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.

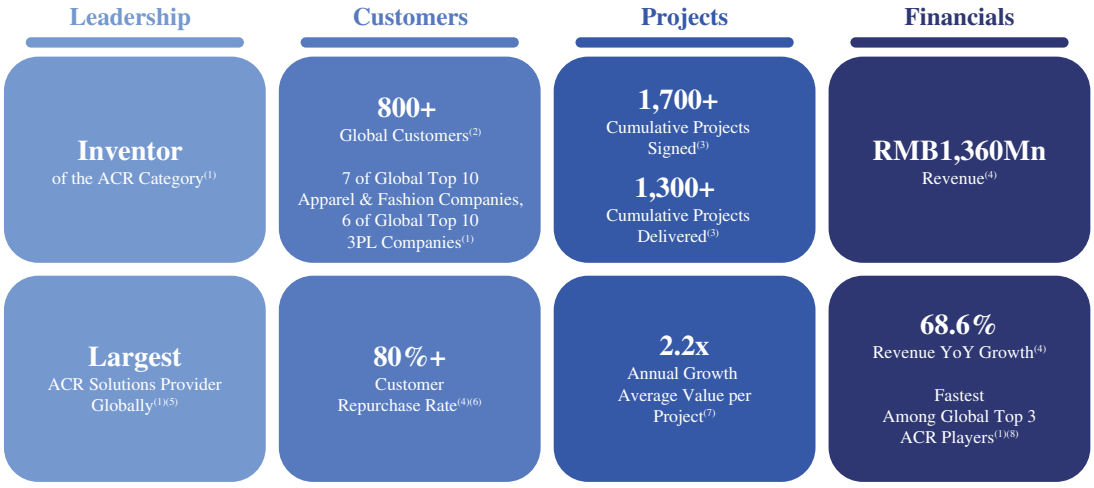
In the warehousing industry, despite the growth of e-commerce and rising labor constraints, many warehouses worldwide still rely on manual processes, which are labor-intensive, prone to human error, and difficult to scale as order volumes and SKU complexity rise. Traditionally, warehouse automation was defined by heavy, static, and expensive storage infrastructure (such as traditional rigid AS/RS) that required significant upfront investment, long deployment cycles, and offered limited flexibility.

We address these challenges by creating the ACR category. In 2017, we launched *HaiPick*, an integrated ACR solution that moved the industry toward a "case-to-person" model. Instead of workers walking long distances to find items, our ACR solutions automatically retrieve specific cases and bring them directly to workstations. Our ACR solutions are designed to be deployed quickly and can be easily reconfigured as businesses grow, allowing our customers to maximize their storage space and handle complex, high-volume orders more efficiently than traditional methods.

Over the past decade, we have built a comprehensive understanding of complex customer workflows and operational pain points. This commitment has allowed us to broaden our solution portfolio to support high-performance requirements across diverse use cases, including high-frequency order picking, dynamic replenishment, and space-constrained layouts. By addressing these critical challenges, we have strengthened our market leadership and achieved high customer retention, characterized by frequent repeat deployments.

Today, our ACR solutions serve leading enterprises across a wide range of verticals. Our customer base includes seven of the top 10 apparel & fashion companies and six of the top 10 3PL companies globally as measured by revenue in 2024, according to CIC. These long-standing partnerships have allowed us to accumulate extensive domain expertise and refine our execution capabilities.

The following highlights summarize our leading market position, diversified and loyal customer base, robust delivery capabilities, and solid financial performance.



Notes:

(1) According to CIC.

(2) Includes both direct customers and channel partners; as of September 30, 2025.

(3) "Cumulative Projects Signed" refers to the cumulative number of projects for which definitive contracts have been executed, from our first large-scale commercial deployment in 2019 through September 30, 2025. "Cumulative Projects Delivered" refers to the cumulative number of projects that have been fully delivered and formally accepted by customers during the same period.

(4) In 2024.

(5) In terms of both revenue and shipment volume in 2024.

(6) See "Glossary of Technical Terms and Conventions" for details of how customer repurchase rate is calculated.

(7) The average value per project for the nine months ended September 30, 2025 was 2.2 times the level recorded in 2023. The "average value per project" for a given period is calculated by dividing (i) the total value of contracts entered into for projects with executed definitive contracts during that period by (ii) the number of such project.

(8) In terms of revenue in 2024. See "Industry Overview."

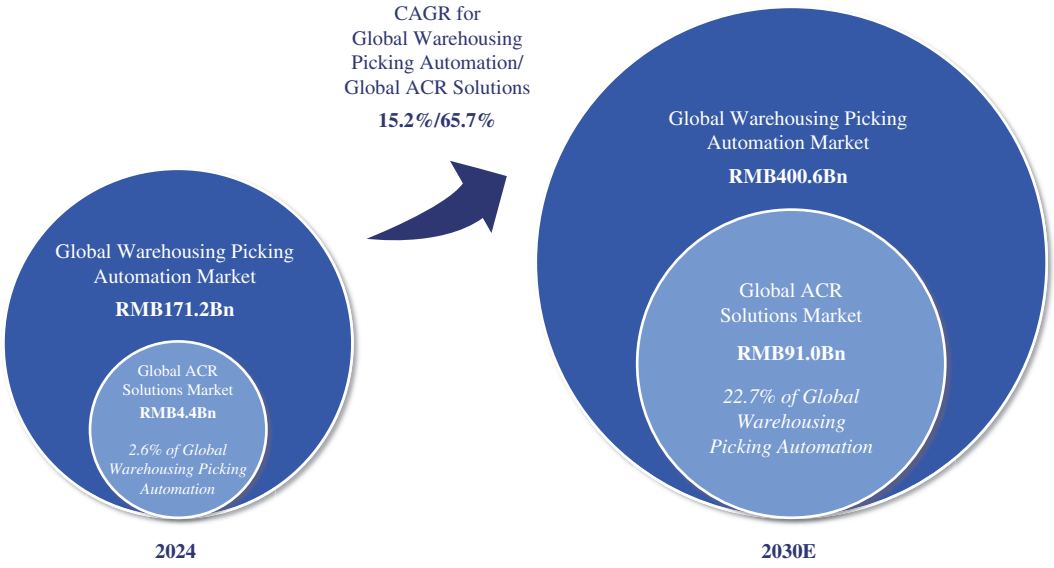
Market Opportunities

We are addressing a large and underpenetrated global market, driven by the following industry trends.

- *Picking: The Most Labor-Intensive and Time-Consuming Step in Warehousing.* Within the core warehousing workflows, i.e. picking, storage, sorting, packing and inbound/outbound handling, picking is the most labor-intensive and time-consuming activity, directly impacting order accuracy and fulfillment speed. Traditional methods, where workers manually locate and retrieve items, are highly labor-dependent and increasingly difficult to scale. In key verticals including apparel & fashion, e-commerce & retail, F&B, 3PL, pharmaceutical, 3C electronics and automotive, the rise of small order sizes and fragmented SKUs has made efficient picking essential for managing complex inventory flows.

- *Growing Demand for Picking Automation Solutions.* Driven by labor shortage and rising labor costs, increasing order complexity, and the need for higher fulfillment speed, the global market for picking automation has been expanding rapidly. According to CIC, the global warehousing picking automation market increased from RMB171.2 billion in 2024 to RMB400.6 billion in 2030, representing a CAGR of 15.2%. Automation's penetration rate in the global picking market is expected to rise from 17.3% in 2024 to 26.1% in 2030.

- *ACRs as the Fastest-Growing Sub-segment.* As the industry shifts toward case- and SKU-level precision, ACR solutions are becoming the preferred choice for warehouse automation. ACRs offer high-density storage, modular scalability, and lower system complexity, all of which are capabilities that directly align with the needs of picking-intensive industries. While traditional rigid AS/RS systems automate bulk storage, they often lack the flexibility required for today's high-frequency, complex SKU environments. In contrast, ACRs retrieve cases flexibly at the case level, significantly improving efficiency and reducing unnecessary equipment movement and manual selection. According to CIC, the global ACR solutions market is expected to expand from RMB4.4 billion in 2024 to RMB91.0 billion in 2030, representing a CAGR of 65.7%, as illustrated below.

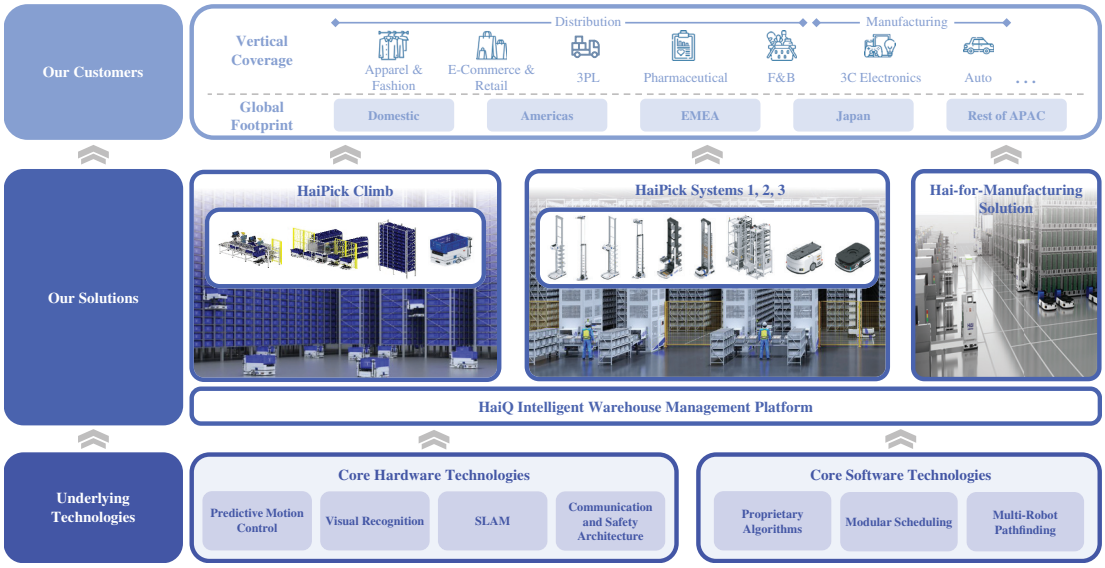


Our Business Model

We provide integrated warehouse automation solutions centered on our proprietary ACR technology. 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.

The following graphic illustrates our business model, including how we align customer requirements with our value propositions, solutions, and the underlying technologies.



Our Value Propositions

Our ACR solutions are designed to address the operational priorities of modern warehouses, delivering flexibility, efficiency, reliability and affordability across a wide range of warehousing use cases. By integrating storage and picking in a single operational area, they provide up to six times improvement as compared to traditional manual warehouses in storage density and labor productivity. During the Track Record Period, our solutions have achieved approximately 99.9% system availability rate (a reliability metric that measures the percentage of time a system is up and running as intended) and over 3,000 hours Mean Time Between Failures (MTBF) (a reliability metric used to estimate the average time a system or component operates before experiencing a failure), supporting stable performance even during peak periods. With our ability to deploy within one month and achieve a payback period of 12 months, compared with the norm of 12-36 months in the ACR solutions industry, according to CIC, our solutions make advanced automation economically viable for a broad range of customers.

Our Standardized and Modular Product Architecture

We have developed a highly standardized and modular product architecture that ensures consistent quality, predictable deployment, and efficient customization. This architecture allows us to quickly develop and upgrade solutions to serve diverse industries characterized by high-frequency and complex logistics needs while significantly reducing the engineering overhead typically required for new applications. Being modular, our solutions are built from a library of pre-engineered hardware and software components that can be flexibly combined to form different system configurations. In 2024, our "system-level product standardization rate," a metrics that measures how much we use "off-the-shelf" standard parts versus custom-made ones, has exceeded 90%.

Our Solution Portfolio

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. We also offer *Hai-for-Manufacturing Solution* which is designed for manufacturing and warehouses with complex, multi-zone workflows, enabling coordinated operation among different robot types, including ACRs and latent robots, within a unified environment.

Our Diverse and Loyal Global Customer Base

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. We focus on enterprises characterized by high-volume logistics requirements and the need for multi-site, multi-regional replicability across their fulfillment and distribution centers. As of September 30, 2025, we had entered into contracts with over 800 customers globally, including both direct customers and channel partners, for the deployment of our ACR solutions. These customers include over 70 companies that appeared on the Fortune Global 500 annual lists since 2021. 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 approximately 50% of our total order intake in 2024. In 2024, we achieved a customer repurchase rate of 80%.

Our Sales Strategy

Our sales strategy relies on a combination of channel partnerships and direct sales.

In certain markets, we leverage a network of qualified channel partners to expand our local reach. These partners select our ACR solutions as a core component for large-scale, complex warehousing automation projects, particularly in non-domestic markets where localized expertise is essential. Our channel partners manage the complete project lifecycle in their respective regions, from identifying new opportunities and managing site delivery to providing ongoing local support. This partnership model allows us to scale our global operations and respond to customer needs without the significant overhead associated with expanding our headcount or sales infrastructure. As of December 31, 2024, we have established partnerships with six of the world's top ten system integrators, according to CIC.

We also adopt a direct sales model for customers with such needs, particularly strategic and KA customers, with our in-house teams managing the full project lifecycle from design to implementation. We maintain dedicated direct sales capabilities to serve strategic and KA customers, enabling focused support for large-scale deployments with higher system complexity and performance requirements.

Our Technologies

We have built a proprietary technology platform that integrates advanced robotics engineering with intelligent software to automate diverse warehouse environments.

- *Hardware*: Our robotics hardware features self-developed vision, perception, and motion control systems, achieving millimeter-level precision under high-throughput conditions.

- *Software*: Our *HaiQ* intelligent management platform integrates task coordination, equipment scheduling and real-time analytics, enabling large-scale collaboration of diverse robots and optimizing warehouse workflows through data-driven scheduling and simulation technologies.

Operational and Financial Highlights

Our business achieved significant growth and margin expansion, driven by deep customer relationships and enhanced operational leverage.

- *Order Intake Growth*: Our total order intake grew from RMB1,501.2 million in 2023 to RMB1,971.7 million in 2024, reaching RMB1,931.7 million for the nine months of 2025.

- *Revenue Growth*: Our total 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 of 2025, supported by larger-scale deployments and multi-industry penetration.

- *Gross Profit Improvement*: Gross profit rose from RMB129.2 million in 2023 to RMB357.5 million in 2024 (RMB365.3 million for the nine months ended September 30, 2025). Correspondingly, our overall 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, driven by our strong economies of scale, increased contributions from non-domestic markets that have a structurally higher gross profit margin profile, and higher level of solution standardization.

- *Cash Conversion Cycle*: We assess liquidity efficiency using the cash conversion cycle. Our cash conversion cycle was negative 40 days in 2023, negative 85 days in 2024 and negative 103 days for the nine months ended September 30, 2025. Our cash conversion cycle remained negative throughout the Track Record Period, reflecting our robust working capital dynamics, primarily driven by rapid receivables turnover and customer prepayments. See "Financial Information — Liquidity and Capital Resources."

- *Path to Profitability*: Adjusted net loss margin (non-IFRS measure) improved from negative 85.6% in 2023 to negative 40.9% in 2024, to negative 25.4% for the nine months ended September 30, 2025, reflecting disciplined cost control and a highly scalable operating model. See "Financial Information — Description of Selected Items of Our Consolidated Statements of Profit or Loss — Non-IFRS Measures" for a reconciliation of adjusted net loss margin (non-IFRS measure) to net loss margin.

OUR STRENGTHS

The Inventor and Global Leader of ACR Solutions

We are the pioneer and the global leader in ACR solutions. We did not just enter this market; we created the ACR category and have over the years continued to innovate it.

According to CIC, we ranked first globally in both revenue and shipment volume in 2024. Our global market share grew from 24.2% in 2023 to 31.4% in terms of revenue in 2024, making us the fastest-growing player among the top three global ACR solution providers. We offer the industry's most comprehensive ACR product suite, including a full range of ACR models integrated with workstations, scheduling systems and warehouse management software.

Our leadership is built on a history of "world-firsts." In 2017, we launched *HaiPick*, the first robot designed specifically to handle individual cases rather than entire shelves, completely changing the economics of warehouse storage. Between 2017 to 2025, we introduced three generations of *HaiPick Systems*, each representing a meaningful advance in warehouse automation. We pushed the boundaries again in 2025 with *HaiPick Climb*, the industry's first single-sided climbing ACR solution, allowing the robots to move vertically along the rack itself, making them faster, more efficient, and able to work in tighter spaces. As these innovative solutions require years of specialized development in hardware, vision, and complex movement logic, our early start and massive investment in R&D have created a high entry barrier that is difficult for competitors to replicate as the market continues to expand.

