
SUMMARY

This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this Document. You should read the entire document before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed “Risk Factors” in this Document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. Various expressions used in this section are defined in the sections headed “Definitions” and “Glossary of Technical Terms and Conventions” in this Document.

OVERVIEW

Our Mission

Our mission is to drive the progress of human civilization using robotic technologies by bringing together global talent.

Our Vision

Our vision is to empower every warehouse and factory with logistics robots.

Who We Are

We are a global leader in warehouse automation, focused on automation solution for picking — the most labor-intensive and time-consuming activity within a warehouse. According to CIC, we were the world’s largest ACR solution provider in 2024, with a market share of over 30%, by both revenue and shipment volume.

We invented integrated ACR solutions designed to automatically pick and carry individual cases within a warehouse. Through our solutions, we enable customers to increase storage density, enhance operating efficiency, accelerate order fulfillment, and reduce labor costs. We serve enterprise customers with fully integrated solutions that combine robots and related hardware, software, and a full suite of ancillary support and services.

Our Solutions

We offer a range of advanced ACR solutions to deliver flexibility, efficiency, reliability and affordability for a wide range of distribution and manufacturing applications.

In 2025, we introduced *HaiPick Climb*, the first single-sided climbing ACR solution in the global ACR solutions market to achieve large-scale commercial deployment. According to CIC, *HaiPick Climb* supports storage heights of up to 15 meters in both new and retrofit warehousing facilities, the highest among competing offerings.

Our solutions also include the *HaiPick Systems* family, which is specifically designed to address three key tasks: high-density storage, order staging and consolidation, and full-case handling. These solutions are selectively deployed in industries where such tasks are most prevalent. We launched *HaiPick System 1*, our first ACR solution, in 2017, establishing the foundation of our ACR product line. We offer *HaiPick System 2* which integrates pallet moving and case picking into a single process and excels at handling of mixed-type and irregularly sized items. We further streamline warehouse workflows with *HaiPick System 3*, a high-density solution that leverages hook-based technologies to achieve enhanced storage density.

SUMMARY

We also offer *Hai-for-Manufacturing Solution* designed for manufacturing with complex, multi-zone workflows, enabling coordinated operation among different robot types, including ACRs and latent robots, within a unified environment. See “Business — Our ACR Solutions” for details.

Our Business Model

Our ACR solutions are specifically engineered to address the most labor-intensive and time-consuming challenges in modern warehousing: picking. We deliver integrated solutions that combine robots and related hardware (such as racks, cases, and workstations), software, and ancillary technical and operational support.

During the Track Record Period, we generated a significant portion of our revenue from the initial fees for the one-time delivery and deployment of a specific project. After the project is operational, we generate recurring revenue by providing a full suite of ancillary support and services, including after-sales maintenance packages, software and operational and technical support. As our customers experience the benefits of our ACR solutions, they tend to expand their investment by adding more robots to their existing sites or launching new projects across their broader warehouse networks. This project-to-service evolution, coupled with the increased customer adoption of our solutions, allow us to build deep, long-term relationships, creating a predictable path for future growth.

We provide ACR solutions tailored to serve two core application domains: distribution and manufacturing. In 2023 and 2024 and for the nine months ended September 30, 2025, revenue from the distribution domain accounted for 57.5%, 72.5% and 83.2% of our total revenue for the same periods, respectively.

Our footprint extends to more than 40 countries and regions, across both the domestic market and non-domestic markets, including the Americas, EMEA, Japan and the rest of APAC, with the order intake from non-domestic markets representing over 50% of our total order intake for the nine months ended September 30, 2025. In 2023 and 2024 and for the nine months ended September 30, 2025, revenue from non-domestic markets accounted for 24.2%, 38.1% and 39.6% of our total revenue for the same periods, respectively.

