FUTURE PLANS

For details of our future plans, see "Business — Our Strategies."

USE OF [REDACTED]

We estimate that the entire [REDACTED] of the [REDACTED] will be approximately HK$[REDACTED] million (after deduction of [REDACTED] fees and [REDACTED] and other estimated expenses payable by us in connection with the [REDACTED]), assuming that the [REDACTED] is not exercised and based on the [REDACTED] of HK$[REDACTED] per [REDACTED]. If the [REDACTED] is exercised in full, we estimate that the additional [REDACTED] that we receive from the [REDACTED] of these additional Shares will be approximately HK$[REDACTED] million, after deducting the relevant expenses and based on the [REDACTED] of HK$[REDACTED] per [REDACTED]. We plan to allocate the [REDACTED] from the [REDACTED] in the following manner:

- Approximately [REDACTED]% (or HK$[REDACTED] million) will be used for the construction of a recycling and dismantling plant located in Jiangmen City, Guangdong Province ("**Jiangmen Phase II Plant**") within the next two years. The plant is designed with an annual processing capacity of 46,720 tons of materials such as used batteries, electrode sheet and industrial-grade lithium carbonate.

  The Jiangmen Phase II Plant will expand our processing capacity, enhance production efficiency and delivery capability, better serve existing and potential customers, and further advance our expansion strategy. In 2025, driven by business growth, the utilization rate of our existing recycling-related production lines in Jiangmen Base was 92.0%.

  Driven by the fast growth of the EV industry and ESS market, according to CIC, market demand for lithium batteries and relevant raw materials continues to grow. The lithium battery recycling volume in China is projected to grow at a CAGR of 45.2% from 2025 to 2030, reaching approximately 3.8 million tons by 2030, according to CIC. The proportion of recycled lithium batteries against total used batteries in China is expected to rise further to 72.6% by 2030, according to CIC. The continuous increase in the volume of used batteries will ensure ample raw materials supply, supporting our processing capacity expansion to meet rising market demand. The global lithium battery installed capacity is expected to grow at a CAGR of 22.7% from 2025 to 2030, according to CIC. Lithium battery materials sourced from recycling offer notable cost advantages over conventional mineral mining, underpinned by steady growth in the sales of recycled lithium battery materials. According to CIC, the market size of China's recycling segment in the lithium battery recycling and material recovery industry by revenue was RMB20.1 billion in 2025 and is expected to increase to RMB313.1 billion in 2030, representing a CAGR of 73.2% from 2025 to 2030.

  We plan to centralize our Group's recycling and hydrometallurgical processing of ternary lithium batteries at our Jiangmen Base to form a closed-loop system, while arranging the recycling, and material regeneration of LFP batteries at our Jiangsu Base. The existing Jiangmen Base faces space limitations. The development of the Jiangmen Phase II Plant will expand our processing capacity, safeguard the integrity and efficiency of our ternary battery recycling chain, avoid space-induced operational disruptions, and reduce time spent on equipment changeovers at our Jiangsu Base, lifting overall operational efficiency. For the establishment of the Jiangmen Phase II Plant, we will invest in the following aspects:

(i) approximately [REDACTED]% (or HK$[REDACTED] million) is expected to be allocated to the land acquisition for the Jiangmen Phase II Plant with a total planned GFA of around 20,000 sq.m.. We plan to acquire strategically located plots with convenient supporting infrastructure and proximity to our existing Jiangmen Base. Relevant expenses mainly include land purchase costs, surveying fees, environmental assessment costs and other transaction-related charges;

(ii) approximately [REDACTED]% (or HK$[REDACTED] million) is expected to be allocated to the construction of the Jiangmen Phase II Plant. The [REDACTED] will be utilized for the design and construction of production buildings for battery recycling production lines, including battery pack dismantling workshops, battery storage and discharging workshops, battery and electrode crushing workshops, and battery-grade lithium carbonate production workshops. The construction will take into account environmental sustainability, energy efficiency and scalability to adapt to future growth and technological advancements. Expenses will mainly cover construction material costs, labor costs, basic infrastructure, power supply facilities, utility charges and other pre-operation preparation costs relating to the project;

(iii) approximately [REDACTED]% (or HK$[REDACTED] million) is expected to be allocated to the procurement and installation of production machinery and equipment. This includes advanced production facilities such as battery-grade lithium carbonate production equipment, battery crushing production lines, and cathode and anode crushing production lines to ensure high production efficiency, output quality and operational safety standards; and

(iv) approximately [REDACTED]% (or HK$[REDACTED] million) is expected to be allocated to initial operating expenses of the Jiangmen Phase II Plant, including staff costs, staff training expenses, raw material costs, utility expenses after project completion, and other operating costs required for launching and sustaining daily operations of the plant.

