FUTURE PLANS

See the section headed "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$**[REDACTED]**, after deducting **[REDACTED]** fees and commissions and other estimated expenses paid and payable by us in relation to the **[REDACTED]**, assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the mid-point of the **[REDACTED]** range from HK$**[REDACTED]** to HK$**[REDACTED]** per H Share, and that the **[REDACTED]** is not exercised.

We currently intend to use these net **[REDACTED]** for the purposes and in the amounts set forth below:.

- approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for building construction, equipment procurement, and other expenditures in relation with the construction and operation of the second phase of our production base in Zhuzhou, Hunan Province.

  (i) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for the construction of production, warehousing and office facilities of the second phase; and

  (ii) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for purchasing and installation of production equipment, primarily including dryer, granulator and xanthate kneading machine.

  The second phase of our production base is expected to cost an estimated total of approximately RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**). Among such total investment amount, approximately HK$**[REDACTED]** will be funded by the net **[REDACTED]** from the **[REDACTED]** and the remaining spendings will be funded by other sources, including our internal resources.

  The second phase is expected to commence construction in the second half of 2026 and is expected to complete construction and commence trial operation in the first half of 2027. We have obtained a right-on-land certificate regarding the second phase in respect of an aggregate area of approximately 78,496 sq.m., comprising a first tranche of 68,140 sq.m.delivered in June 2012 and a second tranche of 10,356 sq.m. delivered in November 2021, and the relevant land costs have been settled through our internal resources. The remaining area of approximately 22,187 sq.m., which will be supplied in two batches in 2026, is expected to be obtained and the relevant land costs settled using our internal resources. Upon completion and production ramp-up, the second phase is designed with an annual designed capacity of approximately 66,600 tons of collectors, 20,000 tons of modifiers, 10,000 tons of frothers and 11,400 tons of other reagents. The second phase will feature production workshops, warehousing and logistics facilities, ancillary administrative and utility buildings, as well as supporting infrastructure including environmental treatment systems. We do not expect any material legal impediment to obtain all licenses, permits and regulatory approvals required for the establishment and operation of the second phase.

- approximately **[REDACTED]**%, or HK$**[REDACTED]** is expected to be used for enhancing our R&D capabilities. In particular:

  (i) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for procuring R&D equipment to support our continuous technology iteration and R&D capabilities building, mainly including (a) analytical and testing instruments, such as scanning electron microscope with mineral liberation analysis (SEM-MLA) and inductively coupled plasma mass spectrometer (ICP-MS); (b) mineral processing equipment, including high-intensity magnetic separator, flanged mechanical reactor and various crushers and grinders; (c) reverse engineering and structural analysis instruments, including X-ray photoelectron spectrometer (XPS) and vibrational circular dichroism spectrometer (VCD); and (d) autoclave reactors for chemical synthesis.

  (ii) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to attract and retain approximately 30 R&D personnel, over the next four years, primarily comprising engineers and project managers across various seniority levels, with a view to strengthening our R&D capabilities and team. Depending on the specific roles, prospective candidates are expected to possess relevant academic qualifications and practical or managerial experience in one or more of the following fields: mineral processing, chemical engineering, analytical testing, applied chemistry, inorganic chemistry, and polymer chemistry. The estimated average monthly salary for such R&D personnel will generally range between RMB10,000 and RMB60,000, commensurate with the position and seniority of the role with reference to prevailing market rates.

  (iii) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for targeted product development initiatives. Particularly, we intend to invest in the R&D and synthesis of novel guanidine-based enhanced collectors for precious metal recovery. This initiative focuses on platinum group metals ("**PGMs**"), particularly platinum and palladium, which are widely used in high-value applications such as chemical catalysis and automotive exhaust purification systems. Given the growing demand for PGM recovery driven by the global transition towards cleaner technologies, we believe guanidine-based collectors represent a frontier and differentiated product direction, and this investment will build our technical reserves and reinforce our leadership in the premium segment of the collector reagent market.

(iv) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for targeted technology development projects, including (a) novel non-toxic (arsenic-free) fine-particle cassiterite collectors and (b) quality-enhancement production processes for sodium dithiophosphate collectors.

Currently, the flotation recovery rate for fine-particle cassiterite in China is below 65%. Research into high-efficiency flotation collectors for fine-particle cassiterite is critical to improving flotation performance metrics for this ore type. This technology is expected to enhance the overall recovery rate while reducing the burden on downstream environmental treatment processes.

The sodification of conventional dithiophosphate collectors has been demonstrated to improve their collecting performance. Market demand for modified (sodified) phenyl-based dithiophosphate collectors has been growing steadily, and we have already conducted multiple batches of trial production in response to customer requests. To better serve our customers and to capture a greater share of the market for this product category, we intend to further enhance our R&D capabilities in this direction.

- approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to selectively pursue strategic investments or acquisitions to achieve our long-term growth strategies. Particularly, we aim to pursue a strategic acquisition or investment in a company engaged in the production of key raw material that we require, primarily in the Hubei or Jiangxi area to secure stable supply sources, gain access to upstream raw material production expertise, extend quality control and strengthen our position in the mineral processing reagent value chain. In selecting investment target or partner, we will consider factors including their operational track record, production capabilities and equipment, and workforce capabilities.

  While we continue to evaluate potential acquisition and investment targets, we had not identified any specific acquisition targets or entered into any memorandum of understanding or letter of intent with respect to any potential target, as of the Latest Practicable Date.

- approximately **[REDACTED]**%, or HK$**[REDACTED]**, is expected to be used for working capital and general corporate uses.

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 **[REDACTED]** range stated in this document.

If the **[REDACTED]** is fixed at HK$**[REDACTED]** per H Share (being the high end of the **[REDACTED]** range stated in this document), we will receive additional net **[REDACTED]** of approximately HK$**[REDACTED]**, assuming the **[REDACTED]** is not exercised. If the **[REDACTED]** is fixed at HK$**[REDACTED]** per H Share (being the low end of the **[REDACTED]** range stated in this document), the net **[REDACTED]** we receive will be reduced by approximately HK$**[REDACTED]**, assuming the **[REDACTED]** is not exercised.

In the event that the **[REDACTED]** is exercised in full, the additional net **[REDACTED]** that we would receive would be HK$**[REDACTED]** assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the mid-point of the **[REDACTED]** range stated in this document, after deduction of **[REDACTED]** fees and commissions and other estimated expenses paid and payable by us in relation to the **[REDACTED]**. Additional net **[REDACTED]** received due to the exercise of the **[REDACTED]** will be used for the above purposes accordingly on a pro-rata basis if the **[REDACTED]** is exercised.

If the net **[REDACTED]** of the **[REDACTED]** are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we will deposit the net **[REDACTED]** into interest bearing accounts at licensed banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance/the applicable laws and regulations in other jurisdiction. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules and make an appropriate announcement if there is any change to the above proposed use of **[REDACTED]**.