
FUTURE PLANS AND [REDACTED]

FUTURE PLANS

For a detailed description of our future plans, see “Business — Our Business Strategies” in this document.

[REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] after deducting the [REDACTED] and other estimated expenses in connection with the [REDACTED] (assuming that the [REDACTED] is not exercised).

In line with our strategies and development plans, we intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below.

Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used for the upgrade and expansion of our East China headquarters (Changzhou) manufacturing base.

As lithium-ion battery companies across the globe continue to expand their production capacities, we plan to better support our customers’ production line construction needs through capacity enhancement and production capability optimization. The Changzhou base is positioned as our East China headquarters and core production base, where we will implement two initiatives: enhancing production quality in Phase I and expanding production capacity in Phase II, with a view to establishing an integrated base encompassing production, R&D, management and operations.

Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used for the upgrade of our Changzhou Phase I production base.

The [REDACTED] allocated to the Changzhou Phase I production base will be primarily used to enhance the production and assembly capabilities of the existing equipment, thereby increasing our production capacity. We plan to build production facilities with a higher degree of automation to improve production efficiency, shorten delivery cycles and enhance product quality stability. We plan to complete the deployment of core equipment and the workshop upgrade in 2027, gradually ramp up and optimize production capabilities from 2028 to 2031.

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The table below sets forth the details of the expected allocation:

Category	Specific Items	Proposed Amount to be Allocated <i>(HK\$ million)</i>
New Recruits	Recruitment of production personnel, including mechanical engineers, electrical engineers and installation and commissioning technicians	[REDACTED]
Production Equipment and Assembly Upgrade	Mainly including lifting and handling equipment, assembly platforms and gantry systems, etc.	[REDACTED]
Plant Premises and Utilities	Mainly including constant temperature and humidity workshop upgrade, test power supply system, air compressor system, photovoltaic system, etc.	[REDACTED]
Inspection and Testing Equipment	Mainly including thickness in-line inspection system, coordinate measuring machine, laser tracker, machine testing platform, etc.	[REDACTED]
Automation and Smart Manufacturing	Mainly including automated guided vehicles (AGV), automated storage and retrieval systems (ASRS), manufacturing execution systems (MES), etc.	[REDACTED]
Total		<u>[REDACTED]</u>

Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED] million, will be used for the construction of our Changzhou Phase II production base.

The [REDACTED] allocated to the Changzhou Phase II production base will be primarily used for the acquisition of land and the construction of an approximately 70,000 sq.m. production workshop as well as ancillary warehouses. We expect that the full operation of the Changzhou Phase II production base will further enhance our production capacity and delivery capabilities, and together with the Changzhou Phase I production base, will improve our high-quality and efficient delivery to support the implementation of our customers’ projects in China and over the world. We expect to finish the construction of the plant in 2029, complete equipment installation and commissioning, and commence production and ramp up from 2029 to 2030, and achieve full production capacity by 2031.

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FUTURE PLANS AND [REDACTED]

The table below sets forth the details of the expected allocation:

Category	Specific Items	Proposed Amount to be Allocated <i>(HK\$ million)</i>
Plant Premises and Utilities	Construction of an approximately 70,000 sq.m. production workshop, together with ancillary warehouses, office building, power system and substation, air compressor etc.	[REDACTED]
New Recruits	Recruitment of production personnel, including mechanical engineers, electrical engineers and installation and commissioning technicians	[REDACTED]
Land	Land cost for the Changzhou Phase II production base	[REDACTED]
Automation and Smart Manufacturing	Industrial internet system	[REDACTED]
Inspection and Testing Equipment	Mainly including machine testing platform, precision inspection equipment, etc.	[REDACTED]
Total		<u>[REDACTED]</u>

The total estimated investment for the upgrade and expansion of our East China headquarters (Changzhou) manufacturing base is approximately HK\$[REDACTED] million. Any future funding shortfall for this project will be covered by our operating income or bank borrowings. Such upgrade and expansion plans may result in an increase in our fixed assets, depreciation and amortisation, as well as a rise in costs and expenses, and may lead to a decline in profit margins during the expansion period. In light of our healthy operating cash flow, sufficient credit facilities, and the phased implementation of the investment, we expect to maintain a stable cash flow position and therefore consider that there is no significant cash flow risk. For other risks associated with our expansion plans, see “Risk Factors — Risks Relating to Our Business and Industry — We cannot guarantee that our business development strategies will be successfully implemented or bring about the outcomes as we expect” in this document.

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Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used for the construction of our R&D center and the research and development of intelligent equipment for next-generation battery technologies.