Since their launch, our solutions have been rapidly adopted at scale by customers around the world and have directly reshaped industry standards and competitive dynamics, laying the foundation for our current market-leading position.

Revolutionary Solutions Delivering Industry-leading Performances

Traditional warehouse automation solutions often face trade-offs among speed, accuracy, cost and space utilization, rely on rigid layouts, and still require manual work, limiting scalability and returns. Our ACR solutions are built to address these constraints, delivering flexibility, efficiency, reliability and affordability:

- *Flexibility*: Our modular architecture supports massive deployments of up to 6,000 robots of different types within a single site. Built on standardized robots, workstations, and fork modules, our solutions adapt to a wide range of operational environments. We offer the industry's most versatile storage and picking range, as our solutions support items from 300mm to 850mm (from small electronics to bulky items), while most competitors only handle standard-sized bins. Our solutions also integrate seamlessly with legacy systems in existing facilities with storage heights from 2 to 15 meters, ensuring minimal operational disruption.

- *Efficiency*: Our robots reach horizontal speeds of up to 4.5 m/s and climbing speeds of 1 m/s. These technical capabilities translate into a six-fold improvement in labor productivity. Additionally, by supporting storage heights of up to 15 meters, we achieve industry-leading storage densities, reaching up to over 80 cases per square meter, while our workstations process up to 800 cases per hour, up to ten times higher than that achievable through manual operations, according to CIC, reducing pick-to-completion times to as short as two minutes.

- *Reliability:* The reliability of our solutions begins at the point of delivery. During the Track Record Period, our solutions maintain approximately 99.9% system availability rate and an MTBF exceeding 3,000 hours, supporting stable performance even during peak periods. Furthermore, based on customer feedback, our picking accuracy rate (i.e., the percentage of orders picked correctly without errors) exceeded 99.99%, far surpassing the limitations of manual intervention, according to CIC.

- *Affordability*: Our solutions deliver superior affordability by significantly saving customers' deployment costs and shortening their investment return payback periods. By leveraging a modular system architecture and standardized deployment processes, we complete implementation typically within one month, a significant advantage over the one- to six-month timelines common among other ACR providers, according to CIC. Additionally, according to the same source, our solutions can achieve an investment return payback period of 12 months, significantly shorter than the industry average of 12 to 36 months, allowing our customers to see returns sooner and make investment decisions with greater certainty.

Long-standing Co-development Partnerships with Leading Global Customers

We have developed long-term co-development partnerships with leading global customers. Acting as both an innovation partner and a trusted adviser, we closely collaborate with them to address complex operational challenges. As of September 30, 2025, we had entered into contracts with over 800 customers globally, including both direct customers and channel partners, for the deployment of our ACR solutions. These customers include over 70 companies that appeared on the Fortune Global 500 annual lists since 2021. According to CIC, our customer base includes seven of the top 10 apparel & fashion companies and six of the top 10 3PL companies in the world by revenue in 2024. These long-standing relationships provide a stable foundation for repeat business, large-scale deployments and continuous product improvement.

We work closely with global system integrators to extend our market footprint and localized delivery capabilities, especially in non-domestic markets. As of December 31, 2024, we have established partnerships with six of the world's top ten system integrators, according to CIC, enabling efficient entry into new regions through their existing infrastructure.

Our product development is driven by in-depth collaboration with customers. Through long-term collaboration with leading enterprises across key verticals, we identify recurring operational needs and translate them into scalable solutions that can be deployed across a broader customer base. Over time, this process has allowed us to accumulate deep domain expertise and transform customer-specific solutions into standardized, reusable functions and functionalities, supporting repeatable and efficient deployments. This customer-driven development model has led to strong customer retention and repeat purchases. We have experienced increased customer adoption of our ACR solutions, as reflected in the average contract value per project for the nine months ended September 30, 2025, which was 2.2 times the level recorded in 2023.

Cutting-Edge Technologies Pushing the Frontier of Warehouse Automation

We have established a leading position at the frontier of warehouse automation by focusing on core technologies that address the practical challenges of running warehouse automation systems at scale. Early investments, repeated large-scale deployments and ongoing improvements have allowed us to build solutions that can be expanded to support new workflows and higher operating intensity over time.

We have designed our robotics architecture to be inherently extensible and to support a wide range of warehouse processes and storage formats, from today's case-based workflows to pallet-level handling and other material-flow applications, allowing us to address broader warehouse automation needs as customer requirements evolve.

We have built industry-leading in-house R&D capabilities across the full technology stack: hardware, software and hardware-software integration.

- *Hardware: Designed for Dense Storage and Coordinated Operation*. By leveraging key hardware technologies such as predictive motion control, visual recognition, SLAM and communication and safety architecture, we offer a broad range of ACRs to support different storage formats and picking requirements, including hook-type, multi-deep and case-picking models. *HaiPick Climb*, the first single-sided climbing ACR system to achieve large-scale commercialization, can reach vertical heights of up to 15 meters while operating in narrow aisles to support ultra-dense storage. Within a single site, our solutions coordinate ACRs, lifting robots and transport robots so they can work together across picking, replenishment and internal transport tasks.

- *Software: Built to Manage Large Robot Fleets with Minimal Setup Time*. Supported by advanced software technologies, including our proprietary algorithms, modular scheduling and multi- robot pathfinding, we develop in-house our *HaiQ* platform to handle the world's most complex logistics challenges, coordinating up to 6,000 robots of different types at a single site. Because our software is highly standardized, we can typically complete a full deployment within only five days, allowing customers to put systems into use quickly. Additionally, unlike competitors that rely on project-by-project software customization, we provide a standardized software platform with core functions built in from the start. These functions are readily available at deployment and are designed to support high-volume, complex warehouse operations. For example, our software automatically combines items from different storage areas into one shipment, reducing manual sorting. It groups large volumes of orders into coordinated picking batches so robots can work in parallel during peak periods. In addition, the system continuously analyzes order patterns and relocates high-demand items to more accessible locations, reducing robot travel distance and increasing throughput as demand changes.

Our technology leadership is supported by a large in-house R&D team. 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. Our R&D team combines strong academic training with practical robotics experience, with expertise spanning motion control, embedded systems, perception, algorithms and large-scale scheduling. As of September 30, 2025, we had filed 2,394 patent applications worldwide, the largest portfolio among ACR solution providers, according to CIC.

Superior Delivery Capabilities Enabled by Deep Industry Expertise

Since inception, we have built large-scale and reliable delivery capabilities, through the delivery of more than 1,300 projects worldwide as of September 30, 2025. These engagements have allowed us to accumulate deep operational knowledge, standardized engineering methods and proven implementation know-how, forming a foundation for consistent execution and creating high barriers to entry. These capabilities have supported long-term relationships with global customers, especially blue-chip ones, and a high level of repeat business.

Our delivery efficiency is supported by a highly modular hardware and software architecture. Being "modular," our solutions are built from a library of pre-engineered hardware and software components that can be flexibly combined to form different system configurations. On the hardware side, our modular design enables customers to configure optimized solutions for different case sizes, formats and operating requirements within approximately 20 to 30 minutes, compared to several days for most peers, according to CIC, and enables typical project deployment within approximately one month, versus one to six months for competitors. This allows customers to put

deployments into operation and generate returns more quickly. On the software side, according to CIC, we are among the first globally to integrate our systems directly with customers' core business and operations systems. Our *HaiQ* platform integrates core warehouse functions, can be deployed within three to five days, and supports low-code customization for faster adaptation across facilities. Standardized, modular deployment processes, supported by our in-house teams, system integrators and local partners, reduce customization, shorten on-site installation and testing, and enhance delivery consistency and quality.

We have also established long-term relationships with a network of leading system integrators across major markets, each with strong local integration capabilities and deep knowledge of local. We cooperate with system integrators in selected markets to extend customer coverage and provide end-to-end support, including system installation, commissioning and after-sales service. In parallel, we have built stable local service and delivery partner networks, supported by standardized training programs and toolkits, which allow partners to carry out system installation, software configuration, testing and go-live, with our teams focusing on system design, key integration points and final acceptance. On the supply chain side, we have developed a geographically diversified manufacturing and sourcing network across key regions, including the Americas, EMEA, Japan and the rest of APAC, which, together with our domestic infrastructure, improves our responsiveness and shortens delivery lead times.

Customer-Centric Growth Flywheel Driving Scalable Growth

We have established a customer-centric growth flywheel that strengthens our competitive position as we scale built on deep, long-term collaboration with both our channel partners and direct customers. This flywheel effect is validated by the deep strategic dependencies we foster with our customers, as evidenced by their strong loyalty. In 2024, our customer repurchase rate reached 80%.

Working closely with channel partners, we embed our solutions into broader automation projects and customer workflows, while staying closely aligned with on-the-ground operational needs. Our deep engagement with both integrator partners and industry-leading customers directly informs our R&D, accelerates product iteration, and enhances our delivery capabilities. This creates a self-reinforcing cycle where brand reputation and operational excellence drive compounding long-term growth.

- *Strategic Customer Collaboration as a Foundation for Scalable Solutions*. We maintain close, long-term working relationships with our channel partners and leading customers, allowing us to apply our industry know-how to identify persistent, unaddressed operational challenges and develop solutions to tackle them. By engaging consistently with customers, we gain timely insight into real-world operational needs. These insights directly inform our solution development and ongoing upgrades, enabling us to resolve key customer challenges and translate customer requirements into standardized, scalable products that integrate seamlessly into customers' supply chains.

- *Product Innovations Powered by Technology Accumulation*. Through continuous collaboration with our channel partners and customers, we have accumulated extensive industry know-how, which is embedded across our algorithms, scheduling systems, hardware platforms, and software architecture. Each new deployment strengthens this technology base, consistently improving product performance and creating technical barriers that are difficult for competitors to replicate.

- *Global Execution and High-Quality Implementation*. Our ability to convert market demand into successful live operations is driven by our standardized deployment protocols and global service network. By utilizing a modular system architecture, we enable rapid installation and high-quality implementation in diverse regions. These capabilities allow us to meet strict delivery timelines and maintain cost efficiency while ensuring minimal disruption to our customers' existing operations.

- *Brand-Driven Market Acceleration*. As our global deployment track record grows, our technological leadership and execution history gain wider market recognition. Endorsement and repeat collaboration from leading channel partners, many of which are system integrators, significantly amplifies our market reach, as they continue to recommend and deploy our solutions across new projects.

The synergy among these elements creates a self-reinforcing momentum: deep customer insights and channel partner feedback drive technological advancement, which continuously refines our solution offerings. Superior execution excellence then solidifies our brand equity, ultimately attracting an expanding base of new customers. This continuous cycle drives compounding growth and reinforces our long-term competitive advantage in the global market.

Visionary Global Leadership, Culture of Excellence and Strong Local Execution

At the core of our success is a visionary leadership team, an engineering-driven culture, and a global operating model that together enable us to scale world-class warehouse automation technology.

- *Leadership Team: Technical Depth Paired with Global Execution Capability.* Our leadership team combines strong engineering foundations with proven experience in scaling complex technology organizations. Our three founders — Mr. Chen, Mr. Xu and Mr. Fang — are engineers and entrepreneurs with deep expertise in automation and robotics, and remain closely engaged at the front line of our business alongside customers. They established Hai Robotics to bridge structural gaps in warehouse automation with integrated ACR solutions. Our senior leadership team further brings experience across engineering, operations, software development, finance, supply chain management and global sales, with many members having held management roles at multinational technology and logistics companies, including Fortune 500 enterprises. Their leadership and track record in delivering ACR solutions across diverse regulatory and market environments support our ability to scale globally while maintaining operational consistency.

- *Culture: Strong Technical Foundations, Long-Term Incentives, and Organizational Discipline.* Our teams combine strong technical grounding with practical problem-solving, a mindset that has guided us through years of product iteration, system expansion and large-scale customer deployments. Many of our R&D personnel hold master's degrees or above in fields such as robotics, motion control and system integration. We use equity incentives, patent bonuses and project-based innovation awards to retain core talent and encourage accountability for real-world results. These mechanisms support long-term retention and help cultivate a culture that values independent thinking, technological creativity, and accountability.

- *Glocalization.* As we continue to expand globally, we operate with a common product framework while executing locally to meet customer requirements in each market. We have established R&D and operations centers in key non-domestic markets, including the Americas, EMEA, Japan and the rest of APAC. Local teams combine engineering and commercial capabilities, allowing us to respond quickly to customers and adapt system configurations and services to local operating conditions.

OUR STRATEGIES

Deepen Strategic Customer Relationships

We intend to further deepen our engagement with existing customers. We also intend to further expand into industry verticals where automation demand continues to accelerate. Furthermore, we plan to expand our collaboration with channel partners, who serve as a critical extension of our customer engagement and delivery capabilities.

Specifically, we aim to broaden our customer base by further expanding our presence within high-potential verticals where the need for flexible storage, high-density picking, and labor-efficient operations is rising. Channel partners play an important role in enabling us to expand our presence in these verticals more efficiently, by bringing established industry relationships, project experience, and local implementation resources. At the same time, many of these verticals are upgrading warehouse infrastructure in response to a growing number of SKUs, shorter fulfillment cycles, and labor shortages.

Strengthen Talent Development

As a technology company, our ability to innovate, deliver, and support complex automation solutions at scale depends on maintaining a strong pipeline of technical and operational talent. We continue to invest in local talent development, training and organizational systems to support on-the-ground delivery, long-term customer support and scalable growth across regions.

We develop talent through role-based training in system engineering, software, supply chain coordination and project delivery. Talent progression is based on the systems they can design, deploy and operate, supported by cross-team rotations that help them enhance execution capabilities. We plan to maintain long-term incentive programs, including equity-based incentives, to align employee interests with long-term value creation and support the retention of key talent as we scale globally.

Advance Technological Innovation

We aim to strengthen our technological leadership by advancing core ACR technologies and building an innovation engine to shape future industry standards. We plan continued investment in full-stack engineering, from hardware design and motion control to perception algorithms and system architecture, to improve performance, reliability, cost efficiency and scalability. In software, we are expanding capabilities in intelligent scheduling, digital-twin technologies and data platforms to automate resource allocation, workflow coordination and operational optimization. Over time, these advancements will support fully data-driven, autonomous warehouse management systems that deliver measurable efficiency gains and cost savings.

Expand Product Portfolio

We plan to expand our product portfolio to support a broader range of warehouse tasks as customers automate beyond picking. Building on our core ACR technology, we intend to develop and launch innovative robotics products for upstream and downstream workflows, such as storage, sorting, packing and inbound and outbound handling. This allows customers to automate multiple connected steps within a warehouse using the same underlying system, rather than deploying separate solutions for individual tasks.

As our deployment continues to grow, we also plan to strengthen our maintenance and after-sales service offerings to support long-term system performance and reliability. This includes preventive maintenance programs, improved spare-parts availability and wider use of remote diagnostics and software upgrades.

Optimize Global Sales and Delivery

We pursue global expansion to support customers as they scale. We build local teams in key non-domestic markets to deliver standardized, scalable ACR solutions and ongoing operational support. As global warehouse automation adoption increases, we plan to deepen our presence in major non-domestic markets, including the Americas, EMEA, Japan and the rest of the APAC.

To support overseas growth, we plan to strengthen local supply chain and manufacturing capabilities to shorten delivery timelines, improve production resilience and support large-scale deployments. We also plan to expand our partner network of system integrators, distributors and suppliers that deploy our ACR solutions based on standardized designs, interfaces and deployment processes, supported by defined technical specifications and tools, allowing projects to be delivered independently while maintaining consistent quality.

We may also pursue selective acquisitions that provide clear operational benefits, such as local engineering and service teams, established customer relationships or regional manufacturing capabilities, with a focus on strengthening delivery capacity and service coverage globally.

Enhance Global Influence and Brand Visibility

As we scale globally, we intend to enhance our brand visibility and strengthen our market influence by establishing clear benchmarks for performance and reliability. Deployments with leading logistics, retail and e-commerce operators allow potential customers to see how our ACR solutions perform under high volumes and tight operating requirements. These reference projects provide practical proof of system performance and make it easier for new customers to evaluate and adopt our solutions.

We also plan to build a global marketing and brand communication system that supports our commercial expansion. This includes developing consistent global messaging, strengthening digital and offline marketing channels, and expanding participation in industry events and technical forums. By combining strong reference customers with a structured global brand strategy, we aim to deepen market awareness, enhance customer trust and reinforce our position as a leading provider of warehouse automation technologies.

OUR ACR SOLUTIONS

Our Solutions

We offer a range of advanced ACR solutions to deliver flexibility, efficiency, reliability and affordability for a wide range of warehousing environments.

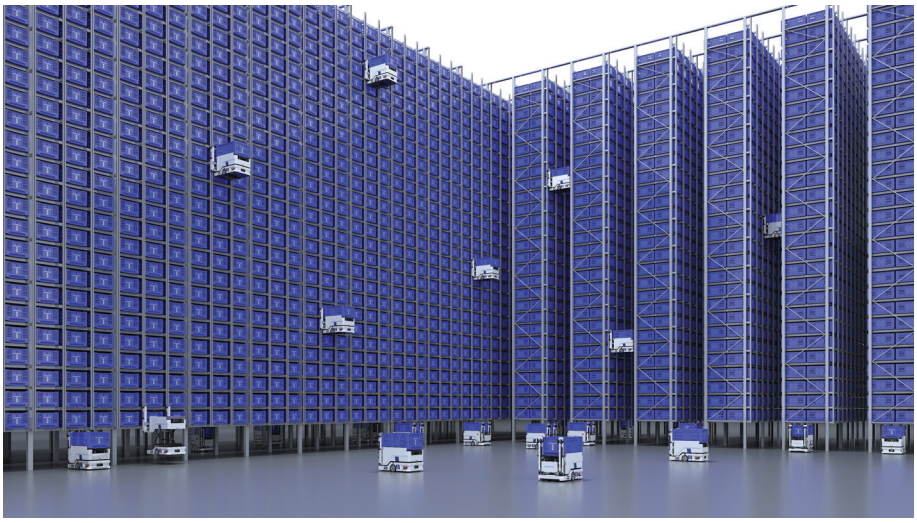
- *HaiPick Climb*. *HaiPick Climb* is the first single-sided climbing ACR solution in the global ACR solutions market to achieve large-scale commercial deployment, according to CIC. According to CIC, *HaiPick Climb* supports storage heights of up to 15 meters in both new and retrofit warehousing facilities,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

- *HaiPick Systems*. *HaiPick Systems* family 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.

- *Hai-for-Manufacturing Solution*. *Hai-for-Manufacturing* Solution is a multi-robot coordination solution that integrates various robots to handle transport, picking, and replenishment tasks across multi-zone environments.

HaiPick Climb

Our *HaiPick Climb* is the world's first single-sided climbing ACR solution, introducing a new mode of vertical case retrieval that significantly enhances the efficiency and flexibility of warehouse automation. Driven by the *HaiClimbers*, the system adopts an innovative single-sided climbing mechanism that enables efficient vertical picking movements while allowing high-speed horizontal transit beneath the racking. This design maintains storage density while reducing installation precision requirements for both racking and flooring, thereby improving overall deployment efficiency and operational reliability, which makes it well suited for warehouses that require flexible access to storage locations, narrow-aisle operations and frequent picking activities.



Our *HaiPick Climb* performs three-dimensional warehouse operations through the coordinated functioning of the *HaiClimbers*, the *HaiStation workstation* and the *HaiQ* intelligent management platform. *HaiClimbers* retrieve cases from high-bay storage locations, climb down along the single-sided rail, and travel beneath the racking to deliver cases directly to the workstation for picking and sorting.

Step 1: Climbing and retrieving a case from a designated rack

Step 2: Transporting the case to a designated workstation

Step 3: Arriving at the workstation ready for unloading

HaiPick Climb delivers the following key features and advantages:

- *Innovative Design*. The system adopts a dual-arm climbing structure that connects to a guide rail positioned on one side of the racking, reducing the number of touchpoints compared with traditional climbing systems that require both sides of the racking. This materially simplifies installation requirements, decreases dependency on racking precision and floor flatness, enhances system reliability, and reduces ongoing maintenance needs.

- *High Speed and Agility*. Operating in environments with comparatively low racking and floor precision requirements, *HaiClimbers* can ascend, descend and traverse underneath the racking with ease, supporting greater operational efficiency.

- *High Throughput and Storage Density*. The system supports a picking height of up to 15 meters and can process up to 4,000 cases per hour within a 1,000-square-meter area. This significantly increases warehouse throughput and storage density, enabling meaningful enhancement of storage capacity per square meter.

- *Flexible Deployment and Broad Applicability*. *HaiClimbers* can run beneath racking without requiring additional space. This configuration allows the system to adapt effectively to high-frequency picking, fragmented order profiles and high-density storage requirements. It can be rapidly deployed in both new facilities and retrofit environments.

- *Scalability*. The system can coordinate up to 6,000 robots while maintaining stable performance under high load conditions. Automated charging enables continuous 24/7 operation, making the system particularly well-suited for peak-season e-commerce and other intensive use cases.

The *HaiPick Climb* is commonly used in warehouses where space is limited and high throughput is essential, such as e-commerce fulfillment centers, where it handles large volumes of small, varied orders during peak demand periods.

Case Study — A Leading E-commerce Company

A global e-commerce leader operating fulfillment centers across 150+ countries adopted our automation solutions at multiple sites, reflecting repeat purchases and long-term trust.

At one logistics center with severe space constraints, our *HaiPick Climb* system increased storage density 3.8× to 38 cases per square meter and boosted throughput to 450 items per person per hour — 2.5× manual efficiency — without expanding warehouse space.

At another 48,000-square-meter center handling both B2B and B2C, our *HaiPick System 3* coordinated over 1,600 robots with ESS scheduling, automated inbound processes and intelligent sorting. Storage density rose 2.5× to 20 cases per square meter, while picking efficiency more than doubled from 120 to 270 items per hour, significantly enhancing scalability and operational performance.

Case Study — Logistics Center of A Leading Global Retailer

A leading global retail group, ranked in the Fortune Global 500 and operating over 10,000 stores in 15 countries, sought to upgrade its warehouse operations to handle rising order volumes and improve efficiency. The customer faced challenges including underutilized vertical storage, low manual picking efficiency and complex order consolidation, which limited scalability and increased reliance on labor.

We deployed the *HaiPick Climb* system in a 2,500-square-meter automated storage and picking zone, increasing storage density by 225% and streamlining workflows with about 140 *HaiClimbers* and multifunctional workstations. By eliminating traditional order consolidation and using a single robot type, the system simplified operations and improved throughput.

Following implementation, picking efficiency doubled to 270 items per hour per person, while labor needs, operating costs and service risks were reduced. The modular design also supports easy expansion without additional warehouse space, enabling scalable growth and higher customer satisfaction.

HaiPick Systems

The *HaiPick systems* are our proprietary suite of core ACR solutions designed to provide warehouse automation with both flexibility and scalability. Leveraging ACR technology, *HaiPick robots* retrieve goods from racking up to 12 meters in height and transport them to workstations for picking operations, thereby significantly enhancing warehouse space utilization and picking efficiency in environments with high SKU counts, frequent order cycles and intensive picking activities. A key differentiating feature of the *HaiPick systems* is its high degree of adaptability: they can handle cases and goods of different sizes and types without being constrained by dedicated racking structures or full-case dimensions, making them well suited for warehouses that serve multiple product categories, support both B2B and B2C fulfillment, or require flexible reconfiguration as business volumes and product mixes change.

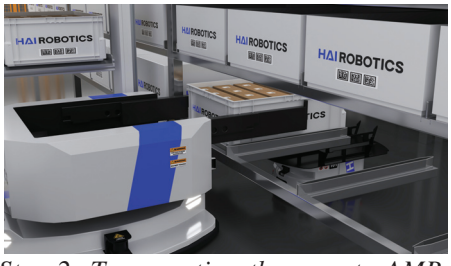
The family of *HaiPick systems* currently comprises three principal ACR solutions, each addressing distinct but complementary storage and fulfillment needs.

System	Positioning
HaiPick System 1	A standardized and foundational solution, marking the starting point of our warehouse automation roadmap
HaiPick System 2	An automated picking solution for mixed-size goods handling with high storage density
HaiPick System 3	A warehouse automation solution designed for ultra-high flexibility, storage density and system efficiency in order-fulfillment scenarios

HaiPick System 3

The following pictures demonstrate the typical workflow of our *HaiPick Systems*.

Step 1: Picking a case (without moving the entire rack)



Step 2: Transporting the case to AMRs

Step 3: Transporting the case to a designated workstation

Step 4: Operators picking goods from the case at workstations

The three systems form a coherent family of ACR solutions that share a common design philosophy and provide the following core features and advantages.

- *High-density, High-bay Storage*. Designed for vertical storage up to 12 meters, the *HaiPick* family maximizes space utilization and converts existing floor area into multi-level storage. The optimized racking layouts can accommodate rising SKU counts and complex assortments.
- *Unified Handling of Diverse Load Types*. All systems handle multiple case sizes without dedicated racking, and also support bulk, irregular, and palletized items. This integration reduces the need for separate storage zones, supporting both goods-to-person and material-to-line scenarios.
- *High Throughput and Accelerated Workflows*. With batch picking and high travel speeds (up to 4.5 meters per second), the systems manage thousands of cases per hour, enabling efficient handling of high-frequency, high-volume orders, especially during peak seasons and promotions.
- *Flexibility, Scalability and Broad Scenario Adaptability*. The modular, software-defined architecture allows for easy scaling and reconfiguration, operating in narrow aisles and both greenfield and brownfield facilities. The systems are adaptable across industries like apparel & fashion, e-commerce & retail, F&B, 3PL, pharmaceutical, 3C electronics and automotive.
- *Accuracy and Reliability*. The *HaiPick systems* are designed to improve process accuracy while sustaining high utilization. Automated picking processes and standardized workstation interactions help reduce manual handling errors, with picking accuracy levels of above 99.99% in representative deployments. Additionally, the robots support automated charging and continuous operation, enabling full-time use without compromising accuracy or reliability and ensuring stable performance even during extended hours of operation.
- *Easy Deployment and Long-term Efficiency*. The modular design allows for staged deployment and future expansion. Systems integrate with existing IT infrastructure and conventional racking with minimal civil work, resulting in sustained cost efficiencies through higher density, reduced space, and improved labor productivity.

Case Study — First Automated Distribution Center of a Leading Global Automotive Aftermarket Service Provider

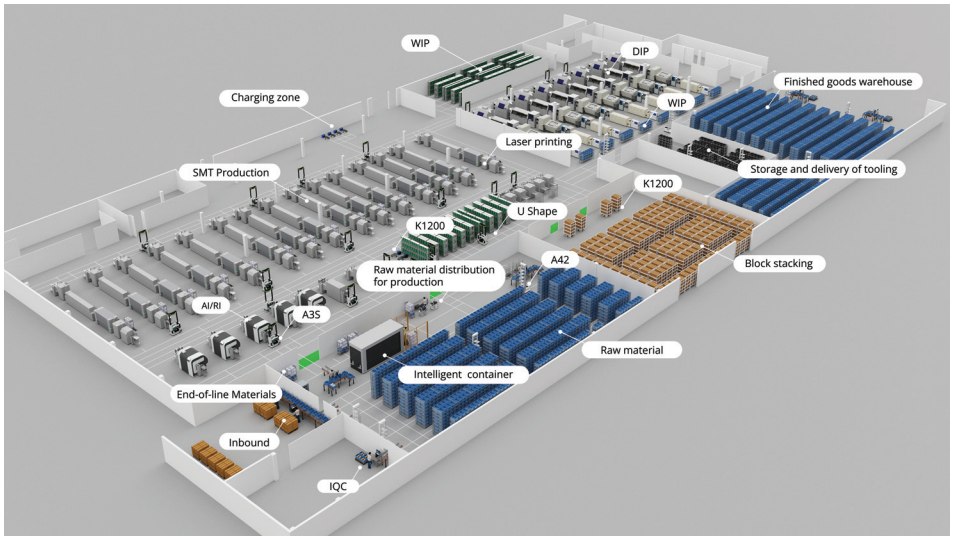
A leading global automotive aftermarket service provider sought to establish its first highly automated distribution center to support nationwide store replenishment. Operating over 10,000 stores across 17 countries, the customer aimed to use this project as a model for automating its global warehouse network. Key challenges included underutilized warehouse height, diverse item sizes, and labor-intensive picking and order consolidation processes that hindered efficiency and scalability.

To address these challenges, we deployed a hybrid automation solution centered on *HaiPick System 3* (HPS 3) across 20,000 square meters of warehouse space, including 7,100 square meters of HPS3-enabled automated storage. The system supports over 110,000 case storage locations and more than 4,300 pallet positions, enabling high-density storage while handling both case- and pallet-level operations. A diversified fleet of robots and a combination of picking and transfer interfaces manage the wide range of automotive aftermarket SKUs.

Following implementation, the automated warehouse saw a 200% increase in throughput compared to manual operations, while significantly reducing labor requirements. By consolidating storage, picking, and staging into a unified system, the solution provides a scalable and replicable automation model that supports the customer's future warehouse upgrades across its global network.

Hai-for-Manufacturing Solution

Our *Hai-for-Manufacturing Solution* is an integrated automation solution designed for the electric and electronic manufacturing industry, covering core intralogistics processes including storage management, picking, material movement, line-side replenishment, workstation-level feeding and semi-finished goods recycling. The solution is built on our A42 and A3 series ACRs, K1200 AMRs and the *HaiQ* intelligent management platform, enabling deep integration between warehouse logistics and production logistics. It supports common electronic manufacturing scenarios, including raw material warehouses, line-side supermarkets, semi-finished goods storage, finished goods warehouses and tooling storage, enhancing end-to-end operational efficiency and production stability through automated material replenishment, step-level distribution and real-time flow management.



The core features and advantages of our *Hai-for-Manufacturing Solution* are summarized as follows:

- *Flexible and Scalable Deployment.* The *Hai-for-Manufacturing Solution* supports phased expansion, adapting to changes in production layout or logistics routes without disrupting operations, offering flexibility and extensibility in fast-changing factory environments.

- *Automation of Production Logistics and Integrated Production-warehouse Operations with Enhanced Transparency.* The system coordinates multiple robot types and production equipment for automated material flow between the warehouse and production line. Robots handle material replenishment, semi-finished goods collection, and workstation deliveries, while SLAM-ACR technology ensures precise scheduling and positioning, reducing manual intervention and enhancing production stability.

- *High Level of Information Integration and Improved Supply Chain Visibility.* The solution connects WMS, MES, ERP, and other enterprise systems for real-time data synchronization and unified management, providing full visibility and traceability of material flow. This improves inventory accuracy, eliminates information silos, and supports data-driven replenishment strategies.

- *Enabling Factory-wide Digital and Intelligent Transformation.* Using logistics and production data, the system enables multi-layer visual monitoring and intelligent production management. Algorithms optimize paths, adjust inventory policies, and predict takt, improving line efficiency and resource utilization, supporting lean manufacturing and operational resilience.

Solution Components

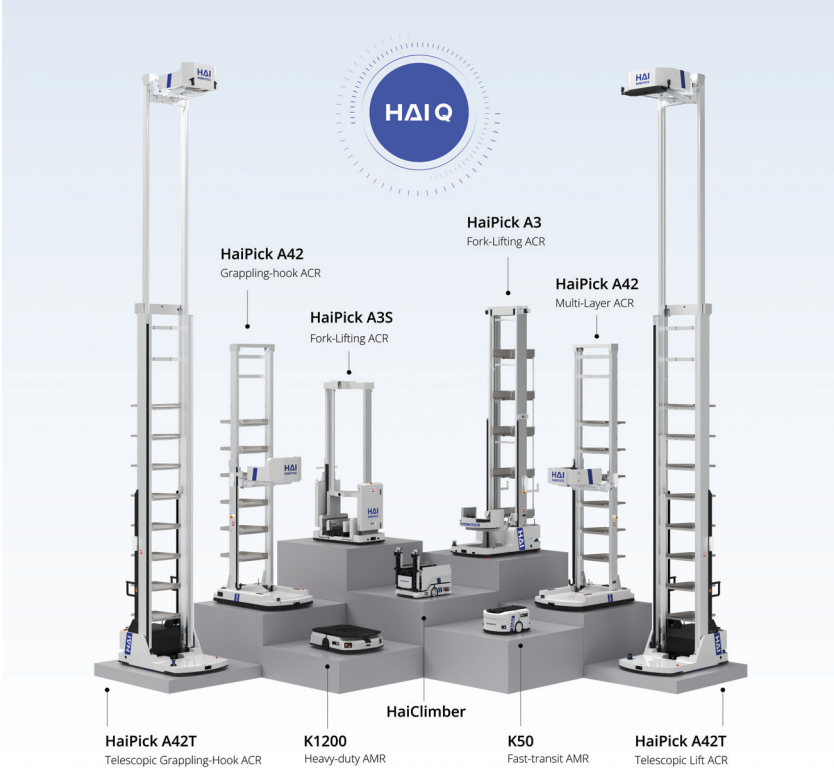
Each of our ACR solutions integrates hardware and software components to form an end-to-end automated warehousing system.

- *Hardware.* Our hardware components primarily consist of our self-developed ACRs, including the *HaiPick series* and the *HaiClimbers*, as well as latent robots, *HaiStation workstations*, chargers, and high-density storage and racking equipment. Powered by our embedded software, these components work collaboratively to perform multi-level storage, case retrieval, handling workstation delivery and charging tasks across three-dimensional warehouse environments.

- *Software.* Our software components primarily consist our proprietary *HaiQ* intelligent warehouse management platform, which serves as the digital "brain" of our ACR solutions. *HaiQ* intelligent warehouse management platform integrates intelligent task scheduling, path planning, traffic control, and real-time operational analytics, and can coordinate up to 6,000 robots simultaneously.

Hardware

Our ACR solutions are enabled by a comprehensive suite of proprietary robotic systems and workstation technologies. These hardware components form the backbone of our goods-to-person and production-logistics platforms, supporting high-density storage, flexible deployment across varied warehouse and factory environments, and efficient, stable operations under high throughput requirements.



HaiClimbers

HaiClimbers are robots central to *HaiPick Climb*, utilizing a single-sided climbing design for vertical and horizontal movement along racking guide rails. This design allows for efficient use of vertical space, particularly in high-density storage environments such as e-commerce, 3PL logistics, and manufacturing. Unlike traditional rigid AS/RS systems, which require fixed tracks and strict tolerances, *HaiClimbers* offer greater flexibility, reducing facility requirements and simplifying installation. These robots enable higher storage density, rapid order processing, and improved operational efficiency, particularly during peak seasons.

HaiPick Robots

At the core of our solutions is a diversified portfolio of *HaiPick* robots. The *HaiPick series* includes multi-layer case-handling robots, telescopic-mast robots, lifting robots, intelligent lifting robots, single-sided climbing robots and under-rack AMRs. These models support a wide range of materials and spatial configurations across warehouse and manufacturing environments, with modular architecture, advanced navigation, and high carrier compatibility for integrated automation.

Representative robot models include:

- *HaiPick A42 Multi-Layer ACR.* Designed for high-density case-picking scenarios, the A42 operates across racking heights of approximately three to six meters. It supports multiple fork designs and can be equipped with deep-bay racking, 3D vision and SLAM navigation modules for more complex warehouse layouts.

- *HaiPick A42T Telescopic Lift ACR.* As the industry's first ACR featuring a telescopic mast structure, the A42T supports picking heights of up to approximately 12 meters for ultra-high-bay environments and can handle up to nine cases simultaneously, offering various picking mechanisms for flexibility.

- *HaiPick A3 Fork-Lifting ACR.* Developed for complex manufacturing logistics, A3 supports handling of materials like tires, cases, and tooling fixtures, with enhanced navigation and clamping for constrained environments.

- *HaiPick A3S Intelligent Fork-Lifting ACR.* Tailored for "Surface Mount Technology" (SMT) environments, it offers precise handling in narrow aisles with optional obstacle avoidance and QR-code recognition. SMT is a method of mounting electronic components directly onto the surface of printed circuit boards.

- *K50 Fast Transit Companion AMR.* K50 is a compact AMR responsible for bottom-level case extraction and high-speed transport with long battery life and safety certifications.

- *K1200 Heavy Duty Companion AMR.* K1200 is designed for heavy-load manufacturing applications and capable of transporting diverse types of loads such as full cases, frames and large tooling with 3D obstacle avoidance and SLAM navigation.

Through this broad combination of robot types and configurations, the *HaiPick robot* family supports warehouse management, order picking, line-side replenishment, finished-goods storage and tooling management. It enables unified task scheduling, multi-level inventory management and flexible material flow across warehouse and production environments.

HaiStation Workstations

HaiStation workstations are key operational components of our ACR solutions, providing high-efficiency picking and material-handling interfaces tightly integrated with *HaiPick ACRs*, *HaiClimbers* and AMRs. We offer various types of workstations with functions designed to support different picking, inbound, replenishment and buffering needs. Featuring a compact and ergonomic design, *HaiStation workstations* enhance space utilization while reducing walking distance, manual handling and physical effort for operators. Compared with traditional manual workflows, these workstations can deliver up to four times the operating efficiency and three times the daily throughput, helping customers maintain stable processing capacity under labor constraints and demand fluctuations.

HaiQ Intelligent Warehouse Management Platform

HaiQ, our intelligent warehouse management platform, serves as the central control system for our ACR solutions. By unifying order execution, equipment scheduling, solution design and operational data on a single platform, *HaiQ* enables automated, standardized and highly visible warehouse operations and integrates seamlessly with *HaiPick ACRs*, *HaiClimbers*, AMRs and multiple workstation types, as well as customers' existing upstream systems. Built around the following four core subsystems and working in coordination with *HaiCharger* and *HaiSafety*, *HaiQ* provides end-to-end workflow control, equipment orchestration, design validation and real-time operational insights, supporting continuous operations and scalable deployment across diverse warehouse environments.

- *WES (Warehouse Execution System)* provides end-to-end workflow control across warehouse operation, translating upstream orders into executable tasks through standardized rules, permissions and operator guidance to ensure consistent and traceable execution.

- *ESS (Equipment Scheduling System)* coordinates and dispatches automated equipment by managing task assignment, routing, traffic and charging, enabling the robots to operate safely and efficiently within a unified scheduling framework.

- *PST (Pre-Sale Tool Platform)* supports early-stage solution design by integrating product selection, layout planning, 3D visualization and simulation, allowing rapid configuration, performance validation and clear communication of proposed automation concepts.

- *DP (Data Platform)* delivers real-time and analytical visibility into warehouse operations through visual dashboards, supporting monitoring and performance assessment.

Other Components

HaiCharger is an intelligent charging station that integrates with *HaiQ* platform to automatically schedule and manage robot charging based on battery status, enabling fully autonomous, 24/7 power support for ACRs and other automated equipment. Featuring a plug-and-play design with built-in safety protections and real-time status visibility, it supports coordinated multi-robot charging to ensure stable operations and efficient energy use.

HaiSafety is a safety management system for our ACR solutions that provides standardized and enhanced protection schemes to ensure personnel safety while maintaining operational continuity. Through configurable safety zones, interlocked access controls and optional wearable safety devices, the system enables robots to pause, slow or avoid personnel as appropriate, allowing safe human-robot collaboration without unnecessary disruption to overall operations.

Key Workflows

We design solutions around real warehouse operations, focus R&D on efficiency and stability, and ensure disciplined, scalable delivery by our engineering teams.

Design

Our ACR solution design process is a refined, iterative engineering framework that ensures each solution is closely aligned with customer requirements and can be efficiently deployed across diverse warehouse environments.

- *Scenario Assessment and Research.* We begin with on-site inspections and data collection to analyze warehouse layout, goods characteristics, order structure and peak-period profiles, from which we build a digital warehouse model.

- *Solution Modeling and Simulation.* Using our proprietary simulation platform, we conduct dynamic modeling of path planning, equipment configurations and throughput to achieve an optimal balance between efficiency and cost.

- *System Configuration and Validation.* Based on simulation results, we configure the ACRs, *HaiPort* and *HaiStation workstations* and the *HaiQ* management platform, and conduct virtual debugging to verify system performance and stability.

- *On-site Deployment and Continuous Optimization.* After implementation, we leverage real-time operational data collected through *HaiQ* to continuously refine dispatching algorithms, task-allocation logic and energy-management strategies, further improving overall warehouse efficiency.

Modularization and Customization

Our ACR solutions are highly modular and customizable, allowing system components to be flexibly combined to suit the operational requirements of different industries and customer scenarios. By modularizing core product elements, we enable seamless hardware — software integration and configuration. Customers can combine modules according to project needs to achieve the optimal balance between operational efficiency, space utilization and safety.

Our key modularization and customization include:

- *System Modularization.* *HaiPick ACRs*, *HaiPort workstations*, *HaiClimbers*, racking modules and the *HaiQ* platform can be freely combined to support high flexibility across both hardware and software layers.

- *Industry-specific Customization.* Based on the industries and sectors of our end customers, we adjust factors such as picking height, path density and operating logic to optimize picking efficiency and space utilization.

- *Customization for Global Markets.* To meet diverse requirements across different regions, we provide localized versions of the *HaiQ* platform with support for local languages, data-compliance features and multi-layer integration with customers' ERP systems.

- *Hardware Localization.* Differences in case standards, racking systems and equipment interfaces across regions may require hardware adaptations. Leveraging modular design and configurable hardware structures, we support customer-specific storage and integration requirements while maintaining stable and consistent system performance.

Delivery

Our ACR solution delivery process covers standardized manufacturing, logistics, on-site installation and commissioning, enabling efficient system deployment, with installation typically completed in approximately one month.

Drawing on our structured commercial project delivery workflow, the delivery process generally comprises the following stages:

- *Pre-delivery Technical Preparation.* Following contract signing, we confirm project requirements, technical specifications and system configurations through cross-functional reviews, and prepare delivery plans, interface definitions and any required customization or testing strategies.

- *System Design Refinement and Production Readiness.* Based on confirmed requirements, our engineering teams complete detailed design, generate bills of materials, prepare firmware and configuration packages, and align production planning with project schedules.

- *Manufacturing, Quality Assurance and Pre-shipment Testing.* System components undergo standard manufacturing, functional testing and quality inspection, with additional integration testing conducted for customized projects prior to shipment.

- *Logistics, On-site Installation and Commissioning.* Upon arrival at the customer site, we perform installation, system integration and commissioning, including *HaiQ* platform configuration, robot burn-in, scheduling validation and trial operations, followed by joint system optimization based on actual operating conditions.

- *Acceptance and Handover.* We conduct site acceptance tests to verify system performance, accuracy and stability. Upon meeting acceptance criteria, the system is formally handed over and enters the operations and maintenance phase.

We experienced no material delivery delays during the Track Record Period.

Pricing

We determine prices based on clear and practical considerations. We first assess the benefits our solutions bring to customers, such as improved performance, higher efficiency and other measurable enhancements in their operations. Our prices are set to reflect, and capture a reasonable share of, the value created for customers. We also review the prices of comparable or competing solutions in the market and adjust our pricing where necessary to remain competitive.

The final price is determined on a project-by-project basis. As a result, the price for a specific project may vary depending on factors such as the scope of work, volume, delivery schedule, service requirements, market conditions relevant to that project and the resources required to deliver the products and services.

OUR TECHNOLOGY

Since 2016, we have developed in-house and continuously iterated our ACR technology. Through end-to-end R&D across both software and hardware technologies, we have established a complete and scalable technology stack that supports rapid product iteration. Our R&D team is one of the world's largest dedicated to case-handling warehouse robots, with deep industry experience and strong innovation capabilities.

Core Software Technologies

Proprietary Algorithms and Decision Engines

Our proprietary algorithms and decision engines serve as the "brain" of our automation platform, enabling real-time robot dispatching, dynamic path planning and system-wide resource allocation with low latency, high throughput and high reliability. Combined with our 3D digital twin, which simulates full warehouse environments before deployment, these technologies optimize tasks and resources, reduce idle time and energy use, and address bottlenecks in large-scale operations. Together, they enhance system reliability and performance, support scalable deployment across diverse warehouses, and deliver measurable efficiency gains.

Modular Scheduling Platform

Our self-developed scheduling platform supports unified management and coordination of multiple robot types and specifications across single or multiple warehouse sites. Designed for large-scale and distributed operations, the platform overcomes limitations of traditional warehouse systems that lack flexibility and struggle with multi-robot coordination. By integrating real-time scheduling, dynamic optimization and data-driven decision support, the platform minimizes bottlenecks and delays, improves order fulfillment efficiency and accuracy, and allows customers to achieve agile resource allocation across complex warehouse networks while reducing overall operating costs.

Multi-Robot Pathfinding Technology

Building on this, our real-time multi-robot pathfinding (MAPF) technology ensures collision-free paths for up to 6,000 robots of different types in shared environments. MAPF enables robots to travel efficiently from start to destination while meeting business objectives like energy consumption and task deadlines. With millisecond-level response times, the system handles dynamic environments, providing millimeter-level collision protection and real-time diagnostics. The MAPF technology integrates seamlessly with our scheduling platform, offering robust coordination and exception handling, which is easy to configure, deploy, and maintain with minimal delivery resources.

Core Hardware Technologies

Model Predictive Motion Control Technology

Our model predictive walking control technology allows precise and stable robot movement across different surfaces, layouts and load conditions. By combining kinematic and dynamic modeling with real-time disturbance compensation, it overcomes limitations of traditional wheel-based control methods that are sensitive to slippage, uneven ground and mechanical inconsistencies. This technology improves trajectory tracking accuracy, movement stability and terrain adaptability, enhancing layout flexibility, expanding applicable operating scenarios and improving overall efficiency and reliability.

Data-Driven Visual Recognition and Decoding Technology

Our data-driven visual recognition and decoding technology improves identification accuracy under challenging real-world conditions, including poor lighting, obstructions and damaged visual markers. Leveraging large-scale operational data and continuous feedback from deployed systems, the technology addresses the limitations of traditional rule-based recognition approaches. Through continuous algorithm optimization and data-driven enhancement, it delivers stable and reliable recognition performance, reduces operational interruptions and supports consistent system operation in non-ideal warehouse environments.

SLAM (Simultaneous Localization and Mapping) Technology

In complex industrial indoor scenarios, our proprietary laser-based SLAM system offers millimeter-level positioning accuracy and robust dynamic adaptability, ensuring reliable navigation even in highly variable environments. By leveraging multimodal sensor fusion and distributed low-power computing, the system supports dynamic map updates from multiple robots, maintaining optimal mapping fidelity without infrastructure overhauls. This empowers seamless robot fleet coordination across diverse facility layouts, significantly enhancing scalability, adaptability and long-term operational stability, minimizing manual intervention and maximizing automation efficiency.

Communication and Safety Architecture

Our communication and safety architecture integrates advanced wireless detection, secure communication, real-time bus systems and heterogeneous computing to ensure secure and efficient robot operations across diverse environments. This system enhances safety in human-robot interactions, improves efficiency, supports material reuse and lowers costs through self-developed components.

It enables reliable wireless communication, precise 3D spatial detection and real-time data flow, creating a flexible platform for scalable automation. The architecture reduces machine costs by 20-30%, supports continuous upgrades and accelerates product development, thereby improving performance and customer satisfaction.

RESEARCH AND DEVELOPMENT

Innovation is the core driver of our continued industry leadership. Supported by a robust R&D system and sustained investment, we have developed multiple industry-first technologies and products in the ACR domain, accelerating the industry's evolution from single-point automation toward system-level intelligent solutions. Since our inception, we have adhered to an independent innovation strategy, maintaining one of the highest R&D-to-revenue ratios in the industry, according to CIC, and have built a full-stack technology architecture spanning core algorithms, system architecture, mechanical design, scheduling control and software platforms.

Research and Development Team

Our R&D function is led by experts with international experience and deep engineering backgrounds across robotics, automation control, software engineering and systems architecture. Core team members have, on average, more than 10 years of industry experience and have led large-scale robotics system development projects globally, with recognized expertise in warehouse automation, logistics control algorithms and multi-robot scheduling. Many team members have earned distinctions in international robotics competitions, reflecting strong algorithmic and engineering capabilities. As of September 30, 2025, we had 516 research and development employees, representing nearly 36% of our total workforce.

R&D Investment

We continuously invest in R&D to ensure that each innovation can be commercialized effectively. During the Track Record Period, our research and development expenses were RMB308.9 million, RMB334.0 million and RMB257.7 million in 2023 and 2024 and for the nine months ended September 30, 2025, respectively, representing 38.3%, 24.5% and 20.4% of our total revenue for the same periods, respectively among the highest within the global ACR solutions industry in terms of percentages of total revenue according to CIC. Our R&D expenses primarily include employee compensation (such as wages, benefits and bonuses) as well as share-based compensation, development materials, depreciation and amortization of R&D assets and R&D process optimization consultation expenses. As our R&D team has expanded, our development efficiency has improved while maintaining a high level of investment to support ongoing product innovation.

R&D Process

Our R&D process follows an end-to-end framework that spans from demand identification to product end-of-life management, covering seven core stages: demand management, product planning, project initiation, product development, testing and validation, beta deployment, commercialization readiness and lifecycle management.

Our R&D process begins with *demand management*, where we gather insights from customer pain points, operational scenarios, and industry trends. This is followed by a *product planning* process involving the cross-functional review to prioritize requirements, ensuring R&D investments align with market value. Once opportunities are validated, *feasibility assessments* are conducted, leading to project initiation. Projects enter our integrated *product development* framework, starting with concept development, followed by system-level designs and risk assessments. We conduct multi-layer *testing*, including functionality, performance, and stability checks. Products are then

deployed in real customer environments through our *beta mechanism* for refinement before full release. Prior to launch, we implement a structured enablement program for regional teams. After commercialization, products enter lifecycle management, where we monitor performance and customer feedback to determine upgrades or retirements.

INTELLECTUAL PROPERTY

We believe our patents, know-how, proprietary technologies, trademarks, copyrights, domain names, and similar intellectual property as critical to its success.

We maintain a comprehensive patent portfolio covering innovations in ACR technology, intelligent warehouse management, robotic control software, hardware design and related fields, supporting our continuous technological innovation and market competitiveness. As of September 30, 2025, we had filed 2,394 patent applications worldwide, encompassing 1,149 in China (including 855 granted patents and 294 pending applications), 1,102 in other jurisdictions (including 814 granted patents and 288 pending applications), and 143 PCT international applications, representing the largest portfolio among ACR solution providers, according to CIC.

Our intellectual property team is responsible for protecting our core technologies, including product architecture, robotics, software and algorithmic innovations, by building strong patent barriers and safeguarding our technological advantages.

During the Track Record Period and as of the Latest Practicable Date, we had not been involved in any material intellectual property infringement claims, nor had we experienced significant infringement of our intellectual property rights by third parties. During the Track Record Period and up to the Latest Practicable Date, we have not been involved in any major intellectual property disputes with third parties.

OUR SALES AND MARKETING

Our Global Presence

We adopt a sales organization model focusing on both regional coverage and various industry verticals, with its sales system structured into domestic and non-domestic business segments.

We have expanded and will continue to expand our global footprints. We have established localized sales and service networks in the Americas, EMEA, Japan and the rest of APAC. Through non-domestic subsidiaries and collaborations with local partners, we successfully delivered multiple non-domestic projects and our non-domestic revenue contribution continued to increase during the Track Record Period.

The following table sets forth a breakdown of our revenue by geographic location of our customers (determined based on the location of our internal teams managing such customer accounts), in absolute amounts and as percentages of total revenue, 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*	*% of revenue*	*RMB'000*	*% of revenue*
Geographic Locations								
Domestic market	612,093	75.8	842,407	61.9	613,091	65.8	763,026	60.4
Non-domestic markets	194,914	24.2	517,957	38.1	318,180	34.2	499,939	39.6
Total	**807,007**	**100.0**	**1,360,364**	**100.0**	**931,271**	**100.0**	**1,262,965**	**100.0**

Our Sales Channels

In both the domestic and non-domestic markets, we have established two major sales channels: (i) channel partners and (ii) direct sales.

The following table sets forth the breakdown of our revenue by sales channel in an absolute amount and as a percentage of total revenue 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*	*% of revenue*	*RMB'000*	*% of revenue*
Sales Channels								
Direct sales	513,879	63.7	822,462	60.5	577,792	62.0	935,655	74.1
Channel partner sales	293,128	36.3	537,902	39.5	353,479	38.0	327,310	25.9
Total	**807,007**	**100.0**	**1,360,364**	**100.0**	**931,271**	**100.0**	**1,262,965**	**100.0**

Channel Partner Sales

We work closely with an expanding network of channel partners to leverage their established customer bases and local execution capabilities for sales of our ACR solutions, especially in non-domestic markets. This channel model enables us to broaden our geographic reach, accelerate market entry and serve end-customers more efficiently, particularly in markets where local presence, engineering capability and familiarity with regional operating norms are critical for commercial success.

Most of our channel partners are system integrators ("integrators") who act as solution providers in warehouse automation and digitalization projects. They typically combine our ACR systems with their own software platforms, racking structures and other automation components to deliver full-stack solutions to end-customers. By working with these partners, we are able to leverage their industry relationships and customer networks to accelerate market penetration, benefit from their localized implementation, engineering and after-sales capabilities, improving delivery efficiency and customer satisfaction, and obtain first-hand feedback from frontline customer usage and incorporate such feedback into our product iterations. As of December 31, 2024, we had established partnerships with six of the world's top ten system integrators, representing broader engagement with leading system integrators compared to most industry peers. In other cases, our channel partners directly promote and resell our ACR solutions to end customers based on their understanding and knowledge of our ACR solutions. In this process, they also provide a suite of supporting services to end customers, such as design, implementation and maintenance.

In many cases, our solutions are jointly delivered with integrators, who lead on-site system integration and workflow orchestration. Meanwhile, we remain actively involved throughout the solutioning, deployment, and after-sales stages, ensuring direct engagement with end customers. Our ACR systems are frequently specified by end customers due to brand recognition and proven performance, which fosters customer loyalty. We continue to provide technical support, software configuration, and after-sales services, ensuring system reliability and solution quality. In large complex projects, we collaborate with integrators in joint bids and implementation efforts, enhancing our brand visibility and strengthening our global competitiveness, while also deepening customer stickiness by working closely with both integrators and end customers.

Our Channel Partner Network

We maintain a tiered partnership model tailored to integrators' capabilities and business scope. Strategic partners are authorized to promote and deploy our solutions across multiple regions and may co-develop large projects with us, while regional integrators focus on localized deployment, on-site engineering and after-sales maintenance in their respective markets.

We have built a robust global channel partner network, enabling efficient, cost-effective and scalable access to a diverse range of customers.

The following table sets forth the total number of channel partners and their movements for the periods indicated.

	Year Ended December 31,		Nine months ended September 30,
	2023	2024	2025
At the beginning of the period	210	324	397
Additions of channel partners	115	75	47
Exit of channel partners[(1)]	1	2	19
At the end of the period	324	397	425

Note:

(1) Represents those channel partners who had not placed any order with us for three consecutive years prior to the beginning of the given period.

During the Track Record Period, the number of our channel partners have generally increased, reflecting the growing market demand, our expanding distribution network and successful commercialization strategies. We also terminated partnerships with channel partners who did not meet our sales expectations, lacked the necessary operational capabilities, failed to maintain active transactions, or did not comply with our management policies. During the Track Record Period and up to the Latest Practicable Date, we did not have any material unresolved disputes or lawsuits with these exiting channel partners.

Our Agreements with Channel Partners

Our collaboration with channel partners is typically governed by framework agreements or project-specific contracts. Key terms generally include:

- *Scope of Agreement*: We appoint channel partners to promote and sell our ACR systems within agreed territories, on either a non-exclusive or exclusive basis depending on the relevant agreement.

- *Pricing and Payment*: Prices are generally based on our product price lists or the commercial quotation attached to the agreement, with payments typically made in milestones over the course of the project.

- *Delivery and Transfer of Risk*: For non-domestic partners, delivery generally follows EXW terms, with risk transferring upon delivery to the carrier designated by the partner. For domestic partners, we typically arrange transport and deliver to the designated project site, after which risk transfers upon receipt.

- *Responsibilities of Channel Partners*: Channel partners are responsible for promoting the products and developing the market in the territory. For implementation and after-sales, non-domestic channel partners typically provide initial after-sales support, installation coordination and communication with end-customers, while domestic channel partners may, under separate agreements, request our technical guidance as needed.

- *Quality, Warranty and Technical Support*: We provide warranty for our solutions to channel partners, with the warranty period specified in the agreement. In non-domestic markets, channel partners handle repair/replacement and coordinate claims with us while we provide 24/7 remote support and on-site service as needed in the domestic market.

- *Intellectual Property*: All IP relating to our products, systems and materials remains owned by us. Channel partners may use our trademarks for sales activities but may not modify product appearance or attempt to register similar marks.

- *Confidentiality*: Both parties must protect non-public technical, commercial and pricing information. Confidentiality obligations survive contract termination.

- *Liability and Indemnification*: Both sides generally disclaim liability for indirect or consequential damages. Partners indemnify us for losses arising from their misconduct, while we indemnify partners for product defects caused by us or our gross negligence.

- *Term, Termination and Renewal*: Agreements generally run for a fixed period and may be renewed by mutual consent. Either party may terminate for uncured breach or insolvency.

Channel Stuffing Risk Management

We believe the risk of channel stuffing is effectively mitigated through the structure of our operating model and the inventory-management measures. Channel partners place orders only after confirming end customer demand, which significantly reduces the risk of inventory accumulation. For system integrators, deliveries are project-specific and tied to confirmed downstream orders in line with industry practice. In addition, revenue is generally recognized only upon project deployment and acceptance by the end-customers rather than shipment. These practices are supported by strict return policies and end-to-end demand planning and order-fulfillment controls, including order-based production, cross-functional coordination and enhanced visibility through digital tools such as MES and WMS support closer alignment between inventory levels and actual customer demand and materially reduce the risk of channel stuffing.

Channel Partner Management

We adopt a disciplined and structured approach to developing and managing our global channel partner network, applying clear selection criteria that prioritize regional sales coverage, technical competence, operational maturity and alignment with our brand and service standards. To ensure consistent delivery quality, certified channel partners are required to complete our technical training programs and meet project-assessment standards before undertaking deployments, and are supported through standardized documentation, integration toolkits and software interfaces. Through this enablement framework, channel partners are integrated into our service ecosystem, enabling uniform solution delivery and maintaining quality, reliability and technical consistency across different markets.

Channel Partner Independence

We have strict policies in place to prevent any of our current employees from working for or holding equity in any of our channel partners. Additionally, our internal control policies ensure that all channel partners are treated equally, with no preferential treatment. During the Track Record Period, a limited number of channel partners were managed by our former employees, who became our channel partners based on their own independent commercial considerations, such as their familiarity with our ACR solutions and the industry, and not as a result of any requirement, inducement or solicitation by us. All transactions and business relationships between us and these channel partners are conducted on an arm's length basis in accordance with our standard commercial terms. Save as disclosed above, to the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, (i) all of our channel partners were Independent Third Parties; and (ii) there was no employment, financing or family relationship between our channel partners and us, and none of our channel partners or their respective beneficial owners (as the case may be) are our former employees.

Direct Sales

We maintain direct sales capabilities for customers with such needs, particularly strategic and KA customers, ensuring dedicated support for large-scale or mission-critical deployments with higher system complexity and performance requirements. For these projects, we work directly with end customers to foster close technical collaboration and effective execution across solution design, system integration, deployment, and stabilization.

Through the direct sales model, we have established long-term partnerships with industry leaders, driving high customer repurchase rates and deep solution engagement. In 2023 and 2024 and for the nine months ended September 30, 2025, we had 161, 175 and 199 direct customers, respectively.

The salient terms of agreements with direct customers are summarized as follows.

- *Product Scope and Specifications*. The agreements specify the types, quantities and technical specifications of robots, software, charging stations, workstations and related components to be delivered.

- *Product and Pricing Structure*. We generally adopt a fixed total price for the agreement with a direct customer. For customers in the domestic market, the contract price typically includes tax, while contracts with non-domestic customers are usually quoted before tax. Payment is made in installments tied to milestones such as signing, shipment, installation and acceptance.

- *Pricing Adjustments*. Price adjustments will be allowed, or additional charges may be imposed if the scope, assumptions or customer site conditions change.

- *Delivery and Installation*. We arrange transportation and on-site installation for customers in the domestic market. For non-domestic customers, we commonly follow INCOTERMS with the buyer designating a carrier. Customers must ensure site readiness prior to installation.

- *Acceptance*. After commissioning, customers will conduct acceptance testing, and systems may be deemed accepted if not tested within the prescribed period or once placed into commercial use.

- *Maintenance and Warranty*. We provide warranty for our solutions to direct customers, with the warranty period specified in the agreement, covering repair or replacement for product defects. Warranty exclusions include improper use, unauthorized modifications and force majeure.

- *IP Rights*. We retain ownership of all product-related IP rights. Customers receive a limited right to use the software and documentation and may not copy, modify or distribute them beyond permitted use.

- *Liability Limitation*. We are generally not liable for indirect or consequential losses and there is a cap for our total liability, typically at a percentage of the contract value.

- *Confidentiality*. Agreements contain mutual confidentiality obligations covering technical, commercial and operational information disclosed during the project.

Our Marketing and Branding

Our Sales and Marketing Team

Our strong technical capabilities and advanced offerings have made us a reliable and recognized business partner for our customers. We have a dedicated sales and marketing team consisting of a total of 604 employees as of September 30, 2025, responsible for customer acquisition, regional business management, solution promotion and brand building. During the Track Record Period, our selling and distribution expenses were RMB424.5 million, RMB489.2 million and RMB385.7 million in 2023 and 2024 and for the nine months ended September 30, 2025, respectively, representing 52.7%, 35.9% and 30.5% of our total revenue for the same periods, respectively.

Our marketing team is structured by both function and geography, comprising key account management, regional sales teams, channel partner management and brand communications. Each regional sales team operates as an independent profit center with clear sales and gross-margin targets, ensuring rapid response to local market needs while remaining aligned with our global strategy. To support global expansion, we have established localized business and delivery teams across major non-domestic markets, including the Americas, EMEA, Japan and the rest of APAC.

Our Marketing and Customer Development Strategy

Customer success is a core principle of our operations, and our marketing and customer development efforts focus on delivering measurable outcomes and long-term operational value. We seek to build long-term partnerships with industry leaders, positioning ourselves as their technology and innovation partner. Our strategy emphasizes KA customer development with strong demonstration effects, leveraging successful deployments to drive solution standardization and replication across multiple sites and regions. In parallel, we enhance brand visibility through technology seminars, customer open days and industry exhibitions, highlighting real-world project performance to build trust and support broader commercial adoption of our ACR solutions.

OUR CUSTOMERS

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 globally, including both direct customers and channel partners, for the deployment of our ACR solutions.

Our strategic collaborations with large enterprise customers serve as a key engine of innovation. We have established long-term partnerships with leading companies across seven major industries and with prominent enterprises in multiple regions. These customers typically require highly complex, high-frequency and high-volume solutions with stringent operational timelines, pushing the limits of existing automation technologies. Through these collaborations, we have continuously developed new modules and functionalities, such as high-frequency picking capabilities for large e-commerce shopping festivals and specialized cold-chain features for various applications, that are often difficult for peers to match. Each successful large-scale deployment further validates the scalability of our solutions and creates industry benchmark cases. The cumulative impact of these flagship projects has attracted additional high-value customers, reinforcing our leadership position and driving a virtuous cycle: the more demanding the customer requirements, the more advanced our solutions become, strengthening our position at the forefront of the ACR industry.

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.

The following tables set forth the details of our five largest customers in each year/period during the Track Record Period.

Year Ended December 31, 2023

Rank	Customer	Background	Products purchased from us	Revenue	Percentage of total revenue	Year of commencement of business relationship
				(RMB'000)		
1	Customer A	A leading global e-commerce company based in China and listed on the Stock Exchange	ACR solutions	126,253	15.6%	Since 2020
2	Customer B	A global commercial service company primarily engaged in the provision of business services, with principal operations in the United States	ACR solutions	54,030	6.7%	Since 2021
3	Customer C	A sports footwear brand primarily engaged in design, marketing and sales of athletic footwear, based in the U.S.	ACR solutions	33,193	4.1%	Since 2022
4	Customer D	A channel partner primarily engaged in the sales and delivery of intelligent logistics automation solutions, based in China	ACR solutions	23,524	2.9%	Since 2022
5	Customer E	A 3C manufacturer primarily engaged in the design, production and sales of consumer electronics, based in Japan	ACR solutions	22,288	2.8%	Since 2022
Total				**259,288**	**32.1%**	

Year Ended December 31, 2024

Rank	Customer	Background	Products purchased from us	Revenue	Percentage of total revenue	Year of commencement of business relationship
				(RMB'000)		
1	Customer A	A leading global e-commerce company based in China and listed on the Stock Exchange	ACR solutions	172,439	12.7%	Since 2020
2	Customer F	A leading global e-commerce company primarily engaged in online design-driven merchandising and retail sales of apparel with operations worldwide	ACR solutions	142,665	10.5%	Since 2022
3	Customer B	A global commercial service company primarily engaged in the provision of business services, with principal operations in the United States	ACR solutions	104,887	7.7%	Since 2021
4	Customer G	A leading global sportswear company primarily engaged in the design, production and sales of sportswear and sporting goods and the global operation of multiple athletic brands, based in China	ACR solutions	41,776	3.1%	Since 2021
5	Customer H	An intralogistics solutions provider primarily engaged in the design, manufacture, integration and servicing of internal logistics systems, based in Germany	ACR solutions	36,803	2.7%	Since 2021
Total				**498,570**	**36.7%**	

Nine Months Ended September 30, 2025

Rank	Customer	Background	Products purchased from us	Revenue	Percentage of total revenue	Year of commencement of business relationship
				(RMB'000)		
1	Customer F[(1)]	A leading global e-commerce company primarily engaged in online design-driven merchandising and retail sales of apparel with operations worldwide	ACR solutions	384,065	30.4%	Since 2022
2	Customer I	An international digital transformation service provider based in Germany	ACR solutions	69,334	5.5%	Since 2024
3	Customer A	A leading global e-commerce company based in China and listed on the Stock Exchange	ACR solutions	55,269	4.4%	Since 2020
4	Customer J	An electronic component distributor primarily engaged in global distribution and sales of electronic components, based in Poland	ACR solutions	50,142	4.0%	Since 2022
5	Customer K	A dental health company primarily engaged in the design, manufacture and sales of dental technologies and consumables, based in the United States	ACR solutions	48,645	3.9%	Since 2023
Total				**607,455**	**48.2%**	

Note:

(1) The significant transaction amount attributable to Customer F reflects our focus on serving leading customers with complex application scenarios, which typically involve larger project sizes and more demanding execution and service requirements.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, (i) all of our five largest customers in each year/period during the Track Record Period were Independent Third Parties; and (ii) none of our Directors, their close associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year/period during the Track Record Period.

Technical Support and After-Sales Services

We place strong emphasis on customer experience and have established comprehensive technical support and after-sales service mechanisms to ensure stable system operation throughout the product lifecycle. We monitor multiple performance indicators, including response time and issue-resolution efficiency, to minimize customer downtime and maintain optimal operating performance. Our service teams remain on standby across regions, supported by standardized remote-service tools and escalation mechanisms, to provide timely assistance whenever needed.

We operate a tiered support model through our service center, which categorizes and routes customer requests for efficient handling, with a particular focus on resolving mechanical and system-level issues. We adjust service requirements, such as response time, escalation protocols and major-incident handling, based on the scale and complexity of each project. Complex cases are escalated to senior technical specialists or engineering teams to ensure rapid diagnosis and effective resolution.

Product Return and Warranty

We provide a standard warranty covering repair or replacement of product defects, including remote support, software updates, spare-parts replacement and on-site service when needed. Warranty exclusions include improper use, unauthorized modifications, environmental damage and normal wear and tear. Our product-return policy is limited to defective or damaged products identified within the warranty period, and we generally do not accept other returns. This approach helps align channel orders with end-customer demand and maintain orderly inventory flow. During the Track Record Period, we did not experience any material product returns or warranty claims.

OUR SUPPLY CHAIN

Our Suppliers

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, all of which are sourced from qualified suppliers under our supplier-admission and quality-control procedures; (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. This multi-tier supplier structure enables stable material supply, traceable production control and scalable fulfillment across our operations.

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.

The following tables set forth the details of our five largest suppliers in each period/year during the Track Record Period.

Year Ended December 31, 2023

Rank	Supplier	Background	Products and services provided to us[1]	Purchase Amount	Percentage of total purchase	Year of commencement of business relationship
				(RMB'000)		
1	Supplier A	An industrial equipment company primarily engaged in the sales of industrial equipment and the provision of technical services, based in China	Materials	47,572	5.0%	Since 2021
2	Supplier B	A smart technology company primarily engaged in the research, development and commercialization of intelligent technology solutions, based in China	Materials	38,768	4.1%	Since 2022
3	Supplier C	A warehousing equipment company primarily engaged in the manufacturing, sales and servicing of warehousing equipment, based in China	Materials	30,112	3.1%	Since 2021
4	Supplier D	A high-tech enterprise primarily engaged in the provision of industrial automation solutions and electrical control products, based in China	Materials	23,380	2.4%	Since 2021
5	Supplier E	A hardware component company primarily engaged in small- and medium-batch precision machining and the supply of precision metal parts for manufacturing applications, based in China	Materials	18,339	1.9%	Since 2022
Total				**158,171**	**16.5%**	

Note:

(1) "Materials" refer to the raw materials, components and parts used for the manufacturing of our ACRs and constitute a category of our inventories. See "Financial Information — Discussion of Selected Items from Our Consolidated Balance Sheets — Assets — Inventories."

Year Ended December 31, 2024

Rank	Supplier	Background	Products and services provided to us[1]	Purchase Amount	Percentage of total purchase	Year of commencement of business relationship
				(RMB'000)		
1	Supplier F	A freight forwarding company primarily engaged in cross-border transportation services, customs clearance coordination and transshipment logistics, based in Hong Kong	Logistics services	74,872	5.6%	Since 2022

Rank	Supplier	Background	Products and services provided to us[1]	Purchase Amount	Percentage of total purchase	Year of commencement of business relationship
				(RMB'000)		
2	Supplier G	A metal products manufacturing company primarily engaged in the processing and manufacture of metal products, base in China	Materials	61,730	4.6%	Since 2023
3	Supplier A	An industrial equipment company primarily engaged in the sales of industrial equipment and the provision of technical services, based in China	Materials	44,829	3.3%	Since 2021
4	Supplier H	A plastics products manufacturer primarily engaged in manufacturing of daily-use and industrial plastic parts, based in China	Materials	39,488	2.9%	Since 2021
5	Supplier B	A smart technology company primarily engaged in the research, development and commercialization of intelligent technology solutions, based in China	Materials	35,018	2.6%	Since 2022
Total .				**255,937**	**19.0%**	

Note:

(1) "Materials" refer to the raw materials, components and parts used for the manufacturing of our ACRs and constitute a category of our inventories. See "Financial Information — Discussion of Selected Items from Our Consolidated Balance Sheets — Assets — Inventories."

Nine Months Ended September 30, 2025

Rank	Supplier	Background	Products and services provided to us[1]	Purchase Amount	Percentage of total purchase	Year of commencement of business relationship
				(RMB'000)		
1	Supplier I	An intelligent logistics equipment company primarily engaged in the research and development, manufacture and servicing of smart logistics equipment, based in China	Materials	96,363	8.3%	Since 2023
2	Supplier J	A logistics warehousing solutions company primarily engaged in the design, manufacture and installation of storage systems and warehouse racking solutions, based in the Netherlands	Materials	52,549	4.5%	Since 2022
3	Supplier A	An industrial equipment company primarily engaged in the sales of industrial equipment and the provision of technical services, based in China	Materials	42,201	3.6%	Since 2021

Rank	Supplier	Background	Products and services provided to us[1]	Purchase Amount	Percentage of total purchase	Year of commencement of business relationship
				(RMB'000)		
4	Supplier K	An industrial equipment support services company primarily engaged in industrial equipment supply, installation, maintenance and technical support, based in China	Materials	34,089	2.9%	Since 2022
5	Supplier L	A logistics and supply chain services provider primarily engaged in freight transportation, logistics operations and supply chain management services, based in Poland	Outsourced implementation services	29,352	2.5%	Since 2023
Total .				**254,554**	**21.8%**	

Note:

(1) "Materials" refer to the raw materials, components and parts used for the manufacturing of our ACRs and constitute a category of our inventories. See "Financial Information — Discussion of Selected Items from Our Consolidated Balance Sheets — Assets — Inventories."

Our Directors confirmed that, during the Track Record Period, we have not experienced any significant material fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers or material delay in delivery of our orders from our suppliers. To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, (i) all of our five largest suppliers in each year/period during the Track Record Period were Independent Third Parties; and (ii) none of our Directors, their close associates or any of our shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year/period during the Track Record Period.

Our Agreements with Major Suppliers

The key terms of our agreements with our major suppliers are set out below:

- *Product/Service Details*: Procurement contracts and purchase orders specify product scope, models, quantities, specifications, technical standards and testing requirements, including drawings and sealed samples. Suppliers must deliver new and compliant products meeting agreed quality standards and provide all required certificates, test reports, manuals and inspection records upon delivery.

- *Quotation and Pricing*: Prices are fixed as set out in the relevant contract or purchase order and generally include tax, transportation, insurance, testing, installation, commissioning and warranty-period services.

  Payment is typically made after delivery and acceptance in accordance with the agreed payment cycle, subject to issuance of valid VAT invoices.

- *Delivery and Acceptance*: Suppliers are required to deliver products to our designated locations on schedule and provide complete shipping documentation.

  We conduct inspections within the agreed period, and acceptance does not waive our right to reject products that fail to meet quality or specification requirements or exhibit defects discovered during subsequent use.

- *Warranty and Maintenance*: Suppliers provide warranties from acceptance and are fully responsible for defects, including repair, replacement, downgrade or return.

  All warranty-related costs, including parts, labor, logistics and on-site service, are borne by the supplier, and suppliers must respond and complete repairs within the specified timeframes.

- *Quality Assurance*: Suppliers must comply with our quality requirements, including incoming inspection standards, production process controls, packaging and traceability requirements, and must not change materials, processes, key equipment, production locations or subcontracting arrangements without prior written consent.

- *Compliance*: Suppliers must comply with applicable laws and our compliance, confidentiality, integrity and anti-bribery rules. They must ensure that supplied products do not infringe third-party IP rights and must indemnify us for any resulting losses.

- *Termination and Remedies*: We may terminate contracts or orders for operational needs or upon supplier breach, including quality issues, delivery delays or unauthorized changes. In cases of non-compliance or defects, we may require return, repair, replacement, price reduction or compensation, and may impose liquidated damages, suspend cooperation or deduct payable amounts for serious or repeated breaches.

OVERLAPPING OF MAJOR CUSTOMERS AND SUPPLIERS

During the Track Record Period, we had two major customers who were also our suppliers, namely Customer A and Customer G, and one major supplier who was also our customer, namely Supplier H. We generated revenue from Customer A and Customer G by selling ACR solutions to them, while we primarily procure facility leasing and warehousing services from Customer A and logistics and transportation services from Customer G. We purchased materials from Supplier H and generated revenue from such supplier through sales of our ACR solutions to it. In 2023 and 2024 and for the nine months ended September 30, 2025, revenue from Customer A was RMB126.3 million, RMB172.4 million and RMB55.3 million, respectively, representing 15.6%, 12.7% and 4.4% of our total revenue for the same periods, respectively, and purchase amount with Customer A was less than 0.1% of our total purchase amount during the Track Record Period. Revenue from Customer G was RMB10.2 million, RMB41.8 million and RMB26.7 million in 2023 and 2024 and for the nine months ended September 30, 2025, respectively, representing 1.3%, 3.1% and 2.1% of our total revenue for the same periods, respectively, and purchase amount with Customer G was less than 0.1% of our total purchase amount during the Track Record Period. Purchase amount with Supplier H was RMB18.3 million, RMB39.5 million and RMB22.4 million in 2023 and 2024 and for the nine months ended September 30, 2025, respectively, representing 1.4%, 3.0% and 1.9% of our purchase amount for the same periods, respectively, and revenue from Supplier H was less than 0.1% of our total revenue during the Track Record Period.

Our Directors have confirmed that none of our sales to and purchases from Customer A, Customer G and Supplier H during the Track Record Period was inter-conditional, inter-related or otherwise considered as one transaction. We negotiate the respective transactions with Customer A, Customer G and Supplier H on an arm's-length basis with reasonable and fair pricing terms.

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 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.

As a pioneer in the ACR solutions industry, operating in a fast-growing yet increasingly competitive market, we have deliberately prioritized investments in technology development, global delivery capacity and customer support to support sustained growth and long-term scalability. During the Track Record Period, we made significant upfront investments to establish the operational, technological and organizational foundation required for future expansion. As the global ACR solutions market continued to develop, we incurred substantial operating expenses across research and development, sales coverage and internal operational optimization to meet evolving customer requirements and maintain competitiveness as our business scaled.

These investments have supported our historical strong growth. During the Track Record Period, we achieved robust growth in order intake, revenue and gross profit, reflecting broader customer adoption of our ACR 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 generates higher margins due to larger project sizes, higher service content and stronger pricing terms.

Despite these improvements at the gross profit level, we continued to record net losses during the Track Record Period. These net losses primarily resulted from operating expenses incurred to support growth. Throughout the Track Record Period, although these expenses have declined as a percentage of revenue as our business scaled, they remained high in absolute terms and exceeded gross profit during the Track Record Period, resulting in net losses.

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 but 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.

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

Strong Industry Growth and Our Positioning to Capture Market Demand

The global ACR solutions market is expanding rapidly and continues to offer substantial growth opportunities. Demand for high-throughput and high-density warehouse operations has increased as enterprises seek to improve efficiency, space utilization and productivity. 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.

Given our industry leadership and accumulated deployment experience, we believe we are well positioned to convert this industry's growth into sustained business expansion. As the category creator and the global leader by revenue and shipment volume in 2024, we have developed a scalable system architecture and standardized solutions that enable efficient replication across projects and regions. Our first-mover advantage has allowed us to refine our technology stack, strengthen supply chain coordination and establish delivery and customer support capabilities across multiple geographic markets. Collectively, these capabilities position us to undertake larger fleet deployments, support multi-site rollouts and capture incremental demand as enterprise customers increasingly adopt ACR solutions at scale.

Given our market position, we are well positioned to benefit from the continued expansion of the global ACR solutions market. Our first-mover advantage has enabled us to accumulate extensive deployment experience, refine our system architecture and establish delivery and customer support capabilities across multiple geographic markets. These capabilities support efficient scaling of deployments and place us in a favorable position to capture incremental demand as customers increasingly adopt ACR solutions at scale.

Deepening Strategic Customer Relationships

We intend to further deepen our engagement with existing customers. We plan to further strengthen collaboration with channel partners, who serve as an important extension of our customer engagement and delivery capabilities. As customers continue to expand their warehouse automation efforts, deeper engagement allows us to support subsequent deployment phases, which typically involve additional projects, broader solution scope and higher value per project over time. Our customer repurchase rates also increased from 68% in 2023 to 80% in 2024, reflecting our strong customer loyalty and increased customer adoption of our solutions. See "— Our Strategies — Optimize Global Sales and Delivery" and "Financial Information — Key Factors Affecting our Results of Operations — Strengthening Customer Relationships" for further details of our customer engagement strategies.

Expansion of Our Business Presence

In addition to overall market growth, we expect to further drive our revenue growth by pursuing global expansion and expanding our presence to serve more customers. We have built, and will continue to build, local teams in key non-domestic markets to deliver standardized, scalable ACR solutions and ongoing operational support, and plan to deepen our presence in major overseas markets where we already have operations, including the Americas, EMEA, Japan and the rest of the APAC. To support our long-term growth in non-domestic markets, we plan to strengthen local supply chain and manufacturing capabilities to shorten delivery timelines, improve production resilience and support large-scale deployments. Additionally, we plan to expand our product portfolio to support a broader range of warehouse processes in both the distribution and manufacturing application domains.

Optimizing Business Mix

While pursuing revenue growth, we have also focused on improving profitability through optimization of our business mix. 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. This improvement was primarily driven by changes in revenue mix, reflecting a higher contribution from markets, projects and deployments with more favorable economics.

In particular, our non-domestic markets generate structurally higher gross profit margins than the domestic market. Projects in these markets are typically characterized by larger average project sizes, higher system complexity and a greater proportion of value-added services, which support stronger pricing and margin outcomes. 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. Over the same period, revenue contribution from non-domestic markets increased from 24.2% in 2023 to 39.6%, reflecting our continued expansion in overseas markets and increasing penetration among global customers.

