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Application Proof of

Hai Robotics Innovation Group Co., Ltd.
深圳市海柔創新智能科技集團股份有限公司

(the "**Company**")

(A joint stock company controlled through weighted voting rights and incorporated in the People's Republic of China with limited liability)

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HAI ROBOTICS

Hai Robotics Innovation Group Co., Ltd.

深圳市海柔創新智能科技集團股份有限公司

(A joint stock company controlled through weighted voting rights and incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation)**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB0.10 per H Share**
[REDACTED]	**:**	**[REDACTED]**

Joint Sponsors

Goldman Sachs 高盛 CITIC SECURITIES

[REDACTED]

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The [**REDACTED**] is expected to be determined by agreement between the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]) and the Company on the [**REDACTED**]. The [**REDACTED**] is expected to be on or before [**REDACTED**] (Hong Kong time) and, in any event, not later than 12:00 noon on [**REDACTED**] (Hong Kong time). The [**REDACTED**] will not be more than HK$[**REDACTED**] per [**REDACTED**] and is currently expected to be not less than HK$[**REDACTED**] per [**REDACTED**]. If, for any reason, the [**REDACTED**] is not agreed on or before 12:00 noon on [**REDACTED**] (Hong Kong time) between the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]) and the Company, the [**REDACTED**] will not proceed and will lapse.

The [**REDACTED**], on behalf of the [**REDACTED**], may, where considered appropriate and with the Company's consent, reduce the number of [**REDACTED**] and/or the indicative [**REDACTED**] range below that is stated in this Document (which is HK$[**REDACTED**] to HK$[**REDACTED**]) at any time on or prior to the morning of the last day for lodging [**REDACTED**] under the [**REDACTED**]. In such a case, an announcement will be published on the website of our Company at **https://www.hairobotics.cn** and on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and the [**REDACTED**] will be canceled and relaunched at the revised number of [**REDACTED**] and/or the revised [**REDACTED**] range and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental or a new document (as appropriate)), as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging [**REDACTED**] under the [**REDACTED**]. Further details are set forth in the sections headed "Structure of the [**REDACTED**]" and "How to Apply for [**REDACTED**]" in this Document.

The obligations of the [**REDACTED**] under the [**REDACTED**] are subject to termination by the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]) if certain events occur prior to 8:00 a.m. on the [**REDACTED**]. Please refer to the section headed "[**REDACTED**]" in this Document.

Prior to making an [**REDACTED**] decision, prospective [**REDACTED**] should consider carefully all of the information set out in this Document, including the risk factors set out in the section headed "Risk Factors."

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be [REDACTED], [REDACTED], pledged or transferred within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED] and [REDACTED] in the United States and to U.S. persons in reliance on Rule 144A, or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, only to QIBs. The [REDACTED] may be [REDACTED], [REDACTED] or delivered outside the United States to non-U.S. persons in offshore transactions in accordance with regulations.

Our Company will be controlled through weighted voting rights upon [**REDACTED**]. Prospective [**REDACTED**] should be aware of the potential risks of [**REDACTED**] in a company with a WVR structure, in particular that the WVR Beneficiaries, whose interests may not necessarily be aligned with those of our Shareholders as a whole, will be in a position to exert significant influence over the outcome of our Shareholders' resolutions, irrespective of how other Shareholders vote. For further information about the risks associated with the WVR structure, see "Risk Factors — Risks Relating to the WVR Structure." Prospective [**REDACTED**] should make the decision to [**REDACTED**] in the Company only after due and careful consideration.

[REDACTED]

IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

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IMPORTANT NOTICE TO [REDACTED]

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You should rely only on the information contained in this Document to make your [**REDACTED**] *decision. The* [**REDACTED**] *is made solely on the basis of the information contained and the representations made in this Document. We have not authorized anyone to provide you with information that is different from what is contained in this Document. Any information or representation not contained nor made in this Document must not be relied on by you as having been authorized by us, the Joint Sponsors,* [**REDACTED**]*, any of the* [**REDACTED**]*, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the* [**REDACTED**].

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SUMMARY

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

OVERVIEW

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.

Our Solutions

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

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 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 (a hook-like structure that allows robots to securely pick up cases in dense storage layouts) to achieve enhanced storage density.

We also offer *Hai-for-Manufacturing Solution* designed for manufacturing with complex, multi-zone workflows, enabling coordinated operation among different robot types, including ACRs and latent robots (robots that move beneath shelves or racks, lift them, and transport them to workstations), within a unified environment. See "Business — Our ACR Solutions" for details.

Our Business Model

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

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

We provide ACR solutions tailored to serve two core application domains: distribution and manufacturing. In 2023, 2024 and 2025 and for the six months ended June 30, 2025 and 2026, revenue from the distribution domain accounted for 57.5%, 72.5%, 83.8%, 77.4% and 84.8% of our total revenue for the same periods, respectively.

Our footprint extends to more than 40 countries and regions, across both the domestic market and non-domestic markets, including the Americas, EMEA 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. In 2023, 2024 and 2025 and for the six months ended June 30, 2025 and 2026, revenue from non-domestic markets accounted for 24.2%, 38.1%, 47.0%, 37.8% and 50.2% of our total revenue for the same periods, respectively.

Our sales strategy relies on a combination of channel partnerships and direct sales. In certain markets, we leverage a network of qualified channel partners who select our ACR solutions as a core component for large-scale, complex warehousing automation projects to expand our local reach, particularly in non-domestic markets where localized expertise is essential. In 2023, 2024 and 2025 and for the six months ended June 30, 2025 and 2026, revenue from channel partners accounted for 36.3%, 39.5%, 25.7%, 24.4% and 58.6% of our total revenue for the same periods, respectively. We also adopt a direct sales model for customers with such needs, particularly strategic and key account (KA) customers (customers with cumulative orders exceeding RMB20 million during a given period).

OUR STRENGTHS

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

OUR STRATEGIES

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

CUSTOMERS AND SUPPLIERS

Our ACR solutions are deployed in warehouses operated by a diverse range of enterprises, including warehouse operators, logistics service providers, retail conglomerates and manufacturing enterprises across key verticals, including apparel & fashion, e-commerce & retail, F&B, 3PL (third-party logistics), pharmaceutical, 3C electronics and automotive. As of June 30, 2026, we had entered into contracts with over 900 customers, including both direct customers and channel partners, for the deployment of our ACR solutions.

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 and 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.

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

In 2023, 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.

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

INNOVATIVE COMPANY

We satisfy the suitability requirement of being an innovative company as defined in paragraph 4 of Chapter 2.2 of the Guide for New Listing Applicants. Our innovativeness is reflected in our product leadership, technology depth, business model differentiation, and sustained significant R&D investment. We pioneered the world's first ACR solution system and have since built the most comprehensive ACR product suite in the market, according to CIC. Backed by a founding team focused on ACR core technologies since 2015 and experience from over 1,600 global projects, we have accumulated durable first-mover advantages and extensive technical know-how. According to CIC, we were the world's largest ACR solution provider in 2025 by both revenue and shipment volume. Our market share in terms of revenue increased from 16% in 2022 to over 30% in 2025 and penetration rate of global ACR solutions market within the global warehousing picking automation solutions market increased from 1.2% to 3.2% during the same period.

Our innovation also extends beyond products and technology to how we serve customers, including data-driven system design, standardized deployment, and structured omni-channel customer service. In addition, our approach has set new standards for warehouse robotics customer service, leveraging advanced digital twin technology to simulate warehouse operations, optimize

layouts and fleet sizing, and provide data-backed confidence in proposed solutions. By combining deep customer insights with standardized deployment practices and introducing a systematic omni-channel customer service system, we accelerate implementation, improve cost efficiency, and deliver repeatable, high-quality outcomes across sectors. During the Track Record Period, we achieved robust growth in revenue from RMB807.0 million in 2023 to RMB2,016.9 million in 2025, and 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, reflecting broader adoption of our ACR solutions across industries and geographic markets.

Our innovation capabilities are underpinned by substantial R&D investment and intellectual property leadership. During the Track Record Period, our research and development expenses were RMB308.9 million, RMB334.0 million, RMB385.3 million, RMB173.4 million and RMB249.0 million in 2023, 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively, representing 38.3%, 24.5%, 19.1%, 26.4% 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. 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. Immediately following the [**REDACTED**], we expect to have an outsized market capitalization relative to our tangible and net tangible asset value.

H-SHARE WVR STRUCTURE

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

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

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

OUR CONTROLLING SHAREHOLDERS

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

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

PRE-[REDACTED] INVESTMENTS

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

SUMMARY OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss 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*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
Revenue	807,007	100.0	1,360,364	100.0	2,016,936	100.0	656,946	100.0	1,118,080	100.0
Cost of sales	(677,853)	(84.0)	(1,002,905)	(73.7)	(1,387,341)	(68.8)	(469,481)	(71.5)	(733,484)	(65.6)
Gross Profit	**129,154**	**16.0**	**357,459**	**26.3**	**629,595**	**31.2**	**187,465**	**28.5**	**384,596**	**34.4**
Other income and gains	50,015	6.2	55,086	4.0	107,064	5.3	62,715	9.5	88,556	7.9
Selling and distribution expenses	(424,451)	(52.7)	(489,178)	(35.9)	(586,539)	(29.1)	(256,150)	(39.0)	(334,769)	(29.9)
Administrative expenses	(190,687)	(23.7)	(199,555)	(14.8)	(257,014)	(12.7)	(104,076)	(15.8)	(113,124)	(10.1)
Research and development expenses	(308,873)	(38.3)	(333,954)	(24.5)	(385,293)	(19.1)	(173,413)	(26.4)	(249,041)	(22.3)
Impairment losses on financial and contract assets, net	(4,605)	(0.6)	(1,556)	(0.1)	(7,255)	(0.4)	(3,933)	(0.6)	(1,243)	(0.1)
Other expenses	(42,137)	(5.2)	(61,608)	(4.5)	(9,905)	(0.5)	(2,876)	(0.4)	(3,913)	(0.3)
Finance costs	(5,210)	(0.6)	(6,625)	(0.5)	(9,114)	(0.5)	(4,334)	(0.7)	(3,351)	(0.3)
Interest on redemption liabilities	(211,160)	(26.2)	(239,717)	(17.6)	(293,931)	(14.5)	(137,699)	(21.0)	(197,587)	(17.7)
Losses on fair value changes of derivative liabilities	–	–	(333,080)	(24.5)	–	–	–	–	–	–

	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*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
Loss before tax	(1,007,954)	(124.9)	(1,252,728)	(92.1)	(812,392)	(40.3)	(432,301)	(65.8)	(429,876)	(38.4)
Income tax expense	(1,012)	(0.1)	(2,958)	(0.2)	(15,150)	(0.7)	(9,024)	(1.4)	(1,007)	(0.1)
Loss for the year/period	**(1,008,966)**	**(125.0)**	**(1,255,686)**	**(92.3)**	**(827,542)**	**(41.0)**	**(441,325)**	**(67.2)**	**(430,883)**	**(38.5)**
Attributable to:										
Owners of the parent	(1,008,806)	(125.0)	(1,255,686)	(92.3)	(827,542)	(41.0)	(441,325)	(67.2)	(430,883)	(38.5)
Non-controlling interests	(160)	(0.0)	–	–	–	–	–	–	–	–
	(1,008,966)	(125.0)	(1,255,686)	(92.3)	(827,542)	(41.0)	(441,325)	(67.2)	(430,883)	(38.5)

Non-IFRS Measures

To supplement our consolidated financial statements presented in accordance with IFRS Accounting Standards, we use adjusted net loss (non-IFRS measure), adjusted net loss margin (non-IFRS measure), adjusted EBITDA (non-IFRS measure) and adjusted EBITDA margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards. We believe that such non-IFRS measures facilitate comparisons of operating performance from year to year and company to company. We believe that such measures provide useful information to [**REDACTED**] in understanding and evaluating our consolidated results of operations in the same manner as they help management. However, presentation of these non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and [**REDACTED**] should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net loss (non-IFRS measure) as loss for the year/period adjusted for share-based payment, interest on redemption liabilities, exchange realignment on redemption liabilities, foreign exchange differences on intercompany balances, losses on fair value changes of derivative liabilities and [**REDACTED**]. Share-based payment relates to the share-based awards that we grant to participants of our share incentive schemes and is a non-cash expense. Interest on redemption liabilities and exchange realignment on redemption liabilities relate to the redemption liabilities arising from redemption rights granted to certain pre-[**REDACTED**] investors. Redemption liabilities will be re-designated to equity upon completion of the [**REDACTED**]. Foreign exchange differences on intercompany balances, which are non-recurring in nature, arise from the remeasurement of foreign currency-denominated balances between our Company and certain overseas subsidiaries due to differences in their respective functional currencies. Such balances primarily represent transitional intercompany funding arrangements to support the initial operations of our overseas subsidiaries, rather than settlements with these subsidiaries in the ordinary course of business. Losses on fair value changes of derivative liabilities arise from anti-dilution right granted to certain pre-[**REDACTED**] investors. When an anti-dilution right is triggered, our Company issues additional shares at no consideration and the related derivative liability is derecognized. [**REDACTED**] relates to expenses incurred in relation to this [**REDACTED**]. We define adjusted net loss margin (non-IFRS measure) as adjusted net loss (non-IFRS measure) divided by revenue for the same year multiplied by 100%. We define adjusted EBITDA (non-IFRS measure) as adjusted net loss (non-IFRS measure) adjusted for income tax expense, finance costs, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of intangible assets. We define adjusted EBITDA margin (non-IFRS measure) as adjusted EBITDA (non-IFRS measure) divided by revenue for the same year multiplied by 100%.

The following tables reconcile our non-IFRS financial measures with their corresponding figures presented in accordance with IFRS Accounting Standards for the periods indicated.

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss for the year/period	**(1,008,966)**	**(1,255,686)**	**(827,542)**	**(441,325)**	**(430,883)**
Adjusted for:					
Share-based payment	72,358	92,404	120,936	64,948	98,775
Interest on redemption liabilities	211,160	239,717	293,931	137,699	197,587
Exchange realignment on redemption liabilities	34,757	33,589	(61,758)	(10,079)	(114,633)
Foreign exchange differences on intercompany balances	(4,416)	12,196	(15,349)	(34,770)	33,580
Losses on fair value changes of derivative liabilities	–	333,080	–	–	–
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net loss (non-IFRS measure)	**(695,107)**	**(544,700)**	**(468,165)**	**(283,527)**	**(207,856)**
Adjusted for:					
Income tax expense	1,012	2,958	15,150	9,024	1,007
Finance income	(6,634)	(6,606)	(9,596)	(3,536)	(17,980)
Finance costs	5,210	6,625	9,114	4,334	3,351
Depreciation of property, plant and equipment	24,597	28,184	16,427	7,402	8,905
Depreciation of right-of-use assets	33,762	32,439	30,673	15,454	14,524
Amortization of intangible assets	2,120	3,013	4,748	1,904	3,161
Adjusted EBITDA (non-IFRS measure)	**(635,040)**	**(478,087)**	**(401,649)**	**(248,945)**	**(194,888)**
Adjusted net loss margin (non-IFRS measure)	**(86.1%)**	**(40.0%)**	**(23.2%)**	**(43.2%)**	**(18.6%)**
Adjusted EBITDA margin (non-IFRS measure)	**(78.7%)**	**(35.1%)**	**(19.9%)**	**(37.9%)**	**(17.4%)**

Our adjusted net loss (non-IFRS measure) and the absolute amount of adjusted EBITDA (non-IFRS measure) decreased during the Track Record Period, primarily due to the decrease in our loss for the year/period, which was mainly attributable to our rapid revenue growth, continued improvement in cost efficiency, as well as operating leverage achieved through more disciplined control of operating expenses as a percentage of revenue, as our business scaled. See "— Description of Selected Items of Our Consolidated Statements of Profit or Loss" and "— Period-to-Period Comparison of Results of Operations" for detailed analysis.

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. In particular, we incurred substantial selling and distribution expenses of RMB424.5 million,

RMB489.2 million, RMB586.5 million, RMB256.2 million and RMB334.8 million in 2023, 2024 and 2025 and for the six months ended June 30, 2025 and 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, RMB173.4 million and RMB249.0 million in 2023, 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively, to support ongoing product innovation, product iteration and enhancement of our core technologies. In addition, a significant portion of our net losses was attributable to certain financing-related and non-operating items. We recorded interest on redemption liabilities of RMB211.2 million, RMB239.7 million, RMB293.9 million, RMB137.7 million and RMB197.6 million and exchange realignment on redemption liabilities of RMB34.8 million, RMB33.6 million, negative RMB61.8 million, negative RMB10.1 million and negative RMB114.6 million in 2023, 2024 and 2025 and for the six months ended June 30, 2025 and 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, nil and nil in 2023, 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively, which arise from anti-dilution right granted to certain pre-[**REDACTED**] investors and were non-operational and, to a large extent, non-recurring in nature.

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

SUMMARY OF CONSOLIDATED BALANCE SHEETS

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

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	203,437	176,392	218,772	231,861
Total current assets	1,731,101	2,294,583	3,604,352	3,260,592
Total assets	**1,934,538**	**2,470,975**	**3,823,124**	**3,492,453**
Total non-current liabilities	200,143	243,608	219,982	224,528
Total current liabilities	4,258,724	5,575,605	7,687,922	7,638,950
Total liabilities	**4,458,867**	**5,819,213**	**7,907,904**	**7,863,478**
Net current liabilities	**2,527,623**	**3,281,022**	**4,083,570**	**4,378,358**
Net liabilities	**2,524,329**	**3,348,238**	**4,084,780**	**4,371,025**

We had net liabilities of RMB2,524.3 million, RMB3,348.2 million, RMB4,084.8 million and RMB4,371.0 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. The fluctuations of net liabilities were primarily affected by (i) the loss for the year/period of RMB1,009.0 million, RMB1,255.7 million, RMB827.5 million and RMB430.9 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively, (ii) capital contribution by shareholders of nil, RMB352.8 million, RMB1,327.8 million and RMB99.4 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively, (iii) recognition of redemption liabilities of nil, RMB352.8 million, RMB1,327.4 million and RMB99.4 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively, (iv) settlement of the derivative liabilities for anti-dilution right of RMB37.7 million, RMB333.1 million, nil and nil in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively, and (v) share-based payments of RMB72.4 million, RMB92.4 million, RMB120.9 million and RMB98.8 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively.

As of December 31, 2023, 2024 and 2025 and June 30, 2026, our net current liabilities amounted to RMB2,527.6 million, RMB3,281.0 million, RMB4,083.6 million and RMB4,378.4 million, respectively. The fluctuations in our net current liabilities during the Track Record Period were mainly due to (i) the sustained increase in redemption liabilities, driven by the expansion of our financing activities to support business growth and market reach; and (ii) continued increases in trade and bills payables, contract liabilities and other payables and accruals, driven by the growth in our procurement volumes to support business expansion. Our redemption liabilities will be re-designated to equity upon completion of the [**REDACTED**], and thus we will turn to a net assets position.

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

SUMMARY OF CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Net cash flows used in operating activities	(482,249)	(195,749)	(34,295)	(288,993)	(359,787)
Net cash flows generated from investing activities	740,075	16,341	29,734	7,715	(156,178)
Net cash flows (used in)/ generated from financing activities	(31,816)	421,434	1,253,724	148,560	(35,832)
Net increase in cash and cash equivalents	**226,010**	**242,026**	**1,249,163**	**(132,718)**	**(551,797)**
Cash and cash equivalents at the beginning of year	304,708	532,930	767,622	767,622	2,015,321
Effect of foreign exchange rate changes, net	2,212	(7,334)	(1,464)	17,963	(46,601)
Cash and cash equivalents at end of year	**532,930**	**767,622**	**2,015,321**	**652,867**	**1,416,923**

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. Our net cash used in operating activities in 2023, 2024 and 2025 and for the six months ended June 30, 2025 and 2026 was RMB482.2 million, RMB195.7 million, RMB34.3 million, RMB289.0 million and RMB359.8 million, respectively, primarily reflecting our loss before tax of RMB1,008.0 million, RMB1,252.7 million, RMB812.4 million, RMB432.3 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.

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

KEY FINANCIAL RATIOS

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

	Year Ended/As of December 31,			Six Months Ended/As of June 30,
	2023	2024	2025	2026
Gross profit margin[(1)]	16.0%	26.3%	31.2%	34.4%
Adjusted EBITDA margin (non-IFRS measure)[(2)]	(78.7%)	(35.1%)	(19.9%)	(17.4%)
Cash conversion cycle[(3)] (days)	(40)	(85)	(135)	(148)

Notes:

(1) Equals gross profit for a given period divided by revenue for the same period and multiplied by 100%.

(2) Equals adjusted EBITDA (non-IFRS measure) for a given period divided by revenue for the same period and multiplied by 100%. See "Financial Information — Description of Selected Items of Our Consolidated Statements of Profit or Loss — Non-IFRS Measures" for detailed analysis.

(3) The cash conversion cycle is a metric that measures the time between cash payments for inventory procurement and the collection of cash from customers, and is calculated as inventory turnover days plus trade and bills receivables turnover days minus the sum of trade and bills payables turnover days and contract liabilities turnover days. A negative cash conversion cycle is generally considered a positive indicator, as it suggests that a company is able to convert its investments in inventory into cash efficiently, often reflecting strong operational execution and financial discipline. See "Financial Information — Liquidity and Capital Resources — Cash Flow Analysis" for detailed analysis.

KEY OPERATING MEASURES

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

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
Order intake (RMB in millions)	1,501.2	1,971.7	2,947.4	1,581.1	2,352.7
Number of customers with order intake	371	405	469	315	329
Number of repurchasing customers	263	317	390	266	295
Order intake per customer (RMB in millions)	4.0	4.9	6.3	5.0	7.2
Number of KA customers	14	20	26	14	20
Number of repurchasing KA customers	11	17	23	12	19
Order intake contribution of KA customers	60.0%	71.1%	79.4%	77.3%	87.1%
Number of projects signed	420	365	340	173	204
Average value per project signed (RMB in millions)	3.3	5.1	7.9	8.1	10.2

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

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

These investments supported strong growth in our operating metrics. During the Track Record Period, we achieved robust growth in order intake, revenue and gross profit, reflecting broader adoption of our ACR solutions across industries and geographic markets. Specifically, our order intake increased from RMB1,501.2 million in 2023 to RMB1,971.7 million in 2024, and reached RMB2,947.4 million in 2025. Over the same periods, our revenue increased from RMB807.0 million in 2023 to RMB1,360.4 million in 2024, and reached RMB2,016.9 million in 2025. Our order intake also 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, with revenue increased from RMB656.9 million to RMB1,118.1 million over the same periods. Such significant growth was primarily driven by (i) the strengthened customer relationships, (ii) the deployments of larger and more comprehensive projects, (iii) the depth, standardization, and scalability of our ACR solutions, together with our complementary services, (iv) the expansion of our global footprint, (v) the technological innovation and R&D investments, and (vi) our improved cost management and operational efficiency. 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 generate higher margins due to larger project sizes, higher service content and stronger pricing terms. Our gross profit margin in non-domestic markets experienced a temporary decline from 45.7% in 2023 to 41.4% in 2024, followed by an improvement to 46.9% in 2025. The decrease from 2023 to 2024 primarily reflected the ramp-up phase of our expansion into non-domestic markets. As our non-domestic operations scaled and became more established, our cost efficiency was improved, supporting the recovery in our gross profit margin for non-domestic markets in 2025. Our gross profit margin in non-domestic markets was 40.1% for the six months ended June 30, 2026, primarily reflecting changes in the mix of projects in our non-domestic business and foreign exchange fluctuations.

