
CONNECTED TRANSACTIONS

OVERVIEW

We set out below (i) our Group’s one-off transaction with certain connected persons on agreed terms before the [REDACTED]; and (ii) certain transactions with connected persons that will constitute continuing connected transactions under Chapter 14A of the Listing Rules upon [REDACTED].

SUMMARY OF OUR CONNECTED PERSONS

The table below sets forth certain parties who will become our connected person upon [REDACTED] and the nature of their respective relationships with our Group:

Connected Persons	Connected Relationship (as of the Latest Practicable Date)
Noblelift Company	Our Controlling Shareholder
Savoie	A subsidiary of Noblelift Company

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

License Agreement

On December 26, 2023, Savoie entered into the Licensed Agreement with our Company, pursuant to which Savoie granted our Company a non-exclusive and non-transferable right and license to manufacture, utilize, assemble, install, market, distribute and/or sell the X-PTS Licensed Products in the PRC (including Taiwan Region, Hong Kong and Macao Special Administrative Region of the PRC) (the “**Authorized Territory**”), and to utilize and exploit the technology relating to the X-PTS Licensed Product for a period of three years from the effective date of the License Agreement. Pursuant to the License Agreement, our Company shall have the right, subject to compliance with terms and conditions of the License Agreement, to manufacture, sell and distribute the X-PTS Licensed Products to any third party within the PRC (including Taiwan Region, Hong Kong and Macao Special Administrative Region of the PRC).

In consideration of the aforesaid licence granted by Savoie, our Company shall pay Savoie (i) a lump sum license fee of €850,000; and (ii) royalties amounting to 0.5% of the aggregate net sales price for each X-PTS Licensed Product sold by our Company in accordance with the License Agreement. The lump sum license fee had been fully settled in February 2024. During the Track Record Period, the X-PTS Licensed Products have yet to commercialize in the PRC and no revenue was derived from the X-PTS Licensed Product. Based on the information currently available and the best estimation by our Directors, it is expected that the research and development on the upgrades and the product testings with respect to the relevant X-PTS Licensed Products will be completed by or around August 2026, afterwards the launch of the relevant X-PTS Licensed Products and market promotion are contemplated to commence by or around October 2026.

In alignment with our strategic vision to expand into light load, high-speed logistics solution and tote/bin AS/RSs in Asia, we intend to enter into a supplemental agreement to the License Agreement with Savoie, pursuant to which the original authorized territory with respect to the X-PTS Licensed Products under the License Agreement shall be expanded from covering only the PRC (including Taiwan Region, Hong Kong and Macao Special Administrative Region of the PRC) to the relevant countries in Asia, and the non-exclusive license currently granted under the current License Agreement shall become an exclusive license. In this regards going forward, all sales of Licensed Products in the relevant countries in Asia must be conducted through our Company, and the relevant customers shall enter into supply agreement with our Company accordingly. For further details, please refer to the paragraph headed “Relationship with our Controlling Shareholders — Delineation of businesses” in this document.

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Reasons and benefits of the transaction

The X-PTS series tote/bin AS/RSs are specialised for use in light load lifting with a maximum loading capacity of 32kg and a maximum size of 620mm*420mm. As a result, the License Agreement would enable us to fulfill our vision to expand our product line of light load and high speed logistics solutions and tote/bin AS/RSs in the PRC, thus further enhancing our competitiveness in the industry. In light of the above, our Directors (including the independent non-executive Directors) are of the view that the License Agreement was entered into on normal commercial terms after arm’s length negotiations among the parties, which are fair and reasonable and are in the interests of the Group and the Shareholders taken as a whole.

Implications under the Listing Rules

Based on the current arrangement and information available to our Company, it is envisaged that the highest applicable percentage ratios for the royalties payable under the License Agreement for the purpose of Chapter 14A of the Listing Rules will be less than 5% and the total consideration will be less than HK\$3 million on an annual basis, such transactions under the License Agreement will constitute de minimis continuing connected transaction of our Company that will be fully exempt from reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS THAT ARE SUBJECT TO REPORTING, ANNUAL REVIEW AND ANNOUNCEMENT REQUIREMENTS

1. Connected Transactions relating to the smart intralogistics solutions provided to the Retained Noblelift Group

One-off connected transaction of provision of smart intralogistics solutions — Smart Intralogistics Solutions Agreement

Background and principal terms

On April 2, 2025, our Company entered into an equipment sales and installation agreement (the “**Smart Intralogistics Solutions Agreement**”) with Noblelift Company, pursuant to which our Group shall provide smart intralogistics solutions, with scope of works covering the delivery of equipment, installation, and testing for a smart warehouse project of Noblelift Company (the “**2025 Smart Intralogistics Project**”), at a contract price of approximately RMB8.4 million. Based on current estimation, the project will have a construction period of 180 days. The equipment supplied under the agreement is subject to a quality guarantee period of one year, during which our Company will provide maintenance service free of charge.

