This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to [**REDACTED**] *in the* [**REDACTED**].

There are risks associated with any [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in the section headed "Risk Factors." You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

We are a sensor-centric intelligent solutions provider integrating R&D, manufacturing, sales and intelligent services, with strong expertise in gas sensing fields. According to Frost & Sullivan, we are the largest PRC-based intelligent gas sensor provider in China in terms of sales volume, and the second largest by revenue in 2025. According to the same source, we are also the largest PRC-based intelligent gas monitoring instrument provider in China in terms of revenue in 2025.

Our development journey began in 1998, when our founder, Mr. Ren leveraged his electronics industry experience and physics background to transition into the sensor business. In our early years, when domestic sensor manufacturers were scarce and the market relied heavily on expensive imports, we dedicated our resources to R&D and achieved strong market position in gas sensors and established our foothold in the industry. With our sensor business on solid footing, we expanded downstream into instrument R&D and manufacturing. Benefiting from synergies with our sensor operations, our instrument business grew rapidly from 2008 to 2009. In 2009, we listed on the ChiNext board of the Shenzhen Stock Exchange. Recognizing that sensors could serve as data sources within broader IoT systems, since 2009, we expanded into software and data services.

Our Vertically Integrated Ecosystem

Today, we have built a vertically integrated ecosystem that spans the full value chain of the sensing industry, from upstream materials and chip design to midstream sensor and intelligent instruments manufacturing, and further downstream to hardware-software integrated intelligent solutions. We believe this end-to-end ecosystem is a key competitive differentiator that enables us to achieve superior product performance, cost efficiency and rapid innovation, while strengthening our relationships with customers across the value chain.

Our ecosystem incorporates all critical stages of the sensing value chain, including (i) sensitive materials, which form the foundation for both our gas sensors and flexible sensors; (ii) chip design, fabrication and packaging, where we have developed a 6-inch wafer MEMS sensor IDM production chain encompassing chip design, wafer fabrication and packaging and testing; (iii) sensors, our core product offering spanning gas sensors, flexible sensors and other sensing devices; (iv) intelligent instruments, which integrate our proprietary sensors into detection, monitoring and metering devices for industrial, commercial and residential applications; and (v) integrated intelligent solutions, which combine our sensing hardware with IoT platforms, data analytics and AI capabilities to deliver end-to-end systems for smart city and industrial applications.

Our Products and Solutions

During the Track Record Period, we generated revenue from continuing operations primarily from sales of (i) sensors, (ii) intelligent instruments, and (iii) integrated intelligent solutions. The table below sets forth a breakdown of our revenue from continuing operations by business segment for the periods indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sensors	266,194	13.4	340,852	17.7	391,456	18.3
Intelligent instruments	990,891	49.9	995,017	51.6	1,105,493	51.7
Integrated intelligent solutions	675,120	34.0	541,988	28.1	599,934	28.0
Other sources(1)	52,250	2.6	49,948	2.6	43,270	2.0
Total	**1,984,455**	**100.0**	**1,927,805**	**100.0**	**2,140,153**	**100.0**

Note:

(1) Primarily including revenue from rental income.

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors: (i) comprehensive product ecosystem enabling extensive downstream applications with significant market potential; (ii) strong R&D capabilities enabling rapid innovation and strategic market positioning; (iii) over two decades of industry leadership underpinning strong brand equity; (iv) strong market recognition across verticals with a broad base of leading customers; and (v) management team with strategic foresight and diversified, creative talent reserves.

OUR STRATEGIES

We believe the following strategies position us well to capitalize on future opportunities and deliver continued growth: (i) strengthen vertical integration across our value chain; (ii) building global brand to drive overseas growth; (iii) pursue high-growth opportunities in emerging applications; (iv) strengthen technology innovation, building long-term competitive moats; and (v) strengthen talent development to support strategic growth.

RESEARCH AND DEVELOPMENT

Our R&D network consists of (i) our core research center in Zhengzhou that focuses on strategic R&D; (ii) four R&D bases in Chinese Mainland, including Shanghai, Shenzhen, Chengdu and Wuhan, that lead the innovation of applied R&D; and (iii) R&D departments that focus on the improvement of product performance and production efficiency where we deploy R&D resources at our manufacturing facilities to facilitate seamless knowledge sharing and collaboration between development teams and manufacturing personnel. As of December 31, 2025, our R&D team comprised 1,060 members, approximately 80.8% of whom obtained bachelor's degrees or above, and among which 196 individuals held master's degrees or above. In 2023, 2024 and 2025, our R&D expenses from continuing operations amounted to RMB181.5 million, RMB201.4 million and RMB225.8 million, respectively, which accounted for 9.1%, 10.4% and 10.6% of our total revenue from continuing operations for the corresponding period, respectively.

MANUFACTURING

We focus on vertically integrating our production capabilities for several key reasons, including acquiring cutting-edge technologies, ensuring consistent product quality, maintaining production capacity, and controlling costs. For example, we design, develop, and manufacture core components such as sensitive materials, MEMS chips, and sensor elements in-house, which have a significant impact on the performance and quality of our products. In recent years, we have actively invested in advanced manufacturing infrastructure to support next-generation sensor technologies. Our MEMS packaging and testing production lines, wafer fabrication facilities, and ultra-clean workshops for laser device packaging and testing have successively commenced operations, laying a solid foundation for the continued production and manufacturing of advanced sensors and intelligent instruments.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, the vast majority of our customers were end users of our products and solutions including municipal utility companies, state-owned enterprises, and companies in the petroleum, natural gas, chemical, and other industrial sectors as well as instrument manufacturers who integrate our sensors into their products for these downstream industries. To a substantially lesser extent, we generated revenue from trading partners and a few distributors. We have a broad customer base. Revenue derived from our five largest customers for each of 2023, 2024 and 2025 accounted for 15.9%, 13.7% and 20.2%, respectively, of our total revenue from continuing operations for the same period, and revenue derived from our largest customer for each of 2023, 2024 and 2025 accounted for 4.4%, 4.5% and 4.7%, respectively, of our total revenue from continuing operations for the same period.

We work with a broad base of suppliers which primarily provide us raw materials, parts and components for our sensors and instruments. In 2023, 2024 and 2025, purchases from our five largest suppliers in each period during the Track Record Period accounted for 8.8%, 6.6% and 12.8%, respectively, of our total purchase amount during those periods. In 2023, 2024 and 2025, purchases from our largest supplier in each period during the Track Record Period accounted for 2.2%, 1.5% and 3.9%, respectively, of our total purchase amount during those periods.

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks as set out in "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to [**REDACTED**] in our Shares. Some of our major risks we face include: (i) new technological outcomes or trends could make our products uncompetitive and obsolete; (ii) the industries in which we operate are competitive. If we are unable to maintain or improve our competitive position, our business, financial condition and results of operations could be materially and adversely affected; (iii) if we fail to grow or retain our customer base, or if customer satisfaction declines, our business and operating results may be materially and adversely affected; (iv) we have been and intend to continue investing significantly in R&D activities, which may not generate the results we expect to achieve and adversely affect our business, results of operations and financial condition; (v) we may not be able to fully maintain quality control over our products; (vi) our future strategic acquisitions or investments, if any, may not be successful, and we may not realize anticipated strategic benefits and financial returns from such transactions; and (vii) investments, acquisitions and divestures may affect our financial results. We may not be able to achieve our anticipated benefits and synergistic effects from such investments and acquisitions.

INDUSTRY AND COMPETITIVE LANDSCAPE

We operate in China's intelligent sensors market, intelligent instruments market and integrated intelligent solutions markets. These markets for our products and solutions are relatively fragmented while also showing comparatively higher concentration in certain key sub-segments. We face strong competition in all aspects of our business. We generally compete with other domestic and international sensor and instrument providers and providers of integrated sensing solutions. Principal competitive factors that are important to us include product features, price performance, quality, innovation capability, customer service, marketing and sales capability, and corporate reputation. See "Industry Overview."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss

The table below sets forth our consolidated statements of profit or loss for the periods indicated derived from the Accountants' Report included in Appendix I to this document:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Continuing operation						
Revenue	**1,984,455**	**100.0**	**1,927,805**	**100.0**	**2,140,153**	**100.0**
Cost of sales	(1,288,171)	(64.9)	(1,265,509)	(65.6)	(1,423,182)	(66.5)
Gross profit	696,284	35.1	662,296	34.4	716,971	33.5
Other income	77,316	3.9	74,299	3.9	93,946	4.4
Other net (loss)/gain	(7,432)	(0.4)	6,745	0.3	(3,351)	(0.2)
Selling and marketing expenses	(209,593)	(10.6)	(219,224)	(11.4)	(224,024)	(10.5)
Administrative expenses	(200,557)	(10.1)	(223,712)	(11.6)	(231,673)	(10.8)
Research and development expenses	(181,455)	(9.1)	(201,399)	(10.4)	(225,765)	(10.5)
Impairment loss on goodwill	(16,547)	(0.8)	(6,824)	(0.4)	(10,538)	(0.5)
Impairment loss on trade and other receivables and contract assets	(24,034)	(1.2)	(37,927)	(2.0)	(36,469)	(1.7)
Profit from operations	**133,982**	**6.8**	**54,254**	**2.8**	**79,097**	**3.7**
Finance costs	(27,717)	(1.4)	(31,837)	(1.7)	(25,255)	(1.2)
Share of profits less losses of associates and joint venture	(1,878)	(0.1)	(6,175)	(0.3)	(6,370)	(0.3)
Profit before taxation from continuing operation	**104,387**	**5.3**	**16,242**	**0.8**	**47,472**	**2.2**
Income tax	(16,741)	(0.8)	(12,376)	(0.6)	(15,187)	(0.7)
Profit from continuing operations for the year	**87,646**	**4.4**	**3,866**	**0.2**	**32,285**	**1.5**
Discontinued operation						
Profit from discontinued operation (net of income tax)	45,151	2.3	49,921	2.6	119,332	5.6
Profit for the year	**132,797**	**6.7**	**53,787**	**2.8**	**151,617**	**7.1**

