FUTURE PLANS AND PROSPECTS

See "Business — Development Strategies" in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK$20.09 per Offer Share (being the maximum amount of the Offer Price range stated in the prospectus), will be approximately HK$2,733.6 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering.

In accordance with our strategy, we plan to use the proceeds for the following intended purposes in the amounts set forth below:

- 45%, or approximately HK$1,240.8 million, will be used to diversify our product portfolio and upgrade our products to expand our business scope and increase our market share and penetration, so as to consolidate our leading position in the electronic communication and electrical power transmission industries, including:
  - 28%, or approximately HK$773.1 million, will be used for product development and production capacity expansion of our electronic communications business and to enhance overall product performance. Specifically, we plan to
    - (i) increase our investment in the R&D for products under our electronic communications business, and continue to innovate in materials science and production processes to achieve rapid iteration to meet the evolving needs of our end-users. In particular, to meet market demands from high-value application areas such as electric vehicles, grid modernization, and medical devices, we intend to focus on developing (a) dual-wall tubing, including dual-wall tubing for automotive applications capable of withstanding higher temperatures (up to 200°C) than existing products; highflow, high-temperature, self-curing dual-wall heat-shrinkable tubing applicable in aerospace, automotive, and robotics fields, featuring a lower softening point, higher flowability, stronger adhesion, and superior sealing compared to existing products; and high-flame-retardant dual-wall heat-shrinkable tubing with stronger flame resistance, radiation resistance, and salt/alkali resistance than existing products, designed for aerospace, automotive, and marine applications requiring high flame-retardant ratings and resistance to harsh environmental conditions, (b) busbar insulation sleeves, including cast resin insulated tubular busbar and liquid-cooled busbar, exhibit stronger current-carrying capacity, superior insulation performance, and enhanced product reliability compared to existing products, and (c) medical-grade heat-shrinkable products for minimally invasive interventional procedures. We expect to complete the research and development of the above products progressively during 2026 and 2027; and
    - (ii) strengthen our mass production capacity and delivery efficiency by optimizing production capacity and production resource allocation for our electronic communications products, such as heat-shrinkable tubings, dual-wall tubings, busbar insulation tubings. Driven by the development of new energy, rail transportation, and intelligent manufacturing industries, high-performance heat-shrinkable materials, based on their excellent insulation, corrosion resistance, and waterproof protection, are increasingly used in applications such as wiring for industrial robots, control systems for smart factories, and cables and connectors for rail transit. The market size of heat-shrinkable materials in China and the global market is expected to sustain steady growth from 2025 to 2030, according to F&S. In response to the growing demand in such markets, we plan to expand the existing production base Huizhou Shuikou Plant in Huizhou. These new production facilities for electronic materials products will increase our production capacity in such products of approximately 23.5%, or

1,311.6 million meters, compared to 5,584.8 million meters in 2024. The expansion of the facility of the Huizhou Shuikou Plant is expected to commence in 2026 and be completed in 2027. We also plan to establish a new manufacturing base in East China. This base will primarily produce the electronic material products, with an estimated annual production capacity of approximately 612 million meters. The construction is expected to commence in 2026, and production will begin in 2028; and

- 17%, or approximately HK$467.6 million, will be used for product development and production capacity expansion of our electrical power transmission product business. Specifically, we plan to

  - (i) increase our investment in R&D for NEV power transmission products and power transmission products for stations and grids, and continue to innovate in materials science and production processes to improve product performance. In particular, we will invest in development of products aligning with the national strategy promoting development of alternative energy, such as technological breakthroughs in high-power charging guns and charging gun communication modules for NEVs and development of (a) innovative cable accessories for all voltage levels, capable of operating at ultra-high voltage levels exceeding those of existing products (up to 500kV/750kV), suitable for new energy storage projects and ultra-high voltage grid upgrade projects, (b) cable accessories used in nuclear power scenarios, which demonstrate significantly longer service life under high-temperature conditions, along with superior insulation and flame-retardant performance compared to existing products, and (c) offshore wind power-related products featuring superior corrosion resistance, waterproof sealing, electrical insulation, and reliability compared to existing products. We expect to complete the research and development of the above products progressively during 2026 and 2027. We will also focus on technological upgrades to improve performance of existing product portfolios, including enhancement on product stability in complex environments while strengthening safety protection features, reducing failure risks under extreme operating conditions, as well as production process optimizations and quality control system enhancement; and

  - (ii) strengthen our mass production capacity and delivery efficiency by optimizing production capacity and production resource allocation for electrical power transmission product. Driven by the increased production and sales of NEVs, the market for charging guns growing rapidly. The Chinese government has simultaneously introduced supportive policies to accelerate the adoption of NEVs and increased investments to promote the ongoing development of charging stations and supporting infrastructure, creating a vast market for NEVs charging products. Our liquid-cooled supercharging technology, with its efficient heat dissipation and charging performance, has become a key technology for enhancing the charging efficiency of new energy vehicles. In response to the growing demand in such markets, we plan to expand the existing production base Wuhan Caidian Plant in Wuhan for NEV power transmission products allowing us to increase our production capacity in such products of approximately 18.0%, or 575.6 thousand units, as compared to 3.2 million units in 2024. The expansion of the facility of the Wuhan Caidian Plant is expected to commence in 2026 and be completed in 2027;