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

Despite our efforts to drive revenue growth, improve gross profit margin and enhance operating leverage, we have been loss-making since inception and are expected to remain loss-making in the near term. In particular, we expect to continue recording net losses and increasing operating cash outflows for the year ending December 31, 2026. This is primarily because we expect to continually incur (i) significant research and development expenses, as we will continue to devote resources to develop and enhance our core technologies and expand our product portfolio; and (ii) substantial selling and distribution expenses, as we continue to allocate significant resources to our sales and marketing to support global expansion and customer acquisition, particularly in non-domestic markets. In addition, as we continue to expand our business, we expect our requirements for working capital to increase, which may further contribute to operating cash outflows.

From a long-term strategic perspective, we believe increasing our scale is key to achieving and maintaining profitability. Scale is not only a driver of revenue growth; it is also a structural driver of cost reduction and product quality enhancement. As our cumulative shipments and deployment footprint expand, we benefit from stronger procurement leverage, deeper supply chain

integration, manufacturing standardization and improved capacity utilization, which together support recurring cost-down initiatives. Historically, we have achieved consistent annual cost reductions through ongoing design optimization, component localization and process refinement. These scale-driven efficiencies lower our overall production costs while simultaneously improving system reliability, performance stability and delivery consistency, reinforcing our gross margin profile over time.

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

Driving Revenue Growth

The global ACR solutions market continues to expand rapidly, driven by growing demand for high-throughput and high-density warehouse operations. According to CIC, the global ACR solutions market is expected to reach RMB86.0 billion by 2030, representing a CAGR of 70.0% from 2026 to 2030. We are a pioneer and global leader in the ACR solutions industry, which accounts for 3.2% of global automation picking market in 2025. According to CIC, we ranked first globally in both revenue and shipment volume in 2025, and our global market share increased from 31.4% in 2024 to 32.8% in 2025. We have built a comprehensive ACR product portfolio integrated with workstations, scheduling systems and warehouse management software, enabling us to address a broad range of customer requirements across diverse warehouse configurations and operating needs.

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

We also intend to deepen engagement with existing customers and expand into additional industry verticals. As warehouse automation projects are typically deployed in phases, deeper customer relationships allow us to support subsequent deployment stages, which often involve broader solution scope and higher value per project. Our customer repurchase rate increased from 68% in 2023 to 89% for the six months ended June 30, 2026, reflecting our strong customer loyalty and increased customer adoptions of our solutions.

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

Optimizing Business Mix

While pursuing revenue growth, we have also focused on improving profitability through business mix optimization. Our gross profit margin increased from 16.0% in 2023 to 31.2% in 2025 and further to 34.4% for the six months ended June 30, 2026, primarily driven by the continued expansion of our business in non-domestic markets, the expanding scale of our deployments, the increasing standardization and efficiency of our solution delivery, and the improved operating efficiency. In particular, non-domestic markets generate structurally higher gross profit margins than the domestic market due to larger project sizes, higher system complexity and a greater proportion of value-added services. For the six months ended June 30, 2026, gross profit margin in non-domestic markets reached 40.1%, compared to 30.1% in the domestic market, while revenue contribution from non-domestic markets increased from 24.2% in 2023 to 50.2% for the six months ended June 30 2026. As a result, expansion into new, and deepening presence in existing, non-domestic markets have become an increasingly important driver of margin improvement.

Improving Costs and Operating Expense Efficiency

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

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

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

See "Business — Business Sustainability and Path to Profitability" for details.

RISK FACTORS

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

WORKING CAPITAL

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

DIVIDENDS

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

We do not maintain a formal dividend policy or have a fixed dividend distribution ratio. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board. As advised by our PRC Legal Advisor, PRC laws require that dividends be paid only out of distributable profits. Distributable profits are after-tax profits, after making up for historically accumulated losses (if any) and less appropriations to statutory and other reserves that a PRC company is required to make in accordance with the PRC laws. PRC laws require a PRC company to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, until the agreed amount of such funds reaches 50% of their registered capital, which are not available for distribution as cash dividends. After the company makes the allocation to the statutory reserve funds from its after-tax profits, it may also make an allocation to its discretionary reserve funds from its after tax profits upon a resolution approved at the shareholders' meeting. As advised by our PRC Legal Advisor, we cannot pay dividends to shareholders as there is no distributable profits in view of the accumulated losses. Furthermore, in the future, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable. See "Financial Information — Dividends" for details.

[**REDACTED**]

[**REDACTED**] to be borne by us are estimated to be approximately HK$[**REDACTED**] (including [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per Share), which represent [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**], assuming no Shares are issued pursuant to the [**REDACTED**]. The above [**REDACTED**] are comprised of (i) [**REDACTED**] expenses of HK$[**REDACTED**], and (ii) [**REDACTED**] expenses of HK$[**REDACTED**], including (a) fees and expenses of our legal advisors and reporting accountants of HK$[**REDACTED**], and (b) other fees and expenses of HK$[**REDACTED**]. An estimated amount of HK$[**REDACTED**] for our [**REDACTED**] was or is expected to be expensed through the statement of profit or loss, and approximately HK$[**REDACTED**] is attributable to the [**REDACTED**] of Shares and will be deducted from equity upon [**REDACTED**]. We recognized [**REDACTED**] of RMB[**REDACTED**] in our consolidated statement of profit or loss during the Track Record Period. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[**REDACTED**] STATISTICS

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

Notes:

* All statistics in this table are on the assumption that the [**REDACTED**] is not exercised.

(1) The calculation of market [**REDACTED**] is based on [**REDACTED**] Shares expected to be in issue immediately following completion of the [**REDACTED**], assuming that the [**REDACTED**] is not exercised.

(2) The unaudited [**REDACTED**] adjusted net tangible assets attributable to shareholders of the Company per Share are calculated after the adjustments referred to in "Appendix II — Unaudited [**REDACTED**] Financial Information."

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of [**REDACTED**] of, and permission to [**REDACTED**] in (a) our H Shares to be converted from the Unlisted Shares, and our H Shares to be issued pursuant to the [**REDACTED**] (including any H Shares which may be issued pursuant to the [**REDACTED**]) and (b) the Class B Ordinary Shares that may be issued upon conversion of the Class A Ordinary Shares on a one-to-one basis subject to compliance with regulations on H share "full circulation." We satisfy the market capitalization/revenue test under Rule 8.05(3) and Rule 8A.06(2) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2025, which exceeds HK$600 million, and (ii) our expected market [**REDACTED**] at the time of [**REDACTED**], which exceeds HK$6 billion based on the [**REDACTED**]. No part of our H Shares is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought in the near future.

USE OF [REDACTED]

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

COMPLIANCE AND LEGAL PROCEEDINGS

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

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial or trading position, level of indebtedness, mortgages, contingent liabilities, guarantees or prospects since June 30, 2026, being the end of the year reported on in the Accountants' Report set out in Appendix I to this Document.

In this Document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed "Glossary of Technical Terms and Conventions" in this Document.

"Accountants' Report"	the accountants' report of our Company, details of which are set out in Appendix I to this Document
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council (會計及財務匯報局)
"Articles of Association" or "Articles"	the articles of association of our Company, as amended from time to time, which shall become effective on the [**REDACTED**], a summary of which is set out in Appendix III to this Document
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"BIS"	U.S. Department of Commerce, Bureau of Industry and Security
"Board", "Board of Directors" or "our Board"	the board of Directors of the Company
"business day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[**REDACTED**]

"China" or "PRC" or "Chinese Mainland"	the People's Republic of China, but for the purpose of this Document and for geographical reference only and except where the context requires, excluding Hong Kong, Macao Special Administrative Region of the People's Republic of China, and Taiwan Region
"CIC"	China Insights Industry Consultancy Limited (灼識企業管理諮詢(上海)有限公司), an independent professional market research and consulting company

"CIC Report"	the industry report commissioned by our Company and prepared by CIC
"Class A Ordinary Shares"	Class A ordinary shares in the share capital of the Company with a par value of RMB0.10 each, conferring weighted voting rights in the Company such that a holder of a Class A ordinary share is entitled to ten votes per share upon [**REDACTED**] on all matters subject to the vote at general meetings of the Company, subject to the requirements under Rule 8A.24 of the Hong Kong Listing Rules and the PRC Company Law that the Reserved Matters and the Special Matters shall be voted on a one vote per share basis
"Class B Ordinary Shares"	Class B ordinary shares in the share capital of the Company with a par value of RMB0.10 each, conferring a holder of a Class B ordinary share one vote per share on all matters subject to the vote at general meetings of the Company
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Company", "our Company", or the "Company"	Hai Robotics Innovation Group Co., Ltd. (深圳市海柔創新智能科技集團股份有限公司) (formerly known as Dongguan Hairou Intelligent Technology Limited (東莞市海柔智能科技有限公司) and Hai Intelligent Co., Ltd. (深圳市海柔智能科技有限公司)), a limited company incorporated under the laws of the PRC on December 1, 2016 and converted into a joint stock company with limited liability on November 13, 2025
"Compliance Advisor"	Rainbow Capital (HK) Limited
"Concert Party Agreement"	a concert party agreement entered into among the WVR Beneficiaries in January 2018, as amended in November 2025
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules

"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to the WVR Beneficiaries (being the ultimate Controlling Shareholders) and Hairou Weizheng, as further detailed in the section headed "Relationship with our Controlling Shareholders" in this Document
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Corporate Governance Committee"	the corporate governance committee of the Board
"CSDC"	China Securities Depository and Clearing Corporation Limited
"CSRC"	the China Securities Regulatory Commission
"Director(s)"	the directors of our Company, including all executive, non-executive and independent non-executive Directors
"EIT"	the PRC enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"Employee Incentive Plan"	the employee incentive plan, adopted by the Company on March 10, 2020 and amended on January 15, 2026
"Employee Incentive Platform"	the pre-[**REDACTED**] employee incentive platform of our Group, namely Hairou Weizheng
	[**REDACTED**]
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong or any extreme conditions or events, the occurrence of which will cause interruption to the ordinary course of business operations in Hong Kong or that may affect the [**REDACTED**]
"F&B"	Food & beverage

[**REDACTED**]

"Group", "our Group", "the Group", "our", "we" or "us"	our Company and our subsidiaries
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024, as amended, supplemented or otherwise modified from time to time
"Hairou Weizheng"	Shenzhen Hairou Weizheng Investment Limited Partnership (深圳市海柔為正投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 16, 2016, whose general partner is Mr. Chen, a Controlling Shareholder
"H Share(s)"	the Class B Ordinary Share(s) in the share capital of our Company with a nominal value of RMB0.10 each, which is/are to be [**REDACTED**] for and [**REDACTED**] in Hong Kong dollars and to be [**REDACTED**] on the Hong Kong Stock Exchange

[**REDACTED**]

"HK$" or "Hong Kong Dollars" or "HK Dollars" and "HK cents"	Hong Kong dollars, the lawful currency of Hong Kong

[**REDACTED**]

[**REDACTED**]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

[**REDACTED**]

"Hong Kong Stock Exchange" or "Stock Exchange"	the Stock Exchange of Hong Kong Limited
"Hong Kong Takeovers Code" or "Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy- backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

[**REDACTED**]

"IFRS Accounting Standards"	IFRS Accounting Standards issued by the International Accounting Standards Board

"Independent Third Party(ies)"	any entity or person, to the best of our Directors' knowledge, information and belief having made all reasonable enquiries, who is not a connected person of our Company within the meaning ascribed to it under the Listing Rules
	[**REDACTED**]
"International Sanctions Legal Advisor"	Morgan Lewis & Bockius LLP, our legal advisor on international sanctions law in connection with the [**REDACTED**]
	[**REDACTED**]
"Joint Sponsors"	the joint sponsors of the [**REDACTED**] as named in "Directors, Supervisors and Parties Involved in the [**REDACTED**]"
"Latest Practicable Date"	[September 7], 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication
	[**REDACTED**]

"Listing Committee"	the listing committee of the Hong Kong Stock Exchange

[**REDACTED**]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM" or "Ministry of Commerce"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Chen"	Mr. Chen Yuqi (陳宇奇), the chairman, an executive Director and the chief executive officer of our Company, and a Controlling Shareholder
"Mr. Xu"	Mr. Xu Shengdong (徐聖東), an executive Director and the chief technology officer of our Company, and a Controlling Shareholder
"Mr. Fang"	Mr. Fang Bing (房冰), an executive Director and the chief operation officer of our Company, and a Controlling Shareholder
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"Nomination Committee"	the nomination committee of the Board

[**REDACTED**]

"Overseas Listing Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023 and effective from March 31, 2023, and the relevant supporting guidelines promulgated by the CSRC from time to time
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"PRC GAAP"	generally accepted accounting principles in the PRC
"PRC Legal Adviser"	Jingtian & Gongcheng, our legal adviser on PRC laws in connection with the [**REDACTED**]
"PRC Securities Law"	Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time

"Pre-[**REDACTED**] Investment(s)"	the investment(s) in our Company undertaken by the Pre-[**REDACTED**] Investors prior to this [**REDACTED**], the details of which are set out in "History, Development, and Corporate Structure — Pre-[**REDACTED**] Investments"
"Pre-[**REDACTED**] Investor(s)"	the Pre-[**REDACTED**] investor(s) of our Company, details of which are set out in "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments"

[**REDACTED**]

"QIB"	a qualified institutional buyer within the meaning of Rule 144A
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reserved Matters"	those matters resolutions with respect to which each Share is entitled to one vote at general meetings of the Company pursuant to Rule 8A.24 of the Hong Kong Listing Rules, being: (i) any amendment to the Articles of Association, (ii) the variation of the rights attached to any class of Shares, (iii) the appointment or removal of an independent non-executive Director, (iv) the appointment or removal of the Company's auditors, and (v) the voluntary winding-up of the Company
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAT"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"SCNPC"	Standing Committee of National People's Congress of the PRC (中華人民共和國全國人民代表大會常務委員會)

"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary shares in the share capital of our Company of RMB0.10 each, comprising Class A Ordinary Shares and Class B Ordinary Shares, or Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Special Matters"	those matters resolutions with respect to which each Share is entitled to one vote at general meetings of the Company pursuant to the PRC Company Law, being: (i) the election and change of Supervisors, and (ii) where the Audit Committee exercises the functions of the Supervisory Committee and the Company has no Supervisory Committee or Supervisor, the election and change of the members of the Audit Committee

[**REDACTED**]

"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Supervisor(s)"	supervisor(s) of the Company
"Supervisory Committee"	the committee of Supervisors
"Track Record Period"	the period comprising financial years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026
"treasury shares"	has the meaning ascribed to it under the Listing Rules

[**REDACTED**]

"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland

"United States", "USA" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Unlisted Share(s)"	ordinary share(s) [**REDACTED**] by our Company, with a nominal value of RMB0.10 each, which is/are not [**REDACTED**] on any stock exchange, comprising all Class A Ordinary Shares
"US$" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"U.S. persons"	U.S. persons as defined in Regulation S
"U.S. Securities Act"	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time

[**REDACTED**]

"WVR Beneficiary(ies)"	has the meaning ascribed to it under the Hong Kong Listing Rules and unless the context otherwise requires, refers to Mr. Chen, Mr. Xu and Mr. Fang, being the beneficial owners of the Class A Ordinary Shares which carry weighted voting rights upon [**REDACTED**], who are our ultimate Controlling Shareholders
"WVR structure"	has the meaning ascribed to it under the Hong Kong Listing Rules
"%"	per cent

Certain amounts and percentage figures included in the Document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the Document in both the Chinese and English languages and in the event of any inconsistency, the Chinese version shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

Unless otherwise specified, references to years in this Document are to calendar years.

GLOSSARY OF TECHNICAL TERMS AND CONVENTIONS

In this Document, unless the context otherwise requires, certain terms used in connection with our Group and our business are defined as set out below. Such definitions are for the purposes of this Document only and may not correspond to their standard industry meanings or usages.

"3PL"	third-party logistics
"ACR"	automated case-handling mobile robots, which are robots designed to autonomously retrieve only the required cases from the rack and then transport those cases to workstations, using advanced sensors and algorithms
"AMR"	autonomous mobile robots, which are robots designed to navigate environments without human intervention
"AS/RS"	automated storage and retrieval systems, which are automated material-handling systems designed to automate the storage and retrieval of goods using basic machinery like conveyors and cranes
"CAGR"	compound annual growth rate
"ERP"	enterprise resource planning system, integrated software system used to manage and streamline core business processes across functions, including finance, procurement, inventory, manufacturing and human resources
"ESG"	Environmental, Social and Governance
"hook-based technologies"	a case-handling mechanism in which robots use a hook-like structure to engage and lift storage cases directly from shelves, enabling efficient retrieval in densely arranged storage environments
"ISO"	International Organization for Standardization, an independent international organization that develops and publishes international standards
"latent robots"	robots that move beneath shelves or racks, lift them, and transport them to picking stations
"MES"	manufacturing execution system, a software system that facilitates the monitoring, control and optimization of manufacturing processes by tracking production activities, managing workflows and providing real-time operational data
"OEM"	original equipment manufacturer, a manufacturer that produces products and/or components that are marketed and sold under another company's brand or are used as part of another company's products

"order intake"	total value of new contracts or orders secured within a specific period; the amount of order intake presented in this Document includes those from: (i) the initial deployment of our ACR solutions, which we refer to as a "project," for which master contract(s) are typically executed; and (ii) any subsequent expansions, upgrades or add-ons under the foregoing existing deployment and regular maintenance arrangements. Unless otherwise indicated, such subsequent expansions, upgrades, add-ons or regular maintenance are not treated as new "projects"
"R&D"	research and development
"SKU"	stock keeping unit, a unique identifier assigned to each distinct product or product variant, representing the smallest unit of inventory tracked within a warehouse
"SLAM"	simultaneous localization and mapping, a computational technique used by robots to build a map of an environment while simultaneously determining their location within it which is essential for our solution navigation
"Surface Mount Technology"	a method for assembling electronic components onto circuit boards
"throughput"	the amount of material or items passing through a system
"VAT"	value-added tax, an indirect tax levied on the value added at each stage of production and distribution of goods and services
"WMS"	warehouse management system, a software solution designed to optimize warehouse operations, including inventory tracking, order picking, and shipment coordination, with the aim to improve efficiency and accuracy in the supply chain

As used in this Document, unless otherwise indicated:

- "**Key account (KA) customers**" for a given period refer to customers with cumulative orders exceeding RMB20 million during that period. We consider a cumulative order value of RMB20 million within a given period to be a meaningful and appropriate threshold for defining KA customers. This threshold is determined with reference to several factors, including typical contract sizes, the level of customer engagement and commitment, and prevailing market practices. Based on our historical experience, our largest KA customers frequently reach or exceed this order value within a given period, making it a practical metric to distinguish key accounts from smaller customers. Customers whose cumulative orders exceed RMB20 million typically also demonstrate a deeper level of engagement with our products and services. According to CIC, defining key accounts by reference to a meaningful cumulative order value threshold is consistent with industry practice.

- "**Customer repurchase rate**" is a metric to track and measure our ability to retain customers and increase their purchases over time. Our repurchase rate for a given period is calculated as the total order value in a given period attributable to repurchasing

customers (as defined below) for the same period, excluding the total value of the first order placed by each new repurchasing customer (as defined below) for such given period, divided by the total order value for all customers in the same period; "repurchasing customers" for a given period refer to customers who (i) had entered into at least one contract with us prior to such period and entered into at least one additional contract with us during such period, or (ii) first entered into contracts with us during such period and placed more than one order within the same period. For the avoidance of doubt, the number of customers used in calculating our "repurchasing customers" and customer repurchase rate refers to the number of customers with whom we directly enter into contracts (as opposed to end-users of our ACR solutions), and includes the numbers of both direct customers and channel partners.

- We divide our markets into "**domestic market**" and "**non-domestic markets**" based on the geographic location of a customer, which in turn is determined by the location of the internal teams responsible for managing such customer.

- The term "**autonomous mobile robots (AMRs)**" is occasionally used in the warehousing automation industry as a competing or alternative solution to ACRs. Certain industry participants apply the term "AMRs" broadly to describe a wide range of mobile robots used in warehouse and storage operations. However, consistent with prevailing market practice and as advised by CIC, the term "AMR," as used in this Document, is used in a narrower sense to refer specifically to those shelf-based, load-carrying autonomous mobile robots. Under this commonly accepted definition, AMRs are primarily designed to transport loads at the ground level within a warehouse, rather than to perform autonomous case-level picking. Such AMRs are typically used to transport entire shelves (which are fully stocked with all the cases, including both relevant and irrelevant ones) to workstations, where workers manually pick the items. In contrast, ACRs autonomously retrieve the relevant cases from the rack.

FORWARD-LOOKING STATEMENTS

We have included in this Document forward-looking statements. Statements that are not historical facts, including but not limited to statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This Document contains forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Document, the words "aim," "anticipate," "aspire," "believe," "could," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "schedule," "seek," "should," "target," "vision," "will," "would," and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in "Risk Factors" and elsewhere in this Document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following: (i) our operations and business prospects; (ii) future developments, trends and conditions in the industries and markets in which we operate or plan to operate; (iii) general economic, political and business conditions in the markets in which we operate, including but not limited to interest rates, foreign exchange rates; (iv) changes to the regulatory environment in the industries and markets in which we operate; (v) our ability to maintain relationship with, and the actions and developments affecting, our major business partners, suppliers and future customers; (vi) our ability to maintain the market leading positions and the actions and developments of our competitors; (vii) our ability to effectively control costs and operating expenses; (viii) the ability of business partners to perform in accordance with contractual terms and specifications; (ix) our ability to retain senior management and key personnel and recruit qualified staff; (x) our business strategies and plans to achieve these strategies, including our business development plans, commercialization strategies and geographic expansion plans; and (xi) all other risks and uncertainties described in "Risk Factors."

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed "Risk Factors" in this Document.

In this Document, statements of or references to our intentions or those of our Directors are made as of the date of this Document. Any such information may change in light of future developments.

An [**REDACTED**] *in our H Shares involves a high degree of risk. You should carefully consider the following information about risks, together with the other information contained in this Document, including our consolidated financial statements and related notes, before you decide to* [**REDACTED**] *our H Shares. If any of the circumstances or events described below actually arises or occurs, our business, results of operations, financial condition and prospects would likely suffer. In any such case, the* [**REDACTED**] *of our H Shares could decline, and you may lose all or part of your* [**REDACTED**]. *This Document also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below.*

Risks Relating to Our Business and Industry

If we fail to effectively respond to evolving technologies and market dynamics in the warehouse automation industry in general and the ACR solutions industry in particular, our business, financial condition, results of operations, and prospects could be materially and adversely affected.

The warehouse automation industry is highly dynamic and subject to rapid technological evolution, frequent introduction of new products and services, continual changes in customer preferences, and the emergence of new industry standards and practices. Customers increasingly demand ACR solutions that can operate seamlessly in highly complex and variable environments, adapt instantly to new workflows and safety protocols, and minimize downtime through predictive intelligence.

To compete successfully, ACR companies must rapidly evolve their technologies and product roadmaps. Our ability to maintain and strengthen our market position depends on continuously enhancing our proprietary technologies, including our data, scheduling and algorithmic systems, and commercializing new solutions in response to shifting market and technological trends. Failure to anticipate the adoption of new technologies or standards, to assess their commercial applications, or to bring to market products that meet evolving customer needs in a cost-effective and timely manner could result in loss of competitiveness, diminished market share, or erosion of our brand and reputation.

We have made, and expect to continue making, substantial investments in research and development as part of our long-term growth strategy. These efforts are focused on advancing both hardware and software modules that enable our solutions to dynamically adjust to diverse workflows, proactively address performance issues, and achieve seamless and intuitive collaboration with human workers. However, research and development are inherently uncertain. We may not be able to successfully develop, integrate, or commercialize new technologies due to unforeseen technical barriers, safety or compliance concerns, insufficient financial or human resources, or misalignment with industry adoption cycles. Even if technical milestones are achieved, the costs of scaling production, securing supplier capacity, or integrating with customer infrastructure may be higher than anticipated, which could impair our competitiveness. Furthermore, commercialization cycles in the warehouse automation industry are long and influenced by customer capital expenditure budgets. As a result, new products may fail to achieve timely market acceptance or generate the expected returns on investment.

In addition, competitors, including established warehouse automation vendors and emerging startups, may introduce disruptive technologies or solutions that render our existing offerings less competitive or obsolete. If we fail to adapt to such industry changes, or if our substantial investments in R&D do not yield commercially viable solutions, our business, financial condition, results of operations and prospects could be materially and adversely affected.

The ACR solutions industry is subject to macroeconomic, geopolitical, and supply chain factors that could materially and adversely affect our performance.

The warehousing picking automation and ACR solutions industries is closely linked to global trade, manufacturing activity, e-commerce demand, and capital expenditure cycles. Macroeconomic factors such as slowing global or regional economic growth, inflationary pressure, fluctuations in interest rates, foreign exchange volatility, and tightened credit conditions may reduce customers' investment appetite for new warehouse automation projects or delay their procurement decisions. As most ACR solution deployment projects require significant upfront capital commitments and long-term return cycles, adverse macroeconomic conditions could result in project postponements, cancellations, or reductions in order volume.

Geopolitical tensions and trade policy uncertainties, such as tariffs, export controls, or restrictions on technology transfer, may also affect the availability and cost of critical components, particularly semiconductors, sensors, and control systems. In addition, disruptions to global logistics networks, whether caused by regional conflicts, public health emergencies, or natural disasters, may increase shipping costs, prolong delivery schedules, and adversely impact our ability to fulfill orders in a timely manner.

The ACR solutions industry further depends on stable energy supply and materials pricing. Volatility in raw material prices, labor shortages, or supply chain bottlenecks may raise our production and deployment costs and affect our gross profit margins. Moreover, as automation becomes an integral part of national industrial strategies, regulatory developments or policy shifts in key markets, such as changes in localization requirements or data protection laws, may affect competitive dynamics and global operations.

We may not be able to fully mitigate the adverse effects of these external factors. Any prolonged economic downturn, sustained supply chain disruption, or unfavorable policy development could materially and adversely affect our business, financial condition, results of operations, and prospects.

We operate in a fast-changing and competitive market. If we are unable to keep pace with rapid technological changes and evolving customer requirements in the ACR industry, our leading market position could weaken and our business, financial condition and results of operations could be materially and adversely affected.

We primarily compete in the global ACR solutions market, where success depends on the ability to develop ACR solutions that seamlessly navigate complex environments, adapt to dynamic workflows, and integrate with enterprises' own management ecosystems. The industry is highly competitive and characterized by rapid technological change, frequent introduction of new solutions, evolving customer demands, and the periodic emergence of new standards and practices. To remain competitive, we must continue to enhance the precision, efficiency, and scalability of our ACR solutions to meet customers' rising expectations for performance and reliability.

Competition in the ACR solutions industry is intense and continues to evolve with developments in technology, customer adoption cycles and the overall economic environment that shapes automation budgets. Although developing ACR platforms requires substantial expertise in robotics, perception and system integration, which creates high technical thresholds, these barriers are not absolute. Both established automation providers and new entrants are actively seeking to expand in this field, and their efforts may intensify price competition, alter customer preferences and reshape industry dynamics. Competitive factors include the ability to deliver reliable performance, ensure interoperability with existing customer infrastructure, maintain product quality and safety, manage costs and pricing, achieve operational efficiency, provide effective customer support, and build strong brand recognition. Heightened competition may result in reduced product demand, lower pricing, decreased margins and less favorable policy or subsidy support.

Our future success depends on our ability to maintain and extend our competitive position by continuously improving our technology platforms, enhancing the performance of our existing solutions and introducing new products that meet evolving requirements. The ACR industry is characterized by rapid and continuous change, and the commercial life cycle of each product generation may shorten as customer expectations accelerate. To remain competitive, we must anticipate shifts in customer demand, align our product roadmap with adoption cycles, and allocate research and development resources effectively. There can be no assurance that our new or upgraded products will achieve the expected market acceptance or generate adequate returns, or that we will be able to keep pace with industry developments in a timely and cost-effective manner.

If we fail to adapt successfully to industry changes, whether due to technical barriers, insufficient financial or human resources, regulatory developments or other external factors, our solutions may not be adopted by customers on the scale we expect. We continue to invest significantly in research and development to support the commercialization of our innovations, and our research and development expenses increased from RMB308.9 million in 2023 to RMB334.0 million in 2024 and further to RMB385.3 million in 2025. Our research and development expenses also increased from RMB173.4 million for the six months ended June 30, 2025 to RMB249.0 million for the six months ended June 30, 2026. However, even if we continue to invest heavily in research and development, there is no guarantee that such investments will translate into commercially viable technologies or sustainable competitive advantages. Inability to deliver solutions that meet evolving market requirements could weaken our position in the global ACR industry and materially and adversely affect our business, financial condition and results of operations.

We cannot assure you that demand for ACR solutions will expand at a pace or scale sufficient to support our growth, or that industry trends and customer adoption will evolve in a manner favorable to us.

Demand for ACR solutions may not expand at a pace or scale sufficient to support our growth, and industry trends and customer adoption may not evolve in a manner favorable to us. Although the ACR market has experienced rapid growth, the pace and sustainability of adoption remain uncertain and are influenced by factors such as macroeconomic conditions, capital expenditure cycles, payback periods, and customers' investment priorities. Economic slowdowns, budget constraints or reduced willingness to invest in automation could materially reduce demand for our solutions.

In addition, the ACR industry is still evolving. Future developments in technology, standards, competing automation solutions or regulatory requirements may not favor our offerings, and customers may adopt alternative solutions that better meet their needs. More stringent safety, labor or regulatory regimes could also increase deployment costs or complexity and deter adoption. Even if the ACR market continues to grow, we may not be able to capture a sufficient share of such growth due to competition, changes in customer preferences or our inability to differentiate effectively. Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects.

We may be subject to risks associated with ACR-related technologies that are highly complex and may fail to perform in line with expectations.

The technology underlying our ACR solutions is inherently complex and may contain defects or errors. There can be no assurance that our existing ACR solutions are free from defects or that future releases will not contain errors or vulnerabilities. Any real or perceived defects, failures, or bugs could result in negative publicity, performance issues, and customer dissatisfaction, all of which could materially harm our reputation, business, and financial results. Correcting such defects may require significant time and expense, and may disrupt production or fail to meet customer expectations.

Certain errors or defects may only be discovered after our solutions have been deployed by customers, in which case we may incur substantial additional development costs, as well as product recall, repair, replacement, or compensation expenses. To the extent accidents involving our ACR solutions occur, we could face liability claims, government scrutiny, or additional regulation. Even defects or accidents associated with third parties' ACR solutions may negatively impact public perception of ACR technologies generally, which could further harm demand for our solutions.

Any defects or significant malfunctions could also weaken customer confidence in our brand and reduce their willingness to adopt our solutions, which may adversely affect our ability to retain existing customers and attract new ones. Because the ACR market is still emerging and evolving, a loss of confidence in ACR solutions more broadly could have a material adverse impact on both the development of the industry and our growth prospects in particular.

Our competitiveness also depends on the continued improvement of algorithms and the processing efficiency, capacity, and power performance of the hardware that supports them. There can be no assurance that we will be able to consistently develop and optimize our algorithms or effectively improve processing efficiency to support increasingly sophisticated applications. If we fail to achieve continuous innovation in algorithms or hardware efficiency, our business, financial condition, and results of operations could be materially and adversely affected.

We have a limited operating history, which makes it difficult to accurately forecast our future results of operations, and our past growth may not be indicative of our future performance.

Our limited operating history makes it difficult to accurately forecast our future results of operations. Our historical results may not provide a meaningful basis for evaluating our business, results of operations, financial condition and prospects, and we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors, and may not be able to achieve promising results in future periods. We cannot assure you that we will achieve similar results or grow at the same rate as we have in the past. Our revenue growth may slow or decline due to a variety of factors, including reduced demand for our solutions, increased competition, changes in technology, a slower expansion of our total addressable market, or our inability to capture emerging opportunities. If our assumptions regarding risks or growth prove inaccurate, or if we do not effectively address uncertainties and challenges, our business, financial condition and results of operations could be materially and adversely affected.

If we fail to maintain existing customers and attract new customers, or fail to do so in a cost-effective manner, our business may be adversely affected.

Our success depends on our ability to cost-effectively attract customers to our ACR solutions, retain existing customers, and encourage them to expand their use of our solutions. We incur significant advertising, promotional, and marketing expenses to acquire new customers and expect such expenses to increase as we implement strategies to raise brand awareness and promote our ACR solutions. 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.

We may fail to identify opportunities that satisfy our anticipated return on sales and marketing expenses as we scale our investments or to fully understand or estimate the conditions and factors that drive customer behavior. If any of our marketing activities prove less successful than anticipated in retaining existing customers or attracting new end customers, we may not be able to recover such expenses and our sales results may fail to meet our expectations, either of which could have an adverse effect on our business, financial condition and results of operations. There can be no assurance that our marketing efforts will result in increased sales of our solutions. If we are unable to retain existing customers or attract new end customers, or fail to do so in a cost-effective manner, our growth could be slower than we expect, and our business, financial condition and results of operations may be harmed.

We face intense competition and operational challenges in the domestic ACR solutions market, which could materially and adversely affect our profitability and growth prospects.

A significant portion of our revenue is derived from the domestic market, which remains our largest and most important source of business. Revenue generated from the domestic market accounted for 75.8%, 61.9%, 53.0% and 49.8% of our total revenue in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively. The domestic warehousing picking automation market is characterized by increasingly intense competition, particularly in pricing and service differentiation. As the domestic ACR solutions market matures and customer awareness of automation technologies grows, many local players have entered or expanded their presence in this space, leading to intensified price competition and shorter sales cycles. Customers often place greater emphasis on cost savings and are more price-sensitive compared with non-domestic customers, which has resulted in lower gross profit margins in our domestic operations. Continued pricing pressure could further erode our margins, especially if we are unable to offset it through cost control, product standardization or efficiency gains.

In addition, customers in the domestic market typically demand higher levels of on-site deployment support, customization, and post-delivery services. Domestic projects often involve complex integration requirements, frequent on-site adjustments, and extended service commitments. Such customer expectations not only increase our service and labor costs but also limit the scalability of our standardized solutions, constraining our ability to achieve operating leverage. If we fail to effectively manage project execution costs, optimize resource allocation, or maintain service quality, our profitability could be materially affected.

We derive a significant portion of our revenues from non-domestic markets and expect global expansion to remain an important part of our growth strategy, which exposes us to a broad range of risks.

We derive a significant portion of our revenue from non-domestic markets. Revenue generated from non-domestic markets accounted for 24.2%, 38.1%, 47.0% and 50.2% of our total revenue in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively. We expect global expansion to remain an important driver of our growth, which exposes us to a broad range of risks. Operating and expanding globally is complex and resource-intensive and requires us to manage global operations, local personnel, sales and distribution networks, regulatory compliance and customer support across multiple jurisdictions. Our revenue from non-domestic markets may be volatile due to local market conditions, competitive pressures, slower adoption, pricing pressure or other uncertainties inherent in non-domestic business. Entering new markets may require significant upfront investment without assurance of commercial success. In addition, we face risks relating to regulatory and licensing requirements, intellectual property protection and infringement claims, accounting, tax and foreign exchange differences, contractual enforcement, and political or economic instability in certain jurisdictions. If we fail to manage these risks effectively, our global expansion, profitability and overall business performance could be materially and adversely affected.

We currently generate a significant share of our revenue from our key customers.

We currently generate a significant share of our revenue from our key customers. Revenue generated from our five largest customers in each period during the Track Record Period accounted for 32.1%, 36.7%, 43.2% and 50.3%, respectively, of our total revenue during those years. See "Business — Our Customers" for details. As a result, any reduction, delay or loss of business from these customers could materially and adversely affect our revenue, results of operations and financial condition. Our customers may reduce or defer purchases, change purchasing patterns, source solutions from competitors, develop competing in-house solutions, or experience declines in their own businesses or end markets. In addition, delays or disruptions in our supply chain, or failure of our solutions to meet key customers' expectations, could further reduce demand. Many of our key customers are large multinational enterprises with substantial bargaining power and

significant international development capabilities, which may limit our pricing flexibility and increase the risk that they develop or acquire competing technologies. Securing and maintaining relationships with such customers requires significant upfront investment, and there is no assurance that our solutions will be selected or generate meaningful revenue. Furthermore, our results may be adversely affected if customers experience financial difficulties or fail to make timely payments. If any of these risks materialize, our business, financial condition and results of operations could be materially and adversely affected.

If we are unable to protect or promote our brand and reputation, including against reputational harm arising from the conduct of third parties associated with us, our business may be materially and adversely affected.

Our business depends on the strength of our brand and reputation. Adverse publicity or negative perceptions relating to us, our solutions, management, business partners or the industry, whether or not justified, could harm customer trust, reduce demand for our solutions and adversely affect our business. In particular, our brand and reputation may be harmed by the actions or conduct of third parties associated with us, including our business partners, consultants, channel partners and other counterparties, over whom we have limited or no control. Regulatory investigations, enforcement actions, legal proceedings or negative media coverage involving such third parties, even where we are not a subject of, and have no involvement in, such matters, may nonetheless generate adverse publicity that affects our customer and investor perceptions. There can be no assurance that we will be able to effectively dissociate ourselves from the reputational consequences of such third-party conduct, or that our efforts to address any resulting negative perceptions will be successful. Maintaining and enhancing our brand requires ongoing investment in marketing and promotion, which may increase as competition intensifies and we expand into new markets, and there can be no assurance that such investments will generate commensurate returns. In addition, our reputation depends on our ability to deliver safe, reliable and compliant solutions, and any failure to do so could damage our brand and market position. If we are unable to effectively protect or promote our brand and reputation, our business, financial condition, results of operations and the [**REDACTED**] of our H Shares could be materially and adversely affected.

If we fail to recruit, retain and motivate highly skilled personnel, or maintain our corporate culture as we grow, we could lose the innovation, collaboration and focus that contribute to our business.

Our success depends on our ability to attract, retain and motivate highly skilled personnel and to preserve our corporate culture as we scale. We operate in a highly competitive talent market, and we may not be able to recruit or retain the management, engineering and operational talent required to sustain innovation and execute our growth strategy. The loss of key personnel, leadership transitions or ineffective succession planning could disrupt operations, delay product development and impair strategic execution. In addition, as we expand, we may face challenges in maintaining our entrepreneurial and collaborative culture. Failure to retain critical talent or preserve our culture could materially and adversely affect our business, financial condition and results of operations.

Our business growth might be affected by our channel partner network.

Our business growth may be significantly impacted by the performance and stability of our channel partner network. Channel partners play a crucial role in expanding our geographic footprint and driving sales of our ACR solutions. In 2023, 2024 and 2025 and for the six months ended June 30, 2026, channel partner sales accounted for 36.3%, 39.5%, 25.7% and 58.6% of our total revenue, respectively. See "Business — Our Sales and Marketing — Our Sales Channel — Channel Partner Sales" for further information on our channel partners.

The channel partner model inherently carries risks. As we have limited influence over the business operations of our channel partners, there is no guarantee that they will operate in strict compliance with our channel partner agreements, sales policies, and applicable laws and

regulations. We cannot assure you that our channel partners will consistently maintain a stable sales level or meet the sales targets we expect. If there are any significant disruptions in our relationships with our channel partners, or if these relationships are terminated for any reason, it may be difficult or impossible to replace these partners with others that possess comparable sales capabilities or market reach, and doing so in a timely and cost-effective manner is not guaranteed.

Additionally, as independent entities, our channel partners may make their own business decisions that may not always align with our interests. There is no assurance that our channel partners will prioritize our solutions over those of our competitors. This could lead to a reduction in their efforts to promote or sell our ACR solutions. Furthermore, while we allow our channel partners to use our brand names in the promotion and sale of our solutions, we have limited oversight over their actions. Any misconduct by our channel partners, such as corruption, bribery, or other illegal activities, could damage our brand reputation and expose us to significant reputational risks.

Disruptions in the supply of essential materials, equipment and services, or unfavorable changes in our supplier relationships, may materially and adversely affect our business, financial condition, results of operations and prospects.

We depend on third-party suppliers for critical materials, equipment and services essential to the production and delivery of our solutions. In 2023, 2024 and 2025 and for the six months ended June 30, 2026, our total purchases from our five largest suppliers in each period during the Track Record Period accounted for 16.5%, 19.0%, 18.7% and 14.1% of our total purchase amount, respectively. Our operations rely on the timely, reliable and cost-effective supply of key components, yet the operational and financial stability of our suppliers is beyond our control. Any disruption, deterioration or loss of key supplier relationships could limit our access to critical components, delay production or deliveries, increase costs and adversely affect our operating margins.

We face additional supply chain risks, including supplier operational disruptions, financial distress or insolvency, capacity constraints, quality or delivery issues, pricing volatility, and suppliers prioritizing competitors' orders. Suppliers may also seek to renegotiate terms on less favorable conditions or partner with competitors. Alternative suppliers may not be available on commercially reasonable terms, and transitions to new suppliers may involve delays, interruptions or additional costs. In addition, because we do not control our suppliers' procurement, labor or compliance practices, we may be exposed to financial, operational or reputational risks arising from their conduct. If we fail to manage these risks effectively, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We have incurred operating and net losses during the Track Record Period and may not achieve or sustain profitability in the future.

We recorded loss for the year/period of RMB1,009.0 million, RMB1,255.7 million, RMB827.5 million and RMB430.9 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively. We may continue to incur net losses in the future, as we are still in the process of expanding our business and operations within the rapidly growing ACR solutions market. Our ongoing investments in research and development, as well as in scaling our operations, are expected to further contribute to these losses in the short term.

Our future revenue growth will depend on several factors, including our ability to develop new technologies, improve customer experience, establish effective commercialization strategies, and successfully compete in the market. Additionally, our success in introducing new products and services will be crucial to generating sustainable growth. As a result, prior revenue levels may not serve as reliable indicators of our future performance, and [**REDACTED**] should not rely solely on past financial results when assessing our potential. We also anticipate that our costs and expenses will continue to rise in the coming years, driven by the expansion of our business and ongoing

investment in R&D. Moreover, as we transition to being a [**REDACTED**] company, we expect to incur substantial costs related to compliance, reporting requirements, and other obligations associated with operating as a public entity. If we are unable to generate sufficient revenue and effectively manage our expenses, we may continue to incur significant losses in the future and may not be able to achieve or maintain profitability in the long term.

Failure to fulfill our obligations under contract liabilities could materially and adversely affect our business, reputation and liquidity.

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we recorded contract liabilities of RMB589.6 million, RMB948.0 million, RMB1,103.5 million and RMB1,127.0 million, respectively. These amounts reflect an ongoing growth in customer prepayments, which are generally made in advance of the delivery of our solutions. Failure to meet our obligations related to these contract liabilities could have a significant adverse impact on our business, operations, financial position and reputation. If we fail to deliver solutions on time or meet customer expectations, it may result in the inability to recognize the expected revenue, which could significantly impact our financial performance. A failure to deliver solutions on time, or to meet customer expectations, could also lead to claims for refunds, penalties, or the termination of contracts, which could in turn materially and adversely impact our business, reputation, and liquidity position.

Our net current liabilities and net liabilities may expose us to certain liquidity risks.

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we recorded net current liabilities of RMB2,527.6 million, RMB3,281.0 million, RMB4,083.6 million and RMB4,378.4 million, respectively, and net liabilities of RMB2,524.3 million, RMB3,348.2 million, RMB4,084.8 million and RMB4,371.0 million, respectively. See "Financial Information — Discussion of Selected Items from Our Consolidated Balance Sheets" and "Financial Information — Liquidity and Capital Resources — Current Assets and Current Liabilities." Net current liabilities and net liabilities may expose us to certain liquidity risks and may constrain our operational flexibility, as well as adversely affect our ability to expand our business. Our future liquidity and ability to pay trade and other payables when they become due will primarily depend on our ability to generate adequate cash inflows from our operating activities and adequate external financing, which will be affected by our future operating and financial performance, the performance of the industry in which we operate and prevailing economic and capital market conditions, among other factors, many of which are beyond our control.

If we do not maintain sufficient working capital to meet future financial needs by ourselves, we may need to resort to external funding. Our inability to obtain additional external financing on a timely basis and on acceptable terms, or at all, may force us to abandon or delay our development and expansion plans, and our businesses, financial position, and results of operations may be materially and adversely affected.