Our sales strategy relies on a combination of channel partnerships and direct sales. In certain markets, we leverage a network of qualified channel partners who select our ACR solutions as a core component for large-scale, complex warehousing automation projects to expand our local reach, particularly in non-domestic markets where localized expertise is essential. In 2023 and 2024 and for the nine months ended September 30, 2025, revenue from channel partners accounted for 36.3%, 39.5% and 25.9% of our total revenue for the same periods, respectively. We also adopt a direct sales model for customers with such needs, particularly strategic and KA customers.

OUR STRENGTHS

We believe that the following strengths have contributed to our success and differentiated us from our competitors: (i) the inventor and global leader of ACR solutions; (ii) revolutionary solutions delivering industry-leading performances; (iii) long-standing co-development partnerships with leading global customers; (iv) cutting-edge technologies pushing the frontier of warehouse automation; (v) superior delivery capabilities enabled by deep industry expertise; (vi) customer-centric growth flywheel driving scalable growth; and (vii) visionary global leadership, culture of excellence and strong local execution. See “Business — Our Strengths” for details.

SUMMARY

OUR STRATEGIES

We plan to execute the following strategies to drive our future growth: (i) deepening strategic customer relationships; (ii) strengthening talent development; (iii) advancing technological innovation; (iv) expanding product portfolio; (v) optimizing global delivery; and (vi) enhancing global influence and brand visibility. See “Business — Our Strategies” for details.

CUSTOMERS AND SUPPLIERS

Our ACR solutions are deployed in warehouses operated by a diverse range of enterprises, including warehouse operators, logistics service providers, retail conglomerates and manufacturing enterprises across key verticals, including apparel & fashion, e-commerce & retail, F&B, 3PL, pharmaceutical, 3C electronics and automotive. As of September 30, 2025, we had entered into contracts with over 800 customers, including both direct customers and channel partners, for the deployment of our ACR solutions.

In 2023 and 2024 and for the nine months ended September 30, 2025, revenue generated from our five largest customers in each year/period during the Track Record Period was RMB259.3 million, RMB498.6 million and RMB607.5 million, respectively, accounting for 32.1%, 36.7% and 48.2% of our total revenue for the same periods, respectively. In 2023 and 2024 and for the nine months ended September 30, 2025, revenue generated from our single largest customer in each year/period during the Track Record Period was RMB126.3 million, RMB172.4 million and RMB384.1 million, respectively, accounting for 15.6%, 12.7% and 30.4% of our total revenue for the same periods, respectively.

Our suppliers primarily comprise (i) providers of mechanical, electronic and structural components used in our products, including raw materials, standard parts, precision-machined parts and subassemblies; (ii) OEM and ODM partners that manufacture designated items or undertake specific production stages in accordance with our technical and quality requirements; and (iii) logistics and warehousing service providers that support inbound material handling, storage and distribution.

In 2023 and 2024 and for the nine months ended September 30, 2025, purchases from our five largest suppliers in each year/period during the Track Record Period were RMB158.2 million, RMB255.9 million and RMB254.6 million, respectively, accounting for 16.5%, 19.0% and 21.8% of our total purchase amounts for the same periods, respectively. In 2023 and 2024 and for the nine months ended September 30, 2025, purchases from our single largest supplier in each year/period during the Track Record Period were RMB47.6 million, RMB74.9 million and RMB96.4 million, respectively, accounting for 5.0%, 5.6% and 8.3% of our total purchase amounts for the same periods, respectively.

See “Business — Our Customers” and “Business — Our Supply Chain — Our Suppliers” for details about our customers and suppliers, and “Business — Overlapping of Major Customers and Suppliers” for further information on the overlapping of our major customers and suppliers.

SUMMARY

INNOVATIVE COMPANY

We believe we satisfy the suitability requirement of being an innovative company as defined in paragraph 4 of Chapter 2.2 of the Guide for New Listing Applicants. Our innovativeness is reflected in our product leadership, technology depth, business model differentiation, and sustained significant R&D investment. Our innovation capabilities are underpinned by substantial R&D investment and intellectual property leadership. As of September 30, 2025, we had 516 research and development employees, representing nearly 36% of our total employees, giving us the largest R&D team in the global ACR solutions market, according to CIC. Immediately following the [REDACTED], we expect to have an outsized market capitalization relative to our tangible and net tangible asset value.

H-SHARE WVR STRUCTURE

The Company has adopted a WVR structure in August 2021, where Mr. Chen, one of the WVR Beneficiaries, was entitled to exercise 20 votes for the amount of registered capital owned by Mr. Chen in our Company, to enable Mr. Chen, together with the other two WVR Beneficiaries, namely Mr. Xu and Mr. Fang, who entered into concert party agreement with Mr. Chen to exercise control over our Company. Under our WVR structure, our share capital comprises Class A Ordinary Shares and Class B Ordinary Shares. To comply with the requirements under Chapter 8A of the Listing Rules, our WVR structure will be amended to entitling holders of each Class A Ordinary Share to exercise ten votes, and holders of each Class B Ordinary Share to exercise one vote, on matters subject to voting at general meetings of our Company, subject to Rule 8A.24 of the Listing Rules and the PRC Company Law that requires the Reserved Matters and Special Matters to be voted on a one-vote-per-share basis. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] are not exercised and without taking into account any H Shares which may be issued under the Employee Incentive Plan), the WVR Beneficiaries, together with Hairou Weizheng whose general partner is Mr. Chen, will be, collectively, entitled to exercise approximately [REDACTED]% of the voting rights in our issued share capital in general meetings (except for resolutions with respect to the Reserved Matters and the Special Matters).

By adopting the WVR structure, this will enable our Company to benefit from the continuing vision and leadership of the WVR Beneficiaries who will control our Company with a view to its long-term prospects and strategy. Taking into account the WVR Beneficiaries’ contribution to the Group, it is in the best interests of the Company and its Shareholders as a whole.

Prospective [REDACTED] are advised to be aware of the potential risks of [REDACTED] in companies with WVR structures, in particular that interests of the WVR Beneficiaries may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiaries will be in a position to exercise their higher voting power to influence the affairs of our Company and the outcome of Shareholders’ resolutions, irrespective of how other Shareholders vote. See “Risk Factors — Risks Relating to the WVR Structure” in this Document for further information about the risks associated with the WVR structure adopted by the Company.

SUMMARY

OUR CONTROLLING SHAREHOLDERS

Mr. Chen, Mr. Xu and Mr. Fang, namely the WVR Beneficiaries, entered into a concert party agreement in January 2018, as amended in November 2025, pursuant to which, among others, Mr. Xu and Mr. Fang agreed to act in concert with Mr. Chen. For further details relating to the concert party arrangement, see “History — Concert Party Agreement” and “Relationship with our Controlling Shareholders.”

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] are not exercised), the WVR Beneficiaries and Hairou Weizheng whose general partner is Mr. Chen, will be, collectively, entitled to (i) [REDACTED]% of the voting rights in our issued share capital in general meetings (except for resolutions with respect to the Reserved Matters and the Special Matters) with each Class A Ordinary Share entitling the holder to exercise 10 votes and each Class B Ordinary Share entitling the holder to exercise one vote, and (ii) [REDACTED]% of the voting rights in our issued share capital in general meetings for resolutions with respect to the Reserved Matters and the Special Matters with each Share entitling the holder to exercise one vote, will be held by the WVR Beneficiaries. The WVR Beneficiaries and Hairou Weizheng will constitute a group of Controlling Shareholders of our Company after the [REDACTED].

PRE-[REDACTED] INVESTMENTS

We have undertaken several rounds of Pre-[REDACTED] Investments. For details of the background of our major Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, see “History, Development and Corporate Structure — Pre-[REDACTED] Investments.”

SUMMARY OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table below forth a summary of our consolidated statements of profit or loss for the periods indicated.

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000 <i>(unaudited)</i>	% of revenue	RMB'000 <i>(unaudited)</i>	% of revenue
Revenue	807,007	100.0	1,360,364	100.0	931,271	100.0	1,262,965	100.0
Cost of sales	(677,853)	(84.0)	(1,002,905)	(73.7)	(702,286)	(75.4)	(897,694)	(71.1)
Gross Profit	129,154	16.0	357,459	26.3	228,985	24.6	365,271	28.9
Other income and gains	50,015	6.2	55,086	4.0	61,400	6.6	79,765	6.3
Selling and distribution expenses	(424,451)	(52.7)	(489,178)	(35.9)	(363,788)	(39.1)	(385,710)	(30.5)
Administrative expenses	(190,687)	(23.7)	(199,555)	(14.8)	(147,403)	(15.8)	(155,364)	(12.3)
Research and development expenses	(308,873)	(38.3)	(333,954)	(24.5)	(239,838)	(25.7)	(257,712)	(20.4)
Impairment losses on financial and contract assets, net	(4,605)	(0.6)	(1,556)	(0.1)	(2,193)	(0.2)	(2,284)	(0.2)
Other expenses	(42,137)	(5.2)	(61,608)	(4.5)	(7,444)	(0.8)	(6,731)	(0.5)
Finance costs	(5,210)	(0.6)	(6,625)	(0.5)	(4,518)	(0.5)	(6,900)	(0.5)
Interest on redemption liabilities	(211,160)	(26.2)	(239,717)	(17.6)	(174,324)	(18.7)	(211,517)	16.7
Losses on fair value changes of derivative liabilities	—	—	(333,080)	(24.5)	(333,080)	(35.8)	—	—

SUMMARY

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	<i>RMB'000</i>	<i>% of revenue</i>	<i>RMB'000</i>	<i>% of revenue</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>% of revenue</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>% of revenue</i>
Loss before tax	(1,007,954)	(124.9)	(1,252,728)	(92.1)	(982,203)	(105.5)	(581,182)	(46.0)
Income tax expense	(1,012)	(0.1)	(2,958)	(0.2)	(2,312)	(0.2)	(7,368)	(0.6)
Loss for the year/period . . .	<u>(1,008,966)</u>	<u>(125.0)</u>	<u>(1,255,686)</u>	<u>(92.3)</u>	<u>(984,515)</u>	<u>(105.7)</u>	<u>(588,550)</u>	<u>(46.6)</u>
Attributable to:								
Owners of the parent	(1,008,806)	(125.0)	(1,255,686)	(92.3)	(984,515)	(105.7)	(588,550)	(46.6)
Non-controlling interests . . .	(160)	(0.0)	-	-	-	-	-	-
	<u>(1,008,966)</u>	<u>(125.0)</u>	<u>(1,255,686)</u>	<u>(92.3)</u>	<u>(984,515)</u>	<u>(105.7)</u>	<u>(588,550)</u>	<u>(46.6)</u>

See “Financial Information — Description of Selected Items of Our Consolidated Statements of Profit or Loss” and “Financial Information — Period-to-Period Comparison of Results of Operations” for detailed analysis.

SUMMARY OF CONSOLIDATED BALANCE SHEETS

The following table sets forth selected information from our consolidated balance sheets as of the dates indicated.

	As of December 31,		As of
	2023	2024	September 30,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>
Total non-current assets	203,437	176,392	226,820
Total current assets	1,731,101	2,294,583	2,488,836
Total assets	<u>1,934,538</u>	<u>2,470,975</u>	<u>2,715,656</u>
Total non-current liabilities	200,143	243,608	206,790
Total current liabilities	4,258,724	5,575,605	6,388,355
Total liabilities	<u>4,458,867</u>	<u>5,819,213</u>	<u>6,595,145</u>
Net current liabilities	<u>(2,527,623)</u>	<u>(3,281,022)</u>	<u>(3,899,519)</u>
Total assets less current liabilities	<u>(2,324,186)</u>	<u>(3,104,630)</u>	<u>(3,672,699)</u>
Net liabilities	<u>(2,524,329)</u>	<u>(3,348,238)</u>	<u>(3,879,489)</u>
Paid-in capital	3,020	3,601	5,013
Deficits	(2,527,349)	(3,351,839)	(3,884,502)
Total equity	<u>(2,524,329)</u>	<u>(3,348,238)</u>	<u>(3,879,489)</u>

See “Financial Information — Discussion of Selected Items from Our Consolidated Balance Sheets” for detailed analysis.

SUMMARY

SUMMARY OF CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table presents our consolidated cash flow data for the periods indicated.

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Net cash flows used in operating activities	(482,249)	(195,749)	(309,647)	(285,709)
Net cash flows generated from investing activities	740,075	16,341	49,646	14,626
Net cash flows (used in)/ generated from financing activities	(31,816)	421,434	249,826	244,214
Net increase/(decrease) in cash and cash equivalents .	226,010	242,026	(10,175)	(26,869)
Cash and cash equivalents at the beginning of year/period	304,708	532,930	532,930	767,622
Effect of foreign exchange rate changes, net	2,212	(7,334)	(3,052)	16,729
Cash and cash equivalents at end of year/period	532,930	767,622	519,703	757,482

See “Financial Information — Liquidity and Capital Resources — Cash Flow Analysis” for detailed analysis.

KEY FINANCIAL RATIOS

The following table sets forth some of our key financial ratios as of the dates or for the periods indicated.

	Year ended/As of December 31,		Nine months ended/ As of September 30,	
	2023	2024	2024	2025
Gross profit margin ⁽¹⁾	16.0%	26.3%	24.6%	28.9%
Gross profit margin for non-domestic markets	45.7%	41.4%	39.0%	43.9%
Revenue growth rate for non-domestic markets	N/A	165.7%	N/A	57.1%
Adjusted EBITDA margin (non-IFRS measure) ⁽²⁾	(77.3%)	(35.6%)	(39.5%)	(20.5%)
Cash conversion cycle ⁽³⁾ (days)	(40)	(85)	(58)	(103)

Notes:

- (1) Equals gross profit for a given period divided by revenue for the same period and multiplied by 100%.
- (2) Equals adjusted EBITDA (non-IFRS measure) for a given period divided by revenue for the same period and multiplied by 100%. See “Financial Information — Description of Selected Items of Our Consolidated Statements of Profit or Loss — Non-IFRS Measures” for detailed analysis.
- (3) The cash conversion cycle is a metric that measures the time between cash payments for inventory procurement and the collection of cash from customers, and is calculated as inventory turnover days plus trade and bills receivables turnover days minus the sum of trade and bills payables turnover days and contract liabilities turnover days. A negative cash conversion cycle is generally considered a positive indicator, as it suggests that a company is able to convert its investments in inventory into cash efficiently, often reflecting strong operational execution and financial discipline. See “Financial Information — Liquidity and Capital Resources — Cash Flow Analysis” for detailed analysis.

SUMMARY

KEY OPERATING MEASURES

The following table presents our key operating measures during the Track Record Period. See “Glossary of Technical Terms and Conventions” for the definitions of these measures and a detailed discussion of how they are calculated.

	Year Ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
Order intake (RMB in millions)	1,501.2	1,971.7	1,468.1	1,931.7
Number of customers	371	405	327	402
Order intake per customer (RMB in millions)	4.0	4.9	4.5	4.8
Number of KA customers	14	20	16	20
Order intake contribution of KA customers	60.0%	71.1%	73.0%	75.8%

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

We manage our business with a focus on delivering high-quality solutions to support our customers’ long-term success, rather than prioritizing short-term profitability. As the market we operate in remains at an early stage and continues to evolve, we intend to maintain a relatively high level of investment in R&D to ensure our product competitiveness and market leadership. We focus on supporting the increasing penetration of automation in the warehousing automation market and to achieve scale advantages. Such scale advantages have and are expected to continue to allow us to reduce costs and improve profitability.

