

BUSINESS

OVERVIEW

Who We Are

We are a global leader in warehouse automation, focused on automation solutions 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 2025, with a market share of over 30%, by both revenue and shipment volume. We are committed to advancing society through robotics and empowering people to achieve more, to make flexible, fully autonomous operations a reality for every warehouse and factory.

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.

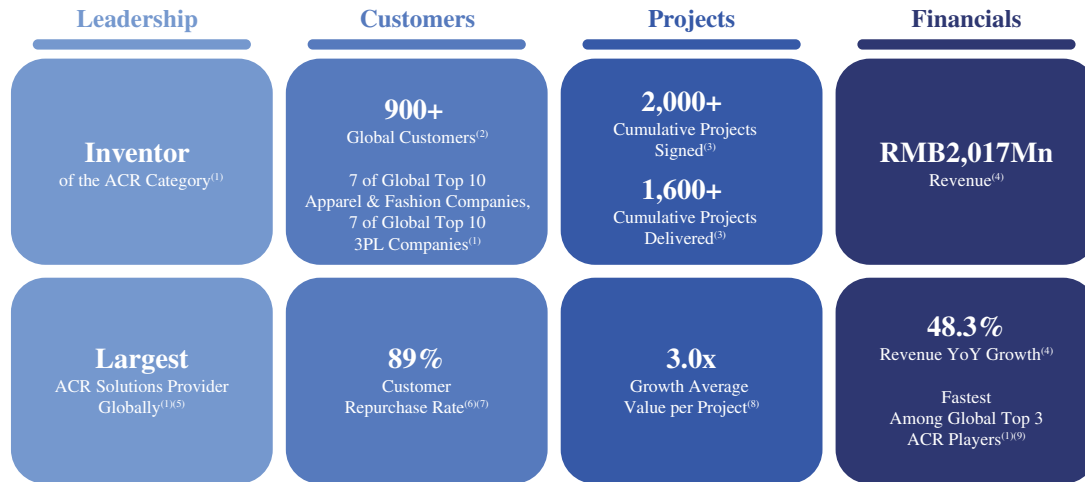
We address these challenges by creating the ACR category. In 2017, we launched *HaiPick*, an integrated ACR solution that moved the industry toward a “case-to-person” model. Instead of workers walking long distances to find items, our ACR solutions automatically retrieve specific cases and bring them 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 seven of the top 10 3PL companies globally as measured by revenue in 2025, according to CIC. These long-standing partnerships have allowed us to accumulate extensive domain expertise and refine our execution capabilities.

BUSINESS

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 June 30, 2026.
- (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 June 30, 2026. “Cumulative Projects Delivered” refers to the cumulative number of projects that have been fully delivered and formally accepted by customers during the foregoing period.
- (4) In 2025.
- (5) In terms of both revenue and shipment volume in 2025.
- (6) See “Glossary of Technical Terms and Conventions” for details of how customer repurchase rate is calculated.
- (7) For the six months ended June 30, 2026.
- (8) The average value per project for the six months ended June 30, 2026 was 3.0 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 projects.
- (9) In terms of revenue in 2025. 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, packaging 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 RMB192.5 billion in 2025 to RMB400.0 billion in 2030, representing a CAGR of 15.3% from 2026 to 2030. Automation’s penetration rate in the global picking market is expected to rise from 18.1% in 2025 to 26.0% in 2030.

BUSINESS

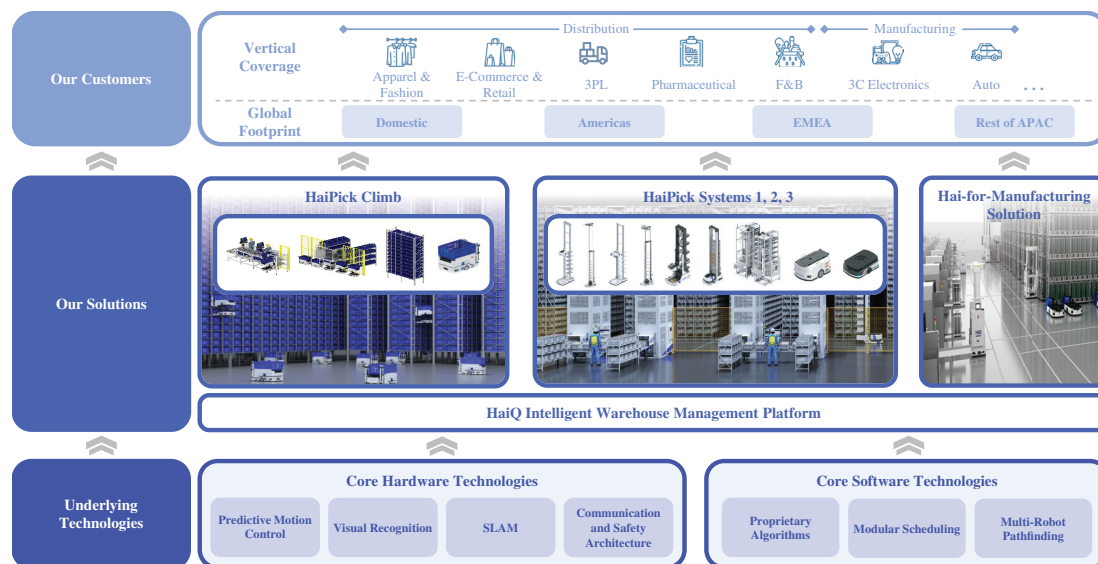
- ACRs as the Fastest-Growing Sub-segment.* As the industry shifts toward case- and SKU-level precision, ACR solutions are becoming the preferred choice for warehouse automation. ACRs offer high-density storage, modular scalability, and lower system complexity, all of which are capabilities that directly 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 RMB6.1 billion in 2025 to RMB86.0 billion in 2030, representing a CAGR of 70.0% from 2026 to 2030.

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, allows 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), which exceed the industry average according to CIC, supporting stable performance even

BUSINESS

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. For the six months ended June 30, 2026, our “system-level product standardization rate,” a metric that measures how much we use “off-the-shelf” standard parts versus custom-made ones, has exceeded 90%.

Our Solution Portfolio

In 2025, we officially 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 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 June 30, 2026, we had entered into contracts with over 900 customers globally, including both direct customers and channel partners, for the deployment of our ACR solutions. These customers include over 80 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 and the rest of APAC, with the order intake from non-domestic markets representing over 55% of our total order intake for the six months ended June 30, 2026. For the six months ended June 30, 2026, we achieved a customer repurchase rate of 89%.

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

BUSINESS

without the significant overhead associated with expanding our headcount or sales infrastructure. As of June 30, 2026, we have established partnerships with five of the world’s top ten system integrators in terms of revenue in 2025, 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 RMB2,947.4 million in 2025. Our order intake increased from RMB1,581.1 million for the six months ended June 30, 2025 to RMB2,352.7 million for the six months ended June 30, 2026.
- Revenue Growth: Our total revenue increased from RMB807.0 million in 2023 to RMB1,360.4 million in 2024, and reached RMB2,016.9 million in 2025, supported by larger-scale deployments and multi-industry penetration. Our revenue increased from RMB656.9 million for the six months ended June 30, 2025 to RMB1,118.1 million for the six months ended June 30, 2026.
- Gross Profit Improvement: Gross profit rose from RMB129.2 million in 2023 to RMB357.5 million in 2024, and further to RMB629.6 million in 2025. Correspondingly, our overall gross profit margin increased from 16.0% in 2023 to 26.3% in 2024 and further to 31.2% in 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. Our gross profit increased from RMB187.5 million for the six months ended June 30, 2025 to RMB384.6 million for the six months ended June 30, 2026, while our gross profit margin improved from 28.5% to 34.4% over the same periods.
- 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, negative 135 days in 2025, and negative 148 days for the six months ended June 30, 2026. 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 86.1% in 2023 to 40.0% in 2024 and further to 23.2% in 2025, reflecting disciplined cost control and a highly scalable operating model. Our adjusted net loss margin (non-IFRS measure) improved from 43.2% for the six months ended June 30, 2025 to 18.6% for the

BUSINESS

six months ended June 30, 2026. 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 2025 in global ACR market, which accounts for 3.2% of global automation picking market in 2025. Our global market share grew from 31.4% in 2024 to 32.8% in terms of revenue in 2025, 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.

Advanced Solutions Delivering High-level Performance

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 high storage densities, reaching 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 maintained 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.

BUSINESS

- *Affordability:* Our solutions deliver 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, 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 advisor, we closely collaborate with them to address complex operational challenges. As of June 30, 2026, we had entered into contracts with over 900 customers globally, including both direct customers and channel partners, for the deployment of our ACR solutions. These customers include over 80 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 seven of the top 10 3PL companies in the world by revenue in 2025. 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 June 30, 2026, we have established partnerships with five of the world’s top ten system integrators in terms of revenue in 2025, 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 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 six months ended June 30, 2026, which was 3.0 times the level recorded in 2023.

Innovative Technologies Supporting the Development of Warehouse Automation

We have established a leading position in the global ACR solution market 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 extensive 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 multirobot pathfinding, we develop in-house our *HaiQ* platform to

BUSINESS

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 June 30, 2026, we had 566 research and development employees, representing nearly 35.8% 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 June 30, 2026, we had filed 2,495 patent applications worldwide, the largest portfolio among ACR solution providers, according to CIC.

Strong Delivery Capabilities Enabled by Deep Industry Expertise

Since inception, we have built large-scale and reliable delivery capabilities, through the delivery of more than 1,600 projects worldwide as of June 30, 2026. 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 markets. 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 and the rest of APAC, which, together with our domestic infrastructure, improves our responsiveness and shortens delivery lead times.

Customer-Centric Growth Strategy 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. For the six months ended June 30, 2026, our customer repurchase rate reached 89%.

BUSINESS

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 established 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. Strong execution capabilities then solidify 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.

BUSINESS

- *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 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.

BUSINESS

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, packaging 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 and the rest of 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 ACR solutions to deliver flexibility, efficiency, reliability and affordability for a wide range of warehousing environments.

BUSINESS

- *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.

