
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 [REDACTED] of approximately [REDACTED] from the [REDACTED], after deducting the [REDACTED] and estimated expenses payable by us in connection with the [REDACTED], assuming the [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range of [REDACTED] to [REDACTED]) and assuming that the [REDACTED] is not exercised. We intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

1. Approximately [REDACTED] %, or [REDACTED], will be allocated to support our localisation and vertical integration strategy.
 - Approximately [REDACTED]%, or [REDACTED], will be allocated to support our onshore integrated capacity expansion. The [REDACTED] will be used to fund construction works (approximately [REDACTED]%), equipment procurement and installation (approximately [REDACTED]%) and contingency and commissioning and start-up costs (approximately [REDACTED]%) for our onshore integrated capacity projects in battery chemicals and organic fluorochemicals, including expansion of LiFSI, solvents and additives capacity at Hunan Fluopont, Huizhou Capchem and Jiangsu Hicomer Electronic Materials, and expansion of organic fluorochemicals production at Sanming Hexafluo and Fujian Heptafluo. All projects have completed feasibility studies and commenced construction or preparatory work. The [REDACTED] will be deployed in tranches from 2026 through to 2029, with full deployment and target production capacity expected no later than 2029.
 - Approximately [REDACTED]%, or [REDACTED], will be allocated to support our overseas localised capacity expansion. The [REDACTED] will be used to fund construction works (approximately [REDACTED]%), equipment procurement and installation (approximately [REDACTED]%), contingency and commissioning and start-up costs (approximately [REDACTED]%) for our overseas battery chemicals production capacity in Malaysia, including costs for construction of production facilities and procurement of process equipment required for production. The [REDACTED] will be deployed in tranches from 2026 to 2027, aligned with project construction milestones, with full deployment expected no later than 2027.

Overseas electrolyte market growth and price premium. According to Frost & Sullivan, the overseas electrolyte market reached approximately RMB11.8 billion in 2025 and is projected to grow to approximately RMB30.1 billion by 2030, representing a compound annual growth rate of approximately 20.6% from 2025 to 2030, driven by rapid growth in NEV and ESS demand in international markets. The overseas electrolyte market commands a meaningful price premium over the domestic market. The overseas price premium reflects higher logistics costs, customer qualification requirements and the relative scarcity of localised electrolyte supply in those markets. Establishing local production capacity in these regions will enable the Company to capture this premium while reducing logistics and supply chain risk.

The overseas capacity expansion project above has completed feasibility studies. The findings confirm market demand, customer commitments, cost competitiveness and site selection rationale for each project.

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2. Approximately [REDACTED]%, or [REDACTED], to support our full-cycle R&D capabilities. The [REDACTED] will be applied to additional R&D and technical personnel costs, R&D equipment procurement and materials and consumables for: (i) battery chemicals, covering lithium-ion battery electrolytes, sodium-ion battery electrolytes and novel electrolyte additives; (ii) organic fluorochemicals, covering next-generation data centre cooling liquids and perfluoroether rubber and other fluoropolymers; (iii) electronic information chemicals, covering semiconductor cooling liquids, wet electronic chemicals for display panel and IC manufacturing, and capacitor chemicals; and (iv) foundational and forward-looking research in high-performance polymer monomers and lithium battery polymer materials. The [REDACTED] will be deployed in tranches from 2026 through to 2029, with full deployment expected no later than 2029.

Allocation and roles of R&D and technical personnel. The [REDACTED] will be applied to the remuneration and onboarding costs of additional R&D and technical personnel to be recruited from 2026 to 2029, each of whom will be required to hold a bachelor’s degree or above in chemistry, materials science, chemical engineering, fluorine chemistry or related disciplines, and will be deployed primarily on the research, development and pilot-scale validation of our battery chemicals, organic fluorochemicals and electronic information chemicals products. The new hires will principally comprise R&D engineers, who will lead the design, development and verification stages of our R&D workflow (covering molecular structure and synthesis-route design, process and formulation development, testing-method development, process optimisation, and related mechanistic and foundational research), and laboratory engineers, who will support the verification and implementation stages (covering the execution of R&D protocols, experimental operations and analytical testing). The allocation of the new hires across our R&D priority areas will be determined on the basis of a holistic assessment of multiple factors, including (i) the revenue contribution and growth outlook of each business segment; (ii) the stage of development and the product and technology pipeline within each segment; (iii) the seniority, disciplinary background and skill mix required for the R&D activities of each segment; (iv) the level of existing R&D coverage within each segment and the areas in which we have identified incremental capability gaps; and (v) our broader strategic priorities, including overseas expansion and the build-out of emerging product platforms. The new hires will be deployed primarily at our Shenzhen Research Institute, Huizhou Research Institute, Sanming Fluorinated New Materials Centre, Huaian Hicomer Laboratory and laboratories at our production bases.

Procurement of equipment, materials and consumables. The [REDACTED] will be applied to the procurement of R&D and pilot-scale equipment, together with raw materials, key intermediates, catalysts and consumables, for use across our three business segments. The equipment to be procured will comprise laboratory and pilot-scale apparatus for battery chemicals, organic fluorochemicals and electronic information chemicals R&D, supporting product development, formulation optimisation, process scale-up, stability verification and performance evaluation, with a view to completing our full-chain R&D infrastructure; this will include new synthesis reactors, rectification columns and other pilot-scale equipment to enhance our process R&D capabilities and reinforce our Design and Synthesis Systems, Material Purification Systems and Formulation and Solution Systems, together with additional analytical and testing instruments deployed across each of our three business segments to reinforce our Analysis and Testing Systems and Device Testing and Evaluation Systems. In parallel, we will procure raw materials, key

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intermediates, catalysts, laboratory consumables and analytical reagents to support new-product formulation R&D, process optimisation, sample trial production, performance testing and reliability verification, thereby continuing to strengthen our technological innovation capabilities, the pace of product iteration and our ability to translate laboratory results into industrial-scale processes, and supporting the continued upgrading of our core technologies and the development of high-end products.

3. Approximately [REDACTED]%, or HK\$[REDACTED], will be used to support upgrades of our digital infrastructure. The [REDACTED] will be applied to hardware and software procurement, systems development and integration, data centre renovation, personnel training, system operations and maintenance, and technical consulting in connection with digital infrastructure upgrade projects at our headquarters and Huizhou Capchem. Both projects have commenced preparatory work. The [REDACTED] will be deployed in tranches from 2026 through to 2028, with full deployment expected no later than 2028.
4. Approximately [REDACTED]%, or HK\$[REDACTED], for working capital and other general corporate purposes.

If the [REDACTED] is set at the high end of the [REDACTED] range or the low end of the [REDACTED] range, the [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED]. To the extent our net [REDACTED] from the [REDACTED] (including the [REDACTED] from the exercise of the [REDACTED]) are either more or less than expected, we will adjust our allocation of the [REDACTED] for the above purposes on a pro rata basis.

If the [REDACTED] is fully exercised, we will receive additional [REDACTED] of approximately HK\$[REDACTED] for [REDACTED] Shares to be [REDACTED] and [REDACTED] based on the [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the [REDACTED] range, and after deducting the [REDACTED] payable by our Company. The additional [REDACTED] raised will be applied to the above areas of use of [REDACTED] 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 [REDACTED] from the [REDACTED].

To the extent that the [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 [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions).