
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For further details of the milestone objectives and corresponding implementation plans for each of our main development strategies by implementation timeline, as well as our future plans and allocation of funds for each key strategy, please refer to “Business — Our Development Strategies.”

USE OF [REDACTED]

Assuming that the [REDACTED] is not exercised, after deducting the [REDACTED] and other estimated [REDACTED] expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] and HK\$[REDACTED]), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED]. We intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED] (or HK\$[REDACTED]) will be used to improve our core platform and product capabilities, specifically:
 - o Approximately [REDACTED] (or HK\$[REDACTED]) will be used to invest in research and development and in upgrading of industrial intelligent software and intelligent agents to optimize the solutions built on our COSMOPlat, strengthen our technology competitiveness and expand application scenarios, including:
 - Approximately [REDACTED] (or HK\$[REDACTED]) will be used for the development of our next generation of industrial software, such as COSMO-iMoM. Approximately HK\$[REDACTED] is expected to be used for personnel expenses, while approximately HK\$[REDACTED] and HK\$[REDACTED] are expected to be used for software upgrades and hardware procurement, respectively. We will focus on developing new simulation algorithms, process optimization models and advanced manufacturing algorithms, to support real-time simulation and accurate inference in complex scenarios, referring to scenarios requiring timely reflection of on-site production changes, accurate simulation, scheduling and prediction, and coordinated use of demand, logistics, production and equipment data. These capabilities are expected to be applied in scenarios such as production planning optimization, production-line simulation and equipment operation monitoring. By doing so, we will further broaden its coverage across manufacturing processes in various industries.
 - Approximately [REDACTED] (or HK\$[REDACTED]) will be used to upgrade and improve the capabilities of (a) our intelligent platform dedicated to the intelligent manufacturing and operational management for chemical industry enterprises. Among them, we plan with (i) approximately HK\$[REDACTED] to be used for staff-related costs and expenses; (ii) approximately HK\$[REDACTED] for office leasing and decoration for research activities; (iii) approximately HK\$[REDACTED] for software upgrades and (iv) approximately HK\$[REDACTED] for hardware procurement, respectively, and (b) our COSMO-Sphere platform, with (i) approximately HK\$[REDACTED] to be used for staff-related costs and expenses; (ii) approximately HK\$[REDACTED] for software upgrades and (iii) approximately HK\$[REDACTED] for hardware procurement, respectively. We plan to continue strengthening their underlying architecture, modularization and resource-management capabilities to support more stable performance and broader scenario coverage. We will focus on improving data-governance frameworks, model-development and inference toolchains, and industry-specific intelligent-agent modules, enabling more efficient end-to-end data processing and application development across different industrial scenarios.