These investments supported strong growth in our operating metrics. During the Track Record Period, we achieved robust growth in order intake, revenue and gross profit, reflecting broader adoption of our ACR solutions across industries and geographic markets. Specifically, our order intake increased from RMB1,501.2 million in 2023 to RMB1,971.7 million in 2024, and reached RMB1,931.7 million for the nine months ended September 30, 2025. Over the same period, our revenue increased from RMB807.0 million in 2023 to RMB1,360.4 million in 2024, and reached RMB1,263.0 million for the nine months ended September 30, 2025. Our gross profit margin improved from 16.0% in 2023 to 28.9% for the nine months ended September 30, 2025, mainly driven by an increasing contribution from non-domestic markets, which generally generate higher margins due to larger project sizes, higher service content and stronger pricing terms.

Despite these improvements, we continued to record net losses during the Track Record Period, primarily due to the operating expenses incurred to support growth. Although these expenses declined as a percentage of revenue as our business scaled, they remained high in absolute terms during the Track Record Period.

From a long-term strategic perspective, we believe increasing our scale is key to achieving and maintaining profitability. Scale is not only a driver of revenue growth; it is also a structural driver of cost reduction and product quality enhancement. As our cumulative shipments and deployment footprint expand, we benefit from stronger procurement leverage, deeper supply chain integration, manufacturing standardization and improved capacity utilization, which together support recurring cost-down initiatives. Historically, we have achieved consistent annual cost reductions through ongoing design optimization, component localization and process refinement. These scale-driven efficiencies lower our overall production costs while simultaneously improving system reliability, performance stability and delivery consistency, reinforcing our gross margin profile over time.

SUMMARY

From an execution perspective, we plan to achieve long-term profitability through three primary strategies: (i) driving revenue growth, (ii) optimizing business mix, and (iii) improving costs and operating expense efficiency.

Driving Revenue Growth

The global ACR solutions market continues to expand rapidly, driven by growing demand for high-throughput and high-density warehouse operations. According to CIC, the global ACR solutions market is expected to reach RMB91.0 billion by 2030, representing a CAGR of 65.7% from 2024 to 2030. We are a pioneer and global leader in the ACR solutions industry. According to CIC, we ranked first globally in both revenue and shipment volume in 2024, and our global market share increased from 24.2% in 2023 to 31.4% in 2024. We have built a comprehensive ACR product portfolio integrated with workstations, scheduling systems and warehouse management software, enabling us to address a broad range of customer requirements across diverse warehouse configurations and operating needs.

Given our market position, we are well positioned to benefit from continued industry growth. Our early entry has enabled us to accumulate extensive deployment experience, refine our system architecture and establish delivery and customer support capabilities across multiple geographic markets, supporting efficient scaling of deployments as customers increasingly adopt ACR solutions.

We also intend to deepen engagement with existing customers and expand into additional industry verticals. As warehouse automation projects are typically deployed in phases, deeper customer relationships allow us to support subsequent deployment stages, which often involve broader solution scope and higher value per project. Our customer repurchase rate increased from 68% in 2023 to 80% in 2024, reflecting our strong customer loyalty and increased customer adoptions of our solutions.

In addition, we plan to further expand our business presence in non-domestic markets by strengthening local teams and supply chain capabilities to support standardized, scalable deployments and ongoing operational support. We also intend to expand our solution portfolio to cover a broader range of warehouse processes across distribution and manufacturing applications.