We recorded net operating cash outflow historically and there can be no assurance that we will not have net cash outflow in the future.

We recorded net cash used in operating activities of RMB482.2 million, RMB195.7 million, RMB34.3 million and RMB359.8 million, respectively, in 2023, 2024 and 2025 and for the six months ended June 30, 2026. For a more comprehensive discussion of our liquidity and capital resources, see "Financial Information — Liquidity and Capital Resources — Cash Flow Analysis." We cannot guarantee that our prospective business activities and/or other matters beyond our control, such as market competition and changes to the macroeconomic environment, will not adversely affect our operating cash flow and lead to net operating cash outflows in the future. If we encounter long-term and continuous net operating cash outflow in the future, we may not have sufficient working capital to cover our operating costs, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

Share-based payment may have a material and adverse effect on our financial condition.

To recognize the contributions of our current or former employees and to incentivize them to further promote our development, we have established Employee Incentive Platform in the form of limited partnership. Participants in this incentive platform have been granted options to subscribe partnership interest of Hairou Weizheng. For the then unvested share incentive on January 15, 2026, the form of share incentive was changed to options to directly subscribe Shares For details, see "History, Development, and Corporate Structure — Employee Incentive Platform" and "History, Development and Corporate Structure — Employee Incentive Plan." In 2023, 2024 and 2025 and for the six months ended June 30, 2026, we incurred equity-settled share-based payment expenses of RMB72.4 million, RMB92.4 million, RMB120.9 million and RMB98.8 million, respectively. To further incentivize employees, we may grant additional share-based compensation in the future, which could significantly increase our operating expenses and reduce our profitability. In addition, the issuance of additional shares for share-based awards could dilute the ownership interests of our existing shareholders. Any such dilution may adversely affect the value of their investment. Consequently, while share-based incentives are an important tool for attracting and retaining talent, they also expose us to the risks of increased operating costs and shareholder dilution, which could materially and adversely affect our financial condition and results of operations.

We are exposed to credit risks related to our trade and bills receivables and other receivables.

We face credit risks attributable to our trade and bills receivables, as well as our prepayments and other receivables, which arise from amounts due from customers for the sale of our ACR systems and related services in the ordinary course of business. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our trade and bills receivables were RMB157.5 million, RMB209.6 million, RMB269.2 million and RMB290.2 million, respectively. Our average trade receivable turnover days were 40, 46, 42 and 45 days in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively. The changes in our trade and bills receivable turnover may have a material and adverse effect on our cash flow and liquidity position. See "Financial Information — Discussion of Selected Items from Our Consolidated Balance Sheets — Assets — Trade and Bills Receivables" for details. Additionally, our prepayments, deposits and other receivables as of December 31, 2023, 2024 and 2025 and June 30, 2026, were RMB109.2 million, RMB133.8 million, RMB127.9 million and RMB167.6 million, respectively. We cannot assure you that all our counterparties are creditworthy and reputable and will not default on us in the future, despite our efforts to conduct credit assessments on them. As a result, we are exposed to risks that our counterparties may fail to fulfill their obligations to us under our contracts.

If we fail to properly manage our inventory, we may experience shortages or excess levels, either of which could materially and adversely affect our business, financial condition and results of operations.

Our inventories primarily consist of raw materials, work-in-progress, finished goods, goods in transit and contract fulfillment costs. Rapid changes in customer demand and uncertainty surrounding new technologies expose us to significant inventory risks. If we underestimate demand, we may not be able to procure or produce sufficient inventory in time to meet customer needs, which could result in lost sales, damage to customer relationships and harm to our brand. Conversely, if we overestimate demand, we may incur excess inventory, which could lead to write-downs, write-offs or sales at discounted prices, adversely affecting our revenue and profitability.

Our ability to accurately forecast inventory needs depends on multiple factors, many of which are beyond our control. These include the evolving acceptance and commercialization of ACR solutions, rapid technological change, fluctuations in customer demand, competitive pressures, macroeconomic conditions, and unexpected events such as epidemics or supply chain disruptions. Failure to accurately forecast demand or effectively manage inventory levels could materially and adversely affect our operations, financial results and growth prospects.

In addition, given our relatively high inventory turnover days, we face increased risks related to cash flow management and financial performance. High inventory levels may result in significant working capital requirements, leading to increased pressure on cash flow, particularly if inventory is not sold within the expected timeframe. Excessive inventory buildup may also lead to inventory impairments, write-offs, or sales at discounted prices, which could reduce profitability. Failure to manage inventory effectively could lead to cash flow disruptions and adversely impact our liquidity, operational efficiency, and overall financial performance.

Our business is subject to a variety of laws, rules, policies and other obligations regarding cybersecurity, privacy and data protection in the markets in which we operate.

As we expand our global presence, we are subject to local and overseas laws relating to cybersecurity and data privacy, including the collection, use, retention, security and transfer of personal information. In many cases, these laws apply not only to third-party transactions, but also may restrict transfers of personal information among us and our subsidiaries. For instance, our operations in the United States are governed by a range of federal and state laws and regulations on data protection, storage, privacy, and information security. Several jurisdictions have enacted stringent laws governing data protection, and many others are actively considering imposing additional restrictions. These laws continue to develop and may be inconsistent from jurisdiction to jurisdiction. For instance, the European Union's General Data Protection Regulation ("**GDPR**") is one of the most comprehensive data protection laws globally. It imposes strict requirements on organizations regarding data processing, storing, transparency, and accountability, while granting individuals extensive rights over their personal data. Complying with emerging and changing requirements may cause us to incur substantial costs or require us to change our business practices.

Failure to comply with these regulations could expose us to severe penalties, legal liability, and reputational damage. Any failure by us to comply with applicable privacy-related or data protection laws and regulations could result in proceedings against us by governmental entities or others. In addition to reputational impacts, penalties could include ongoing audit requirements and significant legal liability. We have implemented systems and processes intended to secure our information technology systems and prevent unauthorized access to or loss of sensitive data and personal information, including using encryption and authentication technologies. For example, we must implement data storage strategies and compliance measures, which could increase operational costs to meet data storage regulations across different jurisdictions. These security measures may not be sufficient for all eventualities and may be vulnerable to hacking, employee error, malfeasance, system error, faulty password management or other irregularities. Our failure to safeguard data security and privacy may also harm our market reputation and relations with our customers or business partners.

If we fail to obtain or maintain the requisite licenses, permits, certificates and approvals required under the regulatory environments of the jurisdictions in which we operate, our business, financial condition and results of operations may be materially and adversely affected.

As a company operating across multiple markets, we are subject to diverse and evolving regulatory regimes. Our ACR solutions are overseen by various authorities in China and other jurisdictions, covering areas such as technology, safety, labor, environmental protection and data security. We may not always be able to obtain or renew the licenses and approvals required for our operations, and requirements vary significantly across jurisdictions. Changes in interpretation or enforcement could also occur. Failure to obtain or maintain approvals, or delays and costs in doing so, may result in fines, sanctions or restrictions, and in some cases suspension of operations. Any such events could disrupt our business and materially affect our financial condition and results of operations.

We are subject to risks relating to our historical underpayment of social insurance and housing provident fund contributions.

Under PRC laws and regulations, employers are required to make social insurance and housing provident fund contributions for their employees in full and on time, based on the applicable statutory contribution base. During the Track Record Period, we did not calculate such contributions for certain employees based on the statutory base (being the employees' average monthly wages in the previous year) and instead used a lower contribution base. As a result, we may be required by the relevant authorities to rectify such underpayment and make supplementary contributions, together with any applicable late payment surcharges or penalties.

As of the Latest Practicable Date, we had not received any administrative penalties relating to our historical underpayment of social insurance and housing provident fund contributions. However, there remains a possibility that competent authorities may require us to make up the

shortfalls in contributions and pay late fees where applicable. If the competent authorities determine that we have failed to pay social insurance contributions in full in accordance with the statutory requirements, we may be ordered to pay the shortfalls within a prescribed period of time and may be subject to a daily late fee of 0.05% of the overdue amount, and, in cases of failure to rectify within such period, a fine ranging from one to three times the overdue amount. 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.

The 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 the Company nor any of its subsidiaries received any written 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.

On July 31, 2025, the Supreme People's Court promulgated the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "New Judicial Interpretation"), which stipulated, among others, that any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid.

Our PRC Legal Advisor is of the view that the New Judicial Interpretation will not have a material adverse effect on our business, financial condition or results of operations, based on the following considerations: (i) upon its implementation, the New Judicial Interpretation did not affect the compliance status of our contributions to social insurance or expand our potential risk exposure arising from any failure to make full payment of the social insurance during the Track Record Period and up to the Latest Practicable Date; (ii) during the Track Record Period and up to the Latest Practicable Date, we had not entered into any agreement with, or otherwise required, any of our employees to waive, release or exempt us from our obligation to make social insurance contributions; and (iii) we have made arrangements for the payment of the relevant social insurance contributions for all of our employees during the Track Record Period and up to the Latest Practicable Date.

Notwithstanding the foregoing, there can be no assurance that employees will not lodge complaints in the future, or that the relevant authorities will not adopt a stricter enforcement approach or adjust their enforcement practices. If competent authorities determine that we historically failed to make adequate social insurance or housing provident fund contributions, they may require us to make supplementary contributions, impose late payment surcharges or administrative penalties, or take other enforcement actions. Any such developments could increase our operating costs and adversely affect our financial condition and results of operations.

We face potential operational and safety risks in our business.

We are subject to operational and safety risks in our production and assembly activities, including labor unrest, public health emergencies, natural disasters, utility disruptions, equipment failures, supply chain interruptions and compliance challenges across jurisdictions. Such events could damage facilities, cause injury or environmental harm, and result in significant business disruption. Any prolonged or severe incident could impair our ability to deliver ACR solutions on time and at acceptable cost, leading to financial losses, reputational damage and adverse effects on our business, financial condition and results of operations.

Moreover, our business involves on-site project implementation, installation, testing, lifting and other operational procedures, which may subject us to workplace safety risks. During the Track Record Period, one of our subsidiaries was involved in a workplace accident at a project implementation site operated by a third party end customer in Shanghai, which resulted in one death and one injury and led to an administrative fine of RMB600,000 imposed on such subsidiary. This incident did not have any material adverse impact on our business operations or financial performance, and we have since implemented rectification measures and enhanced internal controls in relation to workplace safety following this incident. However, there can be no assurance that similar incidents will not occur in the future. Any such incident may result in personal injury or loss of life, regulatory investigations or penalties, civil claims, project delays, reputational damage and diversion of management attention, which could adversely affect our business, financial condition and results of operations.

We may not be able to adequately protect or enforce our intellectual property rights across all jurisdictions where we operate, and our efforts to do so may be costly and uncertain.

Our business depends on protecting the proprietary technologies underlying our ACR solutions. 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, representing the largest portfolio among ACR solution providers, according to CIC. Our measures to safeguard our intellectual property may be limited and vary across jurisdictions. Competitors may copy, reverse engineer or develop similar solutions, and enforcing rights globally is costly, uncertain and may divert management resources. Patent applications may not result in issued patents, and granted patents may be challenged, invalidated or circumvented. If we cannot adequately protect or enforce our intellectual property, our competitive position could be weakened and our business, financial condition and results of operations materially affected.

Claims by third parties for alleged infringement of their intellectual property rights and other litigation could materially and adversely affect our business and results of operations.

We operate in an industry characterized by extensive and overlapping intellectual property rights, many of which are of unclear scope, validity or enforceability. As a result, we may be subject to claims alleging that our solutions, technologies or business practices infringe, misappropriate or otherwise violate third-party intellectual property rights, including patents, copyrights and trade secrets. Such claims may arise in connection with our research and development activities, the hiring of personnel from other technology companies, or the later issuance of patents that were unpublished at the time our solutions were developed. We were involved in certain intellectual property protection and infringement claims during the Track Record Period and all such proceedings had been fully settled as of the Latest Practicable Date. However, we may be subject to such claims in the future.

If resolved adversely to us, intellectual property claims could result in significant damages, injunctions limiting our ability to sell or develop solutions, or the need to obtain licenses, pay royalties, redesign our solutions or discontinue certain operations. Even claims without merit can be costly, time-consuming and disruptive, divert management attention and harm our reputation. We may also face indemnification claims from customers or partners and opportunistic claims from non-practicing entities. As our operations and technology portfolio expand globally, our exposure to such risks may increase. Failure to defend against or resolve these claims on commercially acceptable terms could materially and adversely affect our business, financial condition and results of operations.

Our production process relies on components and raw materials that may be subject to price fluctuations or shortages.

Certain components of our ACR solutions are sourced from a limited number of suppliers and may be subject to price fluctuations, lead-time variability or supply constraints. Disruptions in the robotics supply chain or related industries could increase procurement costs or delay project delivery, which may adversely affect our ability to deploy solutions on schedule.

If we are unable to obtain adequate replacement parts or additional raw materials in a timely manner, or if such materials are only available at premium prices, our production costs could increase significantly. Any sustained shortage or cost escalation would materially and adversely impact our ability to execute our growth strategy, reduce our competitiveness, and ultimately harm our business, results of operations, financial condition, and the value of our securities.

Our technology infrastructure may experience unexpected system failure, interruption, inadequacy, security breaches or cyber-attacks.

Our technology infrastructure may encounter disruptions or other outages caused by problems or defects in our own technologies and systems, such as malfunctions in software or network overload. Our technology infrastructure may be vulnerable to damage or interruption caused by telecommunication failures, power loss, human error, cyber-attacks or other accidents. Despite any precautionary measures we may take, the occurrence of unanticipated problems that affect our technology infrastructure could result in interruptions in the availability of our ACR solutions and services. There is no assurance that we can respond to such interruptions in a timely manner, or at all. Such interruptions may affect the ability of customers to use cloud-based features of our ACR solutions and services, which would damage our reputation, reduce our future revenues, harm our future profits, subject us to regulatory scrutiny and lead our customers and end-users to seek alternative solutions and services.

Furthermore, our technology infrastructure is also vulnerable to damages from fires, floods, earthquakes and other natural disasters, power loss and telecommunication failures. Any network interruption or inadequacy that causes interruptions to our operations, or failure to maintain the networks and servers or solve such problems in a timely manner, could reduce our customer and user satisfaction, which in turn could adversely affect our reputation, business and financial condition.

Our business strategies require a significant amount of capital. If we fail to obtain sufficient financing to support our business development, our business operation, financial condition, and prospects may be materially and adversely affected.

Our business and strategy are capital-intensive, requiring substantial investment in R&D, production capacity, and marketing. Actual expenditures may exceed expectations, and we may need to raise additional funds through equity or debt financing. There is no assurance that financing will be available on acceptable terms, or at all. Insufficient capital could force us to reduce spending, delay or cancel initiatives, or adjust our strategy, adversely affecting our business and prospects. Issuing additional equity could dilute shareholders and reduce dividends per share, while incurring debt would increase repayment obligations and may impose restrictive covenants on our operations and dividend payments.

We may face liquidity and financial risks due to our leverage level during the Track Record Period.

Our leverage level remained high throughout the Track Record Period. Our debt-to-asset ratio, calculated as total debt divided by total assets, was 2.3, 2.4, 2.1 and 2.3 as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. Such leverage level reflects the capital required to support our growth and continued investments, but it also indicates the level of our reliance on external financing.

Our ability to meet our financial obligations, fund our operations and support our expansion will depend primarily on our capacity to generate sufficient operating cash flows and to obtain external financing when needed. Our access to financing may be influenced by factors such as our future operating and financial performance, our credit profile, industry conditions, lender sentiment and broader capital market conditions, many of which are beyond our control. If we are unable to secure additional financing on acceptable terms and in a timely manner when required, we may need to scale back or delay certain development or expansion plans, which could materially and adversely affect our business, financial condition and results of operations.

Our business operations may be materially and adversely affected by international trade policies, sanctions, export controls and related restrictions.

In recent years, the United States has expanded sanctions and export control restrictions on China through the Export Administration Regulations ("**EAR**"), administered by the Bureau of Industry and Security ("**BIS**"). These include the interim final rules issued in October 2022 and October 2023 (the "**BIS 2022/23 IFRs**"), which significantly restrict China's access to advanced computing integrated circuits, semiconductor manufacturing equipment, and related technologies. BIS also maintains lists of entities subject to heightened restrictions, such as the Entity List, which can be updated unpredictably and immediately cut off access to U.S.-origin goods and technologies. Similar measures have been adopted or are under consideration in other jurisdictions, including the European Union. These controls may limit our ability to obtain key components or technologies, or restrict our ability to serve certain customers in affected countries, territories or industries.

With respect to U.S. export controls, in October 2022, BIS issued an interim final rule (the "**BIS October 2022 IFR**") aimed at restricting China's ability to obtain advanced computing integrated circuits, develop and maintain supercomputers, and manufacture advanced semiconductors. In October 2023, BIS issued another interim final rule (the "**BIS October 2023 IFR**") that updated and expanded U.S. export controls imposed by the BIS October 2022 IFR (collectively, the "**BIS 2022/23 IFRs**"). Among other measures, the BIS 2022/23 IFRs add to the Commerce Control List (which is a list of commodities, software, and technologies that are subject to the EAR's more restrictive controls) certain advanced and high-performance computing integrated circuits and computer commodities that contain these integrated circuits, and impose new or expanded license requirements for items subject to the EAR destined for an end-use in the development or production of supercomputers, certain types of advanced node integrated circuits and advanced, or semiconductor manufacturing equipment in certain jurisdictions, including China. These restrictions have particularly impacted Chinese companies involved in the development and manufacturing of innovative technologies.

In addition to the restrictions introduced by the BIS 2022/23 IFRs, BIS maintains lists of persons that are subject to enhanced export control restrictions. One such list, the Entity List, includes a list of foreign persons on which certain trade restrictions are imposed, including business, research institutions, government and private organizations, individuals and other types of legal persons. The United States in recent years has placed an increasing number of entities, including a number of entities in China, on the Entity List and other restricted or prohibited parties lists. These lists may be updated unpredictably, and once a party is added to the Entity List, it becomes subject to severe restrictions on access to certain U.S.-origin goods and technologies. Given the sudden and unpredictable nature of these determinations, it is difficult to predict developments in this area and we have no ability to influence such determinations. As these export controls laws and regulations continue to expand and evolve, future sanctions and export controls may materially affect or target some of our significant customers or suppliers, raw materials or key components or technologies necessary for our operations, in which event our business may be affected if we fail to promptly secure alternative customers or sources of supply on terms acceptable to us.

In response to Russia's conflict with Ukraine, the United States, the European Union, the United Kingdom, and other jurisdictions have continued to expand far-reaching sanctions and export controls on Russia and numerous Russian entities and individuals, such that sales to or other business in Russia or with such restricted parties are subject to heightened regulatory risk. These measures include asset freezes, extensive financial sector restrictions, service bans (including certain professional and technology services), tightened dual-use and advanced technology export controls, and increased enforcement against evasion networks across third countries. Throughout 2025, authorities further broadened sectoral restrictions, introduced new designations, and enhanced ownership/control tests, while stepping up coordination on secondary sanctions and compliance expectations, making it increasingly difficult for firms to engage, directly or indirectly, with Russian counterparties. These measures, as well as other economic and trade sanctions maintained by the United States, the European Union, the United Kingdom, and other jurisdictions, may prohibit or restrict our ability to, directly or indirectly, conduct activities or dealings in or with certain targeted countries and territories or involving certain targeted persons, or otherwise affect our business. Authorities have also intensified enforcement, including inquiries into supply-chain routing, beneficial ownership, and technology transfers, and have signaled continued updates to sanctions regimes, export controls, and price-cap policies with limited notice. Any failure to successfully comply with applicable sanctions or export control rules may expose us to negative legal and business consequences, including civil or criminal penalties, loss of access to controlled technologies and markets, contractual default, and government investigations. Even where permitted, enhanced compliance requirements, counterparties' risk aversion, payment and logistics disruptions, and evolving guidance may delay transactions, increase costs, and adversely affect our operations and financial performance.

Additionally, these regulatory risks are compounded by the uncertainty and fluidity of international trade policies and the evolving nature of domestic regulations in key markets. Governments around the world are increasingly focusing on national security concerns, data privacy, and the protection of critical infrastructure, leading to more stringent regulations in areas such as cybersecurity, data governance, and intellectual property protection. The growing complexity of these regulatory environments, combined with the shifting geopolitical landscape, means that our ability to predict and adapt to future sanctions, export controls, and trade restrictions may be increasingly challenged, potentially affecting our competitiveness and operational flexibility.

Changes in international trade and investment policies, escalating geopolitical tensions, particularly those involving China, and increased scrutiny from customs and other authorities could materially and adversely impact our business and operating results. In recent years, heightened international tensions have already led to shifts in trade policies and the imposition of additional trade barriers, and such developments may continue. Tariffs and other trade restrictions are frequently imposed, modified, or removed in response to a wide range of global and domestic economic and political conditions, making it difficult to anticipate future trade policy developments. For companies like us that operate across multiple jurisdictions, these dynamics further increase the level of uncertainty and unpredictability we face in managing our business.

On July 28, 2026, the U.S. Federal Communications Commission (the "FCC") added foreign-produced "advanced robotic devices" to its Covered List. Previously authorized models may continue to be imported, marketed, sold, and used, but new covered models generally cannot obtain FCC equipment authorization and may not be imported, marketed, or sold unless they receive FCC conditional approval based on a favorable national security determination from the U.S. Department of War, or qualify as a "domestic end product" under the Buy American standard. "Foreign-produced" means devices that do not meet the "domestic end product" definition, which generally requires U.S. manufacturing and specified thresholds of U.S.-origin components. If we cannot qualify our products as domestic end products or obtain conditional approval in the United States, we may need to delay product launches in the United States, redesign our products for the U.S. market, localize production in the United States, or limit our sales in the United States, any of which could increase costs and adversely affect our business, financial condition, and results of operations.

