

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

For a detailed description of our future plans, please refer to the section headed “Business — Our Strategies” in this document.

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately [REDACTED] million, after deducting [REDACTED] commissions, fees and estimated expenses payable by us in connection with the [REDACTED], and assuming the [REDACTED] are not exercised and an [REDACTED] of [REDACTED] per H Share. We intend to use the [REDACTED] as follows:

- (1) approximately [REDACTED] or [REDACTED] million will be used to enhance our R&D capabilities for battery thermal safety solutions from January 2027 to December 2029, including:
 - (i) approximately [REDACTED] or [REDACTED] million for establishing a new dedicated laboratory for strengthening our mechanism research relating to thermal runaway and other thermal events of Li-ion batteries and emerging battery technologies under multiple application scenarios, and for upgrading testing capabilities that comply with multi-regional and multi-jurisdictional international standards;
 - (ii) approximately [REDACTED] or [REDACTED] million for the development and certification of pack-level and compartment-level devices used in our L2 (BIDS), L3 (BICS) and L4 (CTFES) systems that are designed to meet such international standards, further enriching these systems;
 - (iii) approximately [REDACTED] or [REDACTED] million for R&D of next-generation L1 (BITS) solutions and their core components, in order to support our “system integration + core component self-development” strategy and enhance cost control, quality stability and supply chain security; and
 - (iv) approximately [REDACTED] or [REDACTED] million for R&D of site-level battery fire extinguishing and emergency response systems for high-density new energy battery application scenarios such as EV parking facilities, charging hubs and BESS stations, thereby forming an integrated multi-level battery thermal safety solution from pack-level to site-level;

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- (2) approximately [REDACTED] or [REDACTED] million will be used to expand our production capacity and enhance our factory capabilities, mainly during the period from January 2027 to December 2028, including:
- (i) approximately [REDACTED] or [REDACTED] million for the construction of new manufacturing bases in Xuzhou and Chengdu and establishing production lines to support the anticipated growth of our L1 (BITS) business and other products, alleviating current capacity constraints, relocating and upgrading our existing production lines in replacement of our existing manufacturing base in Shanghai, and acquiring initial production equipment to support the ramp-up of production at these bases; and
 - (ii) approximately [REDACTED] or [REDACTED] million for warehousing and logistics facilities, including automated storage and retrieval systems, conveyors, robots and warehouse management systems, with a view to enhancing the automation, digitalisation and specialisation of our production and warehouse management;
- (3) approximately [REDACTED] or [REDACTED] million will be used to enhance our talent pool, management capabilities and infrastructure in the Chinese Mainland so as to more effectively support our business development and the promotion of our battery thermal safety standards in both domestic and overseas markets. All of the [REDACTED] for this purpose will be used within the Chinese Mainland. This amount will be used as follows:
- (i) approximately [REDACTED] or [REDACTED] million for the establishment of our Shanghai headquarters and for enhancing our talent pool and organisational capabilities in the Chinese Mainland, including recruiting and training management and professional staff, organising technical exchanges and promotional events, building internal capabilities in areas such as international strategy, compliance, finance and risk management, and building and upgrading domestic platforms and teams dedicated to exploring overseas market opportunities. These platforms and teams will be responsible for overseas market research, product certification planning, solution design, project coordination and technical support and customer-service functions for customers whose products are supplied to overseas markets, as well as participating in international standard-setting. Personnel for these platforms and teams will mainly be recruited and based in the Chinese Mainland to support overseas market development through domestic operations such as technical preparation, standard alignment and project management; and
 - (ii) approximately [REDACTED] or [REDACTED] million for enhancing our management systems (including quality management and supplier management systems), with a view to improving process standardisation, data integration and collaborative efficiency across our Group;

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- (4) approximately [REDACTED] or [REDACTED] million will be used for repaying certain of our existing bank borrowings. By repaying these bank borrowings with part of the [REDACTED] from the [REDACTED], we expect to optimise our capital structure, reduce our finance costs and repayment pressure and improve our overall cash flow; and
- (5) approximately [REDACTED] or [REDACTED] million will be used for working capital and general corporate purposes.

If the [REDACTED] is set at the high or low end of the [REDACTED] range (assuming the [REDACTED] is not exercised), the [REDACTED] would increase or decrease by approximately [REDACTED] million (after deducting [REDACTED] fees and expenses incurred in connection with the [REDACTED]). We intend to use the proportionate amount of the additional or reduced [REDACTED] for the purposes set out above.

If the [REDACTED] is exercised in full, our Company will receive [REDACTED] of approximately [REDACTED] million (after deducting [REDACTED] fees and commissions payable by our Company) from the [REDACTED] Shares to be allotted and issued upon full exercise of the [REDACTED] at the [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range). The additional [REDACTED] raised will be applied pro rata to the above-mentioned uses of [REDACTED].

If the [REDACTED] from the [REDACTED] are not immediately used for the above purposes, we will only deposit the [REDACTED] into short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions (as defined in the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions) in Hong Kong or the PRC. We will make an appropriate announcement if there are any changes to the above proposed [REDACTED].