
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For details, see “Business — Our Strategies” in this document.

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] Share, being the mid-point of the [REDACTED]), assuming the [REDACTED] is not exercised, after deducting the underwriting fees and commissions (assuming the full payment of the discretionary incentive fee) and estimated expenses payable by us.

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

- I. Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for the construction of a lithium-ion batteries production facility in Southeast Asia, which is one of our key development strategies. The lithium-ion batteries production facility to be constructed in Southeast Asia will primarily be used for producing batteries for data centers in order to cultivate our second growth pillar and increase our markets share regarding energy storage products for data centers. For details, see “Business — Our Strategies — Further develop our data center business” in this document. For the year ended December 31, 2024, our lithium-ion battery production capacity reached 2.13 GWh. In response to the growing downstream demands and to better service our overseas markets, we will further expand our production capacity by constructing a lithium-ion battery production facility with a designed annual production capacity of approximately 3.0 GWh. Our current lithium-ion battery production lines primarily manufacture energy storage batteries for telecom base stations and electrical energy storage settings and we do not have a dedicated production line for high-rate lithiumion battery products specifically for data centers. Due to shifting market trends and the rising demand from data centers, we plan to establish a dedicated production line for lithiumion batteries specifically designed for data center applications.

Additionally, we plan to expand our production capacity in Southeast Asia to serve our overseas market and enhance our global market presence, with a particular focus on Southeast Asian, European, and African market. For details, see “Business — Our Strategies — Expand our global presence” in this document. The Southeast Asian energy storage market has witnessed substantial growth in recent years, fueled by the region’s evolving demographics and economic advancements. From 2020 to 2024, Southeast Asian GDP grew at a robust CAGR of 6.9%, with projections indicating a rise from USD3.5 trillion in 2025 to USD4.6 trillion by 2029, achieving a CAGR of 6.8%. Concurrently, driven by the increasing population and rising expenditures, there is a growing demand for energy storage batteries in Southeast Asian region,

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particularly in nations like Indonesia and Vietnam. Beyond Southeast Asia, both Europe and Africa offer large market potentials. Europe is accelerating the deployment of renewable energy, since the EU has raised its binding renewable energy target for 2030 from 32% to at least 42.5%. The accelerated deployment of energy storage will help Europe absorb the newly installed renewable energy capacity and reduce its reliance on external energy sources. In Africa, where the grid infrastructure is weak and power supply is unstable in remote areas, approximately 600 million people still lack access to electricity. The large-scale deployment of energy storage systems, especially distributed energy storage systems, will effectively address Africa’s energy shortage problem. In particular:

- i. approximately [REDACTED]%, or HK\$[REDACTED], will be used for the payment of construction costs of the main production plant(s) and ancillary infrastructures, such as warehouses, employee dormitories and offices. We plan to acquire a plot of land covering approximately 30,000 square meters for the construction of new production facilities;
- ii. approximately [REDACTED]%, or HK\$[REDACTED], will be used for the purchase and installation of production equipment and software for the manufacturing of batteries. We plan to purchase equipment including but not limited to (i) batteries production equipment, such as mixing machines (machines used for positive and negative pulping, including automatic feeding and stock transfer); coating machines (double-sided coating of positive and negative battery terminals); and cell assembly system (a system which can complete welding, core-closing and shell insertion processes); (ii) public auxiliary facilities, such as ventilation systems (including but not limited to air conditioners and dehumidifiers), building structure (such as doors and windows) and lighting system; (iii) battery testing equipment, such as scanning electron microscopy and electrolyte detection equipment for morphology detection; and (iv) other relevant supporting software, such as monitoring systems, servers, and office software;
- iii. approximately [REDACTED]%, or HK\$[REDACTED], will be used for the salaries of management team as well as construction and production related employees. We plan to primarily manage and operate overseas production facility through the deployment of domestic staff, supplemented by local recruitment. We anticipate having a workforce of around 50 employees at our production facility in Southeast Asia; and
- iv. approximately [REDACTED]%, or HK\$[REDACTED], will be used for trial productions and other early-stage expenses, among others, costs for obtaining various permits and licenses, fees for handling local government procedures and service fees for third-party agencies such as lawyers.

