FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

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

USE OF [REDACTED]

Assuming that the [REDACTED] is not exercised and assuming an [REDACTED] of HK$[REDACTED] per H Share (being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] and HK$[REDACTED]), after deducting the [REDACTED] commissions and other estimated [REDACTED] expenses in connection with the [REDACTED], we estimate that we will receive net [REDACTED] of approximately HK$[REDACTED] million from the [REDACTED]. In line with our strategies, we intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- approximately [REDACTED], or HK$[REDACTED] million, for expanding our production capacity in response to market demand, and optimizing our production capacity layout.

  According to the F&S Report, the market demand from downstream industries for our products is expected to continually grow. In particular, the global fine and ultra-fine cable conductors market increased from USD3.5 billion in 2019 to USD4.8 billion in 2025, at a CAGR of 5.2%, and is expected to reach USD11.7 billion by 2035, at a CAGR of 7.0% from 2025 to 2030, and 11.7% from 2030 to 2035. See "Industry Overview — The Global Precision Cable Conductors Market." During the Track Record Period, we recorded strong revenue growth and achieved a steadily increasing capacity utilization rate at 77.3%, 81.1% and 93.2% in 2023, 2024 and 2025, respectively.

  Taking into consideration (i) our existing production capacity utilization, and (ii) the foregoing market demand projection, we plan to establish two new production bases in Dongguan, Guangdong Province and Jiaxing, Zhejiang Province. For details on our production expansion plan, see "Business — Our Production — Production Expansion Plan." In particular, we plan to allocate:

  (i) approximately [REDACTED] of the net [REDACTED], or HK$[REDACTED] million, for constructing our new production base in Wanjiang subdistrict of Dongguan, comprising: (i) approximately [REDACTED] of the net [REDACTED] for covering rental and construction costs; and (ii) approximately [REDACTED] of the net [REDACTED] for purchasing or developing and installing equipment such as drawing, stranding and tin plating equipment. This new production base is expected to achieve full ramp-up in 2028. As of the Latest Practicable Date, we were still in the preliminary stage for this production base; and

  (ii) approximately [REDACTED] of the net [REDACTED], or HK$[REDACTED] million, for constructing our new production base in Jiaxing, Zhejiang Province, comprising: (i) approximately [REDACTED] of the net [REDACTED] for covering rental and construction costs; and (ii) approximately [REDACTED] of the net [REDACTED] for purchasing or developing and installing equipment such as drawing and stranding equipment. This new production base is expected to achieve full ramp-up in 2028. As of the Latest Practicable Date, we had completed site selection for this production base;

- approximately [REDACTED] of the net [REDACTED], or HK$[REDACTED] million, for enhancing our R&D capabilities. We intend to continually adhere to our tripartite in-house R&D system that focuses on innovations in materials, equipment and techniques. In particular, we plan to allocate: (i) approximately [REDACTED] of the net [REDACTED] for recruiting around 15 professional R&D talents, where we generally prefer candidates with over three years or more of experience in R&D and bachelor's degree or above; (ii) approximately [REDACTED] of the net [REDACTED] for purchasing and developing advanced equipment for R&D purposes such as mass spectrometers, twisting machines, scanning electron microscopes and high-speed drawing machines; and (iii) approximately [REDACTED] of the net [REDACTED] for establishing a joint R&D center for carrying out our R&D activities;

- approximately [REDACTED] of the net [REDACTED], or HK$[REDACTED] million, for potential strategic investment or acquisitions. We generally favor the following types of target companies: (i) enterprises in the PRC and overseas with solid R&D and technical accumulation, stable production and delivery capabilities and an established customer base, whose business can generate synergistic effects in relation to our existing operations; and (ii) enterprises in the PRC and overseas that possess unique technologies in fields such as special metal processing, precision electroplating and polymer materials, so that we are able to enhance our technical capabilities and broaden our product lines. These candidates shall be in good financial standing and have no material legal disputes or compliance issues. As of the Latest Practicable Date, we had not identified any potential investment or acquisition target or entered into any definite investment or acquisition agreement;

- approximately [REDACTED] of the net [REDACTED], or HK$[REDACTED] million, for building our overseas sales and marketing team and expanding overseas sales channels. In particular, we plan to allocate: (i) approximately [REDACTED] of the net [REDACTED] for recruiting qualified sales and marketing talents for our overseas sales and marketing activities; and (ii) approximately [REDACTED] of the net [REDACTED] for expanding sales channels through participation in conventions and exhibitions, and digital marketing, among other things;

- approximately [REDACTED] of the net [REDACTED], or HK$[REDACTED] million, for achieving comprehensive digitization of production processes to further optimize our product quality and consistency, as well as production efficiency and stability. In particular, we intend to purchase software and hardware for warehouse automation, MES enhancement, manufacturing data collection and 5G upgrades of our production bases; and

- approximately [REDACTED] of the net [REDACTED], or HK$[REDACTED] million, for working capital and general corporate purposes.

In the event that the [REDACTED] is set at the maximum [REDACTED] or the minimum [REDACTED] of the indicative [REDACTED] range, the net [REDACTED] of the [REDACTED] will increase or decrease by approximately HK$[REDACTED] million. The additional net [REDACTED] that we would receive if the [REDACTED] were exercised in full would be: (i) HK$[REDACTED] million (assuming an [REDACTED] of HK$[REDACTED] per H Share, being the maximum [REDACTED] of the indicative [REDACTED] range); (ii) HK$[REDACTED] million (assuming an [REDACTED] of HK$[REDACTED] per H Share, being the mid-point of the indicative [REDACTED] range); and (iii) HK$[REDACTED] million (assuming an [REDACTED] of HK$[REDACTED] per H Share, being the minimum [REDACTED] of the indicative [REDACTED] range).

To the extent that the net [REDACTED] from the [REDACTED] are either more or less than expected, we will adjust our allocation of the net [REDACTED] for the above purposes on a *pro rata* basis. To the extent that the net [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may 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 the applicable laws and regulations in other jurisdictions) for so long as it is deemed to be in the best interests of our Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.