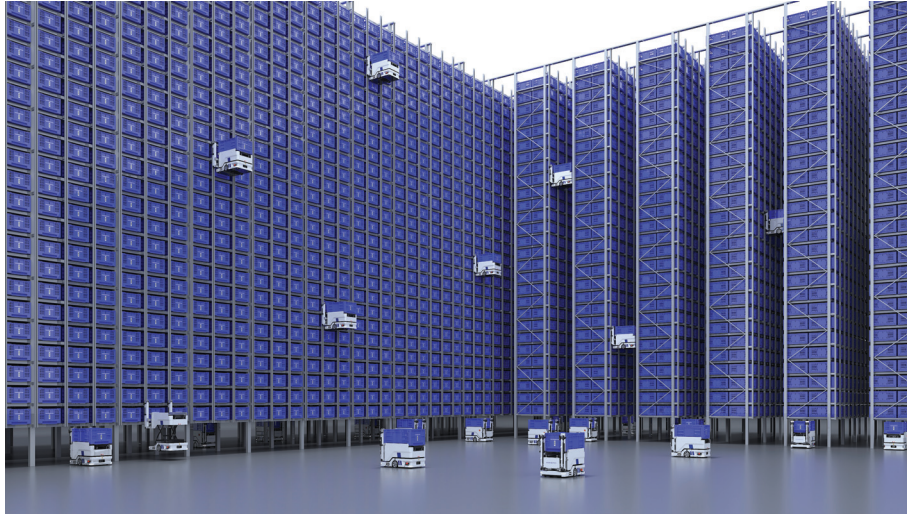
Our solutions are designed to operate in modern warehouses with standard infrastructure and can be flexibly configured based on customer-specific operational requirements, including warehouse size, ceiling height, rack configuration and fleet size. The following table sets forth the details of the operational flow for our solutions.

Step	Description	Key Efficiency Levers
1. Task assignment	HaiQ intelligent management platform assigns picking and transport tasks across the fleet	Task assignment efficiency is improved through optimized scheduling and coordination across the robot fleet.
2. Navigation	Robots navigate autonomously to storage locations	Navigation efficiency is enhanced through optimized path planning and collision avoidance.
3. Retrieval	HaiClimbers and other robots retrieve cases from racks	Retrieval efficiency is improved through multi-layer access, automated gripping mechanisms, and reliable item detection.
4. Transportation	Robots carry cases to designated workstations or HaiStation units	Transportation efficiency is enhanced through load balancing and optimized fleet routing.
5. Operator picking/sorting	Operators pick items from cases at workstations	Operator efficiency is improved through ergonomic workstation design and optimized item presentation.
6. Robot repositioning/charging	Robots return to charging stations or proceed to next task	Repositioning and charging efficiency is maintained through effective charging management and dynamic fleet allocation.

BUSINESS

HaiPick Climb

Our *HaiPick Climb*, officially launched in 2025, 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

BUSINESS

HaiPick Climb delivers the following key features and advantages:

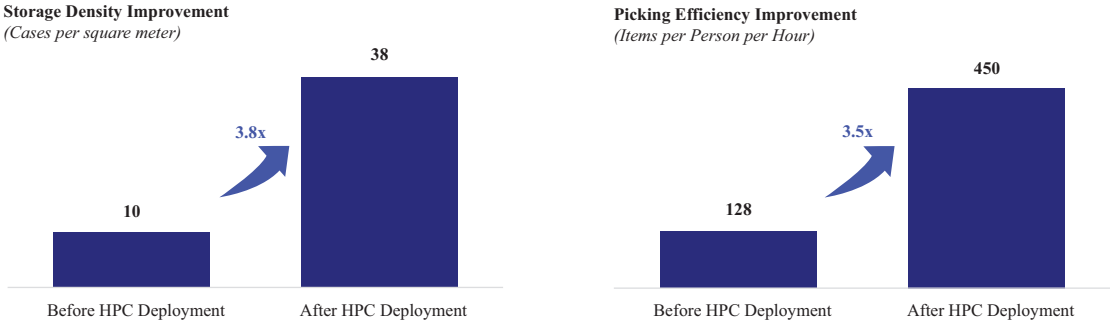
- ***Innovative Design.*** The system adopts a dual-arm climbing structure that connects to a guide rail positioned on one side of the racking, reducing the number of touchpoints compared with traditional climbing systems that require both sides of the racking. This materially simplifies installation 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

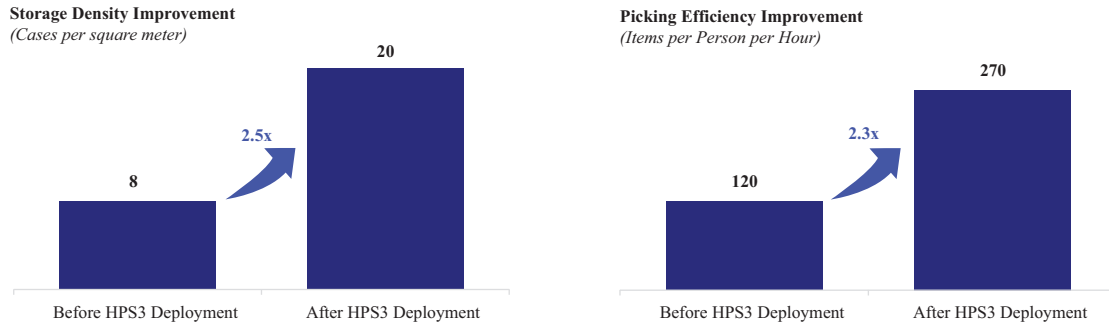
A global e-commerce leader operating fulfillment centers across 150+ countries adopted our automation solutions at multiple sites, reflecting repeat purchases and long-term trust.

At one logistics center with severe space constraints, our *HaiPick Climb* system increased storage density to 3.8× its original level, from 10 cases per square meter before deployment to 38 cases per square meter after deployment. Throughput, an important indicator of labor productivity and operational efficiency in warehouse operations, increased from 128 items per person per hour before deployment of our solutions to 450 items per person per hour after the deployment—3.5× manual efficiency—without expanding warehouse space. Such performance exceeds industry standards for comparable automated warehouse solutions, according to CIC.



BUSINESS

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 to 2.5× its original level, from eight cases per square meter to 20 cases per square meter, while picking efficiency, which is a key indicator of warehouse productivity and labor efficiency and is measured as the number of items processed per hour, more than doubled from 120 items per hour before deployment of our solutions to 270 items per hour after the deployment, significantly enhancing scalability and operational performance. Such performance exceeds industry standards for comparable automated warehouse solutions, according to CIC.



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 with about 140 HaiClimbers and multifunctional workstations in a 2,500-square-meter automated storage and picking zone, increasing storage density by 225% and streamlining workflows. 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.

BUSINESS

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.

BUSINESS

- 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.

Picking Efficiency Improvement
(Items per Person per Hour)



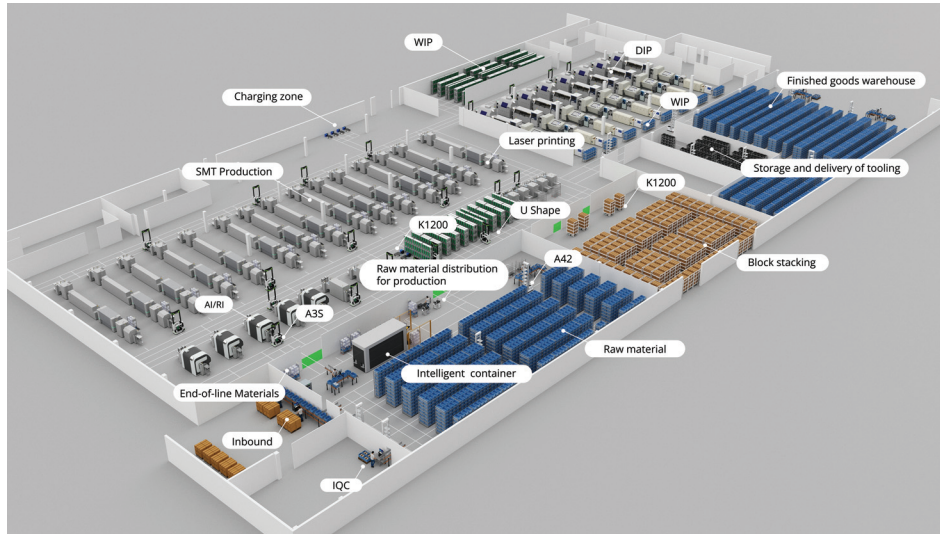
200%

Increase After HPS3 Deployment

BUSINESS

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 (Manufacturing Execution System), ERP (Enterprise Resource Planning), 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.

BUSINESS

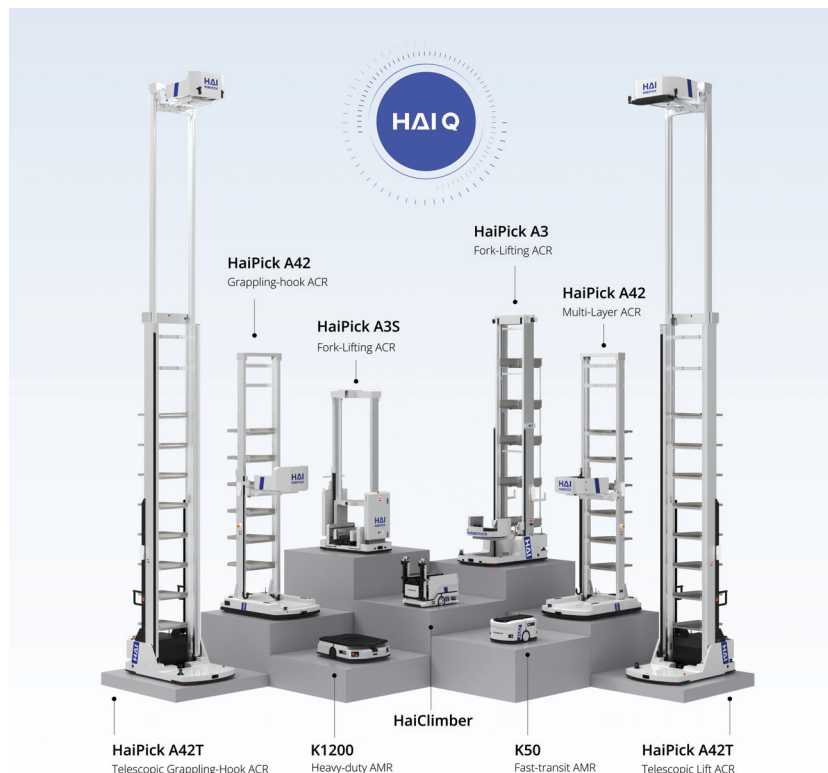
Solution Components

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 of 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.



BUSINESS

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 used in electronics manufacturing where small components are placed and fixed directly onto circuit board.
- *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.

BUSINESS

The following table sets forth a summary of our robotic hardware components.