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- Approximately [REDACTED] (or HK\$[REDACTED]) will be used to optimize the functionality of our COSMO-iEMS. Among them, (i) approximately HK\$[REDACTED] is expected to be used for staff-related costs and expenses; (ii) approximately HK\$[REDACTED] for software upgrades and (iii) approximately HK\$[REDACTED] for hardware procurement, respectively. We plan to continue developing and refining key capabilities, including energy-output and load-forecasting algorithms, multi-energy complementary schedule optimization modules, equipment-failure prediction models and dynamic carbon-emission tracking technologies. We will also advance full-domain data-integration capabilities, AI-based optimization engines and scenario-coordination frameworks to strengthen the platform’s technical foundation.
 - Approximately [REDACTED] (or HK\$[REDACTED]) will be used to further develop our intelligent agents built on our COSMOplat. Among them, (i) approximately HK\$[REDACTED] is expected to be used for staff-related costs and expenses; (ii) approximately HK\$[REDACTED] for software upgrades and (iii) approximately HK\$[REDACTED] for hardware procurement, respectively. We will develop ready-to-deploy intelligent agents for high-frequency industrial scenarios such as fault detection, intelligent safety inspection and energy optimization, and open core capability interfaces and toolchains to support third-party developers and partners in their innovation and commercialization efforts on our platform. We will also grow and maintain a developer community, provide technical support and facilitate knowledge sharing to drive the growth of our intelligent agents.
- o Approximately [REDACTED] (or HK\$[REDACTED]) will be used to develop and upgrade industrial large model-based BaaS Industrial Brain to enhance the core capabilities of data-based and intelligent decision-making, including:
- Approximately [REDACTED] (or HK\$[REDACTED]) will be used for the research and development and iteration of the COSMOMind. Among them, (i) approximately HK\$[REDACTED] is expected to be used for staff-related costs and expenses; (ii) approximately HK\$[REDACTED] for hardware procurement and (iii) approximately HK\$[REDACTED] for software upgrades, respectively. In particular, the net [REDACTED] allocated to COSMOMind will be applied to the following R&D and product iteration initiatives: (i) approximately HK\$[REDACTED] will be used for building searchable customer knowledge bases for process optimization and equipment maintenance by training multimodal models to read and parse industrial technical documents; (ii) approximately HK\$[REDACTED] will be used for developing code generation and automated testing tools for R&D and testing teams; (iii) approximately HK\$[REDACTED] will be used for developing industry large models for electronics, new materials and automotive sectors; (iv) approximately HK\$[REDACTED] will be used for building industrial foundation models covering different model sizes and data types; (v) approximately HK\$[REDACTED] will be used to participate in developing industry model standards with research institutions, industry leaders and standards associations, and providing industrial foundation models and application guidelines across the manufacturing value chain; and (vi) approximately HK\$[REDACTED] will be used for procuring software and hardware infrastructure to support the foregoing R&D, product iteration and upgrade initiatives. We will continue optimizing vertical industry models for sectors such as home appliances, machinery equipment, electronics, automotive, energy and chemicals industries, enhancing their ability to understand and support industry-specific business scenarios and domain knowledge. We will also advance the development of large-model technologies, focusing on multimodal training and inference, model lightweighting under resource constraints and other core technical capabilities.

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- Approximately [REDACTED] (or HK\$[REDACTED]) will be used to upgrade the capabilities of our COSMOTide. Among them, (i) approximately HK\$[REDACTED] is expected to be used for staff-related costs and expenses; and (ii) approximately HK\$[REDACTED] for software upgrades. We will strengthen data governance, dataset processing and lifecycle-management capabilities, and improve cross-modal alignment and integrated processing of multi-source, heterogeneous industrial data to provide higher-quality data services for upper-layer applications and AI large language models.

To implement the above research and product-enhancement plans over the next five years, we plan to: (i) expand and strengthen our research and development team through incentive programs, with a focus on capabilities in industrial software development, AI algorithms, big data and data intelligence, (ii) pursue joint research initiatives and collaboration projects with leading domestic and international universities and research institutions to support continuous innovation, (iii) procure and upgrade key research hardware, including computing-power and storage servers and (iv) continue investing in other research-and-development-related activities, such as intellectual-property development, technology-community building and internal innovation programs.

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The following table sets forth the breakdown of the net [REDACTED] from the [REDACTED] allocated to each of our core platform and product above:

Product/Platform	Investment amount <i>HKS million</i>	Milestone Objectives			Allocation Basis
		Short-term	Mid-term	Long-term	
COSMO-Sphere	[REDACTED]	<ul style="list-style-type: none">Enhance data collection, analysis, and management capabilities, as well as AI application operations and maintenance capabilities, to improve resource utilization	<ul style="list-style-type: none">Develop AI applications to set up business performance indicators and manage data to support business decision-making	<ul style="list-style-type: none">Develop enterprise-level AI management capabilities to process large volumes of data, AI application coordination to support business decision-making	Based on industry characteristics: <ul style="list-style-type: none">Software R&D is labor-intensive, while hardware and external software are procured as needed
COSMO-MoM	[REDACTED]	<ul style="list-style-type: none">Develop standard product functions for deployment across machinery equipment, electronics and automotive industries;Enhance in-plant logistics management and production quality management tools	<ul style="list-style-type: none">Develop AI applications that coordinate production operations and factory management	<ul style="list-style-type: none">Enhance capabilities to coordinate different AI applications for manufacturing operationsBuild a collection of tools and know-how to improve AI application development and deployment efficiency	
Intelligent manufacturing and operational management for chemical industry enterprises	[REDACTED]	<ul style="list-style-type: none">Upgrade capabilities for chemical production, safety, process and equipment management;Connect data interfaces across core production, business, and warehouse systems to enable production operations data sharing	<ul style="list-style-type: none">Develop AI applications to support chemical production operations, including production planning, fault prediction and response and energy optimization	<ul style="list-style-type: none">Launch decision-making applications to facilitate supply-demand matching for raw material sourcing, production, and sales	
COSMO-EMS	[REDACTED]	<ul style="list-style-type: none">Upgrade capabilities for microgrid deployment, inspection, dispatch and control to support more efficient energy management	<ul style="list-style-type: none">Launch energy dispatch and management applications to optimize energy use and match distributed energy supply and demand	<ul style="list-style-type: none">Upgrade capabilities for real-time monitoring and dispatch of distributed energy resources to enable cross-region supply-demand matching	
COSMOPlat	[REDACTED]	<ul style="list-style-type: none">Build unified tools for developing intelligent agents across various scenariosLaunch applications for production operations, simulation optimization, equipment management and energy management	<ul style="list-style-type: none">Make the unified tools available to customers to build agents that meet their own needs and share them through a public communityExpand the agent application portfolio across marketing, procurement, design, and production	<ul style="list-style-type: none">Upgrade agent development tools from manual setup to AI-assisted generation of industrial agents, and strengthen the agent community with ecosystem partners	
COSMOMind	[REDACTED]	<ul style="list-style-type: none">Improve capabilities to read technical documents, search knowledge bases and generate code for industrial software development	<ul style="list-style-type: none">Enhance capabilities to analyze drawings and equipment data for process optimization, fault diagnosis and quality inspection	<ul style="list-style-type: none">Build industrial foundation models covering different model sizes and data types and contribute to standards and guidelines for industrial model training, evaluation, and application	
COSMOTide	[REDACTED]	<ul style="list-style-type: none">Develop industrial data management and labeling tools for quality inspection in home appliance and electronics sectors	<ul style="list-style-type: none">Upgrade tools to turn industrial data from different sources, formats, and data types into high-quality datasets for AI training	<ul style="list-style-type: none">Build a data marketplace with industry leaders and provide AI tools to process, classify and analyze industrial data for customers	

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- Approximately [REDACTED] (or HK\$[REDACTED]) will be used to enhance our business development capabilities to accelerate market penetration and deepen customer engagement and value proposition, including:
 - o Approximately [REDACTED] (or HK\$[REDACTED]) will be used to enhance our marketing capabilities to deepen brand building and broaden market reach. We will enhance our brand influence in the industrial internet and increase our visibility among customers through an integrated online and offline marketing strategy on major industrial clusters across China, particularly in the Bohai Rim, the Beijing-Tianjin-Hebei region and the Yangtze River Delta. This focus reflects the strong alignment of these regions’ industrial bases with our target industries, their substantial demand for digital transformation, and our proven ability to scale solutions based on existing benchmark customer implementations. We plan to: (i) leverage digital channels and targeted marketing tools for online promotion; (ii) actively participate in domestic and foreign industry exhibitions and technical forums, and set up exhibition halls for offline products display and promotion; and (iii) systematically participate in the bidding platform for large-scale project opportunities. In addition, we will continue to deepen industry penetration through high-profile successful projects such as Lighthouse Factories. At the same time, we will explore localized delivery and service models in key overseas markets, and improve our response speed and service capabilities by establishing local branches or cooperating with local partners.
 - o Approximately [REDACTED] (or HK\$[REDACTED]) will be used to strengthen our customer-facing and ecosystem-operation capabilities. We plan to enhance our service capacity for key customers, expand customer service teams, and improve processes spanning consulting, planning and continuous optimization. We also intend to build and refine customer-data and analysis platforms to gain more accurate insights into customer needs and solution iteration.