- Approximately [REDACTED]% (or HK$[REDACTED] million) will be allocated to the production line expansion project of LFP repair materials at our Jiangsu Base within the next two years. This project relates to our proprietary LFP high-purity electrode powder production technology. See "Business — Research and Development — R&D achievements and key technologies" for further details.

  To optimize production processes, improve production line efficiency and align with the strategic focus of our Jiangmen Base on ternary hydrometallurgy, we adopt a geographic layout to separate our ternary lithium battery and LFP battery businesses. The expansion of the regenerated LFP cathode materials production line at our Jiangsu Base will allow us to increase product added value through technological upgrading, meet increasingly stringent regulatory standards and sustainable development needs, and further consolidate our market position and support future growth. Key expenditures include plant construction, procurement of production machinery and equipment, and funds for daily plant operations, in particular:

(i) approximately [REDACTED]% (or HK$[REDACTED] million) is expected to be allocated to the land acquisition for our Jiangsu Base with a total planned GFA of around 32,100 sq.m.. We plan to acquire the land our Jiangsu Base currently operates on. Our Jiangsu Base is currently leased from the local people's government where we are given the option to buy the land at the end of our rental period in 2028 if the required conditions are satisfied. Relevant expenses mainly include land purchase prices, surveying fees, environmental assessment costs and other transaction-related charges;

(ii) approximately [REDACTED]% (or HK$[REDACTED] million) will be allocated to the construction of production line for regenerated LFP cathode materials at our Jiangsu Base. This covers the design and construction of workshops for regenerated LFP cathode materials production, with full consideration of environmental sustainability, energy efficiency and scalability to accommodate future business expansion and technological progress. The construction costs primarily relate to construction materials and labor, supporting infrastructure, power facilities, utility expenses and other pre-opening expenses related to the project;

(iii) approximately [REDACTED]% (or HK$[REDACTED] million) will be allocated to the purchase and installation of production machinery and equipment, including roller kilns, rotary kilns, closed-circuit jet mills, air compressor systems, electromagnetic iron separators and other core production equipment, to ensure high output, stable production efficiency, consistent product quality and compliance with operational safety standards; and

(iv) approximately [REDACTED]% (or HK$[REDACTED] million) will be allocated to the initial operating expenses for the regenerated LFP cathode materials production line. This covers staffing, training, raw material procurement, utility expenses after project completion, and other operating costs incurred for launching and maintaining the daily operation of the production line.

- Approximately [REDACTED]% (or HK$[REDACTED] million) will be allocated to the construction and enhancement of our R&D, to upgrade our new product R&D capabilities, reinforce overall R&D capacity and sustain our leading market position. The enhancement of our R&D capability and ongoing upgrade of our technologies are vital to advancing strategic R&D initiatives, including: (i) intelligent battery pack disassembly; (ii) refined dismantling for aluminum-shell batteries; (iii) calcium and impurity removal for cobalt-manganese salt solutions; (iv) high-nickel ternary powder recycling technology; and (v) high-compaction chemical repair processes for regenerated LFP cathode materials. These efforts will strengthen our innovation capabilities in battery recycling and new materials, and bolster our core market competitiveness. In particular:

(i) approximately [REDACTED]% (or HK$[REDACTED] million) will be allocated to the construction of an R&D center in Shenzhen within the next one to two years. We plan to construct new recycling pilot laboratories, recycling R&D laboratories and supporting auxiliary facilities in our Shenzhen Lithium Battery New Energy Building which was under construction as of the Latest Practicable Date;

(ii) approximately [REDACTED]% (or HK$[REDACTED] million) will be allocated to the procurement of R&D hardware equipment within the next one to two years, including recycling pilot laboratories, recycling R&D laboratories, high-value utilization laboratories for used LFP battery waste, cell evaluation laboratories and new material pilot station; and

(iii) approximately [REDACTED]% (or HK$[REDACTED] million) will be allocated to the expansion and reinforcement of our R&D team within the next two to three years. We intend to attract and retain R&D talents in recycling, cascade utilization and hydrometallurgy to further strengthen our R&D capabilities. We plan to recruit experienced R&D professionals with at least one to three years of working experience, who hold a bachelor's degree or above in materials, metallurgy, electrochemistry, chemical engineering and other related engineering disciplines.

