FUTURE PLANS

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

[REDACTED]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately [**REDACTED**], after deducting [**REDACTED**] and commissions and other estimated expenses paid and payable by us in relation to the [**REDACTED**], assuming an [**REDACTED**] of [**REDACTED**] per H Share, being the mid-point of the [**REDACTED**] range from [**REDACTED**] to [**REDACTED**] per H Share, and that the [**REDACTED**] is not exercised.

In line with our strategies, we intend to use our [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

[REDACTED]	Approximate % of the [REDACTED]
Establishing R&D centers domestically and overseas	[REDACTED]
Investment and M&A activities	[REDACTED]
Expansion of domestic and overseas production bases and supply chain construction	[REDACTED]
Establishing overseas marketing centers and developing overseas marketing network	[REDACTED]
Working capital and other general corporate purposes	[REDACTED]
Total	**[100.0]%**

- approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], will be used for the establishment, upgrade and operation of our Group's R&D centers, both domestically and overseas, and for the payment of related international product certification fees. In particular:

  (a) approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], will be allocated to the establishment and upgrade of our Group's domestic R&D centers in Hefei, Zhengzhou, Wuhan, Chengdu, Shanghai and Shenzhen, with the proposed R&D focus at each location as follows:

Location	Proposed R&D Focus
Hefei	Spectroscopy technology; advanced MEMS; automotive sensors
Zhengzhou	Group headquarters R&D capability uplift, including end-to-end testing and characterization (covering components, modules, complete systems and application scenarios); embodied intelligence platform products; and flexible tactile sensors
Wuhan	Fiber optic sensing technology
Chengdu	Optical imaging; high-end analytical instruments
Shanghai	High-end sensors; embodied intelligence sensors
Shenzhen	Brain-computer interfaces; consumer electronics sensors

The principal expenses will include (i) the construction and fit-out of new R&D laboratory facilities (in respect of the Hefei R&D center), (ii) the procurement and upgrade of laboratory equipment and platforms, (iii) the recruitment of R&D personnel with backgrounds and experience aligned with the proposed R&D directions, (iv) investment in the corresponding R&D projects, and (v) investment in industry-academia-research collaborations.

(b) approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], will be allocated to the establishment of overseas R&D centers in Malaysia and the Netherlands, with the proposed R&D focus at each location as follows:

Location	**Proposed R&D Focus**
Malaysia	Smart gas meter upgrades; advanced optical sensors (such as spectrometers)
Netherlands	Application of photonic chips in high-precision sensors; next-generation photonic chip gas sensors; environmental monitoring technology and artificial intelligence

The principal expenses to support the establishment and operation of these centers will include (i) the acquisition and fit-out of R&D premises, (ii) the procurement of R&D equipment, (iii) the recruitment and incentivization of R&D personnel, and (iv) the establishment of local industry-academia-research collaborations.

(c) approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], will be allocated to the payment of international product certification fees in connection with our overseas expansion strategy and the R&D centers described in paragraphs (a) and (b) above.

- approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], is expected to be used for potential strategic investments and/or acquisitions. Our key areas of acquisition focus include targets in adjacent technologies in the sensor and IoT industry that would provide operational and technological synergies. While we continue to evaluate potential acquisition targets, we had not identified any specific acquisition targets or entered into any memorandum of understanding or letter of intent with respect to any potential target, as of the Latest Practicable Date.

  We plan to prudently evaluate and consider a wide array of potential investments in targets that are complementary to our business primarily in terms of improving our technological capabilities and expanding our customer base and application scenarios. Specifically, relevant considerations including: (i) businesses with technologies that are complementary to our solutions, ranging from sensor components to modules and systems; (ii) businesses with proven industry know-how and technologies in both the verticals and application scenarios that we have already established strong presence and intend to increase the penetration, and the verticals and application scenarios that we may further expand into in the future; and (iii) businesses with established industry leading position, meaningful scale of established customer base and track record of maintaining healthy and stable financial positions. Leveraging such potential strategic investments and acquisitions, we expect to achieve synergies in terms of optimizing our technology capabilities and product offerings, expanding our customer base, among others.

- approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], is expected to be used for expansion of domestic and overseas production bases and supply chain construction, optimizing production layout, strengthening localized supply capabilities, and improving international logistics networks.

  The global supply chain landscape is undergoing a structural shift from globalization toward regionalization and localization. As a leading provider of sensor-centric solutions in China, we intend to capitalize on this trend by expanding our global production capacity and upgrading our supply chain infrastructure. In particular:

  (a) approximately [**REDACTED**] of the [**REDACTED**], of [**REDACTED**], is expected to fund the construction of the second phase of a production base in Malaysia. The main expenses include funds required for the acquisition of standard industrial plant buildings and related fit-out works to suit production requirements, weak-current system implementation, production line construction, and warehouse construction.