Pursuant to the terms of the Smart Intralogistics Solutions Agreement, the contract price shall be paid in the following manner: (1) 30% of the contract price shall be paid as prepayment after the execution of the agreement; (2) 30% of the contract price shall be paid upon the inspection and acceptance of the racks after their delivery; (3) up to 90% of the contract price (inclusive of the aforesaid payments) upon the inspection and acceptance after the completion of the project; and (4) 10% of the contract price shall be paid after the expiry of the quality guarantee period. The contract price was negotiated after arm’s length negotiation between our Company and Noblelift Company on normal commercial terms, having taken into account the long term relationship between our Group and Noblelift Company, the costs of the relevant equipment and labor required, and the target gross profit margin.

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Reasons and benefits of the transaction

Pursuant to the Smart Intralogistics Solutions Agreement, Noblelift Company engaged us to provide smart intralogistics solutions to the warehouse under the 2025 Smart Intralogistics Project. To the best knowledge and information of our Directors, Noblelift Company engaged us due to our close relationship with Noblelift Company and our expertise and established position in the industry as a smart intralogistics and warehouse automation solution provider in China. Our Directors believe the above transaction would benefit our Group by (i) continuing to strengthen our relationship with Noblelift Company; and (ii) generating additional income for our Group.

Continuing connected transaction of provision of after-sale services to the Retained Noblelift Group – Sales Framework Agreement

Background and principal terms

As set out in the paragraph headed “Business — Our business model — After-sales services” in this document, we provide after-sales services to customers who have purchased our smart intralogistics solutions in order to support the long-term performance and reliability of our solutions. Since 2019, our Company has been providing after-sales services to Noblelift Company with respect to a warehouse equipped with smart logistics solutions provided by us (the “**2018 Smart Intralogistics Project**”). Over the years, Noblelift Company has entered into annual maintenance service agreements with us for the procurement of our maintenance services, and placed purchase orders of spare parts with us from time to time for replacement of spare parts when necessary.

As the aforesaid after-sales services for the 2018 Smart Intralogistics Project provided to Noblelift Company is expected to continue after the [REDACTED], and it is envisaged that Noblelift Company would engage us to provide after-sales services with respect to the 2025 Smart Intralogistics Project, therefore on [●] 2026, our Company and Noblelift Company entered into a sales framework Agreement (the “**Sales Framework Agreement**”), pursuant to which Noblelift Company has agreed to procure after-sales services (including maintenance services and procurement of spare parts for the relevant smart intralogistics solutions related products) from us. Pursuant to the Sales Framework Agreement, Noblelift Company may further enter into definitive agreements with us setting out the specific details of the transactions contemplated, including the settlement method and timing of payment, which shall be in conformity with the principles as set out in the Sales Framework Agreement. The term of the Sales Framework Agreement is for the period commencing from the [REDACTED] and up to December 31, 2027.

Reasons and benefits of the transaction

The transactions contemplated under the Sales Framework Agreement are the on-going after-sales support we expect to provide to Noblelift Company for the relevant products in relation to the smart intralogistics solutions provided by us, primarily for the warehouses of Noblelift Company equipped with the smart intralogistics solutions provided by us, i.e. the 2018 Smart Intralogistics Project and the 2025 Smart Intralogistics Project. To the best knowledge and information of our Directors, Noblelift Company elects to retain us to provide the relevant after-sales services as we possess the necessary expertise and skills to support the long-term performance and reliability of the smart intralogistics solutions provided by us, given these smart intralogistics solutions have been tailored-made by us to best suit the particular needs of Noblelift Company.

Pricing policy

The terms of the Sales Framework Agreement were determined on normal commercial terms after arm’s length negotiations between Noblelift Company and us. The price of the after-sales services under the Sales Framework Agreement shall be fair and reasonable and reflect normal

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commercial terms, with reference to our costs, including (i) our cost of procurement for supplying the spare parts based on the number, type and specifications required by Noblelift Company, and (ii) our costs of raw materials and labor costs for the maintenance services procured by Noblelift Company based on the expected number of our staff involved and the time spent by them on the relevant maintenance services required.

Historical transaction amounts and annual caps and basis

For purposes of Rules 14A.81 and 14A.82 of the Listing Rules, the transactions under the Smart Intralogistics Solutions Agreement and the Sales Framework Agreement shall be aggregated on the bases that (i) the Smart Intralogistics Solutions Agreement and the Sales Framework Agreement were both entered into between us and Noblelift Company and (ii) the transactions contemplated under the Sales Framework Agreement are related to the warehouses of Noblelift Company equipped with the smart intralogistics solutions provided by us (including the 2025 Smart Intralogistics Project under the Smart Intralogistics Solutions Agreement).

For purposes of Rules 14A.81 and 14A.82 of the Listing Rules, the total transaction amounts in respect of the transaction with respect to the provision of smart intralogistics solutions to Noblelift Company and the transactions with respect to the provision of after-sales services to Noblelift Company for the years ended December 31, 2023 and 2024 and 2025 are set out as follows:

	For the year ended December 31,		
	2023	2024	2025
	(RMB'000)	(RMB'000)	(RMB'000)
Provision of smart intralogistics solutions to Noblelift Company (<i>Note</i>)	–	–	–
Provision of after-sales services to Noblelift Company	483	327	131
Total	483	327	131

Note: We did not provide any smart intralogistics solutions to Noblelift Group during the Track Record Period, and hence no transaction amount was recorded.

For purposes of Rules 14A.81 and 14A.82 of the Listing Rules, the proposed annual caps in respect of the transaction under the Smart Intralogistics Solutions Agreement and the transactions contemplated under the Sales Framework Agreement for the years ending December 31, 2026 and 2027 are as follows:

	For the year ending December 31,	
	2026	2027
	(RMB'000)	(RMB'000)
Provision of smart intralogistics solutions under the Smart Intralogistics Solutions Agreement	8,450	–
Provision of after-sales services to the Retained Noblelift Group under the Sales Framework Agreement	443	515
Total	8,893	515

The above proposed annual caps are determined with reference to (i) the historical transaction amounts in respect of the after-sales services provided to Noblelift Company for the 2018 Smart Intralogistics Project. Based on our experience, considering that the 2018 Smart Intralogistics Project would be approaching its 8th to 10th years of its life during the two years ending December

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31, 2027, it is expected that more frequent and substantial maintenance and replacement of the relevant equipment would be required as the equipment in the 2018 Smart Intralogistics Project continues to age, and hence the transaction amount for the after-sales services for the 2018 Smart Intralogistics Project is expected to increase during the two years ending December 31, 2027; (ii) the revenue to be recognized from the delivery of the 2025 Smart Intra-logistics Project. As at the Latest Practicable Date, the Group has already commenced carrying out the 2025 Smart Intra-logistics Project. Based on the current estimation and barring any unforeseen circumstances, the 2025 Smart Intralogistics Project is expected to be completed and delivered in 2026. Based on our accounting policies, revenue from our provision of smart intralogistics solutions is generally recognized upon completion of the relevant project acceptance. As a result, the entire revenue from the provision of the 2025 Smart Intralogistics Solution is expected to be recognised in 2026 upon delivery of the project; and (ii) the expected transaction amount for the after-sales services to be rendered to the 2025 Smart Intralogistics Project with reference to the nature and complexity of the 2025 Smart Intralogistics Project.

Implications under the Listing Rules

For purposes of Rules 14A.81 and 14A.82 of the Listing Rules, the transactions under the Smart Intralogistics Solutions Agreement and the Sales Framework Agreement shall be aggregated (For details, please refer to the paragraph headed “Historical transaction amounts and annual caps and basis” above). As the highest of all applicable percentage ratios in respect of the transaction under the Smart Intralogistics Solutions Agreement and the transactions contemplated under the Sales Framework Agreement on an aggregated basis will be more than 0.1% but less than 5%, such transactions will be subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

2. Continuing Connected Transactions relating to procurement of equipment and after-sales services

Procurement Framework Agreement

Background and principal terms

On [●] 2026, our Company entered into the procurement framework agreement (“**Procurement Framework Agreement**”) with Noblelift Company, pursuant to which our Group shall have the right to procure from the Retained Noblelift Group (i) the relevant smart intralogistics solution related equipment (including but not limited to lift carts (提升小車), forklifts (叉車) and automatic guided vehicles (AGV) (the “**Relevant Equipment**”); and (ii) the after-sales services for the Relevant Equipment for a term commencing from the [REDACTED] to December 31, 2026.

Pursuant to the Procurement Framework Agreement, the parties shall enter into definitive agreements to set out the specific details of the transactions contemplated (including but not limited to settlement method and timing of payment), which shall be in conformity with the principles set out in the Connected Procure Framework Agreement. The terms and conditions of the Procurement Framework Agreement shall be consistent with the terms and conditions of comparable procurement agreements entered into between our Group and other independent third parties.

Reasons and benefits of the transaction

During the Track Record Period and from time to time, we would procure the Relevant Equipment manufactured by the Retained Noblelift Group either for self-use or for use in our smart intralogistics solutions provided to our customers. Taking into account (i) our close and long term relationship with the Retained Noblelift Group; (ii) the Relevant Equipment supplied by the Retained Noblelift Group and the subsequent after-sales services have been able to satisfy the project needs of our Group and we have not experienced any material issues or found any material

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defects over the years; (iii) the Relevant Equipment are manufactured by the Retained Noblelift Group, and the Retained Noblelift Group possesses the necessary knowledge and knowhow, and is best suited to conduct the after-sales services on the Relevant Equipment, our Directors are of the view that (a) it is in our commercial interest to continue the procurement of the Relevant Equipment from the Retained Noblelift Group; (b) the Procurement Framework Agreement is entered into on an arm's length basis, on normal commercial terms and in the usual and ordinary course of business of our Group; and (c) the transactions contemplated under the Procurement Framework Agreement (including the annual cap) are fair and reasonable and are in the interests of our Company and our Shareholders as a whole.

Pricing Policy

The purchase prices of the Relevant Equipment and its required after-sales services shall be determined after arm's length negotiation between our Company and the Retained Noblelift Group and reflect normal commercial terms, with reference to the type of the Relevant Equipment and the specifications required, and where relevant, the types and quantities of spare parts required, the type and complexity of maintenance works to be performed and the labor costs expected to be incurred. As the price of Relevant Equipment could vary with the different specifications requested, to ensure the offer price of Relevant Equipment provided by the Retained Noblelift Group commensurates with the market price, we would obtain quotations from independent third party suppliers for equipment with similar specifications as reference.

Historical transaction amounts and annual caps and basis

The total transaction amounts in respect of the transactions under the Procurement Framework Agreement for the years ended December 31, 2023 and 2024 and 2025 are set out as follows:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Procurement of Relevant Equipment and after-sales services	11,327	2,280	9,493

The proposed annual cap in respect of the transactions contemplated under the Procurement Framework Agreement for the year ending December 31, 2026 are as follows:

	For the year ending December 31, 2026
	RMB'000
Procurement of Relevant Equipment and after-sales services	16,000

In determining the above annual cap for the transactions contemplated under the Procurement Framework Agreement, our Directors have taken into account the following factors:

- (i) our expected future demands for equipments from the Retained Noblelift Group, which is estimated with reference to (a) the average proportion of transaction amount of procurement of lift carts and forklifts from Noblelift Group to the total revenue of our Group generated from the provision of smart intralogistics solutions in the new energy industry during the three years ended December 31, 2025; (b) the estimated business growth of our Group during the year ending December 31, 2026; and (c) the procurement amount of the purchase orders on hand and those carried over from 2025 and expected to be completed in 2026;