Optimizing Business Mix

While pursuing revenue growth, we have also focused on improving profitability through business mix optimization. Our gross profit margin increased from 16.0% in 2023 to 26.3% in 2024, and further to 28.9% for the nine months ended September 30, 2025, primarily driven by a higher contribution from markets and projects with more favorable economics. In particular, non-domestic markets generate structurally higher gross profit margins than the domestic market due to larger project sizes, higher system complexity and a greater proportion of value-added services. For the nine months ended September 30, 2025, gross profit margin in non-domestic markets reached 43.9%, compared to 20.0% in the domestic market, while their revenue contribution increased from 24.2% in 2023 to 39.6%. As a result, expansion into new, and deepening presence in existing, non-domestic markets have become an increasingly important driver of margin improvement.

Improving Costs and Operating Expense Efficiency

We have continued to improve cost efficiency through product standardization and operating scale. Increased reuse of components, software modules and system architectures has reduced repetitive engineering work and improved delivery efficiency, while higher shipment volumes have generated scale benefits in procurement, manufacturing and logistics.

SUMMARY

Our operating expenses primarily consist of selling and distribution expenses, research and development expenses and administrative expenses. During the Track Record Period, each expense category declined as a percentage of revenue, reflecting improving operating efficiency and operating leverage as our business scaled. As revenue continues to grow, we expect operating expenses to increase at a slower pace than revenue, allowing operating leverage to improve gradually over time.

While we have not yet achieved profitability, the combination of sustained revenue growth, improving gross profit margins and declining operating expenses as percentages of total revenue supports our path toward breakeven and long-term profitability.

See “Business — Business Sustainability and Path to Profitability” for details.

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in “Risk Factors” in this Document. You should read that section in its entirety carefully before you decide to [REDACTED] in our Shares. The principal risks we face include: (i) failure to effectively respond to evolving technologies and market dynamics in the warehouse automation industry in general and the ACR solutions industry in particular, which could materially and adversely affect our business, financial condition, results of operations and prospects; (ii) exposure to macroeconomic, geopolitical and supply chain factors affecting the ACR solutions industry, which could materially and adversely impact our performance; (iii) the risk that we may be unable to keep pace with rapid technological changes and evolving customer requirements in the ACR industry, which could weaken our market position and adversely affect our business, financial condition and results of operations; (iv) uncertainty as to whether demand for ACR solutions will expand at a pace or scale sufficient to support our growth, or whether industry trends and customer adoption will develop in a manner favorable to us; (v) risks associated with highly complex ACR-related technologies that may fail to perform in line with expectations; (vi) our limited operating history, which makes it difficult to accurately forecast our future results of operations and means that our past growth may not be indicative of future performance; (vii) the risk that failure to maintain existing customers or attract new customers in a cost-effective manner may adversely affect our business; and (viii) intense competition and operational challenges in the domestic ACR solutions market, which could materially and adversely affect our profitability and growth prospects.

WORKING CAPITAL

During the Track Record Period, we funded our cash requirements primarily through capital contributions from shareholders and cash payments made by customers. Following the [REDACTED], we plan to finance our future capital requirements through cash from operating activities, [REDACTED] from the [REDACTED], equity financing activities and debt financing activities in a balanced manner. Our Directors are of the view that, taking into account the financial resources available to our Group, including cash and cash equivalents, cash flows from operating and financing activities, and the estimated net [REDACTED] from the [REDACTED], we have sufficient working capital to meet our present requirements for at least the next 12 months from the date of this Document.

DIVIDENDS

We did not declare or pay any dividends during the Track Record Period and up to the Latest Practicable Date. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not anticipate paying cash dividends in the foreseeable future.

We do not maintain a formal dividend policy or have a fixed dividend distribution ratio. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and

SUMMARY

future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board. See “Financial Information — Dividends” for details.

