
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

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

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the midpoint of the stated range of the [REDACTED] of between HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED]), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] after deducting the [REDACTED] and other estimated expenses in connection with the [REDACTED].

We intend to use the net [REDACTED] we expect to receive from the [REDACTED] for the purposes and in the amounts set out below:

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to advance the construction and expansion of our production bases in Morocco and Indonesia. Committed to our globalization strategy, we expect to extend our market reach in Africa, Asia-Pacific and Europe. In particular:
 - (1) **Morocco Production Base.** Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the continued construction of our Morocco production base and the procurement of production equipment used therein. Our Morocco production base is located in the Tangier-Tetouan-Al Hoceima region of Morocco, with a total planned land area of 303,964 sq.m. As of the Latest Practicable Date, we had acquired the land for the production base. We plan to establish a comprehensive copper processing and new energy materials production base, focusing on the production of lithium battery copper foil, precision copper tubes, precision copper rods, copper fittings and ingots. Upon full completion and commencement of operation, the Morocco production base is expected to have a designed and budgeted annual production capacity of 50,000 tonnes of unwrought copper and copper alloy products, 35,000 tonnes of copper tubes, 40,000 tonnes of precision copper rods, 150 million pieces of precision copper alloy fittings and 25,000 tonnes of lithium battery copper foil and other new energy materials. As of the Latest Practicable Date, we had completed the construction of certain facilities, such as the melting and casting workshop. We expect to substantially complete the principal civil works for our Morocco production base in 2027, with installation, trial production and commissioning of the relevant production lines to be carried out in phases from 2026 to 2029. Notwithstanding the relatively low utilization rate of our existing European production facilities during the Track Record Period, we have taken into account that such utilization rate primarily reflected the gradual pace of the broader macroeconomic recovery in Europe over the period and our corresponding deliberate and prudent approach to ramping up output in step with that recovery, rather than any structural overcapacity at those facilities. The Morocco production base is intended to operate as a complementary node within our coordinated global production network: (i) it would be responsible for producing different product categories than the European production bases, focusing on unwrought copper and copper alloy products, precision copper tubes, precision copper rods, copper fittings and lithium battery copper foils and other new energy materials; (ii) its location in Tangier places it close to our European customers and positions it to serve Europe, the Middle East and Africa, and the new energy materials facility is intended to benefit from preferential access to the European Union market available to the relevant products under applicable trade arrangements, which we expect will shorten regional delivery routes, broaden our overseas supply options and strengthen our supply chain resilience; and (iii) it enhances our supply chain resilience as a North African production node, improving our proximity to raw materials and customers, reducing logistics costs and mitigating trade risks such as

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tariffs, while reducing our reliance on any single production location or logistics route within the EMEA region. The total estimated investment, including construction, equipment procurement and trial production related expenditures, for the Morocco production base is estimated at approximately HK\$2,246.0 million in total, which would be funded by our own capital resources and the net [REDACTED] from the [REDACTED]. The following table sets forth the planned allocation of net [REDACTED] for the Morocco production base by sub-category and by year of expected utilization:

Sub-category	HK\$ (in million)	%	2026	2027	2028	2029
(i) Construction of Production Facilities . . .	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(ii) Procurement of Production Equipment . .	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(iii) Trial Production	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.0%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- (i) Construction of Production Facilities. We plan to complete the construction of key production facilities with a total planned land area of 192,548 sq.m. Specifically, we plan to build a new energy materials production facility that specializes in high-precision lithium battery copper foil. This workshop will be equipped with high-standard clean rooms and will be capable of producing copper foil with a minimum thickness of 4.5 micrometers. The facility is designed to serve the growing demand from the NEV battery and energy storage sectors, and is intended to leverage Morocco’s preferential access to the European Union market under the relevant free trade agreement. In addition, we intend to establish a workshop specializing in the production of precision copper tubes, rods and fittings. Our precision copper tube workshop is dedicated for the production of precision copper tubes used for HVAC, featuring automated production lines that serve overseas customers. Our precision copper rod workshop manufactures copper rods in accordance with EU automotive specifications, targeting the automotive sector in Europe and other premium overseas markets. In addition, we plan to build a multi-story copper fittings workshop equipped with high-standard clean rooms, dedicated to the production of copper fittings for the plumbing, HVAC and industrial sectors in overseas markets. Furthermore, we plan to build auxiliary production facilities that comprise a sewage treatment station, a substation for reliable power supply, and an automated warehouse for efficient warehousing and logistics management.
- (ii) Procurement of Production Equipment. We plan to procure key equipment for production lines. Specifically, we aim to acquire high-strength, ultra-thin copper foil manufacturing equipment, along with high-precision cathode rollers that help form the foil base and surface treatment machines that apply coatings to improve performance and corrosion resistance. In addition, we plan to acquire advanced equipment for our precision copper tube and precision copper rod production lines, thereby facilitating the production of our premium copper-processed products and meeting the growing demand in automotive and premium machinery sectors. We also plan to procure melting furnaces that heat and purify copper into ingots, together with automated equipment that shapes the materials into fittings.
- (iii) Trial Production. We will procure raw materials, primarily copper cathode reserves, which are required for the ramp-up of new production lines, and recruit additional production staff to ensure smooth operations. We plan to employ approximately 855 additional employees at the Morocco production base upon the full operations.

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- (2) **Indonesia Production Base.** Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the expansion of our Indonesia production base and the procurement of production equipment used therein. This production base is located at East Java Province, Indonesia. The existing facilities of our Indonesia production base are operational, with a designed annual capacity of 25,000 tonnes of copper foils. The total estimated investment for the Indonesia production base amounts to approximately HK\$6,667.7 million, which would be funded by our capital resources, bank borrowings and the net [REDACTED] from the [REDACTED]. We plan to use the net [REDACTED] to fund the procurement and installation of production equipment for two additional workshops within the existing Phase 1 building, and the construction of a new Phase 2 production facility and procurement and installation of production equipment therein. The two additional workshops to be established within the existing Phase 1 building of the Indonesia production base will both produce copper foil, each with a designed annual production capacity of 12,500 tonnes. Together they will add 25,000 tonnes and bring the designed annual production capacity of Phase 1 to 50,000 tonnes, and the Phase 2 facility to be constructed separately is intended to add a further 50,000 tonnes, bringing the total designed annual production capacity of the Indonesia production base to 100,000 tonnes upon full completion. Each workshop will carry out the full production process from raw materials to finished copper foil, housing production lines that cover copper dissolution and electrolyte preparation, electrolytic deposition of raw foil onto rotating cathode drums, baking, aging, slitting, inspection and packaging, supported by intelligent logistics, clean room, acid mist purification, power supply and distribution and automated control systems. By housing the remaining Phase 1 copper foil production lines, the two workshops allow us to reach the planned Phase 1 capacity of 50,000 tonnes and to commission the additional capacity in phases using the existing Phase 1 building and its supporting infrastructure. The following table sets out the planned allocation of net [REDACTED] for the Indonesia production base by sub-category and by year of expected utilization:

Sub-category	HK\$	%	2026	2027	2028	2029
	(in million)					
(i) Construction of Production Facilities . . .	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(ii) Procurement of Production Equipment . .	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(iii) Trial Production	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- (i) Construction of Production Facilities. We plan to invest in the construction of the new production facility with a planned area of 91,150 sq.m., along with auxiliary facilities, which will house additional production lines for copper foils.
- (ii) Procurement of Production Equipment. We will procure key production equipment to support our production expansion, including high-precision cathode rollers in customized widths and integrated foil-making machines to enhance production efficiency and yield rates for copper foils. We also plan to acquire high-precision high-power rectifiers and transformers to maintain stable current for manufacturing ultra-thin copper foil. Additionally, we will purchase advanced surface treatment machines and high-speed slitting machines to meet overseas customer requirements for customized foil widths and superior surface properties.

