

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

For a detailed description of our future plans, see “Business — Our Strategies.”

USE OF [REDACTED]

We estimate that the net [REDACTED] from the [REDACTED] will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the [REDACTED] of the [REDACTED] range of HK\$[REDACTED] per Share to HK\$[REDACTED] per Share, after deducting [REDACTED] and estimated [REDACTED] expenses paid and payable by us in the [REDACTED], taking into account any additional discretionary incentive fee.

We intend to use the [REDACTED] from the [REDACTED] for the following purposes:

Purpose	Intended Timeframe
1 Research and development initiatives:	
(a) Development of smart software systems	2026-2028
(b) Development of advanced robotic and equipment systems	2026-2028
2 Capacity upgrades and technical retrofits to production facilities:	
(a) Production facilities for shuttles	2026-2028
(b) Production facilities for stacker cranes	2026-2028
(c) Production facilities for conveyors	2026-2028
3 Strategic alliances and mergers and acquisitions	2026-2028
4 Overseas expansion	2026-2028
5 Working capital and general corporate purposes	N/A

- approximately [REDACTED]%, or HK\$[REDACTED], for research and development initiatives of software systems, robotics and intralogistics equipment.

- (a) approximately [REDACTED]%, or HK\$[REDACTED], will be used for the development of smart software systems over the next three years, details of which are set out below.

- (i) Warehouse Execution Systems (WES) software

We plan to allocate approximately HK\$[REDACTED] to develop advanced warehouse execution systems (WES) software, to optimize equipment scheduling, inventory management, and order fulfillment processes.

- (ii) AI-based automated process testing software

We plan to allocate approximately HK\$[REDACTED] to development of AI-based automated process testing software, to improve the efficiency and accuracy of software testing and significantly reduce the need for manual intervention.

FUTURE PLANS AND [REDACTED]

(iii) Improved digital twin technologies

We plan to allocate approximately HK\$[REDACTED] million to more advanced digital twin technologies, to enable real-time simulation and virtual optimization of intralogistics operations before implementation.

We estimate implementation of our planned development of smart software systems will involve, among others, procurement of servers and computers, use of private cloud services, and licensing of professional application software for use in data management. Accordingly, we plan to engage approximately 135 R&D personnel, including 35 additionally hired professionals as software engineers, AI engineer, data analysts and database managers who, among them, will have professional experiences in software programming, data analysis, 3D modelling and AI model training.

These developments will enhance overall system intelligence, operational visibility, and predictive maintenance capabilities of our smart intralogistics solutions.

(b) approximately [REDACTED]%, or HK\$[REDACTED], will be used for the development of advanced robotic and equipment systems from 2026 to 2028, details of which are set out below.

(i) High-density pallet storage robots integrated with four-way shuttles

We plan to allocate approximately HK\$[REDACTED] to the development of high-density pallet storage robots integrated with four-way shuttles, to achieve high-density storage and flexible, multi-directional pallet handling.

(ii) Second generation tote multi-shuttle systems

We plan to allocate approximately HK\$[REDACTED] to the development of second generation tote multi-shuttle systems, to enhance high-throughput storage and retrieval capabilities for mini loads.

(iii) Tote-climbing robots

We plan to allocate approximately HK\$[REDACTED] to the development of tote-climbing robots, to enable autonomous vertical movement of totes within storage racks, optimizing storage density and operational flexibility.

(iv) Micro Fulfilment Center (MFC) system

We plan to allocate approximately HK\$[REDACTED] to the development of MFC systems, to enhance delivery speed and efficiency by locating inventory closer to end customers and consumers.

(v) Next-generation tote conveying and sorting systems

We plan to allocate approximately HK\$[REDACTED] to the development of next-generation tote conveying and sorting systems, to improve material flow efficiency and automated order picking.

FUTURE PLANS AND [REDACTED]

We estimate implementation of our planned development of advanced robotic and equipment systems will involve, among others, investment in manufacturing of prototype equipment, development of corresponding WCS software to support such prototypes, and investments in customer beta-sites. Accordingly, we plan to engage approximately 48 additionally hired professionals including mechanical engineers, electrical component engineers, solution development engineers and software engineers, each of whom will be required to have relevant professional experience and university degrees from prestigious institutions.

- approximately [REDACTED]%, or HK\$[REDACTED], for capacity upgrades and technical retrofits to our production facilities of AS/RSs and conveyor systems, of which:
 - (a) approximately [REDACTED]%, or HK\$[REDACTED], will be used to establish production facilities for our shuttles. This includes investments in advanced production and testing equipment, the establishment of a dedicated shuttle manufacturing center, and the implementation of automated assembly lines with enhanced quality control systems.
 - (b) approximately [REDACTED]%, or HK\$[REDACTED], will be used to upgrade the production facilities of our stacker cranes, including implementing robotic welding systems to improve precision and efficiency, acquisition of advanced CNC milling machines for improved component fabrication, and upgrades to our tooling systems and investments in manufacturing execution systems (MES) software to optimize production workflows; and
 - (c) approximately [REDACTED]%, or HK\$[REDACTED], will be used to upgrade the production facilities of our conveyors, including new side channel roll forming machines and associated tooling, the installation of automated powder coating lines to enhance product durability and finish quality, and comprehensive improvements to our assembly line infrastructure.

We plan to construct and upgrade these production facilities in Wuxi over the next three years, and anticipate completion between February and October 2028. We estimate our investments will result in additional annual production capacity of approximately 1,000 shuttles, 100 mini-load stacker cranes, 100 pallet stacker cranes and 30 kilometers of case conveyor lines.

- approximately [REDACTED]%, or HK\$[REDACTED], will be used for strategic alliances, and mergers and acquisitions over the next three years, focusing on two aspects:
 - (a) Acquisition of technological capabilities: we will actively identify and acquire companies with advanced technological capabilities, particularly those specializing in automation, intelligent systems, and complementary technologies. The principal businesses of such companies are expected to include smart manufacturing and automation logistics (such as automated warehouses, sorting systems, and warehouse robotics), digitalisation and emerging technologies (such as AI, data analytics platforms, and industrial application software), and other complementary technology fields. Targeted acquisitions will focus on enhancing our capabilities in smart manufacturing, automated control systems, data algorithms, and industrial software applications. In addition, we will pursue strategic investments, joint innovation initiatives, and technology incubation programs to strengthen our core technology portfolio and proactively develop forward-looking solutions to meet evolving customer demands, with a particular focus on startups and research and development institutions with capabilities in

FUTURE PLANS AND [REDACTED]

artificial intelligence applications, critical component upgrades, and cutting-edge industry research. These strategic initiatives will significantly upgrade the automation and digital capabilities of our intralogistics systems, enabling us to deliver more comprehensive, integrated and next-generation solutions to our customers.

- (b) Industry vertical expansion: a critical component of our acquisition strategy involves acquiring specialized knowledge, channels, and resources in key industry verticals. We will prioritize companies with established expertise and customer bases in sectors with specialized intralogistics automation requirements, including not limited to e-commerce distribution, retail logistics, healthcare, and semiconductors. The principal businesses of such companies are expected to include logistics equipment providers and system integrators with established international channels and vertical industry resources. These acquisitions will allow us to rapidly penetrate specific application scenarios, optimize our business portfolio, and improve both service precision and response speed.

We will consider both qualitative and quantitative factors when evaluating acquisition targets, with a preference for companies with:

- (i) a core business and technologies complementary to ours, including ability to enhance our market and industry coverage and ultimately revenue generation;
- (ii) a management team with at least five years of experience in local market operations or technical R&D;
- (iii) minimum average annual revenue of RMB30.0 million over the past three years;
- (iv) positive and stable cash flow performance; and
- (v) valuation metrics in line with industry expectations.

When evaluating early-stage and growth investment targets, we will prioritize target companies specializing in next-generation technologies in the fields of AI, robotics, smart equipment, and software. We expect individual deal sizes of such investments to be no more than RMB[REDACTED].

As advised by CIC, based on the above criteria, we have more than 1,000 suitable investment and cooperation targets in the global smart intralogistics solutions market.

- approximately [REDACTED]%, or HK\$[REDACTED] will be used to fund our overseas expansion, including establishing a sales and service network in the Asia Pacific region to improve our capability to provide quick and localized responses to customers.

