
FUTURE PLANS AND USE OF [REDACTED]

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], fees and estimated expenses paid and payable by us in connection with the [REDACTED], assuming no exercise of the [REDACTED] and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]).

We intend to use the net [REDACTED] from the [REDACTED] for the following purposes:

- Approximately [REDACTED]%, or HK\$[REDACTED] of the net [REDACTED], will be used to expand global production capacity and build intelligent manufacturing systems, in line with our strategy to capture industry growth and enhance supply chain resilience. Part of the new capacity will be realised through the Thailand bases to serve overseas markets, while the remainder will be achieved through the expansion and intelligent upgrade of our Jiaying production base. As of the Latest Practicable Date, our overseas and domestic capacity expansion projects are at the planning and preparatory stage. Specifically:
 - o Approximately [REDACTED]%, or HK\$[REDACTED] of the net [REDACTED], will be used for the construction of two new production bases and the expansion of the existing processing base in Thailand. As of the Latest Practicable Date, our Thailand production base in Nong Yai was undergoing trial production. The existing Thailand base in Nong Yai has a designed annual production capacity of approximately 18,000 tonnes. Since its commencement in March 2026, the base has been in trial production. With our customers’ capacity ramp-up and the launch of bulk orders for new energy composite materials and precision components, these net [REDACTED] will be used to expand the existing base in Thailand to support future large-scale production and stable delivery. Specifically, we plan to upgrade our existing assembly systems to enhance operational efficiency by introducing advanced automation technologies, improving production line layout and integrating digital monitoring systems.

In addition, we also plan to construct two new production bases in Thailand, one located in Nong Yai and the other to be located in Prachinburi Province, Thailand, with a total planned land area of approximately 84,267 sq.m. As of the Latest Practicable Date, we have obtained legally valid land use right certificates for the land parcels in Nong Yai and Prachinburi, which entitle us to occupy and use such parcels for our production facilities. The formal title deeds for the same parcels are being processed for registration with the competent authorities in Thailand. The selection of these locations is based on five key considerations: (i) market demand driven by the rapid growth of global new energy and robotics sectors; (ii) the need to meet our customers’ increasing demand for globalized supply chains, while aligning with and supporting our own global strategic expansion; (iii) proximity to our core customers for shorter delivery cycles and deeper supply-chain collaboration; (iv) cost optimisation through lower labour and land expenses; and (v) policy

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incentives including corporate income tax exemptions and import duty waivers in Thailand. With respect to new production bases, we plan to acquire land use rights for the construction of new facilities and production lines, and purchase precision processing equipment, testing devices and automated assembly systems. Such new construction arrangements are primarily intended to support capacity deployment for new and emerging product categories and overseas markets, including mica-based composite materials and key precision structural components, especially those for robotics applications, and to align with overseas customers’ supply chain layouts. In light of the relatively higher tariff and trade-related costs associated with exports of certain products from China to destination markets such as the United States, we expect overseas production to mitigate, to a certain extent, impacts on costs and delivery, while providing relatively dedicated capacity to support the expansion of our new businesses. These two new production bases and the expansion of the existing Thailand base will primarily serve our global customers. According to Frost & Sullivan, in 2025, the global market size of mica product reached RMB23.5 billion, while the global market sizes of mica product in industrial metallurgy sector, new energy sector, wire and cable sector, home appliance sector and others were RMB6.4 billion, RMB4.7 billion, RMB2.1 billion, RMB1.0 billion and RMB9.3 billion, respectively. Meanwhile, the global market size of transmission modules in the embodied intelligence sector reached RMB159.1 billion in 2025, according to Frost & Sullivan. For the details about the market overview and competitive landscape, see “Industry Overview — Overview of the Mica Product Market in the New Energy Sector”, “Industry Overview — Overview of the Mica Product Market in Other Sectors” and “Industry Overview — Overview of the Transmission Module Market in Embodied Intelligence.”

These investments will support the establishment of composite material production lines for mica boards, mica rolls and high-temperature insulation materials for new energy applications, as well as precision structural component lines for lead screw assemblies and automotive structural inserts. We will also recruit an aggregate of approximately 596 manufacturing personnel by 2030 to support the operation of new and upgraded facilities and ensure efficient capacity expansion. Taking into account the expected increase in production capacity by type of products, the production capacity of our mica-based composite materials and key precision structural components is expected to increase substantially after the completion of the two new production bases and the expansion of the existing Thailand base by 2030. For details, please refer to the table below. We believe such overseas production bases will strengthen our global delivery capability and enhance customer satisfaction, thereby enabling us to better serve global customers.