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- (ii) our expected future demands for AGVs from the Retained Noblelift Group, which is estimated with reference to (a) the average proportion of transaction amount of procurement of AGVs from the Retained Noblelift Group to the total revenue of our Group generated from our provision of smart intralogistics solutions during the three years ended December 31, 2025; (b) the estimated business growth of our Group during the year ending December 31, 2026 and; (c) the procurement amount of the purchase orders on hand and those carried over from 2025 and expected to be completed in 2026; and
- (iii) the decrease in the transaction amount in 2024 was primarily attributable to the decrease in procurement of the Relevant Equipment during the year, which was the result of the management's decision to adopt a more prudent practice to control our inventory level in light of (i) the slowdown of the smart intralogistics solution market for the new energy industry in the PRC in 2024; and (ii) the Relevant Equipment procured previously was able to satisfy part of the demands of the on-going projects during the year. In fact, our overall inventories has also correspondingly decreased from approximately RMB2.5 million as of December 31, 2023 to approximately RMB1.6 million as of December 31, 2024. Nevertheless, according to the CIC Report, the smart intralogistics solution market for the new energy industry in the PRC is expected to expand going forward, and is projected to reach RMB14.7 billion by 2030, with a CAGR of 13.8% from 2025 to 2030. In fact, the transaction amount of procurement of Relevant Equipment recorded in 2025 already amounted to RMB9.5 million.

Implications under the Listing Rules

As the highest of all applicable percentage ratios in respect of the transactions under the Procurement Framework Agreement will be more than 0.1% but less than 5%, such transactions will be subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

WAIVER APPLICATION FOR PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

As the continuing connected transactions under the paragraph headed "Partially Exempt Continuing Connected Transactions that are subject to reporting, annual review and announcement requirements" are expected to continue in the ordinary and usual course of our business on a continuing basis over a period of time and have been fully disclosed in this section, our Directors consider that additional administrative costs would be required if these transactions are subject to strict compliance with the announcement requirements under Chapter 14A of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted] a waiver from strict compliance with the requirement of announcement under Rule 14A.35 in respect of the partially exempt continuing connected transactions pursuant to Rule 14A.105 of the Listing Rules, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps stated above.

We will comply with the applicable requirements under the Listing Rules and will immediately inform the Stock Exchange if there is any changes to these partially exempt continuing connected transactions. If the Group enter into any new agreement with any of its connected persons, the Group must fully comply with the relevant requirements under Chapter 14A of the Listing Rules unless it apply for and obtain a separate waiver from the Stock Exchange.

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INTERNAL CONTROL MEASURES

We have adopted the following internal control procedures to ensure that the continuing connected transactions are fair and reasonable and on normal commercial terms or better, and comply with applicable laws and regulations (including the Listing Rules):

- we have adopted and implemented a management system on connected transactions. Under such system, our Board and relevant departments of our Group will be responsible for the control and daily management in respect of the continuing connected transactions;
- our Board and relevant departments of our Group (including but not limited to the finance department and legal department) will be jointly responsible for evaluating the terms under the relevant continuing connected transaction agreements, in particular, the fairness of the pricing policies and annual caps (if applicable) under each transaction;
- when considering pricing for connected transactions, to the extent practicable, our Group will research prevailing market conditions and practices and make reference to the pricing and terms between our Group and independent third parties for similar transactions, to ensure that the pricing and terms offered by or to our connected persons are fair, reasonable and no less favorable than those to be offered by or to independent third parties;
- our independent non-executive Directors will conduct annual reviews of the continuing connected transactions to ensure that such transactions have been entered into on normal commercial terms, are fair and reasonable, and conducted according to the terms of the relevant agreements;
- the auditor of our Company shall issue a letter to our Board to express opinions on the continuing connected transactions on an annual basis. We shall allow our auditor to review and check the relevant accounts to facilitate them to express opinions; and
- when considering any renewal or revisions to the framework agreements after the [REDACTED], the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at board meetings and shareholders' meetings (as the case may be).

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including the independent non-executive Directors) are of the view that the above continuing connected transactions have been and will be entered into (i) in the ordinary and usual course of the business of our Group; (ii) on normal commercial terms or better; and (iii) the terms are fair and reasonable and in the interests of our Company and our Shareholders as a whole. The proposed annual caps in respect of the partially-exempt continuing connected transactions are also fair and reasonable and in the interest of our Company and our Shareholders as a whole.

CONFIRMATION FROM THE SOLE SPONSOR

Based on (i) the relevant documents and information provided by our Group, (ii) participation in the discussions with our management; and (iii) the relevant representations and confirmations from our Company and our Directors, the Sole Sponsor concurs with the views of the Directors that the partially-exempt continuing connected transactions described above, and for which waivers have been sought, have been and will be entered into in the ordinary and usual course of business of the Group, are on normal commercial terms or better and are fair and reasonable and in the interests of the Company and our Shareholders as a whole, and the proposed annual caps for these partially-exempt continuing transactions are also fair and reasonable and in the interest of our Company and our Shareholders as a whole.