term Impact
CSP Industrialization by the Construction of Intelligent Production Facility	Upgrade assembly and processing equipment	An estimated average annual increase of approximately RMB[REDACTED] from 2026 to 2028 for equipment depreciation expenses. The increase in production and assembly equipment aligns with the expected increase in production capacity demand, and is not expected to significantly affect our gross margin or cost structure.	This will help us support expected future project growth, continuously control costs, and enhance supply chain stability.
	Establish manufacturing capabilities for critical components	An estimated average annual increase of approximately RMB[REDACTED] from 2026 to 2028 for equipment depreciation, site rental, and renovation amortization expenses. At the same time, the construction of in-house production capacity will reduce procurement costs, and is not expected to significantly affect our gross margin or cost structure.	
Operating Efficiency Enhancement		An estimated average annual increase of approximately RMB[REDACTED] from 2026 to 2028 for personnel salaries, site rental, renovation, and equipment depreciation expenses.	By expanding our marketing channels and strengthening brand exposure, bringing us more business opportunities and promoting business growth.

The above allocation of 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 mid-point of the estimated [REDACTED] range.

We do not expect to rely on the net [REDACTED] of the [REDACTED] to carry on our ordinary business operations. To the extent that the net [REDACTED] of the [REDACTED] are not sufficient to fund our development plan, we intend to fund the shortfall through a variety of means, including proceeds from banking facilities and cash generated from operation.

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 Share (being the mid-point of the indicative [REDACTED] range). In the event that the [REDACTED] is exercised in full, we intend to apply the additional net [REDACTED] to 2. promoting the deployment of innovative molten salt energy storage technology.

To the extent that the net [REDACTED] of the [REDACTED] are not immediately used for the above purposes, we will only deposit those net [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). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules. In the event that part of our [REDACTED] [REDACTED] are deployed overseas, we will comply with the Guidelines on Foreign Exchange Businesses under Capital Accounts (Edition 2024) in all material respects. During the Track Record Period and as of the Latest Practicable Date, our Directors confirmed that we had no instances of material non-compliance with these guidelines.

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