- o Approximately [REDACTED]%, or HK\$[REDACTED] of the net [REDACTED], will be used to expand and upgrade our production base in Jiaxing, China. This includes construction of new plants and investment in advanced equipment and automation systems for our composite material products and key precision structural components and related products, and recruitment of skilled manufacturing personnel to support such production capacity expansion. Such expansion and upgrading are primarily intended to accommodate incremental capacity for product categories that are highly aligned with our existing processes and production system, such as mica-based composite materials. By leveraging the established production lines, supporting facilities and technical team at the Jiaxing production base, we

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expect to achieve a more efficient capacity ramp-up and improvements in production efficiency and product quality to meet the anticipated increase in demand. In addition, we plan to deploy capacity at the Jiaxing production base for robotics-related structural components to further optimise our product mix and enhance our domestic supply capabilities in the new energy and robotics sectors. We will also recruit an aggregate of approximately 298 manufacturing personnel by 2030. Taking into account the expected increase in production capacity by type of products, the mica-based composite materials capacity at the Jiaxing base is expected to increase to 6,300 tonnes per annum and the key precision structural components capacity to 1,920 thousand units per annum after the expansion and upgrade by 2030.

The following table sets forth the further breakdown of [REDACTED] by nature of expenditure in relation to the expansion of global production capacity:

Allocation of estimated use of [REDACTED]	Production base	Product category	Construction timeline	Expected additional annual production capacity	Expected capital expenditure requirement by year
Approx. [REDACTED]% or HK\$[REDACTED]	Existing processing base in Thailand (Nong Yai)	Mica-based composite materials and related products (Phase I):	Phase I: June 2026 to December 2027 (expand and upgrade) ⁽¹⁾	– Automotive structural inserts: approx. 0.6 million sets per annum	2026: HK\$[REDACTED]
	– Phase I (existing, plan to expand and upgrade)	– Automotive structural inserts	Phase II: October 2026 to December 2027	– Ball screws: approx. 6.0 million pieces per annum	2027: HK\$[REDACTED]
	– Phase II (new)	Key precision structural components (Phase II):		– Reducers: approx. 0.2 million units per annum	2028: HK\$[REDACTED]
		– Ball screws			2029: HK\$[REDACTED]
		– Reducers			2030: HK\$[REDACTED]
	New production bases in Thailand (Prachinburi)	Mica-based composite materials and related products:	May 2026 to December 2028	– Mica boards: approx. 5,600 tonnes per annum	
		– Mica boards		– Mica tapes: approx. 2,100 tonnes per annum	
		– Mica tapes		– Products for NEV applications: approx. 3,500 tonnes per annum ⁽³⁾	
		– Products for NEV applications			
Approx. [REDACTED]% or HK\$[REDACTED]	Production base in Jiaxing, China (existing, plan to expansion and upgrade)	Key precision structural components, mica-based composite materials and related products	⁽²⁾	– Mica-based composite materials: approx. 6,300 tonnes per annum	2026: HK\$[REDACTED]
				– Key precision structural components: approx. 1,920 thousand units per annum	2027: HK\$[REDACTED]
					2028: HK\$[REDACTED]
					2029: HK\$[REDACTED]
					2030: HK\$[REDACTED]

Notes:

- (1) The project is being constructed with our own funds currently. As the project progresses, we will continue to inject the [REDACTED] from the [REDACTED].
- (2) The Jiaxing production base expansion does not have a fixed construction timeline at this stage, as our current focus is on the Thailand capacity expansion projects. The construction of the Jiaxing base will be carried out based on our actual operational needs and market conditions.
- (3) We expect to increase our annual mica paper production capacity by approximately 14,000 tonnes. Such mica paper is expected to be further processed into mica boards, mica tapes and products for NEV applications as set out in the table.

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- Approximately [REDACTED]%, or HK\$[REDACTED] of the net [REDACTED], will be used for strategic investments and acquisitions to strengthen our technology capabilities and expand our business portfolio in line with our growth strategy. We intend to seek and evaluate opportunities in the new energy and robotics sectors that can generate technological complementarity or market synergy with our existing operations. In identifying and evaluating potential targets, we apply quantitative screening criteria covering operating scale, technology maturity, industry positioning and financial health, and targets failing to meet the relevant baseline thresholds would generally be excluded from further assessment. Such thresholds typically include: (i) revenue of not less than RMB100 million in the most recent year with a two-year revenue CAGR of not less than 10%; (ii) no material insolvency or material overdue indebtedness; (iii) ownership of core patents, including at least five invention patents or at least fifteen utility model patents; (iv) R&D expenses of not less than 5% of revenue in the most recent year with an R&D team of not fewer than 20 personnel; (v) a top-10 ranking in the relevant niche segment based on reputable industry sources; and (vi) net profit of not less than RMB20 million in the most recent year with a net profit margin of not less than 10%, no consecutive losses over the most recent two years, and year-on-year growth in net profit (excluding non-recurring items) of not less than 10%. For early-stage targets with strong technical barriers and high growth potential, certain scale or financial thresholds may be applied with flexibility on a case-by-case basis, subject to stringent requirements on technology maturity and strategic fit. Specifically, we will target companies that (i) possess core technological capabilities in niche areas and have experienced and stable technical teams with a focus on technologies relating to high-performance materials applications, precision manufacturing of core transmission components, and high-precision transmission control and adaptation; (ii) can significantly enhance our ability to deliver comprehensive product offerings in the new energy and robotics sectors by further strengthening our technology layout and supporting our transition towards more integrated solution capabilities across materials, core components and control and adaptation; and (iii) maintain sound financial fundamentals and possess intellectual property portfolios that are complementary to ours. Through these investments, we aim to accelerate access to advanced technologies, broaden our product offerings and reinforce our competitive advantages in high-growth markets. Our Directors believe that there are a sufficient number of potential investment or acquisition targets given that there are over 80 targets that meet our selection criteria on the market, as advised by Frost & Sullivan. As of the Latest Practicable Date, we had not identified any particular acquisition target.
- Approximately [REDACTED]%, or HK\$[REDACTED] of the net [REDACTED], will be used to accelerate the R&D and innovation for precision components for robotics and safety structural parts for new energy applications, supporting product iteration and technology leadership. Specifically:
 - o Approximately [REDACTED]%, or HK\$[REDACTED] of the net [REDACTED], will be used to fund our R&D initiatives. Such planned investment represents a significant increase compared to our historical R&D expenditure, primarily due to the expansion of our R&D scope from advanced insulation materials to precision structural components and robot-related key components, as well as the need to establish dedicated R&D teams and facilities and accelerate product iteration to meet evolving customer requirements and emerging application scenarios. Our R&D initiatives will focus on (i) enhancing the performance and application of our advanced materials to consolidate our