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- (iii) Trial Production. We plan to procure copper cathode for copper foils, raw materials for the manufacturing of copper busbars and rods, as well as other operational expenditures required to support the Phase 2 production ramp-up at the Indonesia production base. We plan to recruit approximately 1,470 additional employees for the Indonesia production base.
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to enhance our R&D in frontier copper-based products and strengthen our intelligent manufacturing capabilities. In particular:
 - (1) ***Procurement of Advanced R&D and Testing Equipment.*** Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to acquire advanced equipment along with high-precision testing instruments. We plan to deploy a material science AI simulation computing cluster and advanced material inspection system to achieve intelligent manufacturing. We also plan to procure and implement testing platforms from third parties for liquid cooling system and its components thereby meeting AI data center’s and advanced consumer electronics’ demand for thermal management. For the next-generation lithium battery and advanced telecommunications, we plan to acquire testing platforms for copper foils’ surface, enabling our R&D of high-performance copper foils. We focus on four specific categories of advanced copper foil for use in next-generation lithium battery cell architectures. The first is a corrosion-resistant copper foil designed for compatibility with sulfide solid-state electrolyte environments, where the high reactivity of sulfide electrolytes poses significant corrosion challenges for conventional copper current collectors. We have submitted samples of this product to multiple battery cell manufacturers for evaluation, and several customers have completed cell-level verification, representing an early-stage milestone in its commercialization pathway. The second is a double-sided rough copper foil featuring a surface roughening treatment developed through our internal R&D efforts applied to both faces of the foil substrate, which enhances adhesion between the copper current collector and the active electrode material coating, thereby improving the cycling stability and energy density of next-generation lithium-ion and solid-state battery cells. The third is a porous copper foil with a controlled micro-porous structure that facilitates lithium-ion diffusion across the current collector layer, improving rate performance and heat dissipation within battery cells, and is particularly targeted at high-rate-charging and high-energy-density applications. The fourth is an ultra-thin copper foil with a target thickness of 4.5 μm or below, which reduces the parasitic dead weight of current collectors in battery cell stacks and thereby increases the gravimetric and volumetric energy density of next-generation lithium-ion and solid-state batteries. In addition, we are developing copper-based thermal management products — comprising precision liquid-cooled cold plates, heat pipes and vapor chambers — for deployment in AI data center servers, 5G base station equipment and high-performance computing systems, all of which face rapidly increasing heat flux densities that exceed the capacity of conventional air-cooling approaches, driving accelerating demand for active copper-based thermal management products. Additionally, we plan to construct the production line for copper foils by deploying high-precision foil-making machine, precision surface treatment machine and other equipment.
 - (2) ***Collaboration with Academia.*** Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to strengthen our strategic partnerships with leading academic institutions. Specifically, we intend to reinforce our long-term strategic agreements with premier institutions through the establishment of joint laboratories that bridge basic research with practical applications. We will concentrate on overcoming heat dissipation challenges in AI data center and high-power chips and exploring advanced manufacturing processes. Similarly, we will tackle underlying physical and chemical issues in copper-processed products

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through materials genome engineering for ultra-high conductivity and high-strength copper alloys. Beyond these core initiatives, we will also consider project-based collaborations with other domestic and international research institutions on critical new energy battery materials like copper foils for sulfide solid-state electrolytes.