Product category	Representative models	Key functions and features	Performance parameters (indicative)	Designed capacity/capability	Application scenarios
HaiClimbers (climbing ACRs)	HaiPick Climb robots	Single-sided rail climbing; vertical and horizontal movement; reduced infrastructure requirements; high-density storage support	High-speed movement along racking; supports continuous operations in high-throughput environments	Access height up to approximately 12–15 meters; supports dense vertical storage	E-commerce, 3PL logistics, manufacturing with high-density storage needs
Multi-layer case-handling ACRs	HaiPick A42	Multi-layer picking and storage; compatible with various fork types; supports deep-bay racking and modular configurations	Operates across racking heights of approximately 3–6 meters; supports multiple container handling per trip	Multi-depth storage; adaptable to complex layouts	General warehouse automation across retail, e-commerce and logistics
Telescopic lift ACRs	HaiPick A42T	Telescopic mast structure; supports ultra-high-bay picking; flexible picking mechanisms	Picking height up to approximately 12 meters; handles multiple cases simultaneously	High vertical reach; increased throughput per trip	High-bay warehouses requiring vertical scalability
Fork-lifting ACRs	HaiPick A3/A3S	Fork-based lifting and clamping; suitable for irregular or heavy items; enhanced navigation for constrained environments	Designed for precise handling in narrow aisles; supports complex material handling	Supports diverse load types including tooling and irregular items	Manufacturing logistics, including SMT and industrial scenarios
Fast-transit AMRs	K50	High-speed horizontal transport; bottom-level case extraction; compact design	Fast transit speed; optimized for rapid order fulfillment cycles	Supports high-frequency transport tasks	High-throughput picking environments and order fulfillment centers
Heavy-duty AMRs	K1200	High-load transport capability; supports large and heavy materials; 3D obstacle avoidance	Designed for heavy-duty applications with enhanced stability	Capable of transporting large loads such as frames and tooling	Manufacturing and industrial logistics with heavy-load requirements

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.

BUSINESS

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 operations, 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.

BUSINESS

- System Configuration and Validation. Based on simulation results, we configure the ACRs, *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, *HaiStation* 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.

BUSINESS

- 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 and up to the Latest Practicable Date.

Pricing

We price our products and solutions primarily by reference to customer value, competitive dynamics and cost. In doing so, we consider the value our offerings create for customers, including improvements in efficiency, throughput and overall warehouse performance, the pricing and market positioning of comparable or competing solutions, and our full cost of delivery, including research and development, procurement, production, delivery and service costs, together with our target profit margin. Particularly, in determining pricing, we take into account costs for hardware and components, installation and delivery, software configuration and system integration and related services, based on our best estimation. The resulting pricing may also reflect our target margin level, which is determined based on factors such as product category, project scale, customer type, strategic importance, delivery complexity, competitive dynamics and long-term cooperation potential.

This pricing framework is applied broadly across customer types, including direct sales customers and system integrators or other channel partners. In each case, the final price is determined by substantially the same core considerations, including solution requirements, order size, implementation scope, service requirements, expected customer value, market conditions, expected profitability and long-term cooperation potential. Standard products are generally priced under our tiered pricing system, while strategic orders and customized solutions are generally priced on an order-specific basis, taking into account factors such as strategic importance, procurement scale, degree of customization and implementation complexity.

As a result, pricing may differ from one order to another depending on the scope of products and services, delivery schedule, customization requirements, market conditions and the resources required for fulfillment. In addition, if the scope of work, functional requirements or service content changes during the execution of an order, and such changes are agreed by both parties, the overall contract price may be adjusted. These adjustments generally reflect changes in the overall solution scope rather than changes in the unit selling prices of our core products.

Where our solutions include software elements, the related charges are generally structured separately from the initial product pricing. Software fees are currently generally charged on a one-off basis. Maintenance and support for existing functions, including patches and repairs, are generally covered by maintenance fees, while new features, functional upgrades and version upgrades are generally charged separately, and customers may choose whether to purchase such upgrades. As a result, we are not generally required to provide such upgrades free of charge after the initial software fee has been paid.

Separately, we manage the impact of potential price fluctuations or shortages in key components and raw materials through ongoing price monitoring, internal forecasting tools, dynamic procurement and inventory planning, as well as multi-source procurement arrangements and safety stock management. These measures help mitigate supply disruption risks and support production continuity and cost control.

Our Business Process

The following graphic summarizes the typical key steps of our business process, the main parties involved and the fund flows.

Business Process	Brief Description	Parties Involved	Fund Flows
Customer Acquisition and Engagement	<ul style="list-style-type: none"> Can be in the format of bidding/tendering or commercial negotiations Marketing efforts focus on delivering measurable outcomes and long-term operational value 	<ul style="list-style-type: none"> Sales and Marketing Department / Potential customers (including direct customers and channel partners) 	<ul style="list-style-type: none"> No fund flow with external parties. See also “Our Sales and Marketing”
Designing and Developing ACR Solutions	<ul style="list-style-type: none"> ACR solution design process is a refined, iterative engineering framework 	<ul style="list-style-type: none"> Engineering Department, Solution Design Department and Delivery Department 	<ul style="list-style-type: none"> No fund flow with external parties. See also “Research and Development”
Order Origination and Receipt of Advance Payments	<ul style="list-style-type: none"> Agreement signed with direct customers or channel partners, typically after ACR solutions are largely designed and finalized 	<ul style="list-style-type: none"> Sales and Marketing Department, Legal Department Customers (including direct customers and channel partners) 	<ul style="list-style-type: none"> Typically initial deposit is made upon order confirmation. See also “Our Sales and Marketing”
Procurement of Materials and Components	<ul style="list-style-type: none"> Procurement of raw materials used in our products 	<ul style="list-style-type: none"> Procurement Department Suppliers 	<ul style="list-style-type: none"> Payments made to suppliers for materials and components. See also “Our Supply Chain”
Manufacturing	<ul style="list-style-type: none"> Follows a modular assembly model, under which major subsystems are produced and tested separately before entering final assembly 	<ul style="list-style-type: none"> Manufacturing Department (Self-owned manufacturing facilities) OEM Partners 	<ul style="list-style-type: none"> Payments made to OEM partners. See also “Manufacturing and Production”
Delivery of Goods	<ul style="list-style-type: none"> A centralized logistics and warehousing system to support storage, delivery and after-sales service for our ACR solutions across markets 	<ul style="list-style-type: none"> Logistics Department Customers (including direct customers and channel partners) 	<ul style="list-style-type: none"> Payment made by direct customers or channel partners for delivery and acceptance of goods. See also “Our Sales and Marketing — Our Sales Channels”
Final Acceptance	<ul style="list-style-type: none"> Conduct final acceptance in accordance with the terms and criteria set out in the contract and the technical agreement 	<ul style="list-style-type: none"> Delivery Department Customers (including direct customers and channel partners) 	<ul style="list-style-type: none"> Final acceptance payment made by direct customers or channel partners
After Service and Warranty	<ul style="list-style-type: none"> A standard warranty covering repair or replacement of product defects 	<ul style="list-style-type: none"> Customer Service Department Customers (including direct customers and channel partners) 	<ul style="list-style-type: none"> Services provided during the warranty period will be charged in accordance with the contract terms. See also “Our Customers — Technical Support and After-Sales Services” and “Our Customers — Product Return and Warranty”

BUSINESS

BUSINESS

The following table sets forth the details of our material projects.

Customer order	Status	Customer profile	Nature of products sold	Sales channel	Downstream application
Customer order from a leading sportswear brand in China for its logistics center	Final acceptance completed	A leading sportswear brand in China	<i>HaiPick Climb</i>	Direct sales	Warehousing and fulfillment, covering both B2B store replenishment and B2C e-commerce order processing
Customer order from an e-commerce customer, being the largest project undertaken by the Company in Europe .	Final acceptance completed	An e-commerce customer	<i>HaiPick System 3</i>	Direct sales	E-commerce fulfillment operations, including storage, picking and outbound processing
Customer order from a leading global e-commerce company for a logistics center in Poland	Final acceptance completed	A leading global e-commerce customer	<i>HaiPick System 3</i>	Direct sales	E-commerce fulfillment and warehouse picking operations
Customer order from a leading warehousing service provider for cross-border sellers for its logistics center in the United States	Final acceptance completed	A leading warehousing service provider for cross-border sellers	<i>HaiPick Climb</i>	Direct sales	Warehousing picking and operation
Customer order from a leading global e-commerce company for a logistics center with severe space constraints . . .	Initial acceptance completed, final acceptance pending	A leading global e-commerce customer	<i>HaiPick Climb</i>	Direct sales	E-commerce fulfillment and warehouse picking operations
Customer order from a leading global e-commerce company for its logistics center	Initial acceptance completed, final acceptance pending	A leading global e-commerce customer	<i>HaiPick Climb</i>	Direct sales	E-commerce fulfillment operations, including wave batch picking, split-case picking and downstream consolidation
Customer order from a leading global retailer	Under deployment	A leading global retail group	<i>HaiPick Climb</i>	Direct sales	Retail distribution and warehouse order fulfillment
Customer order from a leading global automotive aftermarket service provider .	Under deployment	A leading global automotive aftermarket service provider	Hybrid automation solution centered on <i>HaiPick System 3</i>	Through channel partner	Store replenishment and automated distribution center operations
Customer order from a leading global e-commerce company, which is the largest project undertaken by the Company as of the Latest Practicable Date	Under deployment	A leading global e-commerce customer	<i>HaiPick System 3</i>	Direct sales	E-commerce fulfillment and warehouse picking operations
Customer order from an e-commerce customer, representing the Company’s market breakthrough in South America	Under deployment	An e-commerce customer in South America	<i>HaiPick Climb</i>	Direct sales	E-commerce fulfillment operations, including storage, picking and outbound processing

BUSINESS

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.

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, an algorithmic approach that coordinates multiple robots to move efficiently without collisions, optimizing routes across the warehouse floor, 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 motion control technology allows precise and stable robot movement across different surfaces, layouts and load conditions. By continuously adjusting how the robot moves based on real-time conditions, the technology reduces the impact of factors such as wheel slippage, uneven ground and mechanical differences. This technology improves trajectory tracking accuracy, movement stability and terrain adaptability, enhancing layout flexibility, expanding applicable operating scenarios and improving overall efficiency and reliability.

BUSINESS

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. By learning from large volumes of operational data and continuously refining its performance, this technology 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 combining data from multiple sensors and sharing information across robots, the system can continuously update maps and maintain accurate navigation. 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 June 30, 2026, we had 566 research and development employees, representing nearly 35.8% of our total workforce.

