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## FUTURE PLANS AND [REDACTED]

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### FUTURE PLANS

See “Business — Our Strategies” for a detailed description of our future plans.

#### [REDACTED]

We estimate that the [REDACTED] of the [REDACTED], after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED], will be approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the indicative range of the [REDACTED]), without the exercise of the [REDACTED].

We currently intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts as set out below, subject to adjustments based on our evolving business needs and changing market conditions:

- (i) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, is expected to be used for potential strategic acquisitions, so as to expand our resources and reserves and enhance our competitive edge in the market. Although we have not identified any specific acquisition targets as of the Latest Practicable Date, we have established a rigorous set of selection criteria and investment strategies. The strategic considerations, operational efficiency, financial viability and geological potential (including resources and production volume, geographical location, and project stage) of target mining assets would be evaluated to identify the high-potential assets that align with our strategic growth objectives. Our potential targets include silver, tin, copper and gold mines. Our selection criteria for potential targets include but are not limited to:
  - Silver and tin mines: We consider the criteria for these targets include quantitative standards, under which we prioritize assets expected to possess silver mineral resources of more than 2,000 tonnes with a potential annual production exceeding 100 tonnes, and tin mineral resources of more than 50,000 tonnes with a potential annual production exceeding 3,000 tonnes. From a qualitative perspective, we focus on greenfield projects with significant exploration potential located in regions with stable political and economic environments, specifically prioritizing countries along the “Belt and Road Initiative” and domestic projects in the major metallogenic belts including the Greater Khingan, Tianshan, Sanjiang, South China, and integrated exploration areas with superior mineral potential regions with at least medium-scale deposits.
  - Copper and gold mines: Those targets will be used to actively capitalize on opportunities presented by the new industry cycle, diversify our resource portfolio, and strengthen our resilience against market volatility and cyclical risks. Our selection criteria for these potential acquisitions include quantitative targets with copper mineral resources of more than 200,000 tonnes with a potential annual production exceeding 5,000 tonnes, and gold mineral resources of more than 20 tonnes with a potential annual production exceeding 1 tonne. Our geographical and project stage preferences for these assets remain consistent with our aforementioned strategy for silver and tin acquisitions, prioritizing countries along the “Belt and Road Initiative” and domestic projects in the major metallogenic belts including the Sanjiang, Gangdise, Tianshan, and integrated exploration areas with superior mineral potential regions with at least medium-scale deposits.

According to Frost & Sullivan, there are approximately 170 potential acquisition targets available in the global market that meet our selection criteria as of the Latest Practicable Date, including 40 silver and tin mines and 130 copper and gold mines. For future acquisition activities, we will comply with the relevant disclosure and regulatory requirements under the Listing Rules.

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## FUTURE PLANS AND [REDACTED]

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- (ii) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, is expected to be used for the repayment of our outstanding interest-bearing indebtedness. We currently intend to apply such [REDACTED] towards the full or partial repayment of the US\$200.0 million 7.40% senior unsecured sustainable development bonds issued by our wholly-owned subsidiary, Xingye Gold (Hong Kong).
- (iii) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, is expected to be used to boost our R&D efforts and enhance our R&D capabilities, thereby providing further technical support for our technological advancement. In particular, we plan to: (i) recruit and retain high-level technical R&D talent; (ii) procure advanced R&D equipment; (iii) pursue additional R&D initiatives; and (iv) further deepen collaboration and exchange with leading research institutions.
- (iv) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, is expected to be used for working capital and general corporate purposes.

The above estimated [REDACTED] from the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at the high-end or low-end of the indicative [REDACTED]. Specifically, we will receive [REDACTED] of approximately HK\$[REDACTED] (assuming an [REDACTED] at the low-end) and HK\$[REDACTED] million (assuming an [REDACTED] at the high-end), without the exercise of the [REDACTED]. Any additional [REDACTED] received from the exercise of the [REDACTED] will also be allocated to the aforementioned purposes on a pro rata basis. In the event that the [REDACTED] is exercised in full, we estimate that the additional [REDACTED] to be received by us will be approximately HK\$[REDACTED] million (assuming the mid-point [REDACTED]).

To the extent that the [REDACTED] are not immediately applied to the above purposes, we will only deposit such funds 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 applicable laws and regulations in other jurisdictions).

If any part of our future plans does not proceed as scheduled due to changes in regulatory policies, market conditions, or other force majeure events, our Directors will carefully evaluate the situation and may reallocate the [REDACTED], provided that we will comply with the relevant disclosure requirements under the Listing Rules.