We are proactively positioning ourselves in the frontier of next-generation battery technologies, with a strategic focus on advancing the development of solid-state battery trial production and testing equipment, tabless battery trial production equipment, integrated film wrapping and appearance inspection trial production equipment, solid-state isostatic pressing trial production equipment, high-speed stacking trial production equipment, vision solution R&D modules, devices and instruments, and next-generation battery material R&D equipment. Through these efforts, we aim to enhance our core in-house R&D capabilities and establish technological barriers, thereby forming a comprehensive technology reserve and product portfolio for next-generation battery equipment to expand our future business development potential. We expect to complete the construction of our R&D center, the deployment of equipment and the formation of our R&D teams from 2027 to 2028, commence prototype development, and achieve continuous iterations and commercialisation of our R&D results from 2029 to 2031. The table below sets forth the details of the expected allocation for the construction of our R&D center and the research and development of next-generation battery technology and equipment:

Category	Specific Items	Proposed Amount to be Allocated (HK\$ million)
R&D Center Construction	Mainly including the construction of an approximately 20,000 sq.m. R&D center, ancillary offices and laboratories, etc.	[REDACTED]
Core R&D Equipment and Material Input	Solid-state battery trial production and testing equipment, tabless battery trial production equipment, integrated film wrapping and appearance inspection trial production equipment, solid-state isostatic pressing trial production equipment, high-speed stacking trial production equipment, vision solution R&D modules, devices and instruments, and next-generation battery material R&D equipment and material input, etc.	[REDACTED]
New R&D Recruits Automation	Recruitment of additional R&D personnel Mainly including laboratory automation systems and R&D information management systems, etc.	[REDACTED] [REDACTED]
Others	Mainly including technical advisory services and intellectual property rights positioning, etc.	[REDACTED]
Total		[REDACTED]

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The table below sets forth the expected additional R&D personnel to be recruited for each R&D position during the period from 2027 to 2031, their corresponding responsibilities and salary range.

Position	Responsibilities	Annual Salary Range (HK\$)
Senior Mechanical R&D Engineer	Overall machine structure design and mechanical solution development	300,000–600,000
Senior Electrical R&D Engineer	Electrical system design and control logic development	300,000–600,000
Senior Software R&D Engineer	Development of industrial control software architecture and functionalities for equipment	300,000–600,000
Senior Algorithm R&D Engineer	R&D and deployment optimisation of motion vision algorithms	300,000–600,000
Senior Architecture R&D Engineer	Overall technical architecture planning and system structuring	300,000–600,000
Junior and Mid-Level R&D Engineer	Module design and development and technical issue follow-up	200,000–300,000

Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used for the expansion of our sales and delivery network.

We expect to invest approximately HK\$[REDACTED] million in expanding our sales and delivery network. Specifically: (1) approximately HK\$[REDACTED] million will be used for the recruitment of delivery and installation specialists and consultants; (2) approximately HK\$[REDACTED] million will be used for the recruitment of domestic and international sales specialists and the provision of corresponding training; and (3) approximately HK\$[REDACTED] million will be used for expenditures such as marketing, exhibition participation and business development activities.

Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used for the investments or acquisitions that are complementary to our business and strategies.

We plan to pursue controlling acquisitions of target companies that offer synergies along the industrial chain, or make non-controlling investments that give us significant influence. We expect that the target companies we acquire or invest in will be within the lithium-ion battery intelligent equipment industrial chain, enabling us to enhance our supply chain management extend our product portfolio, improve our global service capabilities and strengthen the industrial chain synergies. Target companies should have been operating stably for at least three years, with initial product roll-out and commercialisation capabilities, as well as technological or market competitiveness, and have an annual revenue of not less than RMB100 million, or a net profit of not less than RMB10 million. According to Frost & Sullivan, as of December 31, 2025, more than 100 companies in China met the above criteria.

For risks relating to our pursuit of investments or acquisitions, see “Risk Factors — Risks Relating to Our Business and Industry — We may be unable to identify, capture or execute expansion opportunities or strategic alliances for new businesses, and acquired businesses and strategic alliances may have unknown or contingent liabilities, which may affect our business, results of operations, financial condition and prospects” in this document.

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Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used for working capital and general corporate uses.

The [REDACTED] allocated to the above purposes will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed above or below the mid-point of the indicative [REDACTED] range. Any additional [REDACTED] received as a result of the exercise of the [REDACTED] will also be allocated to the above purposes on a pro rata basis.

If the [REDACTED] is set at HK\$[REDACTED] per [REDACTED] (being the upper end of the [REDACTED] range set out in this document) and assuming that the [REDACTED] is not exercised, we will receive additional [REDACTED] of approximately HK\$[REDACTED] million. If the [REDACTED] is set at HK\$[REDACTED] per [REDACTED] (being the lower end of the [REDACTED] range set out in this document) and assuming that the [REDACTED] is not exercised, the [REDACTED] we receive will be reduced by approximately HK\$[REDACTED] million.

We will make a formal announcement if there is any material change in the use of the [REDACTED] from the [REDACTED] or in the allocation of the [REDACTED] among the intended uses as set out above. To the extent that the [REDACTED] from the [REDACTED] are not immediately used for the above purposes, we will only deposit the [REDACTED] in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined in the SFO or applicable laws and regulations in other jurisdictions).