BUSINESS

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, RMB385.3 million and RMB249.0 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively, representing 38.3%, 24.5%, 19.1% and 22.3% of our total revenue for the same periods, respectively, above the industry average of approximately 15% in the global ACR solution market 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 eight 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 June 30, 2026, we had filed 2,495 patent applications worldwide, encompassing 1,178 in China (including 928 granted patents and 250 pending applications), 1,166 in other jurisdictions (including 939 granted patents and 227 pending applications), and 151 PCT international applications.

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.

BUSINESS

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 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,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000 (unaudited)	% of revenue	RMB'000	% of revenue
Geographic Locations										
Domestic market	612,093	75.8	842,407	61.9	1,069,083	53.0	408,585	62.2	556,331	49.8
Non-domestic markets . . .	194,914	24.2	517,957	38.1	947,853	47.0	248,361	37.8	561,749	50.2
Total	807,007	100.0	1,360,364	100.0	2,016,936	100.0	656,946	100.0	1,118,080	100.0

As global warehouse automation adoption continues to increase, we plan to deepen our presence in our key non-domestic markets through the following principal strategies: (i) continuing to leverage our existing benchmark/reference deployments and customer references in such markets, which demonstrate the system and product capabilities of our ACR solutions, to acquire additional customers in the same or related industry verticals; (ii) deepening our long-term cooperation with our existing strategic and KA customers to pursue repeat orders, additional deployments and multi-site replication, supported by the standardized and modular product architecture of our ACR solutions; (iii) continuing to develop our local channel partner and system integrator network to broaden customer coverage and support localized project delivery, while maintaining and strengthening our direct customer relationships with our strategic and KA customers; and (iv) continuing to build our local sales, delivery and after-sales capabilities to support standardized and scalable ACR solution delivery in such markets.

BUSINESS

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 a breakdown of our revenue by sales channel, in absolute amounts and as percentages of total revenue, for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000 (unaudited)	% of revenue	RMB'000	% of revenue
Sales Channels										
Direct sales	513,879	63.7	822,462	60.5	1,498,467	74.3	496,802	75.6	462,951	41.4
Channel partner sales	293,128	36.3	537,902	39.5	518,469	25.7	160,144	24.4	655,129	58.6
Total	807,007	100.0	1,360,364	100.0	2,016,936	100.0	656,946	100.0	1,118,080	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 June 30, 2026, we had established partnerships with five of the world’s top ten system integrators in terms of revenue in 2025, representing broader engagement with leading system integrators compared to most industry peers.

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.

We also work with other channel partners that are not system integrators and that directly market and resell our ACR solutions to end customers based on identified downstream customer demand. Unlike integrators, these partners generally do not combine our ACR systems with their own software platforms, racking structures or other automation components to deliver broader integrated solutions. Instead, they facilitate direct sales of our ACR solutions to end customers and provide related support services, including solution design, implementation and maintenance.

BUSINESS

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,			Six Months Ended June 30,
	2023	2024	2025	2026
At the beginning of the period . . .	210	324	397	443
Additions of channel partners . . .	115	75	65	20
Exit of channel partners ⁽¹⁾	1	2	19	53
At the end of the period	324	397	443	410

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 year/period.

The number of our channel partners increased from 324 as of December 31, 2023 to 397 as of December 31, 2024 and further to 443 as of December 31, 2025, reflecting the growing market demand, our expanding distribution network and successful commercialization strategies. The number of our channel partners decreased to 410 as of June 30, 2026, primarily as we continued to optimize our channel partner network, with cooperation with certain smaller-scale or less active channel partners not renewed upon expiry. We may also choose to terminate partnerships with channel partners who do not meet our sales expectations, lack the necessary operational capabilities, fail to maintain active transactions, or do 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 our 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 a non-exclusive basis.
- 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. The credit term we grant to channel partners is typically up to 30 days.
- Delivery and Transfer of Risk: For non-domestic partners, delivery generally follows EXW terms (under which the seller makes the goods available at its premises, and the buyer assumes all costs and risks from the point of collection onward), 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. If there is any delay in a project that is not attributable to us, we are entitled to charge storage fees. If the project delay is attributable to us, we are responsible for repair, replacement or modification at our own cost and may be subject to delay liabilities.

BUSINESS

- *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. Orders are generally non-cancellable and subject to mutually agreed contractual terms. Any amendment or termination requires the consent of both parties.
- *Quality, Warranty and Technical Support:* We provide warranty for our solutions to channel partners, with the warranty period typically ranging from one year to 18 months or otherwise specified in the agreement, and damage caused by misuse, unauthorized repair, or environmental factors is excluded. 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 (i.e., breach that remains unremedied within a reasonable period and renders the contractual purpose incapable of being achieved or the contract incapable of further performance) 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, qualified 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.

BUSINESS

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. In 2023, 2024 and 2025 and for the six months ended June 30, 2026, the number of channel partners managed by our former employees was nil, nil, one and one, respectively. 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.

Channel Partner Collaboration Strategy

Channel partners remain as a key pillar of our market expansion, project delivery support and ongoing customer management and we expect to continue to deepen our collaboration with channel partners. In particular, we will work with channel partners to expand market coverage through initiatives such as the establishment of demonstration centers, joint participation in industry exhibitions and coordinated marketing efforts. We will also continue to enhance delivery capabilities by providing certification and training programs for partners’ technical teams, enabling them to conduct independent deployments, and by supporting them with standardized operating procedures, debugging tools and remote diagnostic interfaces. In addition, depending on project requirements, we may form joint delivery teams with our partners to ensure effective project execution. Furthermore, we will continue to collaborate with channel partners in engaging strategic customers through joint customer visits, coordinated project reviews and ongoing communication mechanisms, with a view to enhancing customer satisfaction and maximizing customer lifecycle value.

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, 2024 and 2025 and for the six months ended June 30, 2026, we had 161, 175, 230 and 209 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.

BUSINESS

Payment is made in installments tied to milestones such as signing, shipment, installation and acceptance. The credit term we grant to direct customers typically ranges from 30 days to 40 days.

- Pricing Adjustments. The price of each contract may be adjusted, or additional charges may be imposed, where there are agreed changes to the scope of work, functional requirements, underlying assumptions or customer site conditions during order execution. Any such adjustments are subject to mutual agreement between the parties and are typically determined with reference to the additional costs, resources or work involved.
- 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. If there is any delay in a project that is not attributable to us, we are entitled to charge storage fees. If the project delay is attributable to us, we are responsible for repair, replacement or modification at our own cost and may be subject to delay liabilities.
- 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 generally offer a one-year warranty (or 18 months from delivery, whichever is earlier), 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 691 employees as of June 30, 2026, 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, RMB586.5 million and RMB334.8 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively, representing 52.7%, 35.9%, 29.1% and 29.9% 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

BUSINESS

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 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 June 30, 2026, we had entered into contracts with over 900 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, 2024 and 2025 and for the six months ended June 30, 2026, revenue generated from our five largest customers in each period during the Track Record Period was RMB259.3 million, RMB498.6 million, RMB870.6 million and RMB562.9 million, respectively, accounting for 32.1%, 36.7%, 43.2% and 50.3% of our total revenue for the same periods, respectively. In 2023, 2024 and 2025, for the six months ended June 30, 2026, revenue generated from our single largest customer in each period during the Track Record Period was RMB126.3 million, RMB172.4 million, RMB429.8 million and RMB180.6 million, respectively, accounting for 15.6%, 12.7%, 21.3% and 16.2% of our total revenue for the same periods, respectively.

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

BUSINESS

Year Ended December 31, 2023

Rank	Customer	Background	Products purchased from us	Revenue	Percentage of total revenue	Year of commencement of business relationship	Payment method
				(RMB'000)			
1	Customer A (direct customer)	A leading global e-commerce company based in China and listed on the Stock Exchange, with revenue of over RMB1.3 trillion in 2025	<i>HaiPick System</i>	126,253	15.6%	Since 2020	Bank transfer
2	Customer B (system integrator)	A global commercial service company primarily engaged in the provision of business services, with principal operations in the United States, with authorized share capital of INR10 million	<i>HaiPick System</i>	54,030	6.7%	Since 2021	Bank transfer
3	Customer C (direct customer)	A sports footwear brand primarily engaged in design, marketing and sales of athletic footwear, based in the U.S., with an equity value of approximately US\$9.5 billion	<i>HaiPick System</i>	33,193	4.1%	Since 2022	Bank transfer
4	Customer D (system integrator)	A channel partner primarily engaged in the sales and delivery of intelligent logistics automation solutions, based in China, with registered capital of RMB30 million	<i>HaiPick System</i>	23,524	2.9%	Since 2022	Bank transfer
5	Customer E (direct customer)	A 3C manufacturer primarily engaged in the design, production and sales of consumer electronics, based in Japan and listed on Tokyo Stock Exchange, with revenue of over JPY1.7 trillion in 2025	<i>HaiPick System</i>	22,288	2.8%	Since 2022	Bank transfer
Total . .				<u>259,288</u>	<u>32.1%</u>		

Year Ended December 31, 2024

Rank	Customer	Background	Products purchased from us	Revenue	Percentage of total revenue	Year of commencement of business relationship	Payment method
				(RMB'000)			
1	Customer A (direct customer)	A leading global e-commerce company based in China and listed on the Stock Exchange, with revenue of over RMB1.3 trillion in 2025	<i>HaiPick System</i>	172,439	12.7%	Since 2020	Bank transfer
2	Customer F (direct customer)	A leading global e-commerce company primarily engaged in online design-driven merchandising and retail sales of apparel with operations worldwide, with revenue of over US\$40 billion in FY2025	<i>HaiPick System</i>	142,665	10.5%	Since 2022	Bank transfer
3	Customer B (system integrator)	A global commercial service company primarily engaged in the provision of business services, with principal operations in the United States, with authorized share capital of INR10 million	<i>HaiPick System</i>	104,887	7.7%	Since 2021	Bank transfer

BUSINESS

Rank	Customer	Background	Products purchased from us	Revenue	Percentage of total revenue	Year of commencement of business relationship	Payment method
				(RMB'000)			
4	Customer G (direct customer)	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 and listed on the Stock Exchange, with revenue of over RMB80 billion in 2025	<i>HaiPick System</i>	41,776	3.1%	Since 2021	Bank transfer
5	Customer H (system integrator)	An intralogistics solutions provider primarily engaged in the design, manufacture, integration and servicing of internal logistics systems, based in Germany, with revenue of over EUR1.7 billion in 2025	<i>HaiPick System</i>	36,803	2.7%	Since 2021	Bank transfer
Total . .				<u>498,570</u>	<u>36.7%</u>		

Year Ended December 31, 2025

Rank	Customer	Background	Products purchased from us	Revenue	Percentage of total revenue	Year of commencement of business relationship	Payment method
				(RMB'000)			
1	Customer F ⁽¹⁾ (direct customer)	A leading global e-commerce company primarily engaged in online design-driven merchandising and retail sales of apparel with operations worldwide, with revenue of over US\$40 billion in FY2025	<i>HaiPick System</i>	429,812	21.3%	Since 2022	Bank transfer
2	Customer I (direct customer)	A leading apparel manufacturer and retailer, based in Poland	<i>HaiPick System</i>	197,951	9.8%	Since 2024	Bank transfer
3	Customer J (direct customer)	A cross-border e-commerce overseas warehouse operator, based in China	<i>HaiPick System</i>	84,212	4.2%	Since 2021	Bank transfer
4	Customer A (direct customer)	A leading global e-commerce company based in China and listed on the Stock Exchange, with revenue of over RMB1.3 trillion in 2025	<i>HaiPick System</i>	81,761	4.1%	Since 2020	Bank transfer
5	Customer K (system integrator)	A multinational logistics company principally engaged in providing global freight forwarding, transportation and supply chain solutions, based in Japan	<i>HaiPick System</i>	76,896	3.8%	Since 2023	Bank transfer
Total . .				<u>870,632</u>	<u>43.2%</u>		

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.