- Approximately [REDACTED]% (or HK$[REDACTED] million) will be allocated to the repayment of the principal amounts and accrued interest of certain borrowings from five banks in China, in order to improve our gearing ratio and reduce finance costs. The effective interest rates of the relevant bank loans range from 2.60% to 3.05%, with maturities ranging from December 2026 to May 2027. The relevant bank loans are primarily used for the construction of and purchase of fixed assets at our Jiangmen Base, the construction of our Shenzhen Lithium Battery New Energy Building and general working capital purposes; and

- Approximately [REDACTED]% (or HK$[REDACTED] million) will be allocated to the establishment and development of our overseas presence to promote our products in overseas market, thereby driving the expansion of our global customer base and business reach. In particular:

(i) approximately [REDACTED]% (or HK$[REDACTED] million) will be allocated to recruit sales, customer service and daily administrative personnel with extensive overseas sales experience and familiarity with international markets, to strengthen the development and maintenance of overseas customer relationships. We plan to complete such recruitment by 2027. In particular:

We plan to set up a new office and recruit personnel to the basis of our existing Hong Kong subsidiary, Jiecheng HK, to be responsible for the day-to-day administrative, financial and operation management of our overseas business activities. We also plan to moderately expand our overseas sales team by hiring sales personnel with extensive overseas sales experience and international market insight, and customer support personnel, in order to strengthen the development of our overseas customer base. Such expansion will primarily focus on Southeast Asia as the key market, specifically treating Malaysia as the primary objective of deepening market penetration in such region.

(ii) Approximately [REDACTED]% (or HK$[REDACTED] million) will be allocated to leasing office space in Hong Kong as our marketing center, thereby expanding our sales and marketing coverage and providing timely and efficient sales support services to our overseas customers. In particular, we plan to (a) expand our customer base in key markets by establishing an international sale and service team, deepening collaboration with key clients, and building long-term and stable business relationships with leading enterprise in local markets in regions such as Southeast Asia; (b) provide professional technical and cost assessment services tailored to the needs of our overseas customers; and (c) formulate and offer competitive pricing solutions.

(iii) Approximately [REDACTED]% (or HK$[REDACTED] million) will be allocated to marketing activities. We will invest in intensifying our market efforts through word-of-mouth promotions and other channels, including conducting promotional campaigns, participating in trade exhibitions, hosting customer conferences, conducting regular market research and attending industry conferences and events, to further enhance our brand recognition and promote our products. We hope that such investment in marketing activities will assist us in attracting a greater number of potential customers, thereby expanding our customer base and further scaling our business operations.

- Approximately [REDACTED]% (or HK$[REDACTED] million) will be used for our working capital and general corporate purposes within the next two years.

If the [REDACTED] is set at the high point or the low point of the [REDACTED] range (assuming the [REDACTED] is not exercised), the [REDACTED] will increase or decrease by approximately HK$[REDACTED] million (after deducting the [REDACTED] fees and expenses in relation to the [REDACTED]). We intend to apply the additional or reduced [REDACTED] to the above purposes on a pro-rata basis.

If the [REDACTED] is fully exercised, our Company will receive [REDACTED] of approximately HK$[REDACTED] million for [REDACTED] Shares to be allotted and issued upon the full exercise of the [REDACTED] based on the [REDACTED] of HK$[REDACTED] per [REDACTED], being the mid-point of the [REDACTED] range, and after deducting the [REDACTED] fees and [REDACTED] payable by our Company. The additional amount raised will be applied to the above areas of use of [REDACTED] on a pro-rata basis.

If the [REDACTED] of the [REDACTED] are not immediately applied to the above purposes, we will only deposit the [REDACTED] from the [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO) in circumstances permitted by relevant laws and regulations. We will issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].