During the Track Record Period, our profit from continuing operations decreased significantly from RMB87.6 million in 2023 to RMB3.9 million in 2024. This was primarily due to: (i) the unsatisfactory financial performance of our integrated intelligent solutions segment in 2024, mainly due to fewer projects secured as a result of our proactive project management, under which we prioritize project quality over project quantity in terms of overall market potential, synergies with our sensor and intelligent instrument business, project margin and payment collection cycle; and (ii) higher operating expenses incurred in 2024 following the acquisition and establishment of new subsidiaries. Profitability improved in the year ended December 31, 2025, driven by a more favorable project mix in 2025, and the sustained growth across our sensors and intelligent instruments segment. For details, see "Financial Information — Fluctuation in Profit from Continuing Operations during the Track Record Period."

Summary of Consolidated Statements of Financial Position

The table below sets forth a summary of our consolidated statements of financial position as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets	2,857,709	3,093,891	2,185,480
Current assets	3,336,647	2,986,346	2,976,832
Current liabilities	1,862,354	1,722,249	1,706,728
Non-current liabilities	1,151,009	1,184,438	395,795
Net current assets	1,474,293	1,264,097	1,270,104
Total assets less current liabilities	4,332,002	4,357,988	3,455,584
Net assets	3,180,993	3,173,550	3,059,789

Our net current assets decreased from RMB1,474.3 million as of December 31, 2023 to RMB1,264.1 million as of December 31, 2024, primarily due to a decrease in cash and cash equivalents of RMB498.6 million, partially offset by an increase in inventories and other contract costs of RMB55.5 million, and a reduction in bank loans and other borrowings of RMB165.5 million. Our net current assets then increased from RMB1,264.1 million as of December 31, 2024 to RMB1,270.1 million as of December 31, 2025, primarily due to (i) an increase in inventories and other contract costs of RMB91.9 million, (ii) an increase in other financial assets of RMB99.7 million, and (iii) a decrease in contract liabilities of RMB111.5 million, partially offset by (iv) an increase of bank loans and other borrowings of RMB166.8 million.

See "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position" for details of our cash flows.

Summary of Consolidated Statements of Cash Flows

The table below sets forth our cash flows for the periods indicated.

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash generated from operating activities	88,448	78,550	150,668
Net cash used in investing activities	(124,818)	(297,127)	(274,305)
Net cash (used in)/generated from financing activities	(50,858)	(281,295)	46,240
Net decrease in cash and cash equivalents	(87,228)	(499,872)	(77,397)
Cash and cash equivalent at 1 January	1,257,624	1,170,719	672,167
Impact of exchange rate changes on cash and cash equivalents	323	1,320	(544)
Cash and cash equivalents at 31 December	**1,170,719**	**672,167**	**594,226**

Our operating cash flows fluctuated during the Track Record Period. Our net cash generated from operating activities was RMB88.4 million and RMB78.6 million for the years ended December 31, 2023 and 2024, respectively. For the year ended December 31, 2025, we recorded net cash generated from operating activities of RMB150.7 million. This inflow was primarily attributable to profit before tax including discontinued operations of RMB202.3 million, as adjusted by non-cash and non-operational items totaling RMB138.6 million, negative changes in working capital of RMB131.1 million and income tax paid of RMB59.1 million. We are implementing measures to enhance our operating cash flow position, with a primary focus on trade receivables management. For details, see "Financial Information — Liquidity and Capital Resources".

Key Financial Ratios

The table below sets out our key financial ratios as of the dates indicated:

	As of/For the year ended December 31,		
	2023	**2024**	**2025**
Gross profit margin (%)	35.1	34.4	33.5
Net profit margin (%)	6.7	2.8	7.1
Current ratio (times)	1.8	1.7	1.7
Gearing ratio (%)	34.0	32.1	33.1

See "Financial Information — Key Financial Ratios" for descriptions of the calculation of the above ratios.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, none of our Company, any of our subsidiaries or any directors has been involved in any material legal, arbitral or administrative proceedings that may have a material adverse effect on our Group's business, financial condition or results of operations.