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existing market position, (ii) developing precision structural components to enable our transition towards higher value-added integrated solutions with improved product reliability and margins, and (iii) extending our existing capabilities in precision manufacturing, high-temperature-resistant materials and lightweight technologies into robot-related key components to support our entry into emerging industries and diversify our revenue streams. These initiatives are expected to enhance our competitiveness by improving product performance, reliability and application breadth, enabling customised solutions to increase customer stickiness, expanding into higher value-added segments and strengthening our technological barriers, thereby supporting our long-term growth under our “new energy + robotics” strategy. This initiative will also deepen our engagement in interactive R&D with global robotics leaders, supporting their product development and expanding our presence in new application scenarios. In connection with these R&D efforts, we plan to purchase high-end precision machining equipment and advanced testing instruments to drive related projects, and recruit approximately 35 experienced engineers with over five years’ working experience focusing on automotive components or robotics area to further support our R&D initiatives. These engineers are required to hold a bachelor’s degree or above in mechanical engineering, automation, robotics engineering, electrical engineering, control engineering or computer science, and possess more than five years of relevant R&D experience in automotive components or robotics. The expected salary for these positions will be set at competitive market rates in the relevant countries/regions. As advised by Frost & Sullivan, there are a sufficient number of such experienced engineers that meet our selection criteria on the market.

- o Approximately [REDACTED]%, or HK\$[REDACTED] of the net [REDACTED], will be used to fund our R&D initiatives for safety structural parts and related areas to consolidate our leadership in mica-based composite insulation materials and high-temperature safety components for NEV battery systems. These efforts will strengthen our ability to deliver customized products to global automotive OEMs by accelerating product upgrades and enhancing material performance to meet stringent safety and reliability standards. We will also invest in advanced analytical and testing instruments to further support our R&D initiatives.
- Approximately [REDACTED]%, or HK\$[REDACTED] of the net [REDACTED], will be used to strengthen our global marketing network and enhance management effectiveness, supporting our international expansion and operational excellence. We plan to recruit approximately 33 overseas service engineers in the United States, Germany, Sweden, Singapore and Thailand to provide localized pre-sales and after-sales support and improve customer responsiveness. The overseas service engineers are required to hold a bachelor’s degree or above in mechanical engineering, electronic information, electrical automation or power electronics, and possess more than three years of after-sales maintenance experience. They must be proficient in at least one foreign language (English, German or Japanese) and capable of independently resolving complex technical issues. The expected salary for these positions will be set at competitive market rates in the relevant countries/regions. As advised by Frost & Sullivan, there are a sufficient number of such overseas service engineers that meet our selection criteria on the market. We will also enhance our market visibility through participation in international exhibitions, promotional activities and technical forums. In addition, we aim to improve management efficiency across critical business processes, including supply

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chain management, quality control, sales and operations, to support scalable growth and maintain strict product quality standards. To that end, we plan to recruit management professionals in Jiaxing and Southeast Asia to strengthen operational oversight and enhance production efficiency.

- Approximately [REDACTED]%, or HK\$[REDACTED] of the net [REDACTED], will be used to supplement corporate working capital and other general uses.

If the [REDACTED] is set at the high end of the [REDACTED] range or the low end of the [REDACTED] range, and the [REDACTED] were not exercised, the net [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED] and HK\$[REDACTED], respectively. The net [REDACTED] that we would receive if the [REDACTED] were exercised in full would be: (i) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the maximum [REDACTED] of the indicative [REDACTED] range); (ii) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range); and (iii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the minimum [REDACTED] of the indicative [REDACTED] range).

To the extent our net [REDACTED] from the [REDACTED] (including the net [REDACTED] from the exercise of 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.

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].

In the event of any material change to the proposed use of [REDACTED], we will issue an appropriate announcement in accordance with the applicable requirements under the Listing Rules.

To the extent that the net [REDACTED] of the [REDACTED] are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, we will only deposit the unused 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 applicable laws and regulations in other jurisdictions).