  The main expenses include funds required for the acquisition of standard industrial plant buildings and related fit-out works to suit production requirements, weak-current system implementation, production line construction, and warehouse construction.

  The Malaysia production base, including phase one and two, will cost an estimated total of approximately [**REDACTED**]. Among such total investment amount, [**REDACTED**] will be the [**REDACTED**] from the [**REDACTED**] for phase two, and the remaining spendings for both phase one and two will be funded by other resources, including our internal resources.

  We commenced preparation for phase one of the Malaysia production in June 2025 by establishing a subsidiary in Malaysia. Construction of phase one has commenced and is expected to be completed by the end of December 2026 and commence operation in the first half of 2027. For phase one, the relevant land costs have been settled through our internal financial resources (other than the [**REDACTED**] from the [**REDACTED**]). The designed annual production capacity of phase one is planned at 175,000 units. We expect to commence land acquisition for phase two in 2027, and expect phase two to commence operation in 2029. The designed annual production capacity of phase two is planned at 300,000 units.

  (b) approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], is expected to fund the construction of a production base in Hainan. The main expenses include funds required for fundamental fit-out works, weak-current system implementation, production line construction, and warehouse construction.

  The Hainan production base will cost an estimated total of approximately [**REDACTED**]. Among such total investment amount, [**REDACTED**] will be the [**REDACTED**] from the [**REDACTED**], and the remaining spendings for both phase one and two will be funded by other resources, including our internal resources.

  We commenced construction of the Hainan production base in 2025. We have obtained a land use right certificate regarding the Hainan production base and relevant land costs have been settled through our internal financial resources (other than the [**REDACTED**] from the [**REDACTED**]). As of the Latest Practicable Date, the structural works of three phase one plant buildings had been completed. The designed annual production capacity of the Hainan production base is planned at 3.0 million (phase one: 1.0 million; phase two: 2.0 million) units upon completion. We expect the Hainan production base to commence operation in 2028 for phase one and 2030 for phase two.

(c) approximately [**REDACTED**] of the [**REDACTED**], of [**REDACTED**], is expected to fund the establishment of a warehouse in Amsterdam, Netherlands.

- approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], is expected to be used for establishing overseas marketing centers and developing overseas marketing network, thereby expanding the geographical coverage of our international business and increasing our overseas market penetration. Specifically:

No.	Marketing Center Location	Purpose
1	Malaysia	Target Southeast Asia's petrochemical, oil and gas, construction, and semiconductor industries
2	Hong Kong	Provide intelligent monitoring and metering equipment for essential utility services (such as gas and water), and offer smart security and monitoring solutions for major real estate developments
3	Netherlands	Penetrate the European residential smoke and carbon monoxide alarm market
4	Brazil	Grow sales of alcohol and gas detectors, strengthen customer relationships through responsive after-sales service, and accelerate entry of our flame and gas detection products into the local petroleum industry supply chain

Over the years, we have built a comprehensive intelligent sensing ecosystem and established a strong market position in China. With significant demand and growth opportunities in overseas markets, we are well positioned to leverage our proven capabilities and expand internationally. We believe, establishing overseas marketing centers is a critical step to build localized sales infrastructure, strengthen our global presence, enhance brand awareness, and improve customer service capabilities.

- approximately [**REDACTED**] of the [**REDACTED**], or [**REDACTED**], is expected to be used for working capital and other general corporate purposes.

The above allocation of the [**REDACTED**] will be adjusted on a pro-rata basis in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the mid-point of the [**REDACTED**] range stated in this document. If any part of our development plan does not proceed 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 [**REDACTED**] from the [**REDACTED**].

If the [**REDACTED**] is fixed at [**REDACTED**] per H Share (being the high end of the [**REDACTED**] range stated in this document), we will receive additional [**REDACTED**] of approximately [**REDACTED**], assuming the [**REDACTED**] is not exercised. If the [**REDACTED**] is fixed at [**REDACTED**] per H Share (being the low end of the [**REDACTED**] range stated in this document), the [**REDACTED**] we receive will be reduced by approximately [**REDACTED**], assuming the [**REDACTED**] is not exercised.

In the event that the [**REDACTED**] is exercised in full, the additional [**REDACTED**] that we would receive would be [**REDACTED**] assuming an [**REDACTED**] of [**REDACTED**] per H Share, being the mid-point of the [**REDACTED**] range stated in this document, after deduction of [**REDACTED**] and commissions and other estimated expenses paid and payable by us in relation to the [**REDACTED**]. Additional [**REDACTED**] received due to the exercise of any [**REDACTED**] will be used for the above purposes accordingly on a pro-rata basis if the [**REDACTED**] is exercised.

If the [**REDACTED**] of the [**REDACTED**] are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we will deposit the [**REDACTED**] into short-term demand deposits with licensed banks or other authorized financial institutions as defined under the Securities and Futures Ordinance/the applicable laws in the relevant jurisdiction. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules and make an appropriate announcement if there is any change to the above proposed [**REDACTED**].