BUSINESS

Six Months Ended June 30, 2026

Rank	Customer	Background	Products purchased from us	Revenue (RMB'000)	Percentage of total revenue	Year of commencement of business relationship	Payment method
1	Customer F (direct customer)	A leading global e-commerce company primarily engaged in online design-driven merchandising and retail sales of apparel with operations worldwide, with revenue of over US\$40 billion in FY2025	<i>HaiPick System</i>	180,584	16.2%	Since 2022	Bank transfer
2	Customer L (system integrator)	A leading global logistics automation solutions provider primarily engaged in the design, integration and servicing of automated logistics systems for airports, warehousing and parcel handling, based in the Netherlands, with turnover of approximately EUR2.3 billion in 2025	<i>HaiPick System</i>	129,056	11.5%	Since 2021	Bank transfer
3	Customer M (system integrator)	An industrial equipment manufacturer primarily engaged in the manufacture and sale of materials handling equipment, automobiles, textile machinery and related components, based in Japan and listed on the Tokyo and Nagoya Stock Exchanges, with sales revenue of over JPY 4.4 trillion in FY2026	<i>HaiPick System</i>	126,716	11.3%	Since 2023	Bank transfer
4	Customer N (system integrator)	An independent warehouse automation system integrator primarily engaged in the design and integration of material handling and warehouse automation systems for distribution and fulfillment operations, based in the United States	<i>HaiPick System</i>	80,253	7.2%	Since 2025	Bank transfer
5	Customer O (direct customer)	A Europe-based integrated IT solutions and multi-cloud service provider primarily engaged in providing IT solutions, cloud services and digital transformation services, with turnover of approximately EUR528 million	<i>HaiPick System</i>	46,331	4.1%	Since 2024	Bank transfer
Total . .				<u>562,940</u>	<u>50.3%</u>		

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 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 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.

BUSINESS

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, 2024 and 2025 and for the six months ended June 30, 2026, purchases from our five largest suppliers in each period during the Track Record Period were RMB158.2 million, RMB255.9 million, RMB298.3 million and RMB122.3 million, respectively, accounting for 16.5%, 19.0%, 18.7% and 14.1% of our total purchase amounts for the same periods, respectively. In 2023, 2024 and 2025 and for the six months ended June 30, 2026, purchases from our single largest supplier in each period during the Track Record Period were RMB47.6 million, RMB74.9 million, RMB114.2 million and RMB39.9 million, respectively, accounting for 5.0%, 5.6%, 7.2% and 4.6% 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 during the Track Record Period.

Year Ended December 31, 2023

Rank	Supplier	Background	Products and services provided to us	Purchase Amount (RMB'000)	Percentage of total purchase	Year of commencement of business relationship
1 . . .	Supplier A	An industrial equipment company primarily engaged in the sales of industrial equipment and the provision of technical services, based in China, with registered capital of RMB10 million	Racking systems	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, with registered capital of RMB10 million	Conveyor Lines	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, with registered capital of RMB30 million	Racking systems	30,112	3.1%	Since 2021

BUSINESS

Rank	Supplier	Background	Products and services provided to us	Purchase Amount (RMB'000)	Percentage of total purchase	Year of commencement of business relationship
4 . . .	Supplier D	A high-tech enterprise primarily engaged in the provision of industrial automation solutions and electrical control products, based in China, with registered capital of RMB150 million and revenue of over RMB200 million in 2025	Motors and drives	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, with registered capital of RMB18.2 million	Motor processing	18,339	1.9%	Since 2022
Total.				158,171	16.5%	

Year Ended December 31, 2024

Rank	Supplier	Background	Products and services provided to us	Purchase Amount (RMB'000)	Percentage of total purchase	Year of commencement of business relationship
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 freight forwarding	74,872	5.6%	Since 2022
2 . . .	Supplier G	A metal products manufacturing company primarily engaged in the processing and manufacture of metal products, based in China, with registered capital of RMB50 million	Racking systems	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, with registered capital of RMB10 million	Racking systems	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, with registered capital of RMB21.5 million	Storage bins	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, with registered capital of RMB10 million	Conveyor systems	35,018	2.6%	Since 2022
Total.				255,937	19.0%	

BUSINESS

Year Ended December 31, 2025

Rank	Supplier	Background	Products and services provided to us	Purchase Amount (RMB'000)	Percentage of total purchase	Year of commencement of business relationship
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	Racking systems	114,178	7.2%	Since 2023
2 . . .	Supplier A	An industrial equipment company primarily engaged in the sales of industrial equipment and the provision of technical services, based in China, with registered capital of RMB10 million	Racking systems	52,857	3.3%	Since 2021
3 . . .	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	Racking systems	52,525	3.3%	Since 2022
4 . . .	Supplier K	An industrial equipment support services company primarily engaged in industrial equipment supply, installation, maintenance and technical support, based in China	Storage bins	45,049	2.8%	Since 2022
5 . . .	Supplier L	An international logistics group primarily engaged in integrated logistics services and comprehensive supply chain solutions, based in China	Electronic components	33,691	2.1%	Since 2025
Total.				298,300	18.7%	

Six Months Ended June 30, 2026

Rank	Supplier	Background	Products and services provided to us	Purchase Amount (RMB'000)	Percentage of total purchase	Year of commencement of business relationship
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	Goods shelves	39,926	4.6%	Since 2023
2 . . .	Supplier B	A smart technology company primarily engaged in the research, development and commercialization of intelligent technology solutions, based in China, with registered capital of RMB10 million	Conveyor line	22,344	2.6%	Since 2022

BUSINESS

Rank	Supplier	Background	Products and services provided to us	Purchase Amount (RMB'000)	Percentage of total purchase	Year of commencement of business relationship
3 . . .	Supplier D	A high-tech enterprise primarily engaged in the provision of industrial automation solutions and electrical control products, based in China, with registered capital of RMB150 million and revenue of over RMB200 million in 2025	Motor, Drive	20,591	2.4%	Since 2021
4 . . .	Supplier M	A domestic professional manufacturer of industrial electrostatic control and prevention equipment, based in China	Drive, Module	19,884	2.3%	Since 2024
5 . . .	Supplier N	A national high-tech enterprise deeply engaged in the field of precision non-standard automation, specializing in providing customized automated assembly and testing equipment as well as visual solutions to customers in the 3C electronics, new energy, and semiconductor industries, based in China	PLC Controller	19,598	2.2%	Since 2022
Total.				122,343	14.1%	

Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, 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 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 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.

BUSINESS

- 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, 2024 and 2025 and for the six months ended June 30, 2026, revenue from Customer A was RMB126.3 million, RMB172.4 million, RMB81.8 million, and RMB6.6 million, respectively, representing 15.6%, 12.7%, 4.1% and 0.6% 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, RMB61.5 million and RMB45.7 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively, representing 1.3%, 3.1%, 3.1% and 4.1% 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, RMB29.7 million and RMB18.5 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively, representing 1.9%, 2.9%, 1.9% and 2.1% 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.

BUSINESS

Our Historical Performance

We have been loss-making since inception and are expected to remain loss-making in the near term.

During the three years prior to the Track Record Period, namely 2020, 2021 and 2022, we recorded sustained adjusted net losses, primarily due to the following factors:

- As the inventor of ACR solutions, we incurred substantial upfront research and development expenses associated with exploring and establishing the technological pathway of ACR solutions. Our research and development expenses increased significantly from approximately RMB31 million in 2020 to approximately RMB300 million in 2022, representing over 100% of our revenue in each of these years.
- During the early stage of commercialization from 2020 to 2022, we had not yet achieved economies of scale and our products were characterized by relatively high production costs. During this period, the majority of our revenue was generated from the domestic market where we faced fierce market competition. In order to maintain our competitiveness and attract customers, we had limited pricing power, resulting in relatively low pricing levels and profit margins. At the same time, although we usually achieved higher margin profiles in non-domestic markets, our business in such markets had not yet reached scale and contributed only a relatively small portion of our total revenue. As a result, our overall profitability remained low during this period, and our operations recorded gross losses in 2021 and 2022, which was a key contributor to our overall losses.
- As part of our global expansion strategy, we made significant investments in building our presence in non-domestic markets starting from 2021, evidenced by the expansion of our non-domestic teams from 85 employees as of the end of 2021 to 195 employees as of the end of 2022. We also incurred substantial expenses in market development, brand building and organizational setup.

During the Track Record Period, while executing such growth strategy, we incurred net losses, net liabilities and net operating cash outflows, as we remained focused on scaling our operations and strengthening our capabilities to support future growth.

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 solutions across industries and geographic markets. Specifically, our order intake increased from RMB1,501.2 million in 2023 to RMB1,971.7 million in 2024, and reached RMB2,947.4 million in 2025. Over the same period, our revenue increased from RMB807.0 million in 2023 to RMB1,360.4 million in 2024, and reached RMB2,016.9 million in 2025. For the six months ended June 30, 2026, our order intake reached RMB2,352.7 million, with corresponding revenue of RMB1,118.1 million. Our gross profit margin improved from 16.0% in 2023 to 31.2% in 2025 and further to 34.4% for the six months ended June 30, 2026, 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.