- (3) **Talent Recruitment.** Approximately [REDACTED]%, or HK\$[REDACTED] million, will be directed toward recruiting 15 to 20 high-caliber scientific and innovation talent, specifically leading experts and industry specialists in new energy battery materials and AI thermal management system design as well as in metal materials science and electrochemical engineering, complemented by competitive compensation packages to attract and retain individuals who can propel our technological advancements and contribute to our strategic goals in these high-priority fields.
 - (4) **Building Digital Infrastructure.** Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to facilitate upgrades to our digital infrastructure and industrial software, including the deployment of a global cloud platform, the construction of a materials database, licensing and maintenance for computer-aided engineering simulation software, MES and design tools to streamline our operations and foster intelligent manufacturing across our facilities. We plan to strengthen our digital infrastructure and industrial software capabilities through three complementary initiatives, namely deploying a global industrial IoT cloud platform to centralize monitoring and predictive maintenance across all of our global production bases, developing an AI-driven materials genome database to accelerate process optimization and shorten R&D cycles for new alloy compositions and foil products, and procuring and deploying a suite of industrial software to support our engineering design, manufacturing execution, and process control functions. Together, these enhancements are expected to improve production yield rates through real-time quality monitoring and AI-driven optimization, reduce unit production costs through more effective predictive maintenance and automation, and accelerate how we develop and commercialize new products. These capabilities are expected to underpin continued profitability growth in our copper foil segment, with gross margins improving gradually as production scale expands, thereby recouping our investments.
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to pursue strategic investment, merger and acquisition opportunities that are intended to strengthen our position in the copper-based materials industry through expansion into high-growth areas. Drawing on our established expertise, we seek to advance into innovative downstream applications characterized by high value addition, substantial technological barriers and strong growth prospects, thereby enhancing our profitability. We plan to pursue these opportunities through various approaches, such as mergers and acquisitions, equity investments, joint ventures or collaborative partnerships, allowing us to tailor each transaction to maximize integration benefits and strategic fit. When evaluating potential targets, we will prioritize those in key sectors that align closely with our overall growth strategy, including advanced thermal management and liquid cooling systems, such as companies specializing in cold plates manufacturing, immersion cooling technologies, efficient heat dissipation modules, fins or heat pipes, which would enable us to deliver comprehensive copper-based heat management products for rapidly growing AI computing chips, data centers, intelligent robots and NEVs. Similarly, we will target companies developing and producing high-performance copper alloys, high-precision conductive materials, aluminum products and advanced lithium battery copper foils, thereby broadening our portfolio into innovative industrial applications. In terms of technical strengths, we will seek companies possessing robust patent portfolios, proprietary manufacturing processes or industry certifications. We prefer rapidly growing businesses with market-validated technologies, solid revenue growth

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trajectories and valuable customer networks to support seamless scaling. Additionally, we will explore opportunities worldwide, with a particular emphasis on Asia-Pacific, Europe and Americas, where established industrial ecosystems and promising market dynamics can enhance our global production network. According to Frost & Sullivan, the target segments for our downstream expansion strategy, including advanced thermal management and liquid cooling systems such as cold plate manufacturing, immersion cooling, heat dissipation modules, fins and heat pipes, high-performance copper alloys, high-precision conductive materials, aluminum products, and advanced lithium battery copper foils, are supported by an identifiable and commercially active pool of market participants globally. Based on publicly available industry data and market screening, Frost & Sullivan estimates that there are over 150 to 250 potential companies worldwide operating across these relevant sub-sectors, with a meaningful concentration in the Asia-Pacific region, Europe, and the Americas. Among them, approximately 30 to 50 are considered mid-sized to large-scale enterprises with established customer bases, proprietary technologies or patent portfolios, and scalable production capabilities that may be suitable for strategic collaboration or investment consideration. Our industry consultant, Frost & Sullivan, is therefore of the view that the market provides a sufficient pool of potential targets to support our downstream expansion strategy, subject to commercial negotiation, valuation considerations, and applicable regulatory approvals. As of the Latest Practicable Date, we had not identified any particular targets, and all future endeavors will undergo rigorous due diligence, secure necessary regulatory clearances and adapt to current market dynamics.

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated for our international branding strategy and market promotion. We plan to intensify our branding efforts in overseas markets by participating in leading international industry exhibitions and conferences, while also strengthening collaborations with international industry organizations, thereby elevating our brand’s visibility in premium markets across Europe and the United States, as well as emerging markets. In addition, we intend to organize seminars and industry meetings for key customers to foster deeper strategic partnerships and enhance loyalty among our global customer bases. Furthermore, we will implement targeted advertising campaigns through professional media and channels in our overseas markets to broaden our reach and reinforce our position as a trusted supplier in the copper processing industry.
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated for working capital and 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 net [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED] million, respectively. To the extent our net [REDACTED] from the [REDACTED] are either more or less than expected, we will increase or decrease the intended use of our net [REDACTED] for the above purposes on a pro rata basis.

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

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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 the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

If any part of our development plan does not [REDACTED] 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].