MeiG Smart Technology Co., Ltd.
美格智能技術股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3268)

ANNOUNCEMENT ON UTILIZATION OF CERTAIN IDLE PROCEEDS FROM H SHARE GLOBAL OFFERING FOR TEMPORARY REPLENISHMENT OF WORKING CAPITAL

Reference is made to the section headed "Future Plans and Use of Proceeds" in the prospectus (the "**Prospectus**") published for the global offering ("**H Share Global Offering**") and listing (the "**Listing**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") of H shares of MeiG Smart Technology Co., Ltd. (the "**Company**") dated February 27, 2026, in relation to, among others, the use of proceeds from the H Share Global Offering.

BASIC INFORMATION ON PROCEEDS FROM THE H SHARE GLOBAL OFFERING

The H shares of the Company were listed on the Stock Exchange on March 10, 2026. The total proceeds from the H Share Global Offering amounted to approximately HK$1,161.6 million (equivalent to approximately RMB1,050.4 million), and the net proceeds after deducting the issuance expenses directly attributable to the issuance of new shares amounted to approximately HK$1,090.8 million (equivalent to approximately RMB972.6 million) (the "**Net Proceeds**"). Since the Listing and up to the date of this announcement, all unutilized Net Proceeds from the H Share Global Offering, if not immediately used for the purposes set out in the Prospectus, or if the Company fails to implement any part of its future development plan as scheduled, and to the extent permitted by relevant laws and regulations, have been deposited 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), so long as it is deemed to be in the best interests of the Company.

As disclosed in the Prospectus, the Company plans to utilize the proceeds from the H Share Global Offering in accordance with the use, amounts and implementation timeline set out in the Prospectus:

- approximately 55.0% of the net proceeds are expected to be used for enhancing our R&D and innovation capabilities;

- approximately 10.0% of the net proceeds are expected to be used for expanding our overseas sales network and promoting our products in overseas markets;

- approximately 10.0% of the net proceeds are expected to be used for strategic investments and/or acquisition to achieve our long-term growth strategies;

- approximately 15.0% of the net proceeds are expected to be used for the repayment of certain interest-bearing bank borrowings so as to optimize our financial structure and reduce our borrowing cost;

- approximately 10.0% of the net proceeds are expected to be used for working capital and general corporate uses.

Having considered the following factors, the Company proposes to use certain idle Net Proceeds originally intended for the purposes set out in the Prospectus to temporarily replenish the Group's working capital. On the one hand, while the enhancement of R&D and innovation capabilities is a core long-term strategy of the Company, R&D activities are characterized by upfront investment, long cycles and delayed returns, and therefore require a stable and adequate level of working capital to support them; the Company's overseas sales network expansion and product promotion are currently at an accelerated stage, with initial investments primarily focused on personnel deployment, channel establishment and localized operations, while capital expenditure has not yet entered a phase of large-scale deployment; the implementation cycle for the Company's strategic investments and/or acquisitions, including target screening and due diligence, is relatively lengthy. The Net Proceeds originally scheduled for concentrated deployment in the later stages are temporarily idle at this stage. On the other hand, as the Company's business scale continues to expand and operating revenue grows rapidly, the operating working capital lock-up arising from trade receivables and inventories has increased correspondingly. In addition, due to the impact of global semiconductor supply chain volatility, the procurement prices of major chips and key components have been rising and delivery lead times have been extended. The Company needs to increase its strategic stock-up to ensure production continuity and timely customer delivery. Against this backdrop, if the Company were to meet the incremental working capital requirements through new bank borrowings, it would directly increase its interest-bearing liabilities and push up interest expenses, which would not be conducive to financial cost control.

Therefore, following a prudent review and assessment of the current market conditions by the Board of Directors, the Board resolved on August 27, 2026 that, without affecting the use of the Net Proceeds and the expected implementation timeline as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Company proposes to use certain idle Net Proceeds originally intended for the purposes set out in the Prospectus to temporarily replenish the Group's working capital, effective from the date of the Board resolution, in an amount not exceeding RMB300 million or its equivalent in other currencies, for a period not exceeding 12 months (the "**Utilization Period**").

The Board of Directors considers that the temporary use of certain idle Net Proceeds with original intended use to replenish the Company's working capital will enhance the efficiency of the Company's fund utilization and reduce finance costs, which is in the overall interests of the Company and its shareholders. Such temporary replenishment of working capital is in line with the Company's actual operational needs and strategic arrangements at the current stage, and will not affect the normal progress of the Group's daily business operations.

The temporary replenishment of working capital will not prejudice the interests of the Company or its shareholders, nor will it affect the planned use of the Net Proceeds and the expected implementation timeline as set out in the Company's Prospectus. The Company will reasonably arrange its fund utilization plan and, prior to the expiry of the Utilization Period, will timely and fully return such funds to the relevant items for their intended use. If, during the Utilization Period, the progress of any item to which the proceeds are allocated accelerates or additional funding needs arise, the Company will promptly return the relevant portion of the proceeds to such items.

The details of the utilization of the Net Proceeds, as well as the proposed arrangement for the temporary replenishment of cash flow, are set out below:

Use	Percentage of total amount	Net Proceeds *(RMB million)*	Amount utilized as of June 30, 2026 *(RMB million)*	Amount unutilized as of June 30, 2026 *(RMB million)*	Expected timetable for fully utilizing the unutilized amount	Amount to be used for replenishing working capital *(RMB million)*
Enhancing our R&D and innovation capabilities	55%	534.94	1.10	533.84	2030	300.00
Expanding our overseas sales network and promoting our products in overseas markets	10%	97.26	0.00	97.26	2030	
Strategic investments and/or acquisition	10%	97.26	20.00	77.26	N/A	
Repayment of certain interest-bearing bank borrowings	15%	145.89	145.89	0	N/A	
Working capital and general corporate uses	10%	97.26	97.26	0	N/A	
Total	**100%**	**972.61**	**264.25**	**708.36**		**300.00**

For the avoidance of doubt, the temporary use of certain idle Net Proceeds to replenish working capital is not expected to affect the expected implementation timeline for the planned use of the proceeds as set out in the Prospectus.

By order of the Board
MeiG Smart Technology Co., Ltd.
WANG Ping
Chairman

Shenzhen, the People's Republic of China
August 27, 2026

As at the date of this announcement, the executive directors of the Company are Mr. WANG Ping, Mr. DU Guobin, Mr. XIA Youqing and Mr. HUANG Min; and the independent non-executive directors of the Company are Dr. MA Lijun, Mr. YANG Zheng and Ms. LIU Jia.