BUSINESS

The following table sets forth the movement of our order backlog for the periods indicated. Our order backlog as of a given date represents the aggregate value of customer orders that had not yet been converted into revenue as of that date. For each period, our ending order backlog is calculated as the order backlog at the beginning of the period, plus new orders received during the period, less the value of orders fulfilled during the period, and is carried forward as the order backlog at the beginning of the subsequent period.

	Year Ended December 31,			Six Months Ended June 30,
	2023	2024	2025	2026
	<i>(RMB in millions)</i>			
Order backlog at the beginning of the period	1,166	1,789	2,266	3,087
Order intake during the period . .	1,501	1,972	2,947	2,353
Order value fulfilled during the period	(878)	(1,495)	(2,126)	(1,286)
Order backlog at the end of the period	1,789	2,266	3,087	4,154

- (1) The value of orders fulfilled in a period may exceed the revenue recognized for the same period, primarily because order values are tax-inclusive, whereas revenue is recognized net of tax under IFRS Accounting Standards.

During the Track Record Period, our order backlog increased from RMB1,789 million as of December 31, 2023 to RMB2,266 million as of December 31, 2024, and further to RMB3,087 million as of December 31, 2025. Our order backlog increased to RMB4,154 million as of June 30, 2026. This increase was primarily attributable to the growth in new order intake, which reflected broader customer adoption of our ACR solutions across industries and in both the domestic and non-domestic markets.

Our growing order backlog reflected the continued expansion of our business scale and provided visibility into our pipeline. At the same time, our order backlog may not necessarily be indicative of our future revenue, as the timing and amount of revenue recognized from backlog are subject to various factors, including delivery schedules, customer acceptance, changes in project implementation plans and other factors beyond our control.

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.

During the Track Record Period, we recorded loss for the year/period of RMB1,009.0 million, RMB1,255.7 million, RMB827.5 million, RMB441.3 million and RMB430.9 million in 2023, 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively, primarily attributable to a combination of operating factors and certain financing-related and non-operating items. From an operating perspective, although our gross profit increased significantly from RMB129.2 million in 2023 to RMB357.5 million in 2024 and further to RMB629.6 million in 2025, and reached RMB384.6 million for the six months ended June 30, 2026, the absolute amount of gross profit remained insufficient to fully cover our operating expenses during the Track Record Period. In particular, we incurred substantial selling and distribution expenses of RMB424.5 million, RMB489.2 million, RMB586.5 million and RMB334.8 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively, primarily driven by our global market expansion and customer acquisition efforts. At the same time, we continued to invest in research and development, with research and development expenses of RMB308.9 million, RMB334.0 million, RMB385.3 million and RMB249.0 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively, to support ongoing product innovation, product iteration and enhancement of our core technologies. As a result, although our expense ratios declined as a percentage of revenue, our

BUSINESS

operating expenses remained high in absolute terms during the Track Record Period. In addition, a significant portion of our net losses was attributable to certain financing-related and non-operating items. In particular, we recorded interest on redemption liabilities of RMB211.2 million, RMB239.7 million, RMB293.9 million and RMB197.6 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively, and exchange realignment on redemption liabilities of RMB34.8 million, RMB33.6 million, negative RMB61.8 million and negative RMB114.6 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively, both related to the redemption liabilities arising from redemption rights granted to certain pre-[REDACTED] investors rather than our ordinary course of business. Furthermore, we recognized losses on fair value changes of derivative liabilities of nil, RMB333.1 million, nil and nil in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively, which arose from anti-dilution rights granted to certain pre-[REDACTED] investors and were non-operational and, to a large extent, non-recurring in nature.

We also consistently recorded net liabilities position throughout the Track Record Period. Our net liabilities increased from RMB2,524.3 million as of December 31, 2023 to RMB3,348.2 million as of December 31, 2024, mainly attributable to (i) a significant increase in contract liabilities of RMB358.4 million, reflecting upfront customer payments as our order intake and project volume expanded; and (ii) an increase in trade and bills payables of RMB196.9 million, generally in line with our increased procurement scale and business growth. These were partially offset by increases in inventories of RMB239.8 million as we ramped up production and maintained higher inventory levels to support project delivery. Our net liabilities further increased to RMB4,084.8 million as of December 31, 2025, mainly attributable to (i) a significant increase in redemption liability of RMB1,559.6 million, in relation to the financing completed in December 2025; (ii) an increase in trade and bills payables of RMB187.5 million, generally in line with our increased procurement scale and business growth; and (iii) an increase in contract liabilities of RMB155.5 million, reflecting upfront customer payments as our order intake and project volume expanded. These were partially offset by increases in cash and cash equivalents of RMB1,247.7 million. Our net liabilities subsequently increased to RMB4,371.0 million as of June 30, 2026, mainly attributable to (i) a decrease in cash and cash equivalents of RMB598.4 million, mainly reflecting increased working capital needs and investments in wealth management products; and (ii) an increase in redemption liabilities of RMB182.4 million, primarily in relation to the financing activities during the period. These were partially offset by an increase in financial assets at fair value through profit or loss of RMB140.3 million, in relation to our investments in wealth management products. See “Financial Information — Discussion of Selected Items from Our Consolidated Balance Sheets.”

We had net cash outflows from operating activities throughout the Track Record Period, primarily attributable to our loss before tax and working capital requirements associated with scaling project delivery, particularly inventory build-up and the timing differences between cash receipts and payments. In 2023, 2024 and 2025 and for the six months ended June 30, 2026, our net cash used in operating activities amounted to RMB482.2 million, RMB195.7 million, RMB34.3 million and RMB359.8 million, respectively, primarily reflecting our loss before tax of RMB1,008.0 million, RMB1,252.7 million, RMB812.4 million and RMB429.9 million, respectively. Such losses were partially offset by non-cash and non-operating adjustments, including interest on redemption liabilities, share-based payments and depreciation. Changes in working capital also had a significant impact on our operating cash flows. We recorded increases in inventories and trade and bills receivables, which were partially offset by increases in trade and bill payable and contract liabilities. For a more comprehensive discussion of our liquidity and capital resources, see “Financial Information — Liquidity and Capital Resources — Cash Flow Analysis.” We have actively optimized our working capital management through enhanced cooperation with customers and suppliers and effective use of banking instruments, such as bank acceptance notes. These measures have improved our cash conversion cycle, calculated as inventory turnover days plus trade receivables and bills turnover days, minus trade payables and bills turnover days and contract liabilities turnover days. Our cash conversion cycle improved from negative 40 days in 2023 to negative 135 days in 2025, and further to negative 148 days for the six months ended June 30, 2026, demonstrating increasingly efficient working capital dynamics.

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

BUSINESS

integration, manufacturing standardization and improved capacity utilization, which together support recurring cost-down initiatives. Historically, we have achieved consistent annual cost reductions, our material costs, a major component of our cost of sales, as a percentage of revenue decreased from 58.1% in 2023 to 48.2% in 2025, and remained relatively stable at 48.1% for the six months ended June 30, 2026, 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 RMB86.0 billion by 2030, representing a CAGR of 70.0% from 2026 to 2030.

Given our industry leadership and accumulated deployment experience, 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 2025, 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 rate also increased from 68% in 2023 to 89% for the six months ended June 30, 2026, reflecting our strong customer loyalty and increased customer adoption of our solutions. Particularly, we will continue to enhance our solution and service capabilities and focus on developing strategic customers, which typically feature larger average project sizes and higher repeat purchase rates. This allows us to reduce customer acquisition costs and improve revenue visibility. Our average revenue per customer increased from RMB2.4 million in 2023 to RMB4.4 million in 2025 and increased from RMB2.2 million for the six months ended June 30, 2025 to RMB2.7 million for the same period in 2026, while our average selling and distribution expenses per customer remained relatively stable over the same period. Moreover, our selling and distribution expenses as a percentage of revenue have declined during the Track Record Period. Such trends reflect improved sales efficiency, which we expect will continue to support long-term revenue growth and margin improvement. 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.

BUSINESS

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 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 31.2% in 2025, and further to 34.4% for the six months ended June 30, 2026. This improvement was primarily driven by changes in revenue mix, reflecting a higher contribution from markets, projects and deployments with more favorable economics.

The aging populations and higher labor costs in non-domestic markets, particularly Europe and North America, are driving increasing demand for warehouse automation solutions. Moreover, non-domestic markets generate structurally higher gross profit margins than the domestic market, evidenced by the structurally higher gross profit margins we achieved in non-domestic markets compared to the domestic market during the Track Record Period. Projects in non-domestic 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 six months ended June 30, 2026, gross profit margin in non-domestic markets reached 40.1%, compared to 30.1% in the domestic market. Revenue contribution from non-domestic markets increased from 24.2% in 2023 to 50.2% for the six months ended June 30, 2026, reflecting our continued expansion in overseas markets and increasing penetration among global customers. We expect to continue increasing our investment in non-domestic markets in the near future and improve revenue contribution from non-domestic markets with higher profit margin profiles, which would significantly enhance our profitability.

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. According to CIC, our average project

BUSINESS

implementation cycle (taking into account completed projects only) is generally in line with industry norms. Since 2023, we have established dedicated cost control mechanisms covering product design, procurement, manufacturing, quality and delivery. Through increased in-house development of key components, including visual systems, control systems and motor drive controllers, and continuous process optimization, we have achieved end-to-end cost reductions. As a result, our material costs, a major component of our cost of sales, as a percentage of revenue decreased from 58.1% in 2023 to 48.2% in 2025, and remained relatively stable at 48.1% for the six months ended June 30, 2026. These efforts not only support improved gross margins but also allow us to enhance pricing competitiveness and capture additional market demand.

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.

During the early stage of commercialization, we prioritized order volume growth, with gross margin and cash flow as secondary considerations, resulting in relatively low overall gross profit margins. As our management capabilities improved, we gradually shifted our operating focus toward gross margin and cash flow as core performance indicators. This shift has led to more disciplined project selection and pricing strategies. As a result, our overall gross profit margin increased from 16.0% in 2023 to 31.2% in 2025, and further to 34.4% for the six months ended June 30, 2026. In addition, the coverage ratio of contract liabilities over inventories improved from 85.6% in 2023 to 114.3% in 2025, and further to 116.4% for the six months ended June 30, 2026, reducing the need to fund inventory with internal cash resources.

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 generally 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, RMB586.5 million and RMB334.8 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, 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

BUSINESS

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 29.1% in 2025, and remained relatively stable at 29.9% for the six months ended June 30, 2026, 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, RMB385.3 million and RMB249.0 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, 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 decreased from 38.3% in 2023 to 19.1% in 2025, and remained lower than the 2023 level at 22.3% for the six months ended June 30, 2026, 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, RMB257.0 million and RMB113.1 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, 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 12.7% in 2025, and further to 10.1% for the six months ended June 30, 2026. 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.