Our decision to expand into the Asia Pacific region, in particular Southeast Asia, is supported by the following considerations:

- (i) ***Diversification and new growth sources.*** Over 94% of our revenue during the Track Record Period was generated in China. Expanding into Asia Pacific provides a source of further growth, reducing reliance on a single market while strengthening our international brand.
- (ii) ***Capturing Southeast Asia's manufacturing relocation and logistics upgrade.*** Southeast Asian countries such as Malaysia, Singapore, Vietnam, and Thailand are seeing increased investment in technology-intensive industries, triggering demand

FUTURE PLANS AND [REDACTED]

for automated intralogistics solutions. According to the 2024 China Statistical Bulletin of Outbound Direct Investment, China's direct investment in ASEAN countries reached USD34.36 billion in 2024, of which 44.8% flowed into manufacturing, 27.7% into wholesale/retail, and 9.1% into leasing and business services, all of which are industries that overlap with our target customer base. Several leading global lithium-ion battery manufacturers and electric vehicle manufacturers have announced plans to establish manufacturing facilities in Southeast Asia in 2025, especially in Malaysia and Indonesia. These major industry players are expected to invest billions of dollars over the next few years to set up integrated production capacities spanning from midstream battery material supply to downstream lithium-ion battery manufacturing.

- (iii) ***Local demand and replicable experience.*** We believe our experience delivering more than 1,000 intralogistics solution projects in China is replicable in Southeast Asia. We have already completed intralogistics solution projects in Thailand and Vietnam, and, as of the Latest Practicable Date, are delivering projects in Malaysia, Singapore and Indonesia, demonstrating both our capability and local demand. Further, according to the 2024 China Statistical Bulletin of Outbound Direct Investment, among ASEAN countries, Singapore (USD102.6 billion), Indonesia (with USD25.5 billion), Thailand (USD16.7 billion), Vietnam (USD16.2 billion) and Malaysia (USD12.8 billion) are the top five recipients of Chinese investment in 2024.

Our planned expansion in the Asia Pacific region includes planned investments in a technology exhibition center in Malaysia and recruitment of local sales and services professionals in Singapore and Malaysia. We plan to undertake these investments over the period of 2026 to 2028. Such investments will be allocated to team salaries, office rent and renovation, purchases of office equipment, and local marketing activities.

- (a) In Singapore, we plan to invest approximately HK\$[REDACTED] in local marketing expenses, office space and sales team salaries.
- (b) In Malaysia, we plan to invest approximately HK\$[REDACTED] in local marketing expenses, exhibition and office space and sales team salaries.

Accordingly, we plan to engage approximately 10 professionals in Singapore and 15 professionals in Malaysia, including managers, sales personnel, project design technicians and after-sales staff, each of whom will be required to have relevant professional experience and university degrees.

We plan to implement our expansion into the Asia Pacific region by focusing on three types of customers: (i) Chinese enterprises establishing manufacturing or distribution operations in the region, (ii) global companies undertaking automated intralogistics projects locally, and (iii) overseas integrators and end customers purchasing core equipment such as stacker cranes and multi-shuttle systems. We plan to target verticals starting with new energy, and expand into retail logistics, healthcare, and cold chain, using local channel partners and existing case studies to build credibility. We intend to expand our presence by deploying local sales personnel to engage directly with customers, supported by an exhibition center, while leveraging exhibitions and trade shows to showcase our products. Our China-based headquarters will provide technical and project execution support. Further, we intend to provide comprehensive after-sales services to strengthen customer stickiness. According to CIC, our intended expansion model is based on an approach commonly used by global smart intralogistics providers.

- approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and general corporate purposes.

FUTURE PLANS AND [REDACTED]

In the event that the [REDACTED] is set at the maximum [REDACTED] or the minimum [REDACTED] of the indicative [REDACTED] range, assuming the [REDACTED] is not exercised, the [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED], respectively.

If the [REDACTED] is exercised in full, we estimate that we will receive [REDACTED] of approximately (i) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the maximum [REDACTED]), (ii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the [REDACTED] of the indicative [REDACTED] Range) and (iii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the minimum [REDACTED]).

To the extent that our net proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings.

If the [REDACTED] from the [REDACTED] are not immediately applied to the above purposes, we will only deposit those [REDACTED] 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). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.