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material noncompliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We are applying for the [**REDACTED**] under Rule 8.05(3) of the Listing Rules and we satisfy the [**REDACTED**] test, with reference to (i) our expected revenue for the year ended December 31, 2025, which is over HK$500 million as required by Rule 8.05(3) of the Listing Rules; and (ii) our expected [**REDACTED**] at the time of the [**REDACTED**], which, based on the low end of the [**REDACTED**], exceeds HK$4 billion as required by Rule 8.05(3) of the Listing Rules.

[**REDACTED**]

FUTURE PLANS AND [REDACTED]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately [**REDACTED**], after deducting [**REDACTED**] fees and commissions and other estimated expenses paid and payable by us in relation to the [**REDACTED**], assuming an [**REDACTED**] of [**REDACTED**] per Share, being the mid-point of the [**REDACTED**] range from [**REDACTED**] to [**REDACTED**] per Share, and that the [**REDACTED**] is not exercised. We currently intend to use these [**REDACTED**] for the purposes and in the amounts as follows: (i) approximately [**REDACTED**], or [**REDACTED**] is expected to be allocated for establishing R&D centers domestically and overseas; (ii) approximately [**REDACTED**], or [**REDACTED**], is expected to be allocated for investment and acquisition activities; (iii) approximately [**REDACTED**], or [**REDACTED**], is expected to be used for expansion of domestic and overseas production bases and supply chain construction; (iv) approximately [**REDACTED**], or [**REDACTED**], is expected to be used for establishing overseas marketing centers and developing overseas marketing network; and (v) approximately [**REDACTED**], or [**REDACTED**], is expected to be used for working capital and general corporate uses.

DIVIDEND

We have adopted a formal dividend policy in line with the Articles of Association and applicable PRC laws and regulations. Cash dividends are our primary method of profit distribution. According to our dividend policies as stipulated in the Articles of Association, our annual cash dividend shall be no less than 10% of the distributable profits of the relevant year. Furthermore, we are required to pay cumulative cash dividends of any three fiscal years that account for not less than 30% of our average net profits for those three fiscal years which are available for distribution. We declared dividends of RMB39.2 million, RMB42.6 million, and RMB13.1 million to Shareholders in 2023, 2024 and 2025, respectively. The decision on whether to pay dividends will be made at the discretion of our Directors in compliance with our Articles of Association and applicable laws and regulations and will depend upon, among others, the financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends, and other factors that our Directors may consider relevant. See "Financial Information — Dividend" for details of our dividend policy.

LISTING ON THE CHINEXT BOARD OF THE SHENZHEN STOCK EXCHANGE

Our A Shares have been listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 300007) since October 2009. During the Track Record Period and up to the Latest Practicable Date, our Directors confirmed that we had no instance of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respect and, to the best knowledge of our Directors after having made all reasonable enquiries, there was no material matter that should be brought to [**REDACTED**] attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Advisor's view as set out above, nothing has come to the Sole Sponsor's attention that would cause them to disagree with our Directors' confirmation with regard to the compliance record of the Company on the Shenzhen Stock Exchange.

[REDACTED] EXPENSES

[**REDACTED**] expenses to be borne by us are estimated to be approximately [**REDACTED**] or [**REDACTED**]% of the [**REDACTED**] of the [**REDACTED**] (assuming an [**REDACTED**] of [**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**] range, without taking into account the [**REDACTED**]), including (i) [**REDACTED**] commission of approximately [**REDACTED**], and (ii) non-[**REDACTED**] related expenses of approximately [**REDACTED**] which consist of (a) fees and expenses of legal advisors and the Reporting Accountants of approximately [**REDACTED**] and (b) other fees and expenses of approximately [**REDACTED**]. Approximately [**REDACTED**] of our [**REDACTED**] expenses is expected to be charged to our consolidated statements of profit or loss and other comprehensive income and approximately [**REDACTED**] is expected to be accounted for as a deduction from equity upon [**REDACTED**] under the relevant accounting standard. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENT

Based on unaudited management accounts, both our revenue from continuing operations and profit from continuing operations for the three months ended March 31, 2026 increased as compared to the same period in 2025. On April 17, 2026, our Board proposed a final dividend of RMB16.4 million (inclusive of tax) in respect of the year ended December 31, 2025, which is subject to further approval of the Shareholders.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the periods reported on in the Accountants' Report included in Appendix I to this document, and there is no event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report included in Appendix I to this document.