
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

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

USE OF [REDACTED]

Assuming that the [REDACTED] is not exercised and based on an [REDACTED] of [REDACTED] per Share (being the mid-point of the [REDACTED] stated in this Document), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) from the [REDACTED], after deducting [REDACTED] and estimated expenses paid and payable by us in connection with the [REDACTED].

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

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for the upgrade and expansion of our logistics networks over the next three years. Specifically, we expect to invest in the following networks:
 - (i) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to strengthen our warehousing network: (a) increase the number of self-operated warehouses at major logistics hubs of commodity trading markets, such as Inner Mongolia and Hebei Province, by leasing approximately six additional warehouses, which are expected to increase our total storage capacity by approximately five million tonnes in aggregate; (b) recruit approximately 30 additional warehouse operation employees, with an average annual compensation of approximately RMB0.1 million; (c) purchase warehousing machinery and equipment to enhance operational efficiency, increase capacity and support the expansion of our warehousing network, with an estimated total capital expenditure of approximately RMB20.0 million in aggregate. For example, we may purchase cranes and lifting equipment.
 - (ii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to strengthen our transportation network: (a) enhance our in-house road transportation capability by purchasing approximately over 200 additional heavy-duty trucks to increase capacity and improve delivery flexibility, which are expected to increase our transportation capacity by approximately 1.2 million tonnes per year; and (b) maintain and expand our long-term commercial cooperation arrangements with high-quality shipping service providers, primarily through entering into long-term shipping procurement agreements and other commercial service arrangements to secure stable shipping capacity and broaden our network coverage.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for potential investment or acquisition opportunities over the next three years. We intend to seek suitable potential investment or acquisition opportunities across the commodity industry value chain. Through acquisition or investment, we aim to enhance our influence and control over the upstream and downstream resources, thereby supporting our long-term development and strengthening our competitive position.

Our potential acquisitions or investment targets include (i) natural resource companies, such as businesses engaged in the exploration and mining of minerals, including iron ore and lithium, in which we currently intend to make minority equity investments, and (ii) manufacturing and processing companies, such as metal processing plants and smelters, energy and chemical companies, and agricultural product processors.

FUTURE PLANS AND USE OF [REDACTED]

In evaluating potential targets, we primarily consider strategic fit and synergies with our trading business, a proven operating track record, strong profitability, reasonable valuation and attractive industry growth prospects. For natural resource companies, we expect targets to hold the requisite mining permits and have sufficient and stable reserves. For manufacturing and processing companies, we expect targets to have adequate capacity, strong technological capabilities and exposure to segments with higher profit elasticity.

In screening potential acquisition targets, we will primarily consider target companies that (i) are valued at levels we consider attractive relative to comparable peers, (ii) demonstrate strong profitability and a sound financial position as evidenced by favorable return on equity, a prudent leverage profile, including a gearing ratio below 70%, and a track record of positive operating cash flow over the past two fiscal years, (iii) have achieved revenue of no less than RMB1.0 billion in the most recent fiscal year, and (iv) are capable of enhancing our business performance, including by strengthening our upstream and downstream channel advantages and generating synergies with our existing operations.

According to Frost & Sullivan, there is a sufficient pool of potential targets because there are over 50 companies in commodity trading industry that meet our investment criteria. As of the Latest Practicable Date, however, we had not identified any specific acquisition or investment targets that we intend to fund with the net [REDACTED] from the [REDACTED].

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for the enhancement and expansion of our commodity portfolio over the next three years. Specifically, we expect to invest in the following aspects:
 - (i) Category enhancement: (a) grow our existing teams and add personnel to strengthen execution and market coverage; (b) enhance the capacity of our current teams by improving product expertise, risk management and operational support, as appropriate; (c) expand into additional geographic markets to extend our existing commodity offerings; (d) deepen relationships with existing customers, including by increasing engagement and promoting greater adoption of our existing products and services; and (e) acquire new customers in new markets.

We plan to further expand our business footprint within Chinese Mainland, with a strategic focus on Tianjin and Tangshan regions, the Guangdong-Hong Kong-Macao Greater Bay Area, as well as Chongqing and Chengdu. Specifically, in the Tianjin and Tangshan regions, which are characterized by a high concentration of steel production capacity, we intend to strengthen our upstream integration by establishing closer business relationships with leading local steel manufacturers, including through potential collaboration in the establishment of processing centers. Through these initiatives, we aim to deepen cooperation, optimize cost structure and improve supply chain stability.

In the Guangdong-Hong Kong-Macao Greater Bay Area, we intend to establish regional processing and distribution centers to provide additional processing services. In Chongqing and Chengdu, we plan to upgrade our existing logistics hubs into regional steel processing and distribution centers, with a view to optimizing our commodity trading services and offering more tailored supply and pricing solutions to local customers. We believe these initiatives will support our market expansion and strengthen our market presence in these regions.