Recent developments in international trade relations have led to increased tariffs on multiple product categories across several of our operating markets. In April 2025, the U.S. government implemented a two-tier tariff structure, comprising a universal 10% baseline tariff on all imports and additional reciprocal tariffs targeting specific countries and regions, including China, the European Union, and Japan. Although reciprocal tariffs were temporarily suspended for most regions on April 10, 2025, China remained subject to elevated rates. In response, China and the European Union announced increased tariffs on U.S. goods entering their borders. On May 12, 2025, China and the U.S. reached a temporary agreement to de-escalate bilateral tariffs, with the U.S. reducing additional tariffs on most Chinese exports from 145% to 30%, and China lowering its tariffs on U.S. goods from 125% to 10%. However, other planned tariff hikes were only suspended, not revoked. On June 10 and 11, 2025, the U.S. government reaffirmed that tariffs on Chinese imports would remain at a combined rate of 55%, comprising a 25% Section 301 tariff (in place since 2018), a 20% tariff introduced in February 2025, and a 10% reciprocal tariff imposed on April 2, 2025. While certain low-value shipments may qualify for the *de minimis* exemption under U.S. customs regulations, this threshold does not apply to most of our shipments and offers limited relief. If U.S. authorities tighten enforcement or eligibility criteria, our customers may face higher costs, which could reduce demand or pressure our pricing. In November 2025, following a summit between U.S. and Chinese leaders, both governments announced tariff reductions and suspensions. The U.S. lowered its additional tariffs on Chinese imports to a flat 10% and suspended heightened reciprocal tariffs until November 2026. China, in turn, suspended up to 15% retaliatory tariffs on U.S. agricultural goods while maintaining a 10% baseline levy. In July 2026, following the completion of a Section 301 investigation into the prohibition and elimination of merchandise produced with forced labor, the U.S. government imposed additional tariffs on imports from a number of trading partners, including China. Effective July 24, 2026, certain Chinese-origin products imported into the United States, including certain of our products, became subject to an additional 12.5% tariff under these measures. As a result, the applicable Section 301 tariff rate on certain of our products has increased, which may increase the costs associated with importing our products into the United States and could adversely affect our pricing, competitiveness and results of operations.

Global trade tensions remain elevated and may further intensify. Additional trade policy actions, including new tariffs, export controls, or restrictions on technology transfers, may be introduced with little notice. Such developments could disrupt our supply chains, increase operating costs, and create regulatory uncertainty.

More generally, unfavorable actions or escalations by countries and regions in which we operate, such as the imposition of tariffs, quotas, embargoes, safeguards, customs restrictions, capital controls or other measures, could reduce demand for our products and solutions, weaken the competitive position of our offerings, increase our costs, or delay the shipment and delivery of solutions, any of which could adversely affect our business and financial condition. In response, we may be required to adjust our business model or practices, but there can be no assurance that we

will be able to do so successfully, in a timely manner, or at all. Failure to adapt could materially and adversely affect our business, financial condition and results of operations, and may even result in the temporary suspension of our operations in certain jurisdictions.

U.S. persons* [REDACTED] *our Shares in the* [REDACTED] *may be required to file notifications with the Treasury under the U.S. government's new China-focused Outbound Investment Program, and we could be negatively impacted by possible changes to this program; these requirements and possible changes to the program may adversely affect our business, financial condition, results of operations, and the value of our Shares.

On August 9, 2023, Executive Order 14105 (Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern) was issued and the U.S. Department of the Treasury ("**Treasury**") published an advanced notice of proposed rulemaking (the "**ANPRM**") providing a conceptual framework for outbound investment controls focused on China, including the Special Administrative Regions ("**SAR**") of Hong Kong and Macau. On June 21, 2024, Treasury issued a proposed rule for such outbound investment controls. On October 28, 2024, Treasury issued a final rule (the "**Final Rule**"; and such program as in effect on the date hereof pursuant to the Final Rule, the "**OIP**") setting forth the OIP regulations that implement the executive order of August 9, 2023. The Final Rule took effect on January 2, 2025.

Under the Final Rule, a Covered Transaction (as defined in the Final Rule) may be a Prohibited Transaction which is outright prohibited or a Notifiable Transaction that is subject to notification requirements. In addition, certain transactions that would have been considered prohibited or notifiable transactions may be exempted from the prohibition or notification requirements and may be considered an Excepted Transaction under the Final Rule if certain conditions are met.

As advised by the International Sanctions Legal Advisor, we are not a Covered Foreign Person under the Final Rule, because we do not currently engage in a Covered Activity or otherwise meet the definition of a Covered Foreign Person. However, there is no assurance that the U.S. Department of the Treasury will take the same view as ours. As our business continues to evolve, we may, in the future, be deemed a Covered Foreign Person engaged in activities described in the definition of Notifiable Transaction under the OIP. Certain U.S. person transactions with Covered Foreign Persons that meet the criteria described in the "Notifiable Transaction" definition under the OIP are covered by the OIP's U.S. person notification requirements unless an exception is available. U.S. persons' or their non-U.S. person subsidiaries' purchase of certain publicly traded securities may be eligible for the Publicly Traded Securities Exception (provided such U.S. persons or their non-U.S. person subsidiaries are not afforded rights beyond standard minority shareholder protections with respect to the Company), it appears unlikely that U.S. persons' or their non-U.S. person subsidiaries' [**REDACTED**] of our Shares to be [**REDACTED**] in the [**REDACTED**] would be eligible for the Publicly Traded Securities Exception. If the Publicly Traded Securities Exception is unavailable for U.S. persons that either [**REDACTED**] our Shares in the [**REDACTED**] or are the parent of a non-U.S. person that [**REDACTED**] our Shares in the [**REDACTED**], such U.S. persons may be required to file a notification regarding such [**REDACTED**] with Treasury no later than 30 days after the relevant [**REDACTED**]. It would be U.S. persons, but not their non-U.S. persons subsidiaries, whose reliance would be at issue because the OIP applies to the actions of U.S. persons. [**REDACTED**], including those that are U.S. persons or are subsidiaries of U.S. persons, should consult their legal counsel regarding the applicability of the Publicly Traded Securities Exception to the [**REDACTED**], notification obligations, if any, applicable to them under the OIP, and the procedures for filing such notifications.

Failing to comply with the OIP notification requirements or failing to provide accurate and complete information in a filing under the OIP may subject the relevant U.S. persons to civil penalties including fines of up to the greater of two times the transaction value or US$377,700 (as such amount may be adjusted for inflation), and — for willful violations — criminal penalties of fines of up to US$1 million and imprisonment of up to 20 years. No publicly available precedent exists for application of the OIP regulations by Treasury or any court or other regulatory, judicial or other legal authority to specific transactions. In addition, the OIP may be changed by executive actions of the U.S. government, including changes to the scope of activities and technologies applicable to notifiable or prohibited transactions or the scope and availability of exceptions to the OIP's prohibitions or notification requirements. Specifically, on January 20, 2025, the U.S. government issued a national security presidential memorandum, entitled "America First Trade Policy," which, among other things, directs the Secretary of the Treasury and several other executive departments and offices of the U.S. government to review the OIP to determine if it includes "sufficient controls to address national security threats" and to determine whether the executive order implementing the OIP "should be modified or rescinded and replaced." In addition, on February 21, 2025, the U.S. government issued a national security presidential memorandum

entitled "America First Investment Policy" which, among other things, states that the U.S. government will consider possible application of the OIP to a wider range of technology sectors, including biotechnology, hypersonics, aerospace, advanced manufacturing, directed energy, and other areas "implicated by the PRC's national Military-Civil Fusion strategy" and application of restrictions to a wider range of investments, including publicly traded securities.

On April 3, 2025, the Trump Administration stated that it plans to evaluate whether the scope of outbound investment restrictions should be expanded "to be responsive to developments in technology and the strategies of countries of concern." Additionally, The Comprehensive Outbound Investment National Security Act of 2025 (COINS Act), included in the Fiscal Year 2026 National Defense Authorization Act signed on December 18, 2025, broadened the scope of the OIP and authorized Treasury to promulgate implementing regulations within 450 days. As such, additional possible changes to the OIP could limit or, in the worst-case scenario, eliminate our ability to raise capital or contingent equity capital (such as convertible bonds) from U.S. [**REDACTED**] in the future, or our ability to raise such capital may be significantly and negatively affected, which could be detrimental to our capital-raising capacity and our business, financial condition and prospects. In addition, changes to the Publicly Traded Securities Exception or other aspects of the OIP could prohibit the [**REDACTED**] or [**REDACTED**] of our Shares by U.S. persons, impose new notification or other regulatory requirements, or make our Shares less attractive to such [**REDACTED**]. In such cases, the value of our Shares may significantly decline, or in extreme cases, become worthless, and our liquidity may be materially and adversely affected.

We, our Directors, management, employees and shareholders and their affiliates may be subject to lawsuits, contract disputes, employment-related controversies, and other legal and administrative proceedings or fines, which could have a material adverse effect on our business, results of operations, financial condition and reputation.

We, our Directors, management, employees, shareholders and their affiliates may from time to time be subject to lawsuits, disputes, investigations or other legal and administrative proceedings, including contract, employment, intellectual property, regulatory or securities-related matters. Such matters may arise in the future and could involve substantial costs, management distraction, adverse publicity, fines, penalties, settlements or judgments. Even claims without merit may be costly and time-consuming to defend and could harm our reputation or disrupt our operations. In addition, litigation or investigations involving our Directors, officers or other related parties, including shareholder or class actions or matters arising from their roles at other companies, may expose us to indemnification obligations or other liabilities. Any adverse outcome, or the costs associated with defending such matters, could materially and adversely affect our business, financial condition, results of operations, cash flows and reputation.

We face exposure to foreign currency risks.

We are exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. See also Note 41 to the Accountants' Report included in Appendix I to this Document. In addition, as the net [**REDACTED**] from the [**REDACTED**] will be in Hong Kong dollars, fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi in terms of the [**REDACTED**] from the [**REDACTED**]. Moreover, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar or U.S. dollar would affect our financial results in Hong Kong dollar or U.S. dollar terms without giving effect to any underlying change in our business or results of operations.

Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China's foreign exchange regime and policy. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against other currencies in the future. It is difficult to predict how market forces or relevant government policies may impact the exchange rate between the Renminbi and other currencies in the future.

We face risks relating to unregistered leases and potential early lease terminations.

Certain of our lease agreements have not been registered or filed with the relevant PRC regulatory authorities, as required under the PRC laws and regulations. Both lessors and lessees may be subject to administrative penalties if they fail to rectify the non-compliance within the prescribed time frame after receiving regulatory notice. Under relevant PRC laws and regulations,

if a lease is not registered, the authorities may impose fines ranging from RMB1,000 to RMB10,000 for each unregistered lease. We cannot assure you that the lessors will cooperate in completing the registration procedures in a timely manner, or at all, once required by regulators. If fines are imposed on us for unregistered leases, we may not be able to recover such losses from the lessors. We may also be exposed to risks of unexpected early lease termination at the request of the lessors or for reasons beyond our control. If we are unable to identify suitable replacement premises on acceptable terms within a short period, the affected facilities may need to be temporarily closed. These events could disrupt our operations and materially and adversely affect our business, financial condition and results of operations.

A severe or prolonged downturn in regional or global economic conditions could materially and adversely affect demand for our solutions and, in turn, our business, financial condition and results of operations.

Geopolitical, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, investor sentiment, inflation and the availability and cost of capital and credit have been and will continue to affect the markets where we operate. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies Recent developments such as the ongoing conflict in Ukraine, instability in the Middle East, and rising protectionism have further increased geopolitical risk and market volatility. In addition, global supply chain disruptions, energy security concerns, and climate-related shocks have added complexity to global operations and capital flows. These factors may adversely affect global liquidity, increase funding costs, and heighten recessionary risks in key markets. It is unclear whether these challenges will be resolved in the near term or whether they will lead to structural shifts in global trade and investment patterns.

Given that a significant portion of our operations is based in the PRC, our business is also subject to economic, political, regulatory, and legal developments in the PRC. These include evolving data governance rules, cross-border capital controls, and changes in industrial policy. Any severe or prolonged slowdown in the global or PRC economy may materially and adversely affect our business, results of operations and financial condition.

We face risks related to natural disasters, public health emergencies, and other force majeure events that could materially and adversely affect our business, operations, and financial condition.

Our business may be disrupted by natural disasters such as floods, earthquakes, wildfires, droughts, sandstorms, or extreme weather events, as well as by outbreaks of contagious diseases including SARS, Ebola, Zika, COVID-19, or future pandemics. In addition, geopolitical instability, acts of war or terrorism, cyberattacks, and other unforeseen events beyond our control may also pose significant operational risks. These events could interrupt our research and development, manufacturing, supply chain, and commercialization activities, damage our technology infrastructure or IT systems, and impact the health, safety, and productivity of our workforce. The increasing frequency and severity of climate-related disasters and global health threats have underscored the vulnerability of global operations and digital infrastructure. Any such disruption could materially and adversely affect our business performance, financial condition, and growth prospects.

The use of outsourced personnel may expose us to operational, compliance and reputational risks.

We engage third-party human resources service providers to supply certain personnel who are employed by those providers rather than directly by us. As a result, our ability to supervise and manage them is more limited than for our own employees. If outsourced personnel fail to comply with our standards or protocols, our operations, customer satisfaction and reputation could be adversely affected. There is no assurance that the providers will fully adhere to them. If a provider breaches its obligations, outsourced personnel may nonetheless seek recourse against us, potentially exposing us to legal liability, additional costs or labor disputes. Any such events could materially and adversely affect our business, financial condition, results of operations and reputation.

Higher labor costs and inflation may adversely affect our business, results of operations, financial condition and prospects.

Rising inflation could increase the cost of raw materials and components from our suppliers. In addition, changes in minimum wage laws, labor market conditions and heightened competition for skilled personnel may drive up labor expenses. Such developments may increase the compensation we provide to our employees as well as the fees we pay to third-party service providers.

Sustained increases in labor and material costs may also require us to adjust the pricing of our solutions. However, higher prices could reduce customer demand, erode our market share, or adversely affect our competitive position. If we are unable to effectively manage rising costs or pass them on without negatively affecting customer demand, our business and financial performance could be materially and adversely affected.

Risks Relating to Doing Business in the Jurisdictions Where We Operate

[**REDACTED**] ***may experience difficulties in effecting service of legal process and enforcing judgments against us and our Directors, Supervisors and management.***

We are a company incorporated under the laws of the PRC and a substantial majority of our assets are located in the PRC. The majority of our Directors and senior management reside within the PRC. The assets of these Directors and senior management also may be located within the PRC. As a result, it may not be possible to effect service of process upon most of our Directors and senior management outside the PRC.

Although we will be subject to the Listing Rules and the Takeovers Code upon the [**REDACTED**] of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Takeovers Code do not have the force of law in Hong Kong.

We are subject to the currency exchange regulatory system.

The conversion of RMB is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the [**REDACTED**], we will be able to pay dividends in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, operating results and financial condition, may be affected.

We could be subject to changes in our tax rates, the adoption of new local or overseas tax legislation or exposure to additional tax liabilities.

We may be subject to changes in tax rates, new tax legislation or additional liabilities in China and overseas. In the PRC, the standard enterprise income tax rate is 25%, though certain subsidiaries have enjoyed preferential rates, such as 15% for High-tech Enterprises. We recorded income tax expenses of RMB1.0 million, RMB3.0 million, RMB15.2 million and RMB1.0 million in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively. Any changes to preferential policies or increases in our effective tax rate would raise our tax burden. The PRC authorities may also amend rules on income, withholding, value-added and other taxes, and non-compliance could result in penalties. We are further subject to complex and evolving tax regimes in multiple overseas jurisdictions. Differences in tax laws, enforcement practices or changes in rates could lead to disputes, penalties or higher effective tax rates. Our tax positions may be challenged by authorities, and adverse outcomes could increase liabilities, divert management resources and negatively affect our financial condition, results of operations and cash flows.

The evolving legal systems in the jurisdictions where we operate could affect our business, financial condition and results of operations.

The legal systems in the jurisdictions where we operate vary significantly and, in some jurisdictions, are quickly evolving, subject to administrative discretion and divergent interpretation or enforcement. As a result, the application of laws and regulations to our business may differ across jurisdictions, contractual rights or foreign judgments and arbitral awards may be difficult to enforce, and regulatory requirements may be applied retroactively or inconsistently. In addition, legal and regulatory proceedings in certain jurisdictions may be lengthy, unpredictable and costly, and changes in laws, regulations or enforcement practices could increase compliance burdens, disrupt operations or adversely affect our business, financial condition and results of operations.

We are a PRC enterprise and we are subject to PRC tax on our global income, and any gains on the* [REDACTED] *of our H Shares by* [REDACTED] *and dividends paid to* [REDACTED] *on our H Shares may be subject to PRC tax.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to dividends paid to them by us and the gains realized upon the [**REDACTED**] or other [**REDACTED**] of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the IIT Law and its implementation guidelines. Accordingly, in principle we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H shares. However, pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions had expressly provided whether individual income tax shall be levied from non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individual holders on gains from the [**REDACTED**] of H shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問 題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [**REDACTED**]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities will be in accordance with the then effective laws and regulations and may change, and new taxes may be imposed, which in either case may adversely affect the value of your [**REDACTED**] in our H Shares.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may be paid only out of distributable profits, which are subject to PRC regulatory requirements, including the offset of accumulated losses and appropriations to statutory reserves. As a result, we may not have sufficient distributable profits to pay dividends, even in profitable years. Differences between PRC GAAP and IFRS Accounting Standards may also limit the ability of our PRC subsidiaries to distribute profits to us. In addition, future changes to PRC dividend distribution rules could further restrict the funds available for dividends and business development.

Risks Relating to The WVR Structure

The concentration of our Shares' voting power limits our Shareholders' ability to influence corporate matters.

Our Company is controlled through weighted voting rights. The WVR Beneficiaries are Mr. Chen, Mr. Xu and Mr. Fang. Immediately upon the completion of [**REDACTED**], Mr. Chen, Mr. Xu, Mr. Fang and Hairou Weizheng whose general partner is Mr. Chen, will beneficially own [**REDACTED**] Class A Ordinary Shares and [**REDACTED**] Class B Ordinary Shares together, representing approximately [**REDACTED**]% of the voting rights in our Company (assuming the [**REDACTED**] is not exercised) with respect to shareholder resolutions relating to matters other than the Reserved Matters and Special Matters. Mr. Chen, Mr. Xu and Mr. Fang therefore have significant influence over matters such as decisions regarding mergers and consolidations, election of directors, and other significant corporate actions. See "Share Capital — H-share Weighted Voting Rights Structure" for further details about our shareholding structure. This concentrated voting power limits or severely restricts our Shareholders' ability to influence corporate matters and, as a result, we may take actions that our Shareholders do not view as beneficial. As a result, the [**REDACTED**] of our Class B Ordinary Shares could be adversely affected.

Holders of our Class A Ordinary Shares may exert substantial influence over us and may not act in the best interests of our other Shareholders.

Our WVR Beneficiaries are in a position to exert significant influence over the affairs of our Company and will be able to influence the outcome of any shareholders' resolutions, irrespective of how other shareholders vote. The interests of the holders of our Class A Ordinary Shares may not

necessarily be aligned with the interests of our Shareholders as a whole, and this concentration of voting power may also have the effect of delaying, deferring or preventing a change in control of our Company. This concentrated voting power could discourage others from pursuing any potential merger, takeover, or other change of control transactions that holders of Class B Ordinary Shares may view as beneficial, and may also discourage, delay, or prevent a change of control of our Company, which could have the effect of depriving our other Shareholders of the opportunity to receive a premium for their Shares as part of a sale of our Company and may reduce the price of our Class B Ordinary Shares.

Risks Relating to the [REDACTED]

There has been no prior* [REDACTED] *for our H Shares and the* [REDACTED] *and* [REDACTED] *of our H Shares may be volatile.

Prior to the completion of the [**REDACTED**], there has been no [**REDACTED**] for our H Shares. There can be no guarantee that an active [**REDACTED**] for our H Shares will develop or be sustained after the completion of the [**REDACTED**]. The [**REDACTED**] is the result of negotiations between our Company and the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), which may not be indicative of the [**REDACTED**] at which our H Shares will be [**REDACTED**] following completion of the [**REDACTED**]. The [**REDACTED**] of our H Shares may drop below the [**REDACTED**] at any time after completion of the [**REDACTED**].

The* [REDACTED] *of our H Shares may be volatile, which could result in substantial losses to you.

The [**REDACTED**] of our H Shares may be volatile and subject to factors beyond our control, including overall market conditions in Hong Kong, China, the United States and elsewhere. Market performance of other Chinese mainland-based companies [**REDACTED**] in Hong Kong, many of which have experienced significant volatility after their [**REDACTED**], may also affect [**REDACTED**] sentiment and the [**REDACTED**] performance of our H Shares. In addition, under PRC law, all existing Shareholders are subject to a 12-month lock-up following the [**REDACTED**], which may limit [**REDACTED**] and [**REDACTED**] in the short term. These factors may materially impact the [**REDACTED**] and volatility of our H Shares, regardless of our actual operating performance.

Future sales or perceived sales of substantial amounts of our H Shares in the* [REDACTED] *could have a material adverse effect on the* [REDACTED] *of our H Shares and our ability to raise additional capital in the future.

The [**REDACTED**] of our H Shares could decline as a result of future [**REDACTED**] of a substantial number of our H Shares or other securities relating to our H Shares in the [**REDACTED**], or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

You will incur immediate and substantial dilution if the* [REDACTED] *of the* [REDACTED] *is higher than the net tangible asset value per Share and may experience further dilution if we* [REDACTED] *additional Shares in the future.

The [**REDACTED**] of the [**REDACTED**] is higher than the net tangible asset value per Share immediately prior to the [**REDACTED**]. Therefore, [**REDACTED**] of the [**REDACTED**] in the [**REDACTED**] will experience an immediate dilution. There can be no assurance that if we were

to immediately liquidate after the [**REDACTED**], any assets would be distributed to Shareholders after the creditors' claims. To expand our business, we may consider [**REDACTED**] additional Shares in the future. [**REDACTED**] of the [**REDACTED**] may experience dilution in the net tangible asset value per Share of their Shares if we [**REDACTED**] additional Shares in the future at a [**REDACTED**] which is lower than the net tangible asset value per Share at that time.

Forward-looking statements contained in this Document are subject to risks and uncertainties.

This document contains forward-looking statements using terms such as "anticipate," "believe," "could," "going forward," "intend," "plan," "project," "seek," "expect," "may," "ought to," "should," "would," or "will," and similar expressions. Reliance on these statements involves risks and uncertainties, and any assumptions underlying them may prove inaccurate. As a result, the forward-looking statements based on those assumptions may also be incorrect. These statements should be considered in light of various risks, including those in this section. Subject to the requirements of the Listing Rules, we do not intend to publicly update or revise these statements unless required. Accordingly, undue reliance on forward-looking information should be avoided. All forward-looking statements in this document are qualified by this cautionary statement.

***You should read the entire Document carefully and should not rely on any information contained in press articles or other media regarding us and the* [REDACTED].**

We caution [**REDACTED**] not to rely on press or media reports regarding our Company or the [**REDACTED**]. Such coverage may contain information, including financial data, projections or valuations, that is not included in this Document and has not been authorized by us or any party involved in the [**REDACTED**]. Neither we nor the [**REDACTED**] accept responsibility for the accuracy or completeness of such information. In case of any inconsistency, you should rely solely on the information contained in this Document.

