FUTURE PLANS

See the section headed "Business — Our Strategies" for a detailed description of our future plans.

[REDACTED]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately [**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 [**REDACTED**] per H Share, being the mid-point of the [**REDACTED**] range from [**REDACTED**] to [**REDACTED**] per H Share, and that the [**REDACTED**] is not exercised.

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

(i) approximately [**REDACTED**], or [**REDACTED**], is expected to be used to pay partial expenses for the construction of our plant for the treatment of retired LFP batteries (the "**LFP Treatment Plant**") located at our production base in Ganzhou, Jiangxi Province. The main expenses include funds required for the construction of the plant and purchase and installation of major production machineries and equipment.

In 2026 and 2027, (a) approximately [**REDACTED**], or [**REDACTED**] (equivalent to approximately [**REDACTED**]) will be used for the construction of the LFP Treatment Plant, and (b) approximately [**REDACTED**], or [**REDACTED**] (equivalent to approximately [**REDACTED**]) will be used for purchasing and installation of production equipment including hydrometallurgy process equipment (濕法冶煉工序設備) and purification and drying process equipment (提純乾燥工序設備). The table below sets forth a breakdown and implementation plan of the estimated amount of [**REDACTED**] for equipment procurement and installation based on type and number of equipment required based on our estimation and the estimated procurement cost:

	For the years ending December 31, 2026 and 2027
	RMB million
Hydrometallurgy process equipment	[**REDACTED**]
Purification and drying process equipment	[**REDACTED**]
Others	[**REDACTED**]
Total	[**REDACTED**]

The LFP Treatment Plant will cost an estimated total of approximately RMB1,200 million (equivalent to approximately HK$1,373 million). Among such total investment amount, [**REDACTED**] will be the [**REDACTED**] from the [**REDACTED**], and the remaining spendings will be funded by other sources, including our internal resources, bank borrowings or other potential external financing options. As of December 31, 2025, the actual investment made for our LFP Treatment Plant amounted to RMB44.8 million mainly used for land-related expenses and pre-construction preparation.

The groundwork construction of the LFP Treatment Plant is expected to commence in June 2026. The LFP Treatment Plant is expected to commence full operation in December 2027 with a designed treatment capacity of 100 thousand tons of retired LFP batteries per year. We have obtained a land use right certificate regarding the LFP

Treatment Plant and relevant land costs have been settled through our internal financial resources (other than from the [**REDACTED**] from this [**REDACTED**]). We do not expect any material legal impediment to obtain all licenses, permits and regulatory approvals required for the establishment and operation of the LFP Treatment Plant.

Amid the rapid development of EVs and new energy storage, the use of LFP battery, which is the main type of lithium batteries, and the volume of retired LFP batteries is expected to grow rapidly in the future. According to F&S Report, the volume of retired LFP batteries in Chinese mainland is expected to reach 3,927.2 thousand tons in 2031, with a CAGR of 73.5% from 2025 to 2031. The increase in the volume of retired LFP batteries will bring adequate supply for recycling companies, driving them to expand their treatment capacity to meet this growing demand.

On the other hand, the development of fast-growing industries such as EVs, energy storage and other emerging industries are also expected to boost the demand for lithium-ion batteries and their raw materials, whereas the supply of mineral resources is expected to be limited. Given that lithium-ion battery materials obtained through battery recycling can significantly reduce costs compared to traditional ore mining, the sales of lithium-ion battery recycled materials are expected to continue growing rapidly. According to F&S Report, the sales volume of lithium-ion battery recycled materials in Chinese mainland is expected to reach 5.0 million tons in 2031, with a CAGR of 33.1% from 2025 to 2031; the sales volume of LFP cathode materials is expected to reach 17,016 thousand tons in 2031, with a CAGR of 28.1% from 2025 to 2031.