FUTURE PLANS AND USE OF [REDACTED]

Such processing centers are expected to provide value-added steel processing services, including precision cutting, slitting, bending, and surface treatment, primarily for cold-rolled, coated and stainless steel sheets. By integrating processing with distribution, we expect to provide customers with products tailored to their required dimensions and specifications, thereby shortening delivery lead time, improving service efficiency and enhancing our ability to satisfy customers’ customized processing needs.

- (ii) Category expansion: (a) enter selected emerging commodity categories, such as agricultural products, such as soybeans and rapeseed oil, new energy-related commodities such as lithium and cobalt, as well as chemical products, such as resins and specialty chemicals; and (b) build dedicated teams for such categories by introducing teams with deep commodity expertise, an established market presence and strong channel resources.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for enhancing our digital and information technology capabilities over the next three years. Specifically, we expect to invest in the following aspects:
 - (i) ERP upgrade: upgrade our self-developed ERP system to enhance end-to-end digitalization and automation across the trading lifecycle and strengthen risk management.
 - (ii) Research platform: build an AI-driven industry research platform to support information collection, analysis and processing, thereby enhancing research efficiency and strengthening overall analytical capabilities.
 - (iii) Other systems: upgrade other key operating systems, including logistics and inventory management, finance, customer management and risk control systems, to improve operational efficiency and reduce costs.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for deepening our cooperation with upstream and downstream partners over the next three years. Specifically, we expect to invest in the following aspects:
 - (i) Joint ventures: establish joint-venture trading companies with upstream and downstream partners to expand their procurement and sales channels, such as forming joint ventures with upstream suppliers to develop their export business by leveraging our global trading capabilities.

For instance, we are establishing a localized supply chain joint venture with an upstream regional partner. The joint venture will provide integrated services to over 10 large manufacturing enterprises in the region, including centralized procurement and inventory management services. Under this arrangement, our primary role is to coordinate the production process, monitor delivery schedules and facilitate production planning to improve fulfillment efficiency. We will also leverage our logistics management capabilities to coordinate differentiated delivery arrangements based on customers’ delivery requirements, and dynamically prioritize shipments to improve delivery efficiency and service quality.

- (ii) Project cooperation: pursue project-based cooperation, such as jointly establishing processing or warehousing centers to provide end users with integrated solutions. Such integrated solutions are generally delivered through centralized operational arrangements. We will first aggregate customers’ fragmented orders with diverse specifications into standardized production batches through order aggregation and

FUTURE PLANS AND USE OF [REDACTED]

specification integration. We will then coordinate centralized procurement and processing to improve production efficiency and reduce procurement costs. Finally, we will provide one-stop supply chain services covering raw material sourcing, warehousing, inventory management and finished product delivery, enabling customers to obtain customized products that are ready for use.

For instance, we are acting as a designated supply chain service partner to a large special steel manufacturer in East China with annual production exceeding one million tonnes, and are progressively deepening our cooperation. In particular, we are optimizing its procurement costs for key raw materials by leveraging our global sourcing capabilities and use of derivatives, with a targeted annual cost reduction of approximately 1% to 2%. In parallel, we are jointly developing the market for high value-added special steel products in East China, where we are responsible for market development, warehousing and logistics, as well as sales. Under this cooperation project, if our cooperation partner is unable to manufacture certain product specifications due to technical or cost constraints, we will procure such products from qualified third-party manufacturers to complement the manufacturer’s product offerings. This enables us to expand the range of high value-added special steel products available to downstream customers and better meet their diverse procurement needs. In addition, where customers place low-volume orders with diverse specifications that are not economical for the manufacturer to produce individually, we will consolidate such fragmented orders through centralized order aggregation and specification integration to form standardized production batches. These efforts will enable us to better satisfy customers’ diverse demand for high value-added special steel products and support our expansion in the high value-added special steel market in East China.

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for working capital and general corporate purposes over the next three years.

We intend to use the net [REDACTED] from the [REDACTED] according to the timeframe as set out below, which is subject to changes based on our actual needs and market conditions at the relevant time.

	Percentage of total net [REDACTED] (%)	Net [REDACTED] to be used in			Total
		2026	2027	2028	
		(HK\$ in million)			
The upgrade and expansion of our logistics networks .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Potential investment or acquisition opportunities .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
The enhancement and expansion of our commodity portfolio	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhancing our digital and information technology capabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deepening our cooperation with upstream and downstream partners	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and general corporate purposes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[100.0]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

FUTURE PLANS AND USE OF [REDACTED]

If the [REDACTED] is set at HK\$[REDACTED] per Share, being the high end of the [REDACTED], the net [REDACTED] from the [REDACTED] will increase to approximately HK\$[REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the low end of the [REDACTED], the net [REDACTED] from the [REDACTED] will decrease to approximately HK\$[REDACTED]. The above allocation of the net [REDACTED] from the [REDACTED] will be adjusted on a pro rata basis or according to our business needs in the event that the [REDACTED] is fixed at a higher or lower level compared to the midpoint of the [REDACTED] range stated in this document. Any additional [REDACTED] received by us from the exercise of the [REDACTED] will also be allocated to the above purposes on a pro-rata basis.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate 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.