Our cumulative net losses for 2023 to the six months ended June 30, 2026 amounted to approximately RMB3,523.1 million, primarily including interest on redemption liabilities and fair value changes of financial instruments. As of June 30, 2026, our redemption liabilities amounted to approximately RMB5,253.7 million. Upon the [REDACTED], such redemption liabilities are expected to be reclassified as equity and will no longer affect our results of operation, which is expected to significantly improve our net assets position and reported 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.

BUSINESS

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. The stage typically takes approximately three days.
- Module Assembly, including mechanical, electrical and electronic subsystems, which generally takes approximately two days. 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. Testing typically takes approximately six days. In certain projects, if full-machine aging tests are conducted upon specific requirements, this step will take approximately 11 days in aggregate.
- Once all testing and checks are completed, the product is ready for packaging and shipment, ensuring it meets all delivery requirements before release. Packaging and warehousing are generally completed within approximately one day, while delivery timelines vary depending on whether the shipment is domestic or overseas.

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 June 30, 2026, 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 eight production lines for ACRs, AMRs and other hardware components. Our Dongguan facility is primarily for production of ACRs, while our Yancheng facility is primarily for production of 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.

BUSINESS

	Year Ended December 31,						Six Months Ended June 30,					
	2023			2024			2025			2026		
	Designed Production Capacity ⁽¹⁾ (units)	Actual Production Volume (units)	Utilization rate ⁽²⁾ (%)	Designed Production Capacity ⁽¹⁾ (units)	Actual Production Volume (units)	Utilization rate ⁽²⁾ (%)	Designed Production Capacity ⁽¹⁾ (units)	Actual Production Volume (units)	Utilization rate ⁽²⁾ (%)	Designed Production Capacity ⁽¹⁾ (units)	Actual Production Volume (units)	Utilization rate ⁽²⁾ (%)
Dongguan facility	6,170	5,254	85.2%	4,940	4,278	86.6%	5,790	5,036	87.0%	2,000	1,669	83.5%
Yancheng facility	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾	4,440 ⁽⁴⁾	3,732 ⁽⁴⁾	84.1% ⁽⁴⁾	7,000	5,878	84.0%
Wuxi facility	740	630	85.1%	5,400	4,521	83.7%	3,330 ⁽⁵⁾	2,875 ⁽⁵⁾	86.3% ⁽⁵⁾	N/A ⁽⁵⁾	N/A ⁽⁵⁾	N/A ⁽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 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 period by the production capacity of the same 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 the end of 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.

BUSINESS

In addition to our self-owned manufacturing facilities, we also collaborate with a few OEM/ODM partners, including the OEM facility in Malaysia, for certain types of ACRs and AMRs. In 2023, 2024 and 2025 and for the six months ended June 30, 2026, we cooperated with four, six, nine and eight OEM/ODM partners, respectively, and fees paid to our OEM/ODM partners accounted for 1.2%, 2.8%, 3.4% and 4.2% of our total purchase amounts for the same years, respectively. Under the OEM/ODM model, we provide specific components, while our OEM/ODM partners are responsible for manufacturing key functional components and managing the assembly, testing, quality inspection, packaging, logistics, and shipment of the products. Leveraging OEM/ODM 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-lifecycle 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. Our regional warehouses are primarily operated through leased properties held by our local subsidiaries. As of the Latest Practicable Date, all such properties are leased from independent third parties under standard commercial lease agreements. See “— Properties” for details. 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.

BUSINESS

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. Our Board members possess expertise and knowledge in managing ESG matters, including, but not limited to, employment and labor practices, occupational health and safety, supply chain management, product responsibility, business ethics, and ESG compliance oversight. Upon [REDACTED], we will provide the Board with regular training and relevant materials on ESG and climate-related topics to ensure that it remains well informed and equipped with up-to-date knowledge to support effective ESG oversight. Through these ongoing capability-building efforts, the Board continues to strengthen the skills and competencies required to oversee ESG matters.

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 processes or major transactions; (iii) monitoring ESG performance and progress against targets and goals; (iv) 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 continuous 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 advises and reports to the Board on the aforementioned ESG matters on a regular basis, with meetings convened at least annually to address, among other matters, regulatory and industry standard updates, key ESG risks and opportunities, material ESG topics, progress against ESG targets, ESG performance and related metrics, and the review of the Group’s annual ESG report.

Identification and Management of ESG-related Risks and Opportunities

The Group recognizes that ESG-related risks and opportunities are relevant to its long-term development and are considered in our strategy planning and major transaction decision-making. Supported by the ESG working group, the Board reviews material ESG-related matters, including climate-related risks and opportunities, regulatory developments and stakeholder expectations, when assessing the Group’s strategic direction and overall corporate development. For major transactions, the Group considers relevant ESG implications alongside other key factors, having regard to the nature of the transaction, including potential environmental impacts, social considerations, compliance requirements and governance risks. Where material ESG-related risks or opportunities are identified, they are incorporated into the assessment and approval process to support informed decision-making and sustainable long-term value creation.

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

BUSINESS

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 implement corresponding mitigating measures and determine 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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

BUSINESS

ESG-related risks	Timeframe	Potential impacts	Our responses
<i>Climate-related opportunities</i>			
Markets:	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
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			

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-for-Manufacturing 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. The historical costs of ESG compliance were approximately RMB168,542, RMB191,543, RMB193,231 and RMB158,092 in 2023, 2024, 2025 and for the six months ended June 30, 2026, respectively, including but not limited to, expenses incurred in connection with environmental and occupational health monitoring, waste management, and ISO management system certification. Going forward, we expect to continue incurring ESG compliance costs in line with the expansion of our operations and market presence, as well as developments in applicable laws and regulations.

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.

BUSINESS

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 and Target

With reference to our historical environmental performance, our expected business operation scale and the expected measures to be implemented in the future, we have set target to support the national “30-60” carbon peak and neutrality targets, as well as international standards such as the Paris Agreement. To advance our commitment to environmental protection, we have established the following reduction target by 2030, using 2023 as the baseline, with the assumption of constant related emission factors and considering future business operations.

- Reduce GHG emissions (scopes 1 and 2) intensity (tCO₂e/ million RMB revenue) by 45%.

We have implemented various measures to achieve the above target. For more details, please refer to “— Environment” in this section.

BUSINESS

The table below sets forth key environmental metrics of our business operations^{1, 2}.

			Year Ended December 31,			Six Months Ended June 30,
Unit			2023	2024	2025	2026
Emissions						
GHG emissions³						
Total (Scopes 1, 2)	tCO ₂ e		1,475.29	1,807.53	2,336.07	1,332.32
Total (Scopes 1, 2, 3)	tCO ₂ e		7,233.00	8,262.95	12,739.14	6,105.78
(i) Direct emissions (Scope 1)	tCO ₂ e		5.75	5.78	6.13	3.35
(ii) Energy indirect emissions (Scope 2)	tCO ₂ e		1,469.54	1,801.75	2,329.94	1,328.97
(iii) Other indirect emissions (Scope 3) ⁴	tCO ₂ e		5,757.71	6,455.42	10,403.07	4,773.46
Total (Scopes 1, 2) intensity	tCO ₂ e/ million RMB revenue		2.36	1.81	1.36	1.57
Total (Scopes 1, 2, 3) intensity	tCO ₂ e/ million RMB revenue		11.59	8.26	7.44	7.19
Use of Resources						
Energy⁵						
Total	MWh		2,604.92	3,198.67	4,141.47	2,328.64
Intensity	MWh/ million RMB revenue		4.18	3.20	2.42	2.74
Water						
Total	m ³		18,007.00	26,261.00	41,595.00	25,721.00
Intensity	m ³ / million RMB revenue		28.86	26.26	24.28	30.28

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.

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

BUSINESS

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

BUSINESS

property management. We have established relevant policies to ensure the authenticity and reliability of our product advertising, marketing and labeling 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, mainly including customer and supplier data (such as company name, contact person’s name, phone number, email address and job title), website usage data (such as browsing records, IP address and geographic location), and certain project-related data provided by customers for product development, deployment, troubleshooting and after-sales services. 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.

Most of the data and personal information collected and generated by us within the PRC during our business operations are stored domestically. We are not involved in cross-border transmission of important data or sensitive personal information, and the volume of general personal information transmitted overseas does not exceed the regulatory thresholds under PRC laws and regulations for completing outbound administrative regulatory procedures. To a much lesser extent, we utilize certain information technology infrastructure involving overseas servers and limited cross-border data transmission. In particular, we procure from a third party provider customer relationship management (CRM) services deployed on overseas servers, and operate our overseas official website through cloud services that are deployed on overseas nodes and provided by another third party provider. These systems are primarily used for marketing and customer relationship management purposes. The personal information involved mainly includes company name, contact person’s name, phone number, email address and job title, which are collected through voluntary provision by corporate clients or the relevant personal information subjects.

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 and appointed a person in charge of cybersecurity and data protection; we have implemented a series of security measures, including network isolation, data classification and grading, data backup, encryption, identity authentication, access control and log auditing, and regularly provide training to our employees on cybersecurity, data protection and personal information protection; we have formulated a cybersecurity and data security emergency plan specifying the response procedures for data security incidents and conducted data security emergency drills; in addition, we notify users of our personal information protection policy and obtain their consents through public announcements on our official website, offline notifications and other means, and have established channels to respond to the exercise of rights by personal information subjects and to handle complaints and reports, so as to timely respond to requests from individuals exercising their personal information rights.

BUSINESS

In respect of our limited cross-border data transmission, we have entered into data processing and data protection agreements with relevant service providers and conducted personal information protection impact assessments to ensure compliance with applicable PRC data protection requirements. 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. As advised by our PRC Legal Advisor, based on the foregoing and the relevant regulatory framework, during the Track Record Period and up to the Latest Practicable Date, we have complied with applicable PRC laws and regulations in all material respects in relation to cybersecurity, data security and personal information protection, and no material non-compliance has been identified. 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 82.9% in terms of revenue in 2025. 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 2025. Such leadership position reflects strong customer recognition of our solutions and services in the global ACR solutions market, which accounts for 3.2% of global automation picking market in 2025. 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 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, 2024 and 2025 and June 30, 2026, we had an aggregate of 1,506, 1,442, 1,543 and 1,582 employees, respectively, and approximately 82.3% 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 June 30, 2026.