In preparation for the [**REDACTED**], our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, a new applicant for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

We do not have, or do not contemplate in the foreseeable future that we will have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 and Rule 19A.15 of the Listing Rules. Our management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. The Directors consider that either by means of relocation of our existing executive Director or appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. As such, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. We will ensure that there is a regular and effective communication between us and the Stock Exchange by way of, among others, the following conditions:

(i) pursuant to Rules 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, who will act as our principal channel of communication with the Stock Exchange and ensure that our Company complies with the Listing Rules at all times. The two authorized representatives appointed are Ms. Zeng Hongni ("**Ms. Zeng**"), our executive Director and chief financial officer, and Ms. Ho Sze Wah Cecilia ("**Ms. Ho**"), (the "**Authorized Representatives**"). Ms. Ho is situated and based in Hong Kong, and will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange. Both of the Authorized Representatives will be readily contactable by telephone, facsimile (if applicable) and email to deal promptly with enquiries from the Stock Exchange. Our Company has provided contact details of the two Authorized Representatives to the Stock Exchange;

(ii) both Authorized Representatives have means to contact all Directors (including the independent non-executive Directors) and senior management team promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. Our Company has implemented a policy whereby (i) each Director has provided their respective valid phone numbers or other means of communication to the Authorized Representatives; and (ii) in the event that a Director expects to travel or is otherwise out of office, he/she will endeavor to provide his/her phone number of the place of his/her accommodation to the Authorized Representatives or maintain an open line of communication via his/her mobile phone;

(iii) pursuant to Rule 3.20 of the Listing Rules, each Director has provided his/her contact information including his/her mobile phone number, office phone number, e-mail address and, where available, fax number, to the Stock Exchange and to the Authorized Representatives. This will ensure that the Stock Exchange and the Authorized Representatives should have means for contacting all Directors promptly at all times as and when required and will inform the Stock Exchange promptly if there are any changes to the contact details of the Directors;

(iv) all our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with relevant members of the Stock Exchange in Hong Kong upon reasonable notice, when required;

(v) pursuant to Rule 3A.19 and Rule 8A.33 of the Listing Rules, we have retained Rainbow Capital (HK) Limited as our Compliance Advisor upon [**REDACTED**] commencing on the [**REDACTED**], which will act as an additional channel of communication with the Stock Exchange and will be available to respond to enquiries from the Stock Exchange. The contact details of the Compliance Advisor have been provided to the Stock Exchange;

(vi) our Authorized Representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Adviser's duties as set forth in Chapters 3A and 8A of the Listing Rules. There will be adequate and efficient means of communication between our Company, Authorized Representatives, Directors and other officers of our Company and the Compliance Advisor, and, to the extent reasonably practicable and legally permissible, we will keep the Compliance Advisor informed of all communications and dealings between the Stock Exchange and us; meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange as soon as practicable in respect of any change of Authorized Representatives and/or the Compliance Advisor;

(vii) we will appoint other professional advisers (including legal advisers in Hong Kong) after the [**REDACTED**] to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange; and

(viii) our Company has designated staff members as the communication officer at our headquarters after the [**REDACTED**] who will be responsible for maintaining day-to-day communication with the Authorized Representatives and our Company's professional advisers in Hong Kong, including our legal advisers in Hong Kong and the Compliance Advisor, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our executive Director to further facilitate communication between the Stock Exchange and our Company.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide for New Listing Applicants, a new applicant for listing on the Stock Exchange must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

(a) length of employment with the issuer and other issuers and the roles he/she played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Yu Guitian ("**Mr. Yu**") and Ms. Ho Sze Wah Cecilia ("**Ms. Ho**") as our joint company secretaries. See "Directors, Supervisors and Senior Management — Joint Company Secretaries" for their biographical detail.

Mr. Yu has extensive experience in capital markets affairs and financial matters. Our Company believes that it would be in the best interests of our Company and the corporate governance of our Group to have as its joint company secretary a person such as Mr. Yu, who joined our Group in June 2021 and served as our chief financial officer from June 2021 to August 2024, and has been the board secretary of our Group since August 2024 with day-to-day knowledge of our Company's affairs. Mr. Yu has the necessary nexus to our Board and close working relationship with management of our Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner. However, Mr. Yu presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Ho, who is an associate member of The Hong Kong Chartered Governance Institute and fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary and to provide assistance to Mr. Yu for an initial period of three years from the [**REDACTED**] to enable Mr. Yu to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Yu may be appointed as a joint company secretary of our Company.

The waiver is valid for an initial period of three years from the [**REDACTED**], and is granted on the condition that Ms. Ho, as a joint company secretary of our Company, will work closely with Mr. Yu to jointly discharge the duties and responsibilities as company secretaries and assist Mr. Yu in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Ho will also assist Mr. Yu in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Ho is expected to work closely with Mr. Yu and will maintain regular contact with Mr. Yu, the Directors and the senior management of our Company. In addition, Mr. Yu will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [**REDACTED**]. Mr. Yu will also be assisted by (a) the Compliance Advisor, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisers of our Company, on matters concerning our Company's ongoing compliance with the Listing Rules and the applicable laws and regulations.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be revoked immediately if Ms. Ho ceases to provide assistance to Mr. Yu as a joint company secretary for the three-year period after the [**REDACTED**] or where there are material breaches of the Listing Rules by our Company.

Prior to the expiration of the initial three-year period, the qualifications and experience of Mr. Yu will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will demonstrate that, Mr. Yu, having benefited from the assistance of Ms. Ho for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER AND EXEMPTION IN RELATION TO THE EMPLOYEE INCENTIVE PLAN

Rule 17.02(1)(b) of the Listing Rules requires a listing applicant to, inter alia, disclose in the document full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options or awards. Pursuant to paragraphs 6 to 7 of Chapter 3.6 of the Guide for New Listing Applicants, the Hong Kong Stock Exchange would normally grant waivers from disclosing the names and addresses of certain grantees if the applicant could demonstrate that such disclosures would be irrelevant or unduly burdensome, subject to certain conditions specified therein.

Paragraph 27 of Appendix D1A to the Listing Rules requires a listing applicant to disclose, inter alia, particulars of any capital of any member of the group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement, provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to employees under a share option scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

Under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the document must state the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the number, description and amount of any shares in or debentures of the company which any person has, or is entitled to be given, an option to subscribe for, together with the particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; and (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures must be specified in the document.

As of the Latest Practicable Date, our Company had granted outstanding options respectively under the Employee Incentive Plan to 994 grantees (the "**Grantees**"), entitling them to subscribe for [**REDACTED**] H Shares, representing approximately [**REDACTED**]%[(Note)] of the total number of Shares in issue immediately after completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of the Company between the Latest Practicable Date and the [**REDACTED**]), respectively. Among the

Note: For the potential dilution effect on shareholdings of our Shareholders upon full vesting of the options under the Employee Incentive Plan, see "Appendix IV — Statutory and General Information — Employee Incentive Plan — Outstanding Options."

outstanding options, (i) two Directors (Mr. Chen and Ms. Zeng Hongni), (ii) seven grantees who are the connected persons of our Company, and (iii) 985 Grantees who are employees of our Group and are not Directors, members of senior management, consultants or connected persons of the Company were granted options for 3,696,000 H Shares, 1,137,000 H Shares and 41,529,184 H Shares, respectively. Save for the aforementioned, no options or other share incentives were granted to any Director, member of senior management or connected person of our Company. No options or other share incentives under the Employee Incentive Plan will be further granted after [**REDACTED**] and all options have been granted to specific individuals under the Employee Incentive Plan.

We have applied to (i) the Hong Kong Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) and paragraph 27 of Appendix D1A to the Listing Rules, and (ii) the SFC for a certificate of exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, in connection with the disclosure of certain details relating to the Employee Incentive Plan and the Grantees in this Document on the ground that the waiver will not prejudice the interest of the [**REDACTED**] public and full compliance with such disclosure requirements would be unduly burdensome for our Company for the following reasons:

(a) given that 994 Grantees are involved for the grant of outstanding options under the Employee Incentive Plan, our Directors consider that it would be unduly burdensome to disclose in this Document full details of all the options granted by us to each of the Grantees, which would significantly increase the cost and time required for information compilation and Document preparation for strict compliance with such disclosure requirements as the Company would need to collect and verify the addresses of a large number of the Grantees to meet the disclosure requirement;

(b) the disclosure of the personal details of each Grantee, including their names, addresses for the Grantees and the number of options granted, may require obtaining consent from all the Grantees in order to comply with personal data privacy laws and principles and it would be unduly burdensome for our Company to obtain such consents given the number of the Grantees;

(c) full disclosure of details of the Grantees (which include their names and addresses), as well as the options granted to each of them, would provide our Group's competitors with our Group's employees' compensation details and facilitate their soliciting activities which may impact our Group's ability to recruit and retain valuable personnel;

(d) the grant and vesting in full of the options under the Employee Incentive Plan will not cause any material adverse impact to the financial position of our Group;

(e) our Directors consider that non-compliance with the above disclosure requirements would not prevent our Company from providing potential [**REDACTED**] with sufficient information for an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Group; and

(f) material information on the options under the Employee Incentive Plan have been disclosed in "Appendix IV — Statutory and General Information — Employee Incentive Plan" to provide prospective [**REDACTED**] with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per Share of the options in making their [**REDACTED**] decision, and such information includes:

    (i) a summary of the terms of the Employee Incentive Plan;

(ii) the aggregate number of H Shares subject to the outstanding options, and the percentage in our total issued Shares of which such number represents; and

(iii) the details of the outstanding options granted under the Employee Incentive Plan by the range of underlying Shares, including date of grant, vesting period, purchase price and the percentage of our Company's total issued share capital represented upon completion of the [**REDACTED**].

In light of the above, our Directors believe that the grant of the waiver sought under this application and the non-disclosure of the required information will not hinder potential [**REDACTED**] from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group and will not prejudice the interest of the public [**REDACTED**].

The Stock Exchange [has granted] to us a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules with respect to the options granted under the Employee Incentive Plan, subject to the conditions that:

(a) on an individual basis, full details of the outstanding options granted by the Company under the Employee Incentive Plan to each of the Directors, members of the senior management and connected persons of the Company including all the particulars required under Rule 17.02(1)(b) of and paragraph 27 of Appendix D1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, are disclosed in this Document;

(b) for the remaining grantees, disclosures will be made, on an aggregate basis, of (i) the aggregate number of Grantees and the number of Shares underlying the outstanding options granted to them under the Employee Incentive Plan, (ii) the consideration paid for the grant of the outstanding options under the Employee Incentive Plan (if any), and (iii) the vesting period, exercise period and the exercise price (as applicable) for the outstanding options granted under the Employee Incentive Plan;

(c) the aggregate number of Shares underlying the outstanding options and the percentage of our Company's total issued share capital represented by such number of Shares upon completion of the [**REDACTED**] will be disclosed in this Document;

(d) a summary of the principal terms of the Employee Incentive Plan will be disclosed in the section headed "Appendix IV — Statutory and General Information — Employee Incentive Plan" in this Document;

(e) the dilution effect and impact on earnings per Share upon full vesting of the options granted under the Employee Incentive Plan be disclosed in this Document;

(f) the grant of a certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and

(g) the particulars of this waiver are set out in this Document; and a full list of all the Grantees (including the persons referred to in sub-paragraphs (a) and (b) above) who have been granted outstanding options for Shares under the Employee Incentive Plan, containing all details as required under Rule 17.02(1)(b) of and paragraph 27 of Appendix D1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be made

available for public inspection in accordance with "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection" in Appendix V to this Document.

The SFC [has granted] us a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance with respect to the options granted under the Employee Incentive Plan, subject to the conditions that:

(a) on an individual basis, full details of the outstanding options granted by the Company under the Employee Incentive Plan to each of the Directors, members of the senior management and connected persons of the Company, are disclosed in this Document, and such details include all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) for the remaining grantees, disclosures will be made, on an aggregate basis, of (i) the aggregate number of grantees and the number of Shares underlying the outstanding options granted to them under the Employee Incentive Plan, (ii) the consideration paid for the grant of the outstanding options under the Employee Incentive Plan (if any), and (iii) the vesting period, exercise period and the exercise price (as applicable) for the outstanding options granted under the Employee Incentive Plan;

(c) a full list of all the Grantees (including the persons referred to in sub-paragraphs (a) and (b) above) who have been granted outstanding options over the Shares under the Employee Incentive Plan, containing all details as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be made available for public inspection in accordance with "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection" in Appendix V to this Document;

(d) the particulars of the exemption be set forth in this Document; and

(e) this Document will be issued on or before [**REDACTED**].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Chen Yuqi (陳宇奇)	Unit 20B02, Building 11 Qinchengda Paradise Gongyuan Road Bao'an District Shenzhen Guangdong Province PRC	Chinese
Mr. Xu Shengdong (徐聖東)	Unit 1203, Block E Futong Haowangjiao Xin'an Street Bao'an District Shenzhen Guangdong Province PRC	Chinese
Mr. Fang Bing (房冰)	Unit 501, West Block Xincheng Building Shennan Middle Road Futian District Shenzhen Guangdong Province PRC	Chinese
Ms. Zeng Hongni (曾虹霓)	Room 301, Tower B, Block 19 Metro Qianhai Times Square No. 9 Guiwan 5th Road Nanshan District Shenzhen Guangdong Province PRC	Chinese
Non-executive Directors		
Mr. Yeung Wing Fung (楊嶸峰)	Flat E, 31/F, Block 2 Marina Garden Tuen Mun Hong Kong	Chinese
Ms. Shi Cong (石聰)	7B Princeton Residence 33 Java Road North Point Hong Kong	Chinese

Name	Address	Nationality
Independent non-executive Directors		
Prof. Lou Lai Wah Miranda (盧麗華)	Flat B, 12/F, Wah Shan Mansion Taikoo Shing Kao Shan Terrace 17 Taikoo Shing Road Hong Kong	Chinese
Dr. Zhang Taisu (張泰蘇)	9 Beach Lane North Haven USA CT 06473-4002	Chinese
Dr. Liu Xuejiao (劉雪嬌)	Room 1601, Building 5 Chuihongyuan Haidian District Beijing PRC	Chinese

SUPERVISORS

Name	Address	Nationality
Ms. Li Wen (李雯)	Unit 18I, Jiuyue Yaxuan Bao'an District Shenzhen Guangdong Province PRC	Chinese
Mr. Liu Jianhua (劉劍華)	Unit A3D, Yangji Xintiandi 451 Shaping North Road Nanwan Street Longgang District Shenzhen Guangdong Province PRC	Chinese
Mr. Zhang Guangyu (張廣宇)	Unit C1602, Shentie Yueshanjing Liuxian Avenue Nanshan District Shenzhen Guangdong Province PRC	Chinese

See "Directors, Supervisors and Senior Management" for further details of our Directors and Supervisors.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

Goldman Sachs (Asia) L.L.C.
68/F, Cheung Kong Center
2 Queen's Road Central
Hong Kong

CITIC Securities (Hong Kong) Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

[**REDACTED**]

Legal Advisers to our Company

As to Hong Kong and United States laws:
Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

As to PRC laws:
Jingtian & Gongcheng
34th Floor, Building 3
China Central Place
77 Jianguo Road
Chaoyang District
Beijing
PRC

As to export control and international sanctions laws:
Morgan Lewis & Bockius LLP
1111, Pennsylvania Avenue
NW
Washington, DC
United States

Legal Advisers to the Joint Sponsors and [REDACTED]	*As to Hong Kong and United States laws:* **Kirkland & Ellis** 26th Floor, Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong *As to PRC laws:* **King & Wood** 18th Floor, East Tower World Financial Center No. 1 Dongsanhuan Zhonglu Chaoyang District Beijing PRC
Auditor and Reporting Accountants	**Ernst & Young** *Certified Public Accountants and Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Industry Consultant	**China Insights Industry Consultancy Limited** 10/F, Block B Jing'an International Center 88 Puji Road Jing'an District Shanghai PRC
Compliance Advisor	**Rainbow Capital (HK) Limited** Office No. 710 7/F, Wing On House 71 Des Voeux Road Central Central Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office	Room 101, Building B Hairou Innovation Technology Industrial Park Nanchang Community, Xixiang Street Baoan District, Shenzhen PRC
Head Office and Principal Place of Business in the PRC	Room 101, Building B Hairou Innovation Technology Industrial Park Nanchang Community, Xixiang Street Baoan District, Shenzhen PRC
Principal Place of Business in Hong Kong	46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Company's Website	**https://www.hairobotics.cn** *(The information contained on this website does not form part of this Document)*
Joint Company Secretaries	**Mr. Yu Guitian (于桂添)** Room 101, Building B Hairou Innovation Technology Industrial Park Nanchang Community, Xixiang Street Baoan District, Shenzhen PRC **Ms. Ho Sze Wah Cecilia (何詩華)** *(an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Authorized Representatives	**Ms. Zeng Hongni (曾虹霓)** Room 101, Building B Hairou Innovation Technology Industrial Park Nanchang Community, Xixiang Street Baoan District, Shenzhen PRC **Ms. Ho Sze Wah Cecilia (何詩華)** 46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong

Audit Committee	Dr. Liu Xuejiao (劉雪嬌) *(Chairperson)* Dr. Zhang Taisu (張泰蘇) Mr. Yeung Wing Fung (楊嶸峰)
Remuneration and Appraisal Committee	Prof. Lou Lai Wah Miranda (盧麗華) *(Chairperson)* Dr. Liu Xuejiao (劉雪嬌) Mr. Fang Bing (房冰)
Nomination Committee	Dr. Zhang Taisu (張泰蘇) *(Chairperson)* Prof. Lou Lai Wah Miranda (盧麗華) Ms. Zeng Hongni (曾虹霓)
Corporate Governance Committee	Prof. Lou Lai Wah Miranda (盧麗華) *(Chairperson)* Dr. Liu Xuejiao (劉雪嬌) Dr. Zhang Taisu (張泰蘇)

[**REDACTED**]

Principal Banks

Bank of China Limited Shenzhen Branch
International Financial Building
No. 2022 Jianshe Road
Luohu District
Shenzhen
Guangdong Province
PRC

China Citic Bank Shenzhen Branch
1/F & 5-10/F, Phase II
Times Square Excellence
8 Zhongxin Road 3
Futian District
Shenzhen
Guangdong Province
PRC

Shanghai Pudong Development Bank Shenzhen Branch
Pufa Building
No. 88 Pucheng Road
Luohu District
Shenzhen
Guangdong Province
PRC

The information presented in this section, unless otherwise indicated, has been derived from various official government publications, market data providers and the CIC Report commissioned by us and prepared by an independent third party, CIC. The information from official government sources has not been independently verified by us or any other parties involved in the [**REDACTED**]*, or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the* [**REDACTED**]*, and no representation is given as to its accuracy, fairness and completeness. For a discussion of the risks relating to our industry, see "Risk Factors." Our Directors confirm that, after making reasonable enquiries, there is no adverse change in the market information since the date of the CIC Report that would qualify, contradict or have a material impact on the information in this section.*

PICKING: THE MOST CRITICAL PROCESS IN WAREHOUSING OPERATIONS

In modern supply chain systems, warehousing performs the core functions of centralized storage, inventory buffering and goods flow management, serving as the operational link between production, transportation and sales. Warehouse operating efficiency and accuracy directly affect inventory turnover, order fulfillment efficiency, overall supply chain responsiveness and operating costs, and are therefore key determinants of supply chain quality.

From the operating-process perspective, the core value of modern warehousing operations is primarily concentrated in five key activities: picking, storage, sorting, packaging and inbound/outbound handling.

- *Picking* refers to the retrieval of items from cases in which they are stored on racks, and is the most critical and value-intensive activity in warehousing operations.

- *Storage* is a fundamental function of warehousing, serving as the intermediate stage where goods are held, managed and prepared for onward movement.

- *Sorting* consists of classifying and consolidating picked items based on order or customer requirements and optimizing routing, serving as the key link between picking and dispatch.

- *Packaging* involves verifying, cartonizing and sealing goods after sorting, representing the final processing step before outbound shipment.

- *Inbound/Outbound Handling* entails moving goods between different warehouse processes and for inbound and/or outbound flows, ensuring continuity and timeliness across the logistics chain.

In traditional warehouse processes, picking is typically complex: workers must frequently walk, locate storage positions and retrieve items from the cases in which they are stored on racks, and performance is highly sensitive to labor skill and execution quality. Picking also usually consumes the largest share of total warehouse labor time, making warehousing picking automation a key driver for efficiency improvement and cost reduction, and often the highest-value and most urgent component of warehouse automation. According to CIC, the global spending on warehousing picking amounted to RMB1,062.6 billion in 2025, and is expected to grow to RMB1,541.0 billion by 2030.

GLOBAL WAREHOUSING PICKING AUTOMATION SOLUTION INDUSTRY

Overview

Modern supply chains are increasingly characterized by a high number of SKUs (Stock Keeping Units), fast and frequent order cycles, smaller order sizes and higher flexibility requirements, which place even more stringent demands on the efficiency and accuracy of picking. Traditional labor-intensive models often struggle to meet these requirements due to limitations such as slower picking speed, lower accuracy, limited coverage and weak adaptability.

By converting picking activities into automated processes, picking automation technologies can significantly improve efficiency and accuracy, optimize inventory turnover and transportation scheduling, and enhance overall warehouse throughput (the amount of material or items passing through a system). In particular, warehousing picking automation solutions can deliver the following capabilities:

- *Standardized and Repeatable Picking Operations.* Through the integration of automated picking equipment with control systems and software, picking tasks are executed in a consistent and standardized manner, reducing process variability and significantly improving pick accuracy and execution efficiency.

- *Reduced Labor Dependency and Picking Risk Exposure.* By replacing manual walking, searching, and item retrieval with automated picking, these solutions lower labor intensity and human error rates, reduce reliance on experienced pickers, and mitigate operational risks associated with peak volumes and workforce instability.

- *Real-Time Visibility of Picking Status and Inventory Location.* Picking automation systems are tightly coupled with warehouse management and control systems, enabling real-time tracking of pick tasks, inventory positions, and order progress, thereby improving pick planning, reducing mis-picks, and enhancing inventory accuracy at the point of execution.