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- II. Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is intended to be used to fund the establishment of a research and development center in Taizhou focusing on the research and development of: (i) enhanced energy storage battery life; (ii) solid state battery; (iii) sodium-ion battery; and (iv) BMS technology. We believe that R&D is vital for achieving our business success. For details, see “Business — Our Strategies — Continue to invest in R&D” in this document. Our existing R&D centers in Taizhou, Shenzhen, Beijing and Xiangyang mainly focus on innovations in battery manufacturing processes and development of specific batteries. For details, see “Business – Research and Development” in the document. As we are dedicated to further improve our capabilities in the underlying and foundational science of energy storage batteries, we plan to establish a new R&D center in Taizhou in replace of the existing Taizhou R&D center, focusing on cutting-edge battery technology research, including but not limited to the development and iteration of battery cells. This new R&D center aims to further our development of underlying battery technology. In contrast, the remaining existing R&D centers in Shenzhen, Beijing and Xiangyang will continue to concentrate on enhancing production efficiency. Therefore, the new R&D center will differ fundamentally from the existing ones in its focuses and objectives. With distinct focuses, the new and existing R&D centers will complement each other to achieve a comprehensive enhancement of our R&D capabilities.

In particular, we plan to allocate (i) [REDACTED]% of the the net [REDACTED], or HK\$[REDACTED], for construction of the research and development center; (ii) [REDACTED]% of the the net [REDACTED], or HK\$[REDACTED], for the acquisition of equipment and software, including but not limited to chemical dissolving tank, filter, battery high altitude low pressure testing machines and other test equipment, as well as three-dimensional software, office software, simulation software and other software systems; (iii) [REDACTED]% of the the net [REDACTED], or HK\$[REDACTED], for the recruitment of the research related staff; and (iv) [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], for the execution of research projects.

- III. Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is intended to be used to strengthen our overseas sales and marketing so that we can enhance our global presence, better serve our overseas customers and boost our international sales. For details, see “Business — Our Strategies — Further enhance and expand our energy storage business with customer-centric approach” and “Business — Our Strategies — Expand our global presence” in this document. We plan to establish a sales and marketing center in Singapore. Leveraging on the new sales and marketing center, we expect to further our business growth in Southeast Asia, especially in Singapore, Malaysia and India. In particular:

- i. approximately [REDACTED]%, or HK\$[REDACTED], will be used for to pay the rent for leased properties used for offices of our overseas sales and marketing team;

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- ii. approximately [REDACTED]%, or HK\$[REDACTED], will be used for the recruitment of sales and marketing staff. We plan to deploy our sales and marketing staff in overseas locations, leveraging their experiences and insights to attract target companies and drive brand awareness. We plan to recruit additional sales and marketing experts skilled in international trade, digital marketing and marketing analysis, ensuring our strategies are both innovative and effective; and
 - iii. approximately [REDACTED]%, or HK\$[REDACTED], will be used to carry out promotional activities in the regions that we are expanding to. We plan to actively participate in overseas product exhibitions and conferences to increase our exposure and brand recognition in international markets, thereby attracting more overseas customers. We plan to participate in a series of international exhibitions focusing on overseas energy storage, telecommunications, global photovoltaics, and industry-specific events.
- IV. Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to provide funding for working capital and other general corporate purposes.

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The table below sets forth the expected implementation timetable of our planned use of our [REDACTED] for the purposes listed above, which is subject to changes based on our actual needs and market conditions at the relevant time:

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Total</u>
	<i>(HK\$ in [REDACTED])</i>			
Construction of a lithium-ion batteries production facility in Southeast Asia (construction costs of the main production plant(s) and ancillary infrastructures, purchase and installation of production equipment and software, recruitment of employees, and trial productions and other early-stage expenses)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Establishment of a new research and development center (construction of the R&D center, acquisition of equipment and software, recruitment of R&D staff, and execution of research projects)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Strengthen our overseas sales and marketing (rent for overseas offices, recruitment of sales and marketing staff, and promotional activities)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Provide funding for working capital and other general corporate purposes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The above allocation of the [REDACTED] will be adjusted on a pro-rata basis in the event that the [REDACTED] is fixed below or above the mid-point of the indicative price range. If the [REDACTED] is set at HK\$[REDACTED] per Share, which is the high end of our indicative [REDACTED], the net [REDACTED] from the [REDACTED] will increase to approximately HK\$[REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per Share, which is the low end of our indicative [REDACTED], the net [REDACTED] from the [REDACTED] will decrease to approximately HK\$[REDACTED].

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Any additional [REDACTED] received from the exercise of the [REDACTED] will also be allocated to the above purposes on a pro-rata basis. In the event that the [REDACTED] is exercised in full, we will receive net [REDACTED] of HK\$[REDACTED] (after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED] and assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of our indicative [REDACTED]).

To the extent that the net [REDACTED] are not immediately applied to the above purposes, we intend to deposit the net [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).