Therefore, in view of the stable upstream supply of retired LFP batteries and the strong downstream demand of lithium-ion battery recycled materials in the foreseeable future, we believe the construction of the LFP Treatment Plant will allow us to seize the market opportunity, realize economies of scale, and reduce the unit cost of our production that will be conducive to the future development of our Company.

(ii) approximately [**REDACTED**], or [**REDACTED**], for expanding our upstream raw materials resources.

In view of the growing volume of retired lithium-ion batteries in the future, we plan to strengthen cooperation with the upstream suppliers and directly procure end-of-life lithium-ion battery packs from the sources of retired lithium-ion batteries, such as battery manufacturers, EV production plants, retired EV recycling and dismantling enterprises. This can broaden our upstream procurement channels and increase our cost control on the front end. Through these efforts, we aim to form a closed-loop supply chain, establish direct raw material supply channels, and establish an integrated, full-cycle ecosystem for lithium-ion battery recycling.

In particular, we will use the [**REDACTED**] for setting up approximately 200 battery recycling service outlets in Chinese mainland over the next three years to establish a national recycling network with wide geographical coverage. We plan to set up battery recycling service outlets in regions with relatively sufficient supply of retired lithium batteries, such as cities in Bohai Economic Rim region, Sichuan-Chongqing region, midstream and delta regions of Yangtze River and delta regions of Pearl River, where procurement and management personnel will be deployed. Our battery recycling service outlets mainly include:

- *Collection-type outlets*: These outlets are located close to sources of retired lithium batteries, such as battery manufacturers, EV production plants, retired EV recycling and dismantling enterprises, which can realize rapid docking with such enterprises and obtain retired lithium batteries from the sources. In addition, these outlets also undertake the functions of sorting, discharging and short-term storage

of retired lithium batteries at the front-end of production process. By sorting and discharging retired lithium batteries, we can reduce the time of the production process in our production bases, which can improve our production efficiency; and

- *Centralized storage outlets*: Retired lithium batteries recovered through collection-type outlets will be regularly transported to centralized storage outlets, which have a larger floor area and more storage space than collection-type outlets, and also have the functions of sorting and discharging retired lithium batteries. Through the centralized storage outlets, we can strengthen the control over the collected lithium-ion batteries and our overall supply chain.

We conducted a cost-benefit analysis regarding broadening our upstream procurement channels and establishing battery recycling service outlets. Such plan entails several investment costs, including staff costs, business relationship development costs with upstream suppliers, travel and communication expenses, rental fees for strategically positioned service outlets, and specialized equipment procurement and facility renovation expenses. By broadening upstream procurement channels and establishing battery recycling service outlets we expected to secure a more stable supply of raw materials with consistent quality standards. Our battery recycling service outlets will be equipped with front-end processing capabilities, including battery sorting, battery condition assessment, and battery discharge capabilities. The extended safe storage time provided by such outlets is expected to bring us significant operational flexibility and inventory management advantages. Such front-end processing is also expected to effectively reduce the processing time required once the batteries enter our production bases, thereby enhancing the utilization efficiency of our production lines. Moreover, by establishing these battery recycling service outlets, we can also strengthen our position closer to the upstream sources of retired batteries, which significantly lowers recycling costs through reduced transportation expenses. Based on our analysis, transportation expenses can be reduced by over 40%.

Various national and local policies support the establishment of professional and standardized battery recycling service outlets across key markets. For example, the Interim Provisions on the Administration of Recycling and Comprehensive Utilization of Waste Power Batteries of New Energy Vehicles (《新能源汽車廢舊動力電池回收和綜合利用管理暫行辦法》), which come into effect on April 1, 2026, stipulates that battery swapping service enterprises, motor vehicle maintenance enterprises, and end-of-life motor vehicle recycling and dismantling enterprises shall hand over the waste power batteries dismantled by them to comprehensive utilization enterprises for comprehensive utilization, or hand them over to recycling service outlets lawfully established by power battery enterprises or new energy vehicle manufacturers for recycling.