[REDACTED]

[REDACTED] to be borne by us are estimated to be approximately HK\$[REDACTED] (including [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per Share), which represent [REDACTED]% of the gross [REDACTED] from the [REDACTED], assuming no Shares are issued pursuant to the [REDACTED]. The above [REDACTED] are comprised of (i) [REDACTED] expenses of HK\$[REDACTED], and (ii) [REDACTED] expenses of HK\$[REDACTED], including (a) fees and expenses of our legal advisors and reporting accountants of HK\$[REDACTED], and (b) other fees and expenses of HK\$[REDACTED]. During the Track Record Period, we did not incur [REDACTED]. We expect to incur [REDACTED] of approximately HK\$[REDACTED] after the Track Record Period, approximately HK\$[REDACTED] of which is expected to be charged to our consolidated statements of profit or loss, and approximately HK\$[REDACTED] of which is attributable to the [REDACTED] of Shares and will be deducted from equity upon [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED] STATISTICS

	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] Share	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] Share
Our market [REDACTED] ⁽¹⁾	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets of our Group attributable to equity shareholders of our Company per Share ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- * All statistics in this table are on the assumption that the [REDACTED] is not exercised.
- (1) The calculation of market [REDACTED] is based on [REDACTED] Shares expected to be in issue immediately following completion of the [REDACTED], assuming that the [REDACTED] is not exercised.
- (2) The unaudited [REDACTED] adjusted net tangible assets attributable to shareholders of the Company per Share are calculated after the adjustments referred to in “Appendix II — Unaudited [REDACTED] Financial Information.”

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the [REDACTED] listing of, and permission to [REDACTED] in (a) our H Shares to be converted from the Unlisted Shares, and our H Shares to be issued pursuant to the [REDACTED] (including any H Shares which may be issued pursuant to the [REDACTED]) and (b) the Class B Ordinary Shares that may be issued upon conversion of the Class A Ordinary Shares on a one-to-one basis subject to compliance with regulations on H share “full circulation.” We satisfy the market capitalization/revenue test under Rule 8.05(3) and Rule 8A.06(2) of the Listing Rules with reference to (i) our expected revenue for the year ended December 31, 2025, which exceeds HK\$1 billion, and (ii) our expected market capitalization at the time of Listing, which exceeds HK\$10 billion based on the [REDACTED]. No part of our H Shares is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought in the near future.

SUMMARY

USE OF [REDACTED]

We estimate that we will receive aggregate net [REDACTED] from the [REDACTED] (after deducting [REDACTED] fees and estimated expenses in connection with the [REDACTED] payable by us, and assuming that the [REDACTED] is not exercised and an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] stated in this Document) of approximately HK\$[REDACTED]. We intend to use the net [REDACTED] for the following purposes: approximately [REDACTED]%, or HK\$[REDACTED], to deepen our technology capabilities and accelerate the upgrade of our ACR solutions, software and algorithms and next-generation technology stack, including approximately [REDACTED]%, or HK\$[REDACTED], to strengthen our core ACR solution family and accelerate the development of next-generation automation, and approximately [REDACTED]%, or HK\$[REDACTED], to upgrade our next-generation technology stack, including our algorithmic capabilities, system-level integration and software tools and platforms; approximately [REDACTED]%, or HK\$[REDACTED], to enhance our global manufacturing footprint and strengthen the resilience, scalability and quality consistency of our supply-chain system; approximately [REDACTED]%, or HK\$[REDACTED], to strengthen our global commercial reach and service capabilities to support growing overseas demand and ensure high-quality customer experience; approximately [REDACTED]%, or HK\$[REDACTED], to strengthen our global talent base and organizational capabilities; and approximately [REDACTED]%, or HK\$[REDACTED], for working capital and other general corporate purposes. See “Future Plans and Use of [REDACTED]” for details.

COMPLIANCE AND LEGAL PROCEEDINGS

During the Track Record Period and up to the Latest Practicable Date, (i) we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance; and (ii) we had not been and were not involved in any material noncompliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial or trading position, level of indebtedness, mortgages, contingent liabilities, guarantees or prospects since September 30, 2025, being the end of the period reported on in the Accountants’ Report set out in Appendix I to this Document.