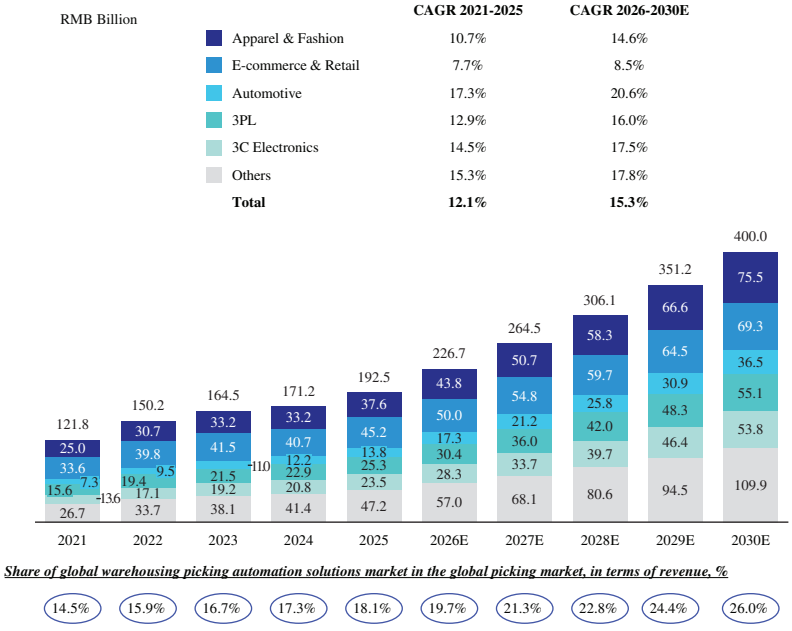
- *Higher Storage Density.* Picking automation enables racking systems to be constructed at heights beyond the reach of manual warehouses, significantly increasing storage density, especially in facilities that handle small, standardized items.

Looking forward, with increasingly complex supply chains, continuously rising labor costs and enterprises' growing expectations for faster delivery times, warehousing picking automation is expected to evolve beyond its early role as a cost-reduction and efficiency-improvement tool and increasingly become a foundational capability for enterprises to build resilient supply chains and enhance competitiveness in day-to-day operations.

Market Size

The size of the global warehousing picking automation solution market increased from RMB121.8 billion in 2021 to RMB192.5 billion in 2025, and is expected to reach RMB400.0 billion by 2030, largely driven by highly effective emerging solutions such as ACRs. The global warehousing picking automation market accounts for approximately 40% of the global warehousing automation market, which was RMB 528.6 billion in 2025 and is projected to reach RMB 856.9 billion by 2030. The share of the global warehousing picking automation solution market in the global picking market (measured by global spending on warehouse picking) rose from 14.5% in 2021 to 18.1% in 2025 and is expected to further increase to 26.0% by 2030. The global warehousing picking automation solution industry is characterized by its broad and diversified industry adoption. Among its sectors, the apparel & fashion, e-commerce & retail, and 3PL sectors emerge as the top three revenue contributors.

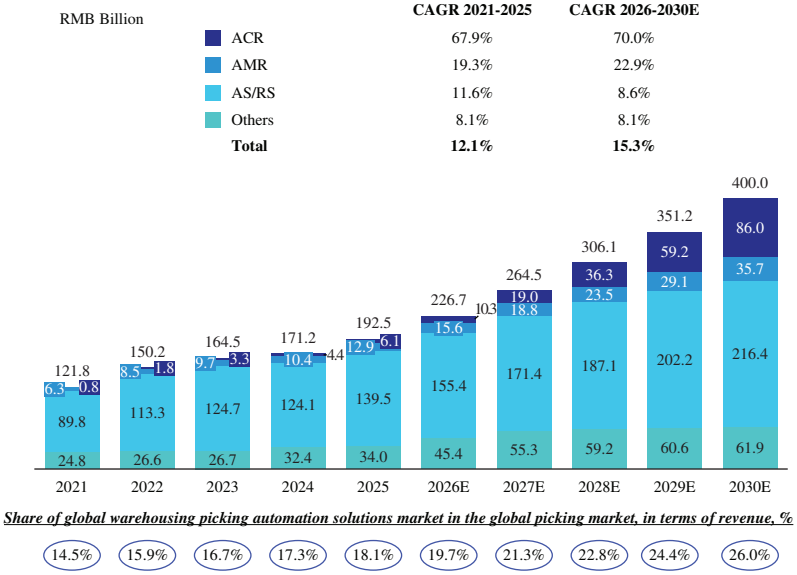
Market size of global warehousing picking automation solutions industry, by industry, 2021-2030E



Source: CIC

The three main categories of warehousing picking automation solution are ACR, AMR and AS/RS. Within the market, ACR is the key growth driver, with a CAGR exceeding 60%, significantly outpacing that of the warehousing market.

Market Size of Global Warehousing Picking Automation Solutions Industry, by Category, 2021-2030E



Source: CIC

Warehousing Picking Automation in Different Domains

Demand for warehousing picking automation is strong in both distribution and manufacturing domains. Within the distribution domain, apparel & fashion, e-commerce & retail, F&B, 3PL, pharmaceutical, 3C electronics and automotive demonstrate strong demand for picking automation driven by complex SKU structures, frequent inbound/outbound order flows and high requirements for space utilization, all of which directly increase picking complexity and execution pressure. Within the manufacturing domain, 3C electronics and automotive sectors drive the demand for picking automation due to large storage scales and complex storage structures, with high requirements for storage density, precise traceability and high-throughput, high-accuracy picking.

Despite the commonalities in demand, the seven sectors differ in operating characteristics and impose distinct requirements on picking workflows, accuracy and system flexibility. Accordingly, the delivery of efficient and user-friendly automation solutions requires solution providers to possess deep industry knowledge and technical know-how.

Distribution Domain

- *Apparel & Fashion*. The apparel & fashion sector is characterized by large SKU counts, short product life cycles and pronounced seasonality, resulting in highly variable picking demand. Automation solutions often focus on zoned storage, wave picking and dynamic slotting to shorten picking paths, balance picking workloads and support high-frequency, small-batch picking throughout seasonal transitions.

- *E-commerce & Retail*. The e-commerce & retail sector features highly fragmented orders and complex SKUs, with pronounced peak demand periods, placing significant pressure on picking speed and accuracy. Warehousing picking automation solutions are widely deployed in scenarios such as order splitting and wave picking to handle high volumes of small-order picking efficiently.

- *F&B*. Due to stringent food safety requirements, complex lot management, short rack life and temperature-control constraints, automation solutions for the F&B sector must ensure time-sensitive and batch-compliant picking, with strict temperature control and time management throughout the picking process.

- *3PL.* 3PL is characterized by a diverse customer base and wide-ranging types of goods, as well as frequent switching between different operating modes, which significantly complicates picking strategies. Picking systems must adapt to multi-customer, multi-category and multi-order picking models and offer high flexibility to accommodate changing customer requirements.

- *Pharmaceutical*. The pharmaceutical sector features high-value and highly regulated items (e.g., pharmaceuticals and medical devices), with stringent requirements on lot traceability, environmental controls (e.g., cleanroom and temperature controls) and near-zero tolerance for picking errors. Automated picking systems must ensure accuracy throughout the "match-locate-pick" workflow to meet compliance and operational efficiency requirements.

Manufacturing Domain

- *3C Electronics.* 3C electronics manufacturing is a highly precision-driven and fast-paced sector, characterized by small-sized yet high-value items, frequent inbound/outbound flows, rapidly changing SKUs and frequent line changeovers. Automation solutions emphasize high-precision, high-speed picking and replenishment to ensure accurate material supply to production lines while supporting frequent line changeovers.

- *Automotive.* Automotive manufacturing involves numerous types of components with high unit value and significant variation in size, coupled with complex material loading/unloading processes. Automotive warehousing therefore places high demands on sequence-based picking, precise access and error-free outbound operations to ensure that components are delivered in the correct order and production-line continuity is maintained. To meet these requirements, automation systems must support high-density storage, accurate picking and end-to-end traceability.

Major Categories of Warehousing Picking Automation Solutions

There are three major categories of warehousing picking automation solutions, with ACR solutions gaining increasing adoption and market recognition. The inherent design differences between AMRs, ACR robots, and AS/RS systems lead to distinct advantages in key performance areas.

- *AS/RSs.* AS/RSs are designed to automate the storage and retrieval of goods using basic machinery such as conveyors and cranes that operate in predefined, fixed grid structures. As an earlier-generation automation system developed to help improve efficiency and reduce manual labor, AS/RS has achieved a relatively mature level of commercialization and accounted for over 70% of the global warehousing picking automation solutions market. However, they often lack the advanced flexibility and integration seen in newer automation solutions, making them less adaptable to complex or dynamic operational needs.

- *AMRs.* AMRs are primarily designed to transport entire shelves to the operator for manual picking within a warehouse. They are typically used to carry entire shelves, together with the associated cases, to workstations where workers manually pick items from the cases, rather than to perform autonomous case-level picking.

- *ACRs.* ACRs are designed to autonomously retrieve only the required cases from the rack and then transport those cases to workstations. By eliminating unnecessary rack movement and manual case selection, ACRs enable higher-granularity automated picking, thereby improving space utilization and delivering end-to-end automation of warehousing picking.

ACR solutions are the most advanced and complex systems in warehousing picking automation. ACR solutions offer high deployment flexibility, lower maintenance costs and higher levels of intelligence, making them ideal for sectors that require frequent inbound and outbound operations, such as apparel & fashion, e-commerce & retail, F&B, 3PL, pharmaceutical, 3C electronics and automotive. ACR solutions can support the majority of case picking activities in a typical warehouse, while complementary robots, such as latent robots, may be deployed to move, lift and transport the shelves or racks that store the relevant cases.

The table below sets forth a detailed comparison of ACR solutions with the other two major categories of warehousing picking automation solutions.

	ACR	AMR
Space Utilization	• Vertical reach up to 15 meters • Storage density up to 81.3 cases per square meter	• Vertical reach up to four meters • Storage density less than 25 cases per square meter
Operational Flexibility	• Can operate in aisles as narrow as 850 mm • Adapt to changing layouts • Support under-rack operation	• Require wide aisles, rigid layouts • No under-rack operation
Efficiency and Throughput	• Automated, high-speed picking and higher throughput, with a six-fold improvement in labor productivity	• Manual rack movement limits speed; slower picking
Scalability	• Faster deployment, easily scalable for high-turnover logistics	• Limited adaptability to higher throughput, including as a result of business expansion

Source: CIC

	ACR	AS/RS
Deployment Flexibility	• ACR solutions can navigate aisles of varying sizes and layouts • Phased deployment shortens warehouse downtime during initial setup • Rapid deployment speed at approximately 1 month	• Typically requires installation of fixed facilities and complete racking system rebuild upon initial deployment • Strict warehouse layout requirements • Typically requires 9-18 months for deployment

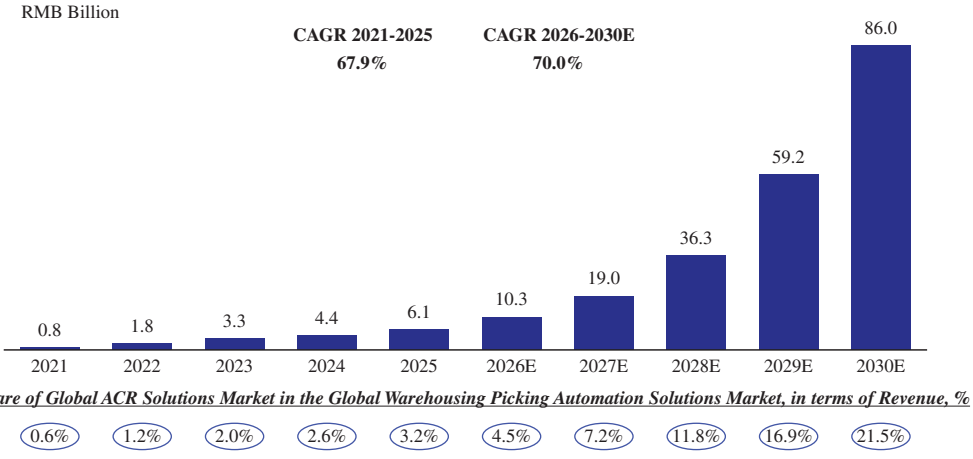
	ACR	AS/RS
ROI Period	• Relatively lower initial investment and the ability to achieve a shorter payback period of 12 months	• Higher initial investment and longer payback period of two to five years
Solution Flexibility/ Scalability	• Modular design allows flexible scaling by increasing or reducing the number of robots and/or adjusting the racking layout based on business needs	• Capacity expansion typically requires re-planning the layout or adding independent warehouse modules
Level of Intelligence	• Equipped with intelligent scheduling and path-optimization algorithms, enabling dynamic task allocation based on task priority, robot location, target case location and other variables	• Often relies on manual instructions or fixed logic control, with relatively limited flexibility and intelligence

Source: CIC

GLOBAL ACR SOLUTIONS INDUSTRY

As the commercialization of ACR solutions only began to scale in 2017, the industry remains at an early stage of market penetration. In 2025, the global ACR solutions market was RMB6.1 billion. Driven by increasing downstream demand for high-throughput, high-density storage scenarios, the market is expected to surge to RMB86.0 billion by 2030, representing a CAGR of 70.0% from 2026 to 2030. Given the stronger automated picking capabilities and technological advantages of ACR technologies, the ACR solutions market represents the fastest-growing segment within the global warehousing picking automation solution market, with ACR penetration within that market expected to increase from 3.2% in 2025 to 21.5% in 2030. ACR solutions are poised to become an integral part of warehouse automation, as the demand for high-throughput, high-density storage solutions continues to rise.

Market Size of Global ACR Solutions Industry, 2021-2030E



Source: CIC

Key Growth Drivers of the Global ACR Solutions Industry

A number of structural and near-term factors are driving the accelerated adoption of ACR solutions globally, including continued increases in automation demand, evolving supply chain requirements and ongoing technology improvements.

- *Rising Demand for Warehousing Picking Automation.* Global labor shortages and rising labor costs have become long-term trends, making automation an increasingly non-discretionary requirement for enterprises. Enterprises have continued to accelerate the deployment of warehousing automation solutions to improve operating efficiency, reduce reliance on labor and enhance operational resilience. By substituting manual picking labor, ACR solutions can improve operating efficiency, support stable capacity during peak periods and alleviate labor pressure.

- *Supply Chain Flexibility Trends.* With the rise of e-commerce channels, more diversified consumer preferences and faster-changing global consumption trends, enterprises need to adjust production and business structures more frequently in response to market volatility. Order structures have correspondingly shifted toward smaller batches and higher-frequency shipments, pushing global supply chains toward greater flexibility and faster response. This trend increases picking complexity and makes picking automation a core enabler of flexible supply chains. Compared with traditional picking automation solutions, ACR solutions can materially shorten picking routes, improve picking efficiency and enhance operating accuracy, thereby providing technical support for building warehouse operations with higher flexibility and faster response.

- *Ongoing Technological Progress.* With continued optimization and broader application of AI scheduling algorithms, path-optimization algorithms and robotic arm technologies, ACR solutions have become increasingly mature. For example, intelligence levels have improved in areas such as multi-robot collaboration, task allocation and each-piece picking/packaging, which enhances operating efficiency and stability in complex scenarios. Rapid technology iteration has also gradually reduced solution costs, improved cost structures and shortened payback periods, thereby materially enhancing ROI. As customer experience and economic benefits improve, adoption and penetration across downstream industries are expected to further accelerate.

- *Leading Customers Shaping ACR Standards.* Given the relatively short commercialization history of ACR solutions, their performance advantages and efficiency improvements were first validated by leading customers in downstream industries. As the needs of such leading customers are often representative, benchmark projects co-developed with leading customers not only address specific operational challenges but also form replicable and standardizable practices, laying the foundation for broader rollout to mid-tier and long-tail customers.

- *Increasingly Stringent ESG Requirements.* Heightened focus on workforce safety has led companies to reduce reliance on manual material handling in warehousing environments, thereby accelerating the adoption of ACRs. In parallel, increasing sustainability expectations are also driving demand for ACRs that improve space utilization, optimize routing efficiency, and reduce energy consumption per unit of throughput.

Future Trends of the Global ACR Solutions Industry

The ACR solutions industry is evolving rapidly, with development trends increasingly centered on higher system intelligence, deeper upstream/downstream integration and a shift from single-point automation to end-to-end system optimization.

- *Hardware and Software Upgrading.* Innovations such as hook-type gripping structures, double-deep storage designs and laser SLAM (Simultaneous Localization and Mapping) technologies are expected to enhance the flexibility of ACR solutions and broaden their applicability across sub-scenarios. Meanwhile, integration between ACR software and customers' existing upper-layer management systems continues to deepen, further improving the overall intelligence of ACR solution software.

- *System-Level Multi-Robot Collaboration.* Efficiency improvements in ACR solutions are increasingly shifting from single-robot performance to coordinated scheduling across heterogeneous robot fleets. Systems are expected to break down "automation islands" and achieve seamless data interfacing and task integration with mobile robots, sorting lines, automated storage systems and other equipment. This requires scheduling systems with a global view that can synchronously optimize end-to-end material and information flows, thereby significantly improving the efficiency and flexibility of the overall automation system.

- *Predictive Operational Optimization.* The large volume of operational data generated by ACR systems provides the basis for efficiency mining. By building digital twin models that map and simulate warehouse states in real time, and by running large-scale simulations and stress tests, systems can work with predictive algorithms to anticipate future orders and potential bottlenecks. This enables a shift from reactive response to predictive scheduling, allowing proactive adjustments to robot deployment and slotting strategies and establishing a data-driven, closed-loop optimization mechanism that improves space utilization and throughput. In addition, customers may use simulation data prior to implementation to assess labor-efficiency gains and reduce acceptance risks arising from underperformance in post-deployment operating data, thereby improving overall delivery success rates.

Competitive Landscape of the Global ACR Solutions Industry

According to CIC, we are the inventor of ACR solutions for warehouse operations and the first company in the world to achieve large-scale commercialization of ACR solutions. In terms of revenue in 2025, we were the world's largest provider of ACR solutions, with a market share of 32.8%.

Competitive Landscape of Global ACR Solutions Industry in Terms of Revenue, 2025

Ranking	Player	Revenue	Market Share
		(RMB in billions)	*(%)*
1	**Our Group**	2.0	32.8%
2	Company A	1.7	27.8%
3	Company B	0.6	10.3%
4	Company C	0.4	7.1%
5	Company D	0.3	4.9%

Source: Annual reports; CIC

Notes:

(1) Company A is a mobile robotics solutions company founded in France in 2015 with a registered capital of EUR172.18 thousand. It primarily provides compact robotic systems for logistics and warehousing, mainly designed for fulfillment operations. It is a privately owned company.

(2) Company B is a warehouse robotics and smart logistics company founded in China in 2015 with a registered capital of RMB1,337.29 million. It mainly provides autonomous mobile robots and integrated warehouse automation solutions. It is a listed company on the Exchange.

(3) Company C is a machine vision and mobile robotics products and solutions company founded in China in 2016 with a registered capital of RMB720 million. It is a subsidiary of a company listed on the Shenzhen Stock Exchange.

(4) Company D is a warehouse robotics and smart logistics company founded in China in 2014 with a registered capital of RMB20.39 million. It mainly provides autonomous mobile robots and integrated warehouse automation solutions. Company D is a private company.

Entry Barriers of the Global ACR Solutions Industry

The competitive landscape of the ACR solutions market is shaped by barriers that are both technology-driven and execution-driven, as solution providers must deliver reliable system performance at scale while building replicable industry capabilities and long-term customer relationships.

- *Scale has Become a Key Source of Advantage.* ACR solutions providers with larger deployment scales are generally able to reduce unit costs by spreading fixed costs over more deployments, improving procurement efficiency and accumulating operational data that can be used to enhance system performance. Lower costs and better system performance, in turn, help attract additional customers, further expanding deployment scale and reinforcing this cycle.

- *First-Mover Advantage and Access to Leading Customers.* Leading downstream customers typically operate larger warehousing networks with more complex scenarios and higher-frequency warehousing operations. ACR solutions providers that enter leading customers' supply systems at an early stage can build close cooperative relationships and generate recurring revenues from repeat business. Because ACR solutions form part of the core operational systems of these customers and are closely integrated with their day-to-day workflows, leading customers generally tend not to replace such systems easily, which creates an additional barrier to entry for new providers. In addition, such providers can distill the industry experience gained from serving leading customers into standardized industry solutions, enabling faster reuse and broader scaling across the market.

- *Extensive Industry Experience and Case Accumulation.* Layout design, path scheduling and operating strategies for ACR systems are closely aligned with customers' business processes. Providers with deep industry experience and extensive case libraries can reuse proven practices to increase solution standardization, reduce upfront design costs, shorten design cycles, identify potential risks and bottlenecks at an earlier stage, and thereby improve customer satisfaction.

- *Brand Reputation and Customer Service Capabilities.* Given the typically significant upfront investment for ACR solutions, providers with higher project delivery success rates and superior after-sales customer engagement can build stronger brand reputation and customer trust. In addition, global service networks and localized support capabilities can support business expansion, enhance customer loyalty and improve lifecycle after-sales service capabilities.

- *Sustained R&D Capabilities Across Hardware, Software and Systems Integration.* As the ACR solutions market remains nascent, competitive advantage depends on sustained R&D investment across three interdependent layers. Providers capable of maintaining this tri-layer R&D depth are better positioned to achieve long-term market acceptance as customer requirements evolve beyond pilot deployments.

  – *Hardware.* Developing ruggedized mobile bases, adaptive grippers for diverse case types, and sensor suites resilient to warehouse conditions such as dust and lighting variations.

  – *Software.* Developing data-driven orchestration engines capable of coordinating large robot fleets (e.g., deployments with over 1,000 concurrent robots), real-time exception handling and seamless WMS (Warehouse Management System) integration without custom middleware.

  – *System Integration.* Validating end-to-end reliability at scale while balancing throughput, energy consumption and human-robot safety protocols.

COST ANALYSIS OF MAJOR COMPONENTS OF ACR ROBOTS

The core cost structure of ACR robots primarily comprises four key systems: control system, motion system, perception system and power system. The control system supports path planning, task scheduling, motion control and multi-module coordination, representing approximately 10% of total cost. The motion system determines motion precision, operating efficiency and load capacity, contributing approximately 15% of total cost. The perception system enables environmental perception, positioning and navigation, obstacle detection and operational safety, and accounts for approximately 7% of total cost. The power system provides a continuous power supply, directly affecting robot endurance and operational stability, and typically represents approximately 7% of total cost.

The control system is one of the core systems of ACR robots, directly affecting the robot's operating efficiency and operational stability, including the main control platform, power boards, and other components. Within the system, the main control platform serves as the core decision-making unit, fundamentally determining the system performance, scalability and reliability. With the continued maturation of related technology, the gradual improvement of the supply chain and the advancement of domestic substitution, the average price of main control platforms has generally shown a downward trend in recent years. According to CIC, the average price of main control platforms decreased by approximately 30% from 2023 to 2025, and is expected to further decline by 2030.