As the contribution from non-domestic markets increased, our overall margin profile benefited from a more favorable revenue mix. At the same time, our expanding global footprint has allowed us to leverage standardized system architectures and centralized engineering capabilities across multiple markets, reducing incremental delivery costs as deployments scale. Taken together, these factors have made expansion into new non-domestic markets, as well as the deepening of our presence in existing non-domestic markets, an increasingly important and sustainable driver of gross profit margin improvement as our business continues to grow.

We will also continue to focus on creating opportunities for ancillary, value-added technical and operational support beyond initial deployments. As our deployments continue to grow in number, size and complexity, we expect these opportunities to become an increasingly important component of our revenue mix.

Improving Costs and Operating Expense Efficiency

We have continued to improve our cost structure by enhancing delivery efficiency and strengthening execution at the project level. As our product architecture becomes increasingly standardized, we are able to reuse core hardware components, software modules and system configurations across deployments. This reduces repetitive engineering work, shortens implementation cycles and improves execution consistency.

At the same time, growing shipment volumes and a more standardized solution portfolio have enabled us to realize scale benefits in procurement, manufacturing and logistics. We believe that continued improvements in delivery efficiency, project execution capabilities and supply chain coordination will further enhance profitability and support sustainable margin expansion as our business scales in the long run.

We have also continued to improve cost efficiency through product standardization and operating scale. By increasing the reuse of components, software modules and system architectures across projects, we have reduced repetitive engineering work, shortened delivery timelines and improved consistency across deployments. As shipment volumes increased, we also began to benefit from scale effects in procurement, manufacturing and logistics, which helped lower unit costs and improve execution efficiency. We continue to allocate resources to product design optimization, engineering execution and supply chain efficiency, with a focus on supporting sustainable margin improvement as our business expands.

Our operating expenses consist of selling and distribution expenses, research and development expenses and administrative expenses, each of which plays a distinct role in supporting business expansion and long-term growth. These expenses reflect the investments required to develop and maintain our technology leadership, expand market coverage, deliver complex projects and support a growing global organization. During the Track Record Period, each expense category declined as a percentage of revenue, reflecting improving operating efficiency and increasing operating leverage as our business scaled.

Set forth below is a discussion of the principal components of our operating expenses during the Track Record Period, the underlying drivers of these expenses, and how we expect to continue managing and optimizing them as our revenue base expands:

- *Selling and Distribution Expenses*. We have incurred selling and distribution expenses to build market recognition, acquire customers and support solution adoption across different industries and regions. These expenditures support not only customer acquisition, but also broader efforts to increase awareness and acceptance of ACR technologies. During the Track Record Period, our selling and distribution expenses amounted to RMB424.5 million, RMB489.2 million and RMB385.7 million in 2023, 2024 and for the nine months ended September 30, 2025, respectively. Such expenses were primarily attributable to the expansion of sales and solution teams to support a growing number of domestic and non-domestic projects, as well as global marketing and brand-building activities. As our revenue base expanded, selling and distribution expenses as a percentage of revenue decreased from 52.7% in 2023 to 30.5% for the nine months ended September 30, 2025, indicating improving marketing efficiency and operating leverage. As our deployments expand and a greater portion of revenue is generated from follow-on deployments and repeat customers, we expect selling and distribution expenses to continue to benefit from scale effects, including shorter sales cycles, lower incremental customer acquisition costs and increased efficiency in sales coverage.

- *Research and Development Expenses*. Sustained investment in research and development remains critical in the ACR solutions market, where competitive advantage depends on capabilities across hardware, software and system integration layers. During the Track Record Period, we incurred research and development expenses of RMB308.9 million,

RMB334.0 million and RMB257.7 million in 2023, 2024 and for the nine months ended September 30, 2025, respectively. These investments supported continuous improvements in product performance, system reliability and solution capabilities. As revenue increased, our research and development expenses as a percentage of revenue declined from 38.3% in 2023 to 20.4% for the nine months ended September 30, 2025, reflecting increasing economies of scale and more efficient utilization of R&D resources. As our solution portfolio and system architectures continue to mature, we expect future R&D efforts to increasingly focus on incremental enhancements and modular extensions, which allows us to leverage existing technology foundations and improve R&D efficiency as revenue grows.

- *Administrative Expenses*. Our administrative expenses totaled RMB190.7 million, RMB199.6 million and RMB155.4 million in 2023, 2024 and for the nine months ended September 30, 2025, respectively. These expenses represent investments in talent, infrastructure and internal systems required to support rapid growth and organizational scalability. Administrative expenses as a percentage of revenue declined from 23.7% in 2023 to 12.3% for the nine months ended September 30, 2025. Going forward, we expect our administrative functions to benefit from further operating leverage.

As revenue continues to grow, we expect many of these 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 expense ratios supports our path toward breakeven and long-term profitability.

MANUFACTURING AND PRODUCTION

We adopt an efficient and highly standardized manufacturing and installation process to ensure that each project is delivered on schedule and in accordance with customer requirements. Our production cycle and installation workflow have been optimized over years of operational refinement, enabling rapid response to market demand while maintaining consistent product quality across global deployments.

Manufacturing Process

Our manufacturing process follows a modular assembly model, under which major subsystems (such as chassis, fork modules, lifting mechanisms and electrical/electronic modules) are produced and tested separately before entering final assembly. This modular approach improves production efficiency, enhances scalability and supports rapid capacity adjustments in response to customer demand. Production planning is managed through a structured S&OP process, allowing accurate forecasting and mitigating the risk of excessive inventory buildup.

Key stages of our manufacturing process include:

- *Material Preparation and Incoming Inspection* are conducted by our logistics and warehousing unit, using WMS-based traceability to ensure that all components meet required specifications before entering the production line.

- *Module Assembly*, including mechanical, electrical and electronic subsystems, is performed in a standardized and modular manner to improve assembly efficiency and ensure consistency across product variants.

- The system undergoes comprehensive integration, where several subsystems are integrated and jointly tested, followed by functional *testing* to ensure all operational requirements are met. This process is supervised under MES-based monitoring, allowing real-time tracking of production steps, exception handling, and system-level performance verification. Additionally, the housing is installed, and the product undergoes finished product aging tests and appearance checks to confirm quality and durability before proceeding to the next step.

- Once all testing and checks are completed, the product is ready for *packaging and shipment*, ensuring it meets all delivery requirements before release.

We apply stringent quality control procedures across the entire manufacturing process, supported by digital tools such as WMS and MES, which enhance process visibility, reinforce operational discipline and facilitate continuous monitoring and improvement throughout the production workflow.

Manufacturing Facilities

Our self-owned manufacturing facilities are mainly for module assembly, system integration and testing. As of September 30, 2025, we operated two manufacturing facilities with a combined factory area of over 46,000 square meters, located in Dongguan, Guangdong Province, and Yancheng, Jiangsu Province, respectively. Both facilities are situated on leased properties and house a total of six production lines for ACRs, AMRs and other hardware components.

The table below sets forth the designed production capacity, actual output, and utilization rate of our manufacturing facilities during the Track Record Period.

	Year ended December 31,						Nine months ended September 30,		
	2023			2024			2025		
	Designed Production Capacity[1]	Actual Production Volume	Utilization rate[2]	Designed Production Capacity[1]	Actual Production Volume	Utilization rate[2]	Designed Production Capacity[1]	Actual Production Volume	Utilization rate[2]
	(units)	*(units)*	*(%)*	*(units)*	*(units)*	*(%)*	*(units)*	*(units)*	*(%)*
Dongguan facility	6,170	5,254	85.2%	4,940	4,278	86.6%	5,100	4,454	87.3%
Yancheng facility	N/A[3]	N/A[3]	N/A[3]	N/A[3]	N/A[3]	N/A[3]	2,440[4]	2,028[4]	83.1%[4]
Wuxi facility	740	630	85.1%	5,400	4,521	83.7%	3,330[5]	2,875[5]	86.3%[5]

Notes:

(1) For the purpose of capacity disclosure, designed production capacity is calculated based on the actual number of operating days of each production line during the relevant year or period in the Track Record Period, with an assumed operating schedule of ten hours per day.

(2) Utilization rate is calculated by dividing the production volume of a given year/period by the production capacity of the same year/period.

(3) Not applicable to 2023 and 2024, as our Yancheng facility commenced production in June 2025.

(4) Representing data of Yancheng facility for the period from June 2025 to September 2025.

(5) Representing data for the period from January 2025 to May 2025, as our Wuxi facility ceased operations in May 2025. During the Track Record Period, we operated a manufacturing facility in Wuxi, Jiangsu Province. The Wuxi facility was located on a leased property, with a factory area of over 9,700 square meters, housing three production lines for AMRs and other hardware components. The Wuxi facility ceased operations and was relocated to the Yancheng Facility in May 2025 as part of our strategy to optimize manufacturing capabilities.

In addition to our self-owned manufacturing facilities, we also collaborate with a few OEM partners, including the OEM facility in Malaysia, for certain types of ACRs and AMRs. Under the OEM model, we provide specific components, while our OEM partners are responsible for manufacturing key functional components and managing the assembly, testing, quality inspection, packaging, logistics, and shipment of the products. Leveraging OEM partners' manufacturing expertise, cost advantages, and scalability, such collaboration enables us to optimize production efficiency and reduce capital investment, while ensuring the quality and performance standards of our products. Additionally, this approach provides greater flexibility in supply chain management, allowing us to adapt to changing market conditions and enhance our resilience in the face of global uncertainties.

Quality Control

We regard product quality and delivery consistency as core to our competitiveness. We have established a full-life cycle quality management system covering design, supplier oversight, manufacturing, integration, delivery and after-sales service, aligned with ISO 9001 standards. We apply strict controls at all stages, including supplier reviews, multi-level testing, compliance with safety and regulatory requirements, and international certifications. We conduct technical reviews during development, delivery-readiness checks before deployment, and on-site commissioning to ensure performance. Regular audits and root-cause analyses drive continuous improvement, while warranty and after-sales support further enhance reliability. These measures aim to ensure consistent product performance and high-quality delivery across customer projects.

Inventory Management

We maintain a disciplined inventory management system to support stable production, reliable delivery and efficient use of working capital. Centralized demand planning integrates forecasts, historical data and project timelines to guide procurement, safety-stock levels and capacity alignment. We use warehouse management systems for real-time visibility and traceability, supported by physical counts and monitoring of turnover and aging. In parallel, we coordinate closely with suppliers through forecast sharing, rolling replenishment and diversified sourcing, while our teams actively adjust procurement and production schedules to prevent shortages and excess inventory.

Logistics and Warehousing

We operate a centralized logistics and warehousing system to support storage, delivery and after-sales service for our ACR solutions across domestic and international markets. Finished products are shipped directly from production facilities after inspection, with regional warehouses in Japan, South Korea, Singapore, the Netherlands and the United States to ensure spare-parts availability and service continuity. Domestically, our warehouses in Dongguan and Yancheng serve as hubs for raw materials and finished goods. Across all regions, we also work with qualified third-party logistics providers for packaging, transportation, tracking and last-mile delivery, enabling efficient global fulfillment with consistent standards and flexibility.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") MATTERS

ESG Governance

Led by the Board, we are committed to integrating ESG considerations into our business operations. The Board has the overall responsibility for overseeing ESG strategy, policies, and performance, including ESG-related risks and opportunities (particularly climate-related matters), and reviews progress against relevant metrics and targets to ensure alignment with our long-term development.

To support the Board's oversight, we have established an ESG working group comprising senior management and heads of major functional departments. Delegated by the Board, the ESG working group is responsible for coordinating ESG- and climate-related matters across our Group. Key responsibilities of the ESG working group include: (i) developing, implementing and reviewing our ESG management approach, strategy, policies and initiatives; (ii) identifying, assessing, prioritizing and managing material ESG-related risks and opportunities, including climate-related risks, ESG-related risks along the supply chain, such as forced labor and modern slavery, as well as ESG-related risks and opportunities in our strategy and decision-making or major transactions; (iii) monitoring ESG performance and progress against targets and goals; (iv) reviewing and monitoring the effectiveness of our stakeholder engagement channels; (v) tracking stakeholders' feedback relating to the review and approval of material issues and materiality matrix; (vi) arranging continuing professional ESG training for directors and senior management; (vii) collecting and analyzing the key ESG performance indicators annually; and (viii) preparing ESG-related reports, including an annual ESG report and an ESG-related risk and opportunity assessment report for the Board's approval.

The ESG working group reports to the Board at least once a year on ESG performance, key risks and opportunities, and the implementation status of related measures. The Board retains the ultimate oversight responsibility for our ESG risk management.

Identification and Management of ESG-related Risks and Opportunities

We conduct periodic assessments to identify, evaluate, and prioritize material ESG-related risks and opportunities relevant to our business, either negative or positive, actual or potential, taking into account our business nature, industry characteristics, and with reference to local and international reporting frameworks. With the assistance of third-party ESG consultants, we formulate a dual ESG-related risks and opportunities rating system to dynamically monitor and assess both the risks and the effectiveness of our corresponding mitigation measures. We assess identified ESG-related risks and opportunities by assigning initial risk ratings based on their likelihood and potential impact on our business and financial performance. We then implemented corresponding mitigating measures and determined residual risk ratings after taking into account the effectiveness of our ESG-related risk control measures.

Below is a summary of the material ESG-related risks and opportunities identified and the corresponding measures adopted.

ESG-related risks	Timeframe	Potential impacts	Our responses
Climate-related physical risks			
Acute risks:			
The increased severity and frequency of extreme weather events due to climate change (e.g., typhoons, rainstorms, floods	Short, medium and long term	• Disruption to business operation and supply chain and logistics arrangement • Damage to property and assets in our operating locations, which may adversely impact our financial results	Monitoring local weather forecast closely, reminding employees to remain familiar with business contingencies, and implementing emergency protective measures
Climate-related transition risks			
Policy and legal risks:			
Evolving climate-related laws and regulations in transition to a low-carbon economy, including China's 2060 carbon neutral goal	Medium to long term	• Increase in compliance and operating costs	Regularly monitoring changes in laws and regulations, and promptly communicating updates to employees to ensure compliance
Other ESG-related risks			
Supply chain risks:			
Energy consumed and greenhouse gas ("**GHG**") emissions released along the supply chain	Medium to long term	• Increase in reputational and operational risks	Establishing policies requiring suppliers to comply with applicable environmental regulations and to explore opportunities to minimize energy consumption where feasible
Supplier product quality and supply chain stability risks:			
Failure to meet customer expectations due to poor supplier product and service quality as well as poor supply chain stability	Short, medium and long term	• Increase in reputational risks, which may adversely impact our financial results	Establishing procurement and supplier management policies that define supplier evaluation criteria (quality, technical capability and delivery) and foster long-term partnerships to ensure supply chain stability
Climate-related opportunities			
Markets:			
Increasing market demand for the transition toward environmentally friendly ACR solutions, driven by the imperative to reduce carbon emissions and the growing awareness of sustainability among consumers	Medium to long term	• Increase in operating revenue driven by growing market demand for warehouse automation	Investing in R&D and talent development to drive innovations like ACR "dark warehouse" solutions and aligning employee skills with sustainability trends

Product Stewardship and Customer Sustainability

As the inventor of ACR solutions for warehouse automation operations, our solutions are engineered to enable customers to operate warehouse facilities in a more sustainable and safe manner. We drive decarbonization through, for example, the *Hai MRL* solution, which supports data connectivity across WMS, MES, ERP and other enterprise systems, enabling real-time synchronization as well as unified and precise management of warehouse and production information, which empowers our customers to enhance supply chain traceability, inventory and production management efficiency, by reducing levels of unnecessary material resources, production inventory and associated GHG emissions. Furthermore, the capability of operating under low-light conditions allows customers to reduce energy consumption and carbon footprint.

Safety is central to our solution design, for example, our system components, such as *HaiSafety*, ensure personnel safety and operational continuity, with its enhanced safety configuration provides greater accessibility and operational continuity through lightweight electronic safety vests that indicate personnel positions in real time. Robots slow down, avoid or pause when personnel are detected nearby, while other robots continue operating normally. As for our hardware components, such as *HaiStation Workstations*, with their ergonomic structure reduces physical effort, minimizes walking and manual handling, to reduce physical strain and injury risks.

ESG Policy

We are committed to incorporating ESG factors into our business decision-making process. As such, we have established a group-level ESG policy complemented by a set of measures and initiatives to guide our actions and measures to strengthen our sustainability efforts.