The following table sets forth the breakdown of the net [REDACTED] from the [REDACTED] allocated to each initiative above, together with the implementation plans and related remarks:

Use of [REDACTED]	Implementation Plan	Amount <i>HK\$ million</i>	Remarks
Enhance market influence, strengthen brand building and expand market coverage	Online promotion	[REDACTED]	Advertising placement, community operations and software system development
	Offline promotion	[REDACTED]	Offline exhibitions, supply-demand matchmaking events and training activities
	Customer acquisition	[REDACTED]	Development of platforms for (i) tendering and bidding and (ii) digital marketing
	Recruitment of personnel	[REDACTED]	Recruitment of sales professionals and sales specialists
Subtotal		[REDACTED]	
Strengthen customer service and ecosystem operation capabilities	Recruitment of customer service team	[REDACTED]	Recruitment of industry experts, after-sales service personnel and ecosystem operation talents
	Customer operation activities	[REDACTED]	Hosting ecosystem conferences, customer salons and related activities
	Development of customer service	[REDACTED]	Platforms for customer interaction, customer after-sales services
	Customer analytics platform	[REDACTED]	Platform that supports the analysis of user personas and the identification of user needs to inform business decision-making
Subtotal		[REDACTED]	
Total		[REDACTED]	

- Approximately [REDACTED] (or HK\$[REDACTED]) will be used for potential investment and acquisition opportunities aimed at further consolidating our technology capabilities and expanding our business boundaries. We will look for suitable targets that complement our existing products and technology platforms, create synergies and help strengthen our competitiveness in the industry. These targets are expected to be primarily related to the

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expansion of our intelligent manufacturing solutions business and green manufacturing solutions business. In particular:

For our intelligent manufacturing solutions, we intend to focus on potential targets specializing in (i) core industrial software, such as manufacturing operations management and computer-aided engineering software and (ii) machine vision inspection, including core components such as industrial cameras and vision controllers, as well as AI vision algorithms and industry-specific solutions. We will primarily consider targets that already have an established customer base or commercial presence in our key vertical industries, such as automotive, machinery equipment and electronics. Such targets would enable us to enhance the capabilities of COSMO-iMOM by incorporating additional industrial software modules and industry-specific functions, and to broaden our machine vision inspection capabilities beyond metal-surface inspection to cover additional components, algorithms and application scenarios.

For our green manufacturing solutions business, we intend to focus on potential targets specializing in integrated energy services and energy-carbon management, including virtual power plant platforms that aggregate and coordinate distributed power sources, adjustable loads and energy storage resources. We will primarily consider targets with an established customer base or commercial presence in chemicals industry, and with self-developed software, core algorithms or hardware products for energy-carbon management scenarios, such as data collection and intelligent power-distribution equipment. Such targets would help us further enhance our green manufacturing solutions, broaden the application scenarios of COSMO-iEMS and expand our customer base. Our potential investment or acquisition targets generally include companies preferably with revenue of no less than RMB500 million, a gross margin of over 30% and a net profit margin of over 8%. We intend to make such investments and acquisitions mainly through equity investments, and generally seek to obtain the majority of equity either by acquiring a majority equity interest or through a transaction structure under which we become the single largest shareholder with board-level control. We may also consider alternative investment approaches or structures, taking into account the specific circumstances of transactions on a case-by-case basis. The expected operational and financial impact of any such investment or acquisition, including its cost structure, profitability, cash flows and overall financial position, will depend on the specific circumstances of the target company. As of the Latest Practicable Date, we had not identified any investment or acquisition targets and had not set any definite timeline for investment or acquisition. According to Frost & Sullivan, there were over 40 such potential targets globally meeting the aforementioned criteria. We will continue to source potential acquisition targets that may fit our criteria.

- Approximately [REDACTED] (or HK\$[REDACTED]) will be used for working capital and general corporate purposes.

In the event that the [REDACTED] is set at the maximum or the minimum of the indicative [REDACTED], the net [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED] respectively. If we set the final [REDACTED] to be above or below the mid-point of the indicative [REDACTED], we will increase or decrease the allocation of the net [REDACTED] to the above purposes on a pro rata basis. If the [REDACTED] is exercised in full, we estimate that we will receive additional net [REDACTED] of approximately (i) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the maximum [REDACTED]), (ii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the indicative [REDACTED]), and (iii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the minimum [REDACTED]). To the extent that the net [REDACTED] of the [REDACTED] are not immediately used for the above purposes, or if we are unable to effect any part of our future development plans as intended, we will only deposit such funds into 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) for so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules. 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 net [REDACTED] from the [REDACTED].