BUSINESS

Function	Number of Employees	Percentage
Sales and marketing ⁽¹⁾	691	43.7%
Research and development	566	35.8%
Supply chain and manufacturing	199	12.6%
General and administrative	126	8.0%
Total	1,582	100.0%

Note:

(1) Also includes solution design function and delivery function.

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 maintain a good working relationship with our employees, and we have not experienced any major labor disputes.

Social Insurance and Housing Provident Funds Contribution

We are required to participate in various government sponsored employee benefit plans, including certain social insurance, housing provident funds and other welfare-oriented payment obligations and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of our employees subject to a minimum and maximum amount specified by the local government from time to time at locations where we operate our business. During the Track Record Period, we did not make full social insurance and housing provident fund contributions for our employees, as required by relevant PRC laws and regulations. The shortfall in social insurance and housing provident funds contributions amounted to RMB71.8 million, RMB66.6 million, RMB61.0 million and RMB31.2 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively.

According to our PRC Legal Advisor, under PRC law, failure to make full social insurance contributions within the statutory time limit may subject us to late payment surcharges at a rate of 0.05% per day and, if not remedied within the prescribed period, fines of one to three times the amount in arrears. For housing provident fund contributions, the competent housing provident fund management center may order us to make any outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

Our PRC Legal Advisor has advised us that, under current PRC laws and policy guidance, government authorities are not permitted to initiate broad, retrospective reviews of historical underpayment of social insurance contributions, nor to require enterprises to make supplementary payments for prior years on their own initiative. During the Track Record Period and up to the Latest Practicable Date, neither our Company nor any of our subsidiaries received any written

BUSINESS

notice from the competent social insurance authorities or housing provident fund management centers requiring us to rectify and make full supplementary contributions for material outstanding social insurance and housing provident fund contributions, or the “shortfall,” nor were we subject to any administrative penalties for underpayment. In addition, based on compliance certificates or credit reports obtained by the Company and its subsidiaries, as well as public searches conducted by our PRC Legal Advisor, neither the Company nor any of its subsidiaries was subject to administrative penalties for underpayment of social insurance or housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date. The PRC Legal Advisor has confirmed, based on consultations with the relevant authorities, that in practice, where no employee complaints are raised, such authorities generally do not proactively require enterprises to make full supplementary contributions for any shortfall. Where complaints are made, they typically require supplementary contributions only in respect of the specific employees concerned. Based on the foregoing, our PRC Legal Advisor is of the view that, absent material changes in applicable PRC laws and regulations, the risk of the Company and its PRC subsidiaries being required by the competent social insurance authorities or housing provident fund management centers to make large-scale supplementary contributions for historical shortfalls is remote. We undertake to make timely payments for the deficient amount and overdue charges as soon as requested by the competent governmental authorities.

In light of (i) the absence of any material disputes with employees regarding social insurance or housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date; (ii) the absence of any administrative penalties imposed on us in this regard during the Track Record Period and up to the Latest Practicable Date; (iii) the fact that we have not received any notices from PRC authorities requiring us to make large-scale supplementary contributions for historical shortfalls or pay fines during the Track Record Period and up to the Latest Practicable Date; and (iv) the lack of any disagreements with the relevant authorities during the Track Record Period and up to the Latest Practicable Date, our Directors are of the view that the historical non-compliance is unlikely to have, and will not have, a material adverse effect on our business, financial position, or compliance status.

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. Our Directors are of the view that our insurance policy complies in the material aspects with the relevant rules and regulation. 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 June 30, 2026, we leased a total of 19 properties within the PRC for office, warehouse and factory use, with a combined floor area of approximately 97,561 square meters. In addition, as of June 30, 2026, we leased (i) three properties in Japan for office, warehouse and showroom use, with a combined floor area of approximately 1,784 square meters; (ii) one property in the United States for office, warehouse and showroom use, with a total floor area of approximately 6,929 square meters; (iii) two properties in the Netherlands for office, warehouse and showroom use, with a combined floor area of approximately 1,413 square meters; (iv) three properties in South Korea for office and showroom use, with a combined floor area of approximately 537 square meters; (v) three properties in Singapore for factory, dormitory, office and showroom use, with a combined floor area of approximately 8,796 square meters, and (vi) one property in Australia for office use, with a total floor area of approximately 400 square meters.

BUSINESS

As of June 30, 2026, we have not registered the lease agreements for 16 leased properties in China with the competent authorities. As advised by our PRC Legal Advisor, failure to complete the registration and filing of lease agreements will not affect the validity of the lease agreements or result in us being required to vacate the leased properties. However, the relevant PRC authorities may impose a fine ranging from RMB1,000 to RMB10,000 for each of such lease agreements, therefore the aggregate amount of the maximum fine will be RMB160,000. During the Track Record Period and up to the Latest Practicable Date, we had not received any notices or administrative penalty decisions from the relevant authorities requiring us to complete lease registration filings for certain leased properties. Our PRC Legal Advisor has advised that the absence of lease registration filings does not affect the validity of the lease agreements and will not have a material adverse impact on the overall business of the Company. See “Risk Factors — Risks Relating to Our Business and Industry — We face risks relating to unregistered leases and potential early lease terminations.”

As of June 30, 2026, 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.

BUSINESS

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

BUSINESS

License/Permit	Entity Holding the License/Permit	Time of Expiration
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 business from the relevant government authorities, 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 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. As advised by our PRC Legal Advisor, we have complied with applicable PRC laws and regulations in material respects during the Track Record Period and up to the Latest Practicable Date, primarily on the basis that (i) we and our PRC subsidiaries have obtained all requisite licenses and permits for conducting its business operations, all of which are currently valid and have not been revoked or terminated; (ii) we and our PRC subsidiaries have obtained compliance certificates issued by the competent authorities, stating that the Group has not been subject to any material administrative penalties during the Track Record Period and up to the Latest Practicable Date; and (iii) although our wholly-owned subsidiary, Shenzhen HAI Robotics, was imposed a fine of RMB600,000 by the competent authority in connection with the Incident, such penalty is not regarded as a material penalty in accordance with the provisions of applicable laws and as confirmed by the competent authority through interviews.

Business Activities in Relation to Entities and Countries Subject to International Sanctions, U.S. Trade Restrictions and the U.S. Outbound Investment Security Program

During the Track Record Period and up to the Latest Practicable Date, we did not engage in any primary sanctioned activity or secondary sanctionable activity in any material respect, and none of our customers, agents, distributors, suppliers and other business partners were identified as a sanctioned target. Specifically, we had no projects in Iran, Syria, North Korea, Cuba or other comprehensively embargoed jurisdictions. Our sales in the Middle East and North Africa were made to commercial retail and logistics customers, and none of such counterparties was identified as being included on sanctions lists of the relevant jurisdictions. Moreover, we are not a sanctioned target, is not located, incorporated, organized or resident in a sanctioned country, and do not constitute a “Sanctioned Trader” under Chapter 4.4 of the Guide. As such, as advised by our legal advisor as to international sanctions law, our operations and transactions during the Track Record Period and up to the Latest Practicable Date did not violate applicable sanctions laws of the relevant jurisdictions and did not present a material risk of secondary sanctions. We undertake that we will not use the [REDACTED] from the [REDACTED] to finance any sanctioned activities.

BUSINESS

During the Track Record Period, we generated revenue from the United States. For certain self-developed robotic systems, we either export directly to overseas customers or makes products available for customer pickup, in which case customers handle their own export logistics. We also use certain U.S.-origin components and technologies, including certain U.S.-origin microchips for navigation and vision. As a result, our business may be exposed to risks arising from changes in U.S. trade and regulatory policies. In particular, if the United States further tightens export controls on relevant U.S.-origin components or technologies, imposes additional licensing requirements, or expands tariff measures applicable to products or components used by us, our ability to source such items, manage costs, or serve certain customers could be adversely affected. These measures could disrupt supply arrangements, increase compliance burdens, and result in higher procurement or operating costs.

In addition, we directly import certain products into the United States. As such, we are exposed to recent U.S. trade restrictions and tariffs to the extent we import foreign-origin, including Chinese-origin, merchandise into the United States. Certain Chinese-origin products imported by us into the United States are subject to additional tariffs under Section 301 of the Trade Act of 1974 at rates ranging from 7.5% to 25%, and certain steel items such as racks may also be subject to tariffs under Section 232. In addition, the U.S. government implemented a series of executive actions in 2025 that further increased tariffs on Chinese-origin goods, and many foreign-origin goods currently remain subject to additional tariff measures. Effective July 24, 2026, certain Chinese-origin products imported by us into the United States are also subject to an additional 12.5% Section 301 tariff imposed following the U.S. Trade Representative’s investigation into merchandise produced with forced labor.

Such U.S. trade measures, including tariffs, may increase import costs and adversely affect our U.S.-related sales and margins. However, we have identified U.S. domestic sources and alternative foreign sources of supply for items subject to significant increased tariffs to reduce this tariff liability. We have also taken, and plan to take, measures including diversifying supply sources, coordinating with licensed customs brokers, and strengthening its internal import compliance controls and related procedures. Based on the above, our business operations and financial performance have not been materially and adversely affected by such U.S. trade measures.

As advised by our legal advisor as to international sanctions law, the U.S. Outbound Investment Security Program, or OISP, and its implementing regulations are not applicable to us in any material respect. Although we are a “person of a country of concern” by virtue of our incorporation in China, we do not engage in any covered activities in semiconductors and microelectronics, quantum information technologies, or artificial intelligence systems that would cause us to be treated as a “covered foreign person” under the OISP. Our legal advisor as to international sanctions law has further confirmed that we are not designated on the relevant U.S. restricted party lists referenced in the OISP and do not participate in any joint venture or other arrangement that would independently cause us to be treated as a covered foreign person. On that basis, the OISP does not apply to our current business operations, investments, joint ventures or partnerships, and there are no existing transactions or business activities of our Group that fall within the scope of the OISP. We will continue to closely monitor regulatory developments and the potential effects on our technology roadmap or business activities.

In light of our existing internal controls, ongoing counterparty screening, multi-jurisdictional manufacturing and sourcing structure, and diversified customer base, we are able to mitigate the relevant risks arising from sanctions, export controls and trade restrictions to a commercially reasonable extent. These measures have helped, and are expected to continue to help, reduce our exposure to such risks. However, they may not fully eliminate the potential impact of future geopolitical developments, tariff changes or regulatory developments. See “Risk Factors – Risks Relating to Our Business and Industry – Our business operations may be materially and adversely affected by international trade policies, sanctions, export controls and related restrictions.”

BUSINESS

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