Environment

Our environmental policy outlines our green practices and measures (as far as practicable), with a focus on emission reduction, waste reduction, resource conservation, protection of environmental and natural resources, as well as addressing climate change. As part of our ISO 14001:2015 environmental management system, we ensure our environmental management practices meet international standards and drive continuous environmental improvement. We also integrate sustainability considerations into the product lifecycle, including design, sourcing, production, logistics, and end-of-life treatment, to minimize environmental impact. For example, we use lightweight, recyclable logistics packaging to promote responsible resource use.

Energy, Air and Greenhouse Gas Emissions Management

Our primary sources of energy consumption and GHG emissions (scopes 1 and 2) are purchased electricity and fuel consumption. We have implemented measures such as adoption of energy efficient equipment and LED lighting systems, increasing the use of natural lighting, and reminding employees to switch off idle lighting and equipment. In addition, we are continuously exploring measures to minimize air emissions, including regular assessments and testing, as well as proper sealing and storage of hazardous chemical substances to minimize volatilization.

Water Consumption

Our water consumption mainly arises from municipal water usage in our operations. We have implemented water saving practices, including timely repair of water leaks, adoption of water-efficient fixtures, and internal communications to encourage employees to reduce water usage.

Waste Management and Use of Resources

Non-hazardous waste primarily consists of packaging-related materials, including discarded wooden boards, waste paper, scrap metal and waste plastic generated from maintenance activities, while hazardous waste primarily comprises used gloves and cloths, empty containers from cleaning processes, and waste electrical and electronic equipment. We ensure proper handling and disposal of all waste and, where necessary, engage licensed third-parties for collection and treatment. We have designated team in place to oversee overall waste management in our operation.

We have implemented relevant policies and measures such as promoting recycling through waste sorting, increasing the use of recycled materials in R&D and manufacturing, and reminding employees to minimize waste generation through internal communications channels. In addition, hazardous waste is stored in designated areas and containers, with detailed records maintained by the relevant department and classified by waste category.

Environmental Metrics

The table below sets forth key environmental metrics of our business operations[1, 2].

	Unit	Year ended December 31, 2023	Year ended December 31, 2024	Nine months ended September 30, 2025
Emissions				
GHG emissions[3]				
Total (Scopes 1, 2)	tCO_2e	1,475.29	1,807.53	1,770.41
Total (Scopes 1, 2, 3)	tCO_2e	7,233.00	8,262.95	8,486.63
(i) Direct emissions (Scope 1)	tCO_2e	5.75	5.78	4.65
(ii) Energy indirect emissions (Scope 2)	tCO_2e	1,469.54	1,801.75	1,765.76
(iii) Other indirect emissions (Scope 3)[4]	tCO_2e	5,757.71	6,455.42	6,716.22
Total (Scopes 1, 2) intensity	tCO_2e/ million RMB revenue	2.36	1.81	1.63
Total (Scopes 1, 2, 3) intensity	tCO_2e/ million RMB revenue	11.59	8.26	7.82
Use of Resources				
Energy[5]				
Total	MWh	2,604.92	3,198.67	3,138.04
Intensity	MWh/ million RMB revenue	4.18	3.20	2.89
Water				
Total	m^3	18,007.00	26,261.00	29,702.00
Intensity	m^3/ million RMB revenue	28.86	26.26	27.37

Social

We are committed to fostering a caring workplace culture that upholds diversity, equal opportunities, health and safety and employee well-being. Our social policy has outlined socially responsible practices and measures.

Employment and Labor Practice

We uphold principles of equal opportunity, diversity, and inclusiveness in all aspects of employment, including compensation, recruitment, promotion, benefit, and welfare. We respect labor rights, and we strictly prohibit the recruitment and use of child and forced labor. We continue to strengthen human rights due diligence to identify and address potential adverse impacts. Employees, suppliers and stakeholders are encouraged to report any suspected violations through

Notes:

1 The data covers the Group's major business operations.

2 Totals may not be the exact sum of numbers stated here due to rounding.

3 The calculation of GHG emissions made reference to the GHG Protocol published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). Scope 1 (Direct) emissions cover GHG emissions directly produced by business owned or controlled by the Group, Scope 2 (Energy indirect) emissions cover GHG emissions of indirect energy resulted from purchased electricity consumed by our operations, while Scope 3 (Other Indirect) emissions that occur in the Group's value chain.

4 The Scope 3 emissions include available data arising from Category 6: business travel and Category 7: employee commuting.

5 Our energy consumption includes the use of purchased electricity, liquefied propane, and compressed natural gas.

a confidential whistleblowing mechanism. We adopt a zero-retaliation approach toward whistleblowers and will investigate and handle all reported concerns in a timely manner. The ESG working group will regularly review relevant policies, risk assessment results, and remediation progress, while relevant measures and compliance situation will be disclosed in the annual ESG report upon [**REDACTED**].

We actively invest in our workforce by providing internal and external training programs to enhance professional skills and competencies. We also seek to strengthen employee engagement by organizing recreational activities and maintaining open communication channels to promote job satisfaction and a supportive working environment.

Occupational Health and Safety

We safeguard employee health and safety through established policies, including provision of protective equipment, regular training and health checks, emergency response plans, and accident reporting systems. We extend this commitment to our ACR solutions, which are designed and tested to meet stringent international safety standards and certified by independent third parties such as ISO 9001:2015 and ISO 45001:2018. A dedicated product safety team integrates safety measures into solution design to ensure reliability and protect personnel in warehouse automation environments.

Supply Chain Management

We have established a supply chain ESG risk management policy, and we require suppliers to sign a sustainability commitment letter that outlines our sustainability expectations, including employment practices, health and safety, business ethics, data privacy, and environmental protection. ESG considerations are incorporated into our new supplier selection and regular supplier evaluation process. We maintain a zero-tolerance policy toward child labor, forced labor, and all other forms of modern slavery. We have also established relevant green procurement policies and implemented measures including prioritizing products with higher energy efficiency and encouraging our suppliers to adopt environmentally friendly products and services.

We conduct mineral sourcing due diligence in products and require suppliers and contractors to support responsible mineral sourcing. We conduct regular on-site inspections to assess supplier compliance with our sustainability requirements and require that all procured materials contain levels of hazardous substances within the limits set out in Directive 2011/65/EU (RoHS 2.0).

Product Responsibility

As part of our commitment to maintaining the ISO 9001:2015 quality management system, we are dedicated to delivering high-quality and safe products and services, and have obtained and maintained the necessary approvals, permits, certificates and licenses to enable us to deliver high-quality storage robot systems that provide stable, reliable solutions to complex storage challenges.

We have established comprehensive quality control and assurance procedures that adhere to applicable national regulatory standards across our operations, supported by our quality management team, including the specification of quality-related requirements in supplier agreements, regular on-site inspections, and product recall management. See "Quality Control" for details.

To ensure customer satisfaction and safety, we have put in place procedures to standardize after-sales services, including product repair, maintenance, customer follow-up, and complaint handling. To safeguard intellectual property, we have implemented relevant measures, such as providing periodic employee training and establishing a designated team to oversee intellectual

property management. We have established relevant policies to ensure the authenticity and reliability of our product advertising, marketing and labelling materials, which undergo thorough review before publication to ensure compliance and prevent false or misleading information.

Business Ethics

We uphold high standards of business ethics and strictly prohibit bribery, extortion, fraud, money laundering, and other unethical practices. We have established preventive measures, including anti-corruption training for the Board and employees, and whistleblowing channels for reporting potential misconduct. The Board oversees the implementation and effectiveness of these measures.

Community Investment

We strive to contribute to the community and shoulder corporate responsibility. Moving forward, we will explore opportunities to establish additional focus areas for community investment, as well as partnerships with social impact organizations where appropriate.

DATA PRIVACY AND SECURITY

During the course of our business, we may collect, process and store data concerning our employees, corporate customers, corporate suppliers and other business partners. We process such personal information only to the extent necessary for providing the relevant services to the customers and/or purchasing the relevant materials and services from the suppliers, such as the personal information of the contact person/authorized employees of our corporate customers and corporate suppliers.

Data security and protection are among our highest priorities. In this regard, we have established a series of internal security management systems and operating procedures, set up an information security committee to supervise and administer matters in relation to cybersecurity, data security and personal information protection, and appointed a person in charge of cybersecurity and data protection. Our information security committee is responsible for formulating data and information security strategies, and decision-making in material data and information incidents. We also regularly distribute our data protection and information security policies to all employees and organize refreshment training sessions from time to time, to ensure the strict compliance of such policies within our company.

In addition, we have adopted a number of administrative and technical measures, among which the administrative measures include signing confidentiality agreements with employees and conducting employee training, and the technical measures include network isolation, data classification and grading, data backup, data encryption, identity authentication, access control, as well as log auditing.

During the Track Record Period and up to the Latest Practicable Date, (i) we did not experience any material information leakage or loss of data and were in compliance in all material aspects with regulatory requirements in respect of data security; (ii) we had not been subject to material fines or administrative penalties imposed by any government authorities in relation to infringement of data security laws and regulations. Going forward, we will closely monitor the legislative and regulatory developments in connection with cybersecurity and data protection and adjust and enhance our data protection policies and measures as appropriate. See "Risk Factors — Risks Relating to Our Business and Industry — Our business is subject to a variety of the laws, rules, policies and other obligations regarding cybersecurity, privacy and data protection in the markets in which we operate."

COMPETITION

The global ACR solutions market remains relatively concentrated, with top five players accounting for a market share of over 81.5% in terms of revenue in 2024. According to CIC, we were the largest ACR solution provider worldwide, with over 30% global market share in terms of revenue and shipment volumes in 2024. Such leadership position reflects strong customer recognition of our solutions and services. The rest of the market remains fragmented, indicating significant room for scale-up and differentiation through product innovation and ecosystem development. As global interest in warehouse automation continues to increase, competition in the ACR solutions market has intensified, with both established non-domestic players and emerging domestic companies expanding their presence. Meanwhile, rapid technological innovation presents both opportunities and challenges, requiring continuous alignment with evolving industry trends and customer requirements. By maintaining a strong focus on research and development and customer-centric innovation, we believe we are well-positioned to sustain and further strengthen our market leadership in the global ACR solutions market. See "Industry Overview" for details.

OUR EMPLOYEES

As of December 31, 2023 and 2024 and September 30, 2025, we had an aggregate of 1,442, 1,506 and 1,447 employees, respectively, and approximately 84% of them were based in China, with the rest based in multiple non-domestic markets. The following table sets forth a breakdown of our employees by functions as of September 30, 2025.

Function	Number of Employees	Percentage
Sales and marketing	604	41.7%
Research and development	516	35.7%
Supply chain and manufacturing	205	14.2%
General and administrative	122	8.4%
Total	**1,447**	**100.0%**

We offer employees compensation packages that reflect their professional capabilities and contributions. We strive to create a dynamic work environment that fosters teamwork and innovation. We believe this has enabled us to attract and retain a solid pool of dedicated and talented staff as well as a stable core management team. As required by applicable regulations, we participate in various government statutory employee benefit plans, including social insurance, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance, and housing funds. We are required under PRC laws to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees.

In addition, we generally enter into standard employment agreements containing confidentiality, intellectual property and non-compete provisions with our employees. The non-compete restricted period typically expires by an agreed period after the termination of employment, and we agree to compensate the employee with a certain percentage of his or her pre-departure salary during the restricted period. We believe that we maintain a good working relationship with our employees, and we have not experienced any major labor disputes.

INSURANCE

We consider our insurance coverage to be adequate for our business operations in domestic and non-domestic markets in accordance with the commercial practices in the industries in which we operate. Our employee-related insurance consists of pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and health insurance. We also purchased

product liability insurance, patent liability insurance, and key-man life insurance for certain management. We believe our insurance policy complies in the material aspects with the relevant rules and regulation in the PRC. See "Risks Factors — Risks Related to Our Business and Industry — We may not have sufficient insurance coverage to cover our business risks."

PROPERTIES

We are headquartered in Shenzhen, China. As of September 30, 2025, we leased a total of 18 properties within the PRC for office use, warehouses, and factories, with a combined floor area of approximately 107,491 square meters.

As of December 31, 2024, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include in this Document any valuation report. Pursuant to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this Document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We are dedicated to continually improving these systems. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations such as legal compliance, internal control, intellectual property rights, human resource and financial reporting. Our Board is responsible for the establishment and updating of our internal control systems, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional departments.

Legal and Compliance Risk Management

We manage compliance and legal risks through strict internal procedures overseen by our in-house legal department, which reviews and updates contract templates with customers, suppliers and partners. We continuously refine internal policies to reflect changes in laws and industry standards, and enforce compliance across operations and employee conduct. We maintain an accountability system for violations and have adopted an employee code of conduct covering work rules, ethics, confidentiality, anti-bribery and anti-corruption. Regular training and resources are provided to ensure employees understand and follow these guidelines.

Internal Control Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. We maintain internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operation, and conduct regular reviews to monitor the status and effectiveness of those licenses and approvals. We obtain requisite governmental approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines.

Intellectual Property Rights Risk Management

We implement strict internal rules and procedures to ensure compliance with applicable laws on intellectual property protection and to minimize infringement risks. Before offering solutions to customers, we conduct IP searches and analyses, and we periodically monitor published trademarks and patents to identify potential risks.

Our internal teams review and update contract terms with customers, partners and suppliers to safeguard intellectual property rights, and they closely track changes in PRC and other jurisdictions' IP laws to ensure ongoing compliance.

Human Resource Risk Management

We have established internal control and risk management policies covering recruitment, training, work ethics and legal compliance. Recruitment follows strict procedures, and employees receive tailored training. We require adherence to high ethical standards, supported by an employee handbook and code of conduct addressing fraud prevention, anti-bribery and anti-corruption. Employees are prohibited from making improper payments to government officials.

We maintain a whistle-blowing policy with anonymous reporting channels for non-compliance, including bribery and corruption, with investigations and corrective measures taken as appropriate. Employee performance is reviewed periodically, remuneration is performance-based, and we regularly monitor implementation of risk management policies to identify and mitigate potential violations or illegal acts across the Group.

Financial Reporting Risk Management

We have adopted comprehensive accounting policies in connection with our financial reporting risk management, such as financial management, budget management and financial statement preparation. We also have procedures in place to carry out such accounting policies, and our finance department reviews our management accounts in accordance with such procedures. In addition, we provide ongoing training to our financial department staff to ensure that these policies are well-observed and effectively implemented.

LICENSES AND PERMITS

The following table sets forth the details of the material licenses and permits necessary for the business operations in which we engaged in China as of the Latest Practicable Date.

License/Permit	Entity Holding the License/Permit	Time of Expiration
Receipt of Fixed Pollution Source Discharge Registration	HAI Robotics Co., Ltd., Dongguan Branch (深圳市海柔創新科技有限公司東莞分公司)	February 2031
	HAI Robotics Co., Ltd., Dongguan Zhongtang Branch (深圳市海柔創新科技有限公司東莞中堂分公司)	January 2031
	Jiangsu Hairou Innovation Technology Co., Ltd. (江蘇海柔創新科技有限公司)	October 2030
Registration Certificate of Customs Declaration Entity	HAI Robotics Co., Ltd. (深圳市海柔創新科技有限公司)	Valid indefinitely
	Wuxi HAI Robotics Co., Ltd. (無錫市海柔創新科技有限公司)	
	Shenzhen Hairou International Trade Co., Ltd. (深圳市海柔國際貿易有限公司)	

During the Track Record Period and up to the Latest Practicable Date, we had obtained all material licenses, permits, approvals and certificates necessary to conduct our actual business operations from the relevant government authorities in the PRC, and such licenses, permits, approvals and certificates remained in full effect.

COMPLIANCE AND LEGAL PROCEEDINGS

During the Track Record Period and up to the Latest Practicable Date, 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.

During the Track Record Period and up to the Latest Practicable Date, 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.

AWARDS AND RECOGNITIONS

Over the years, we have received multiple major awards and honors for our technological leadership and industry impact.

Award/Recognition	Award Authority	Award Year
The Warehouse Initiative Award	Supply Chain Excellence Awards 2025	2025
2025 Technology Excellence Award Winner in the General Packaging and Processing Category	PACK EXPO	2025
Excellence in Automation Trophy at the 2025 Archies Awards	IMHX 2025, UK Material Handling Association (UKMHA)	2025
Product Design 2024	Red Dot Award	2024
Best Innovation of an Existing Product	MHI Innovation Award	2023
2022 RBR50	Robotics Innovation Awards Robotics Business Review	2022
iF DESIGN AWARD	iF DESIGN AWARD	2022
Best in Intralogistics	IFOY AWARD 2021	2021