While we expect establishing recycling service outlets to experience competition from traditional recyclers such as power battery dismantling enterprise, we believe such recyclers would also be inclined to cooperate with us in developing such recycling service outlets and benefit from our comprehensive downstream recycling and reutilization solutions to utilize their recycled batteries. As of the Latest Practicable Date, we have established strategic cooperation relationships with approximately 50 companies with power battery dismantling qualification in preparation of our recycling service outlet development plan.

We believe that establishing recycling service outlets is not only a beneficial strategic initiative in terms of margin improvement and supply chain control, but also a necessary step to secure consistent quality and sufficient quantity of raw materials in an increasingly competitive battery recycling market. These outlets represent a critical component of our vertical integration strategy that aligns with both regulatory trends and long-term operational efficiency goals.

(iii) approximately [**REDACTED**], or [**REDACTED**], for strengthening our research and development capabilities and attracting talents. We plan to use approximately [**REDACTED**], or [**REDACTED**], for upgrading our research and development centers, which will enable us to further optimize product quality as well as improve production and operational efficiency. We plan to use approximately [**REDACTED**], or [**REDACTED**], for conducting innovative research on key technologies for the robotic dismantling of EV batteries. The dismantling of retired EV batteries is the reverse process of battery manufacturing, which involves key processes such as removing shells, dismantling components, degumming, discharging cells, separating materials and powdering for recycling. With an automatic dismantling production line for EV batteries, we can realize higher compatibility, processing efficiency and sorting and recycling rate. We expect to reduce the level of energy consumption and carbon dioxide emission in the process of dismantling of retired EV batteries. For details of our participation in the national research project in relation to the research and development of robotic dismantling technologies, see "Business — Research and Development — Future R&D Directions."

Additionally, we plan to use approximately [**REDACTED**], or [**REDACTED**], for optimizing our research and development infrastructure by continuing to improve and innovate in emerging technologies for battery recycling. Set out below is our expected timeframe for the development of such emerging technologies:

Planned development of emerging technologies	**Expected timeframe for development**
Flexible dismantling process and collaborative digital twin system technology for retired power batteries	January 2025 – August 2026
Non-destructive adhesive removal process and robotic safety pre-treatment technology for retired battery packs	January 2025 – August 2026
Precise identification of irregularly shaped components in retired battery packs and efficient flexible robotic dismantling technology	January 2025 – August 2026
Rapid capacity grading and discharging system technology for retired batteries	January 2025 – August 2026
Energy-saving and carbon-reducing technology for retired batteries	January 2024 – August 2026
Advanced wet recycling technology for rare metals (nickel, cobalt, manganese, lithium) from retired batteries	January 2025 – December 2026
Residual value assessment system technology of retired batteries	December 2023 – July 2026
Intelligent flexible cell separation system technology	January 2025 – August 2026
Robotic dismantling technology of retired battery packs	March 2026 – June 2027
Wet recycling process technology for lithium iron phosphate black mass	August 2025 – December 2026

We will also use approximately [**REDACTED**], or [**REDACTED**], for expanding the size of our R&D team and offering competitive remunerations to attract and retain approximately ten R&D talents with advanced degrees in mechanical engineering, electronic engineering, and software engineering, and at least three years of industry experience.

(iv) the remaining amount of approximately [**REDACTED**], or [**REDACTED**], for working capital and general corporate purposes.

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**] stated in this document.

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

In the event that the [**REDACTED**] is exercised in full, the additional [**REDACTED**] that we would receive would be [**REDACTED**] assuming an [**REDACTED**] of [**REDACTED**] per H Share, being the mid-point of the [**REDACTED**] 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 [**REDACTED**] received due to the exercise of any [**REDACTED**] will be used for the above purposes accordingly on a pro-rata basis if the [**REDACTED**] is exercised.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the [**REDACTED**] from the [**REDACTED**].

If the [**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 [**REDACTED**] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance or the applicable laws and regulations in the other jurisdictions. 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 [**REDACTED**].