SOURCE OF INFORMATION

We commissioned CIC, an independent market research and consulting company, to conduct detailed research on and analysis of the global warehouse automation solution market and the global ACR market. We have agreed to pay a fee of RMB780,000 to CIC in connection with the preparation of the CIC Report. We have extracted certain information from the CIC Report in this section and elsewhere in this Document to provide our potential [**REDACTED**] with a more comprehensive presentation of the industries where we operate. Except as otherwise noted, all of the data and forecasts contained in this section and elsewhere in this Document are derived from the CIC Report.

During the preparation of the CIC Report, CIC performed both primary and secondary research using various resources, and obtained knowledge, statistics, information, and industry insights on the industry trends of the target markets. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from multiple publicly available data sources, including the National Bureau of Statistics of China, Chinese Government releases, annual reports published by relevant industry participants, industry associations and CIC's own internal database.

The CIC Report was compiled based on the following assumptions: (i) the overall global social, economic, and political environment is expected to maintain a stable trend during the forecast period, (ii) certain key industry drivers are likely to continue to drive market growth during the forecast period, and (iii) there is no extreme force majeure or unforeseen industry regulations in which the market may be affected either dramatically or fundamentally during the forecast period.

This section provides an overview of the major PRC laws, regulations and rules relevant to our business. The information contained herein shall not be interpreted as a comprehensive summary of all laws and regulations applicable to us.

REGULATIONS AND POLICIES ON ROBOTS

On January 18, 2024, the Ministry of Industry and Information Technology of the PRC ("**MIIT**") and six other departments released the Implementation Opinions on Promoting the Innovative Development of Future Industries (《關於推動未來產業創新發展的實施意見》). To meet the country's major strategic needs and the people's aspirations for a better life, efforts should be made to accelerate the implementation of major technological equipment research projects, make breakthroughs in high-end equipment products such as humanoid robots, drive the industrial application of new technologies through complete machines, and build a world-leading high-end equipment system.

On March 12, 2021, the National People's Congress ("NPC") issued the Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and Long-Range Objectives Through the Year 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), pursuant to which, the State actively promotes the optimization and upgrading of the manufacturing industry, supports the in-depth implementation of intelligent manufacturing and green manufacturing projects, develops new models of service-oriented manufacturing, and promotes the high-end, intelligent and green development of the manufacturing industry, and cultivate the innovative development of advanced manufacturing clusters including robots.

On December 21, 2021, 15 departments including the MIIT jointly issued the 14th Five-Year Plan for the Robotics Industry (《「十四五」機器人產業發展規劃》), which outlines the goal of establishing China as a global hub for robotics technology innovation, a cluster for high-end manufacturing and a pioneer in integrated applications by 2025. The plan aims to achieve breakthroughs in core robotics technologies and high-end products, ensuring that overall robot indicators meet internationally advanced standards while the performance and reliability of key components match global counterparts.

On January 18, 2023, the MIIT and other 16 departments jointly issued the Implementation Plan for "Robot+" Application Action (《「機器人+」應用行動實施方案》), which sets a target to double the robot density in manufacturing by 2025 compared to 2020, while significantly enhancing the depth and breadth of applications for service robots and special-purpose robots across industries. Promote the construction of demonstration factories for intelligent manufacturing and create typical application scenarios for industrial robots. Develop intelligent manufacturing systems based on industrial robots to facilitate the digital transformation and intelligent upgrading of the manufacturing industry.

REGULATIONS RELATING TO FOREIGN INVESTMENT AND OVERSEAS INVESTMENT

Company Law

The PRC Company Law (《中華人民共和國公司法》) was promulgated by the Standing Committee of the National People's Congress, or the SCNPC, on December 29, 1993 and implemented on July 1, 1994, and last revised on December 29, 2023, which came into effect on July 1, 2024. Under the PRC Company Law, companies are generally classified into two categories, namely, limited liability companies and joint stock limited companies. The PRC Company Law also applies to foreign-invested enterprises. Pursuant to the PRC Company Law, where laws on foreign investment have other stipulations, such stipulations shall prevail. The major amendments of the latest PRC Company Law, which came into effect on July 1, 2024, include improving the company

establishment and exit regime, optimizing the organizational structures of companies, improving the capital system of companies, strengthening the responsibilities of controlling shareholder and management, and reinforcing the social responsibilities of companies, among others.

Under the PRC Company Law, a company may, prior to its [**REDACTED**], issue a class of shares with rights different from those of its common shares in accordance with the company's articles of association, including but not limited to shares carrying more or less voting rights per share than those of its ordinary shares. Where a company issues such class shares, in respect of the election and replacement of supervisors or members of the audit committee, each class share shall have the same number of voting rights as each ordinary share.

Foreign Investment

Investment activities in Chinese Mainland by foreign investors are principally governed by the Catalog of Encouraged Industries for Foreign Investment (《鼓勵外商投資產業目錄》), or the Encouraged Catalog, and the Special Administrative Measures (Negative List) for Foreign Investment Access (《外商投資准入特別管理措施(負面清單)》), or the Negative List, which are promulgated and amended from time to time by the Ministry of Commerce, or the MOFCOM, and the NDRC, and together with the PRC Foreign Investment Law (《中華人民共和國外商投資法》), or the Foreign Investment Law, and its respective implementation rules and ancillary regulations.

The PRC Foreign Investment Law 《中華人民共和國外商投資法》 was promulgated by the NPC in March 2019 and came into effect on January 1, 2020, which replaced three then existing laws on foreign investments in Chinese Mainland, namely, the PRC Sino-Foreign Equity Joint Venture Enterprise Law (《中華人民共和國中外合資經營企業法》), the Sino-Foreign Cooperative Joint Venture Enterprise Law of PRC (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-owned Enterprise Law of PRC (《中華人民共和國外資企業法》). To ensure the effective implementation of the Foreign Investment Law, the Regulations on Implementing the Foreign Investment Law of PRC (《中華人民共和國外商投資法實施條例》), or the Foreign Investment Implementation Regulations, was promulgated by State Council in December 2019 and came into effect on January 1, 2020, which further clarified that the state encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continues to optimize foreign investment environment and advances a higher-level opening.

Pursuant to the Foreign Investment Law, the Foreign Investment Implementation Regulations and the 2024 Negative List, foreign investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are generally deemed "permitted" for foreign investments. The Company confirms that none of the Group's business falls within the categories of the Negative List where foreign investment is restricted or prohibited.

Overseas Investment

Pursuant to the Administrative Measures for Outbound Investment (《境外投資管理辦法》) promulgated by the MOFCOM on March 16, 2009 and amended on September 6, 2014, the MOFCOM and provincial competent commerce authorities shall carry out administration either by record-filing or approval, depending on different circumstances of outbound investment by enterprises. Outbound investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing. Pursuant to the Administrative Measures for Outbound Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, a domestic enterprise, or the Investor, making an outbound investment shall obtain approval, conduct record-filing or other procedures applicable to outbound investment projects, or the

Projects, report relevant information, and cooperate with the supervision and inspection. Sensitive Projects carried out by Investors directly or through overseas enterprises controlled by them shall be subject to approval; non-sensitive Projects directly carried out by Investors, namely, non-sensitive projects involving investors' direct contribution of assets or rights and interests or provision of financing or guarantee shall be subject to record-filing. The aforementioned "sensitive project" means a project involving a sensitive country or region or a sensitive industry. The NDRC shall promulgate the catalog of sensitive industries. The currently effective sensitive industry catalog is the Catalog of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), effective on March 1, 2018.

REGULATIONS RELATING TO CYBERSECURITY, DATA SECURITY AND PERSONAL INFORMATION PROTECTION

The Cybersecurity Law (《中華人民共和國網絡安全法》) of the People's Republic of China, or the Cybersecurity Law, which was promulgated on November 7, 2016 and was last amended on October 28, 2025, with effect from January 1, 2026, requires that when constructing and operating a network, or providing services through a network, technical measures and other necessary measures shall be taken in accordance with laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cybersecurity incidents, to prevent criminal activities committed on the network, and to maintain the integrity, confidentiality and availability of network data. The Cybersecurity Law emphasizes that any individuals and organizations that use networks must not endanger cybersecurity or use networks to engage in activities endangering national security, economic order and social order or infringing the reputation, privacy, intellectual property rights and other lawful rights and interests of others. The Cybersecurity Law also reiterates certain basic principles and requirements on personal information protection previously specified in other existing laws and regulations. Any violation of the provisions and requirements under the Cybersecurity Law may subject the relevant party to rectifications, warnings, fines, confiscation of illegal gains, revocation of business permits, cancellation of business license, closedown of websites or even criminal liabilities.

The Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), or the Data Security Law, was passed on June 10, 2021 and came into effect on September 1, 2021. The Data Security Law requires a data processor to establish and improve a whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to safeguard data security. In conducting data processing activities using the Internet or any other information networks, a data processor shall perform the above data security protection obligations on the basis of the hierarchical cybersecurity protection system. Any violation of the provisions and requirements under the Data Security Law may subject a data processor to rectifications, warnings, fines, suspension of the related business, revocation of business permits or even criminal liabilities.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), or the Personal Information Protection Law, was promulgated on August 20, 2021 and came into effect on November 1, 2021. Instead of relying solely on "notification and consent" as established in the Cybersecurity Law, the Personal Information Protection Law reiterates the circumstances under which a personal information processor could process personal information and the requirements for such circumstances, such as when (i) the individual's consent has been obtained; (ii) the processing is necessary for the conclusion or performance of a contract to which the individual is a party; (iii) the processing is necessary to fulfill statutory duties and statutory obligations; (iv) the processing is necessary to respond to public health emergencies or protect a natural person's life, health and property safety under emergency circumstances; (v) the personal information that has been made public is processed within a reasonable scope in accordance with the Personal Information Protection Law; (vi) personal information is processed within a reasonable scope to conduct news reporting, public opinion-based supervision and other activities in the public interest; or (vii) under any other circumstance as provided by any law or regulation. It also

stipulates the obligations of a personal information processor. Any violation of the provisions and requirements under the Personal Information Protection Law may subject a personal information processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses, inclusion in relevant credit record, or even criminal liabilities.

On December 28, 2021, thirteen PRC governmental and regulatory agencies, including the Cyberspace Administration of China ("**CAC**"), promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》), which came into effect on February 15, 2022. The Measures for Cybersecurity Review specifies that the procurement of network products and services by critical information infrastructure operators and the activities of data processing carried out by online platform operators, that raise or may raise "national security" concerns are subject to strict cybersecurity review by the Office of Cybersecurity Review established by the CAC. Before the critical information infrastructure operator procures network products and services, it should assess the potential risk of national security that may be caused by the use of such products and services. If such use of products and services may give rise to national security concerns, it should apply for a cybersecurity review by the Cybersecurity Review Office and a report of analysis of the potential effect on national security shall be submitted when the application is made. In addition, an online platform operator that possesses the personal information of more than one million users must apply for cybersecurity review by the Cybersecurity Review Office, if it plans on listing companies in foreign countries. The Cybersecurity Review Office may initiate a cybersecurity review if any network products and services, activities of data processing or overseas listing of companies affects or may affect national security. Pursuant to the Measures for Cybersecurity Review, any violation shall be punished in accordance with the Cybersecurity Law and the Data Security Law, the sanctions under which include, among others, government enforcement actions and investigations, fines, penalties and suspension of our non-compliant operations.

On September 24, 2024, the State Council promulgated the Regulations on Network Data Security Management (《網絡數據安全管理條例》), or the Regulations on Network Data Security, which became effective on January 1, 2025. The Regulations on Network Data Security stipulates that the State protects network data by category and by grade, according to the importance of network data in economic and social development, as well as the extent of the damage caused to national security, public interests or the legitimate rights and interests of individuals and organizations by network data once the network data are tampered with, destroyed, leaked, illegally acquired or illegally utilized. The Regulations on Network Data Security further stipulates detailed requirements in terms of personal information protection, important data security, cross-border security management of network data, and the obligations of network platform service providers. When network data handlers carry out network data processing activities that affect or may affect national security, they shall undergo a national security review in accordance with relevant national regulations. Those who violate the Regulations on Network Data Security may be subject to orders for correction, warnings, confiscation of illegal gains, fines, orders to suspend related businesses, business rectification, revocation of relevant business licenses or business licenses, and even be held criminally responsible.

REGULATIONS RELATING TO EXPORTATION OF GOODS

According to the Regulations of the PRC on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001 which came into effect on January 1, 2002 and was last amended on March 10, 2024, with the latest amendment being effective on May 1, 2024, the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 which came into effect on July 1, 1994 and last amended on December 27, 2025, the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987 which came into effect on July 1, 1987 and was last amended on April 29, 2021, the Measures for Record Filing and Registration by Foreign Trade Dealer (《對外貿易經營者備案登記辦法》) promulgated by the MOFCOM, on June 25, 2004, which came into effect on July 1, 2004 and last amended on May 10, 2021 and the Administrative Provisions of the Customs of the People's Republic of China on Record-filing of

Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs of the PRC on November 19, 2021 which came into effect on January 1, 2022, foreign trade business operators engaging in the import or export of goods or technology must go through the record filing and registration formalities with the MOFCOM or the agency entrusted by the MOFCOM. Unless otherwise provided, the declaration of import or export goods and the payment of duties may be made by the consignees or consignors themselves, or by entrusted customs brokers. Customs declaration entities refer to consignees or consignors of imported or exported goods or customs brokers that have filed for record with Customs. Customs declaration entities may conduct customs declaration business within the customs territory of the PRC.

REGULATIONS RELATING TO PRODUCT LIABILITY

The PRC Product Quality Law, or the Product Quality Law (《中華人民共和國產品質量法》), promulgated by the SCNPC, which took effect on September 1, 1993, and was amended on December 29, 2018, sets out the requirements to strengthen quality control of product and the measures that sellers shall adopt to maintain the quality of products for sale. Pursuant to the Product Quality Law, sellers shall establish and implement purchase inspection and acceptance system and verify the product qualification certificate and other marks. Sellers shall not mix impurities or imitations into products, or take counterfeit goods as genuine ones, defective products as good ones, or substandard products as standard ones. Violations of the Product Quality Law may result in confiscation of illicit products and imposition of fines. In addition, relevant sellers will be ordered to suspend its operations, with business license revoked and criminal liability incurred in serious cases. According to the Product Quality Law, consumers or victims who suffer injuries or property losses due to product defects may demand compensation from either the producer or the seller. Where the liability lies with the producer, the seller shall, after settling the claim, have the right to recover such claim from the producer, and vice versa.

REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) promulgated by the SCNPC on December 26, 1989 and implemented on the same date, and subsequently revised on April 24, 2014, enterprises, public institutions and other producers and operators shall prevent and reduce environmental pollution and ecological damage, and shall take the liabilities for the damages caused according to the laws.

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) promulgated by the SCNPC on October 28, 2002 and implemented on September 1, 2003, and last revised on December 29, 2018, and the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and implemented on the same date, and subsequently revised on July 16, 2017, the state implements a system to assess the environment impact of construction projects. If the construction project may result in a material impact on the environment, a thorough environmental impact report on the potential environmental impact is required; if the construction project may result in only slight impact on the environment, an environmental impact statement of analyzing or special evaluation will be required; if the construction project may only result in very little impact on the environment and no environmental impact appraisal is required, a registration form of environmental impact shall be filed. Construction projects without undergoing assessment for environmental impact according to the laws cannot commence construction. After the completion of the construction projects for which environment effect report and environment effect statement was prepared, a construction unit shall, according to the standards and procedures formulated by the competent administrative department for environment protection under the State Council, conduct inspection and acceptance of supplementary environment protection facilities, and prepare inspection and acceptance report. No supplementary facilities of such projects may be put into production or use until such facilities pass inspection and acceptance; no supplementary facilities that failed to undergo or pass the inspection

and acceptance procedure may be put into production or use. According to the Ecological and Environmental Code of the People's Republic of China (《中華人民共和國生態環境法典》) (the "Ecological and Environmental Code"), which was promulgated by the National People's Congress on March 12, 2026 and came into effect on August 15, 2026, the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》), were repealed on the same date.

Pursuant to the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment of the PRC on April 1, 2024 and became effective on July 1, 2024 and Regulations on the Administration of Pollutant Discharge Licensing (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and became effective on March 1, 2021, the Ministry of Ecology and Environment of the PRC shall formulate and release a category-based administration catalog of pollutant discharge licensing for stationary pollution sources, specifying the scope subject to the administration of pollutant discharge licensing and the time limit to apply for a pollutant discharge permit. Enterprises, public institutions and other producers and business operators that are included in the category-based administration catalogue are required to apply for and obtain a pollutant discharge permit within the prescribed time limit. According to the Guidelines for Registration of Stationary Pollution Sources (for Trial Implementation) (《固定污染源排污登記工作指南(試行)》) promulgated by the General Office of the Ministry of Ecology and Environment of the PRC and implemented on January 6, 2020, where the amount of pollutants produced, discharged and the impact on the environment is slight, such enterprises do not need to apply for the pollutant discharge permit, but are required to register for the discharge of pollution of stationary sources.

REGULATIONS ON FIRE PROTECTION AND PREVENTION IN THE PRC

According to the Fire Prevention Law of the People's Republic of China (《中華人民共和國消防法》) (the "Fire Prevention Law") promulgated by the SCNPC on April 29, 1998 and latest amended on April 29, 2021, and the Interim Provisions on the Administration of Examination and Acceptance of Fire Prevention Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on April 1, 2020 and latest amended on August 21, 2023, special construction projects that fail to undergo or pass the fire protection acceptance check are prohibited from being put into use. Construction projects other than special construction projects shall go through the fire safety acceptance filing, and the competent housing and urban-rural development authorities shall conduct random inspections on the fire safety acceptance of other construction projects filed. If the construction projects fail to pass the random inspection on fire safety acceptance, such projects shall be suspended from use. Any special construction projects put into use without passing the fire protection acceptance check, or failure to suspend the use of any construction projects other than special construction projects which fail to pass the random inspection on fire safety acceptance, shall be ordered to discontinue the construction, use, production or operation and be fined not less than RMB30,000 but not more than RMB300,000. Any constructing entity fails to go through the fire safety acceptance filing for any construction projects other than special construction projects shall be ordered to make corrections and imposed a fine of not more than RMB5,000 by the competent housing and urban-rural development authorities.

REGULATION ON PRODUCTION SAFETY

In accordance with relevant construction safety laws and regulations, including the Production Safety Law of the PRC (《中華人民共和國安全生產法》) (the "Production Safety Law"), which was promulgated by the SCNPC on June 29, 2002, last amended on June 10, 2021, and came into effect on September 1, 2021, production and operation entities shall formulate production safety goals and measures, improve the working environment and conditions of workers in a planned and gradual manner, establish a production safety protection system, and implement the post

responsibility system for production safety. In addition, production and operation entities shall arrange for production safety training and provide employees with personal protective equipment that meets national or industry standards.

Pursuant to the Production Safety Law, and the Measures for the Supervision and Administration of "Three Simultaneities" for Safety Facilities of Construction Projects (《建設項目安全設施「三同時」監督管理辦法》) promulgated by the State Administration of Work Safety (now has been adjusted to the Ministry of Emergency Management) on April 2, 2015, and effective on May 1, 2015, production and operation entities are responsible for the construction of the safety facilities of construction projects. The safety facilities of a construction project must be designed, constructed and put into production and use simultaneously with the main part of the project. Investment in safety facilities shall be brought into the budgetary estimate of the whole construction project.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Patent

Patents in the PRC are principally protected under the PRC Patent Law (《中華人民共和國專利法》), which was initially promulgated by the SCNPC in 1984 and was most recently amended in 2020. A patent is valid for twenty years in the case of an invention, ten years in the case of utility models and fifteen years in the case of designs.

Copyrights

Copyrights in the PRC, including software copyrights, is principally protected under the PRC Copyright Law (《中華人民共和著作權法》), which took effect in 1991 and was most recently amended in 2020, and other related rules and regulations. Under the PRC Copyright Law, the term of protection for software copyrights is 50 years.

Pursuant to the Computer Software Copyright Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on December 20, 2001 and was most recently amended in 2013, the software copyright owner may go through the registration formalities with a software registration authority recognized by the State Council's copyright administrative department. The software copyright owner may authorize others to exercise that copyright and is entitled to receive remuneration.

Trademark

Registered trademarks are protected under the PRC Trademark Law (《中華人民共和國商標法》), which was adopted by the SCNPC in 1982, amended in 2019, and further amended on June 26, 2026, and will come into effect on January 1, 2027, as well as the Implementation Regulations of the PRC Trademark Law (《中華人民共和國商標法實施條例》) adopted by the State Council in 2002 and most recently amended in 2014, and other related rules and regulations. The State Intellectual Property Office, formerly known as the Trademark Office of the State Administration for Industry and Commerce, handles trademark registrations and grants a protection term of ten years to registered trademarks and the term may be renewed for another ten-year period upon request by the trademark owner.

Domain Names

Domain names are protected under the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and effective since November 1, 2017. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

REGULATIONS RELATING TO EMPLOYMENT

Labor Contract Law

The PRC Labor Contract Law (《中華人民共和國勞動合同法》), which became effective on January 1, 2008 and was amended in 2012, primarily aims at regulating rights and obligations of employment relationships, including the establishment, performance, and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts must be executed in writing if labor relationships are to be or have been established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employees' wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

Social Insurance

As required under the PRC Social Insurance Law (《中華人民共和國社會保險法》) implemented on July 1, 2011 and amended on December 29, 2018, employers are required to provide their employees in China with welfare benefits covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, and medical insurance. These payments are made to local administrative authorities. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

Pursuant to the Interpretation on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (II) (《關於審理勞動爭議案件適用法律問題的解釋(二)》) issued by the Supreme People's Court on July 31, 2025 and implemented on September 1, 2025, any agreement between an employer and an employee that stipulates or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be invalid. Where an employer fails to pay social insurance premiums in accordance with the law, the employee shall have the right to request the termination of the labor contract on this ground and demand the employer to pay economic compensation, and the people's court shall uphold such requests in accordance with the law.

Housing Fund

In accordance with the Regulations on the Administration of Housing Funds (《住房公積金管理條例》), which was promulgated by the State Council in 1999 and amended in 2002, 2019 and 2026, respectively, employers must register at the designated administrative centers and open bank accounts for depositing employees' housing funds. Employers are also required to pay and deposit housing funds on behalf of their employees in full and in a timely manner.

Work-Injury Insurance and Compensation

Pursuant to the PRC Social Insurance Law (《中華人民共和國社會保險法》), an employer shall pay work injury insurance premiums for its employees. Employees who sustain work related accidental injuries or occupational diseases due to work reasons, which are determined as work-injuries, shall be entitled to work-injury insurance benefits.

The Regulations on Work-Injury Insurance (《工傷保險條例》), which was implemented on