FUTURE PLANS

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

USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**], after deducting the [**REDACTED**], [**REDACTED**] and estimated expenses payable by us in connection with the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the maximum [**REDACTED**] stated in this document) and assuming that the [**REDACTED**] is not exercised. In line with our strategies, we intend to use the net [**REDACTED**] from the [**REDACTED**] for the following purposes:

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to expand our production and enhance our supply chain self-sufficiency over the next three years, thereby enabling us to capture opportunities arising from the rapid development of the downstream new energy battery industry, expanding the production capacity of our core conductive carbon materials and optimizing our nationwide production capacity layout. By doing so, we aim to further strengthen our market-leading position in the new energy conductive carbon materials industry. See "Business — Our Strategies — Scale Production Capacity Strategically to Capture Growing Global Demand." In particular:

  (1) Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the expansion of our Zigong production base, primarily including: (a) the expansion of conductive carbon black production capacity. We plan to construct new conductive carbon black production lines to produce high-purity conductive carbon black products for EV batteries and ESS batteries. This will help us meet the increasing large-scale demand from downstream customers for conductive carbon black; and (b) the expansion of our CNT production capacity. We plan to expand our production capacity to support key customers in central and western China, as well as further enhance our supply chain responsiveness and local service capabilities. We expect to complete the construction of the capacity expansion at our Zigong production base in 2027.

  Specifically, these [**REDACTED**] will primarily be used for: (a) the construction of factory and office buildings in our Zigong production base; (b) the procurement of machinery and equipment; and (c) the construction of utilities and ancillary facilities.

  (2) Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the expansion of our Nantong production base. We plan to expand our CNT production capacity, and build supporting infrastructure such as gas supply facilities. The expansion will leverage the new energy battery industry cluster in the Yangtze River Delta region and, together with our Zigong production base, establish an east-west coordinated nationwide production network. It is expected to strengthen our presence in the Yangtze River Delta and East China regions by improving delivery efficiency, reducing logistics costs, and enhancing our ability to serve customers in the new energy conductive carbon materials market. We expect to complete the construction of the capacity expansion at our Nantong production base in 2028.

  Specifically, these [**REDACTED**] will primarily be used for: (a) the construction of factory in our Nantong production; (b) the procurement of machinery and equipment; and (c) the construction of utilities and ancillary facilities.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for our R&D activities over the next three years to continuously strengthen our core technologies and enrich our product portfolio, thereby enhancing our long-term technological competitiveness and laying a solid foundation for our sustainable development. See "Business — Our Strategies — Sustain High R&D Investment to Maintain and Extend Our Technology Leadership." In particular:

  (1) Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the establishment of an R&D platform for forward-looking technologies, enabling us to conduct basic research with regards to frontier functional materials and next-generation conductive carbon materials. Through ongoing fundamental research and technology development, we aim to strengthen our position in emerging technology areas and broaden our product portfolio while sustaining our technological leadership in the conductive carbon materials industry.

  Specifically, these [**REDACTED**] will primarily be used for: (a) the renovation of the research institute at our Wuxi production base; (b) the procurement of advanced equipment for material synthesis, characterization and performance testing; (c) the establishment of our R&D team, including the recruitment of industry-leading talent and academic leaders; (d) carrying out industry-academia collaboration with leading domestic universities; and (e) funding preliminary development activities.

  (2) Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the construction of an applied research center at our Zigong production base, focusing on production process optimization and product development. It will primarily focus on the ongoing enhancement of existing products, production process improvements and customer-driven product development. These efforts are expected to further improve our product performance, reduce production costs and strengthen the competitiveness of our products in the new energy conductive carbon materials market.

  Specifically, these [**REDACTED**] will primarily be used for: (a) the construction of the R&D center and the construction of pilot testing facilities; (b) the procurement of product testing, process validation and pilot production equipment; and (c) the expansion of our R&D team through the recruitment of technical professionals with extensive manufacturing and process development experience.

  (3) Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for other R&D activities. In particular, these [**REDACTED**] will primarily be used for the application R&D of conductive carbon materials in frontier fields such as semiconductors and AI, including technological exploration and preliminary product research relating to high-purity carbon-based materials for semiconductors and high-efficiency thermal management materials for AI chips. We will continue to align our R&D initiatives with evolving market demand and technological developments, with the aim of identifying new growth opportunities and supporting sustainable long-term growth.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and general corporate purposes.

To the extent that the net [**REDACTED**] from the [**REDACTED**] are either more or less than expected (including as a result of (i) the [**REDACTED**] being set at a price lower than the maximum [**REDACTED**]; or (ii) additional net [**REDACTED**] from the exercise of the [**REDACTED**]), we will adjust our [**REDACTED**] of the net [**REDACTED**] for the above purposes on a pro rata basis.

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

To the extent that the net [**REDACTED**] of the [**REDACTED**] are not immediately used for the above purposes or if we are unable to put into effect any part of our plan as intended, and to the extent permitted by the relevant laws and regulations, we will only deposit such net [**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 other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.