- 27%, or approximately HK$727.4 million, will be used to expand our global business footprint and enhance our production capacity in China and Malaysia to meet the growing demand from fast-growing overseas markets. Specifically to:

  - 20%, or approximately HK$557.3 million will be used to (i) establish an new intelligent manufacturing base for telecoms cables and electronic material products in Johor, Malaysia, which is expected to commence operation in 2028; (ii) construct the second phase of the manufacturing base in Malaysia, including payments for land acquisition and plant construction. The production will begin in 2028.

- 2%, or approximately HK$62.2 million will be used to enhance technological innovation and process upgrades in our operations in China and Malaysia to better meet overseas market demand. In particular, we intend to focus on developing products serving telecommunication and alternative energy sectors, which comply with international standards, such as EU CE and US UL, through equipment and process upgrades. In the meantime, we will invest in enhancing logistics management along with production expansion, so that we may reduce response times and enhance coverage on emerging markets;

- 4%, or approximately HK$107.9 million will be used to establish our own global talent pool in Malaysia. In particular, to support our strategic plan on technological innovation and global production capacity layout, we intend to recruit (a) engineers (with bachelor's degree or higher) to strengthen technical support; (b) marketing and sales staff with rich experience and strong resources in relevant regions; (c) administration staff (with bachelor's degree or higher, overseas study or work experience) to support global coordination of our business operations; (d) technical staff (with bachelor's degree or higher); and (e) sufficient production workers and logistics personnel in line with development of overseas production and operations. In line with our current development plan, we expect to recruit nearly 180 employees by 2028;

We will continuously optimize relevant measures in line with development of overseas market dynamics to enhance customer satisfaction and our competitiveness. We believe that this will diversify our customer base and further strengthen our global leadership position;

- 18%, or approximately HK$492.0 million, will be used for potential strategic investments and/or acquisitions. Specifically, we plan to seek suitable strategic investments and/or acquisitions to expand our R&D capabilities and expertise, strengthen our presence across the value chain through resource integration, ensure the stability of our supply chain and better meet the needs of downstream application scenarios.

  - We are particularly interested in midstream and/or upstream enterprises involved in key components of our industry value chain within the fields of electronic materials, telecom cables, and NEV charging connectors etc., which can enhance our technological capabilities and strengthen supply chain resilience. We are also interested in our industry peers which are capable of enriching our product portfolio and expanding our market coverage. We prioritize partners who demonstrate business synergies across technology R&D, manufacturing, market channels, and supply chain management with us, while also exhibiting proven financial performance and innovative R&D capabilities.

  - In selecting suitable acquisition targets, we intend to look into following key factors: (i) whether the target company has strong expertise and industry experience in high-speed data communication or electrical power transmission sectors. It shall possess solid R&D capabilities and project delivery capacity that can align with our core technology strength; (ii) the target company shall be able to create synergies with our existing business and product lines, from supplementing value chain and/or our core technology capability, to enhance our capability to improve industry leadership, so that we can better serve needs from downstream application scenarios; and (iii) the target company must be free of major legal disputes or compliance risks and have a ready and well-defined intellectual property system to effectively avoid potential patent disputes.

  - In addition, we will review the target company's financial health indicators to identify companies that are profitable, or those demonstrating a significant dedication to R&D, where R&D expenses account for no less than 20% of their total revenue. According to F&S, there are sufficient available targets in market that can meet our selection criteria.

- According to F&S, there are approximately 10,000 companies that meet our selection criteria. We will consider acquiring minority interests in a larger target or controlling interests in small- to medium- sized target, depending on the size and business portfolio of the target and the outcome of commercial negotiations. As of the Latest Practicable Date, we had not identified any specific targets for investment and/or acquisition; and

- 10%, or approximately HK$273.4 million will be used for the working capital and general corporate purposes.

In accordance with our above strategy, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below:

		Year ending December 31,					Approximate % of the total proceeds
		2026	2027	2028	2029	Total	
						(HK$ in million)	
Diversifying our product portfolio and upgrading our products	Product development and production capacity expansion of our electronic communications business	41%	29%	23%	7%	773.1	28%
	Product development and production capacity expansion of our electrical power transmission product business	38%	28%	22%	11%	467.6	17%
Expand our global business footprint		44%	47%	4%	5%	727.4	27%
Potential strategic investments and/or acquisitions		–*	–*	–*	–*	492.0	18%
Working capital and general corporate purposes		25%	25%	25%	25%	273.4	10%

Note:

* As of the Latest Practicable Date, we had not identified any specific targets for investment and/or acquisition; therefore, we have not yet determined the timeframe for implementation.

The above allocation of the proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a lower level compared to the highest point of the estimated Offer Price range.

To the extent that the net proceeds from the Global Offering are not immediately applied to the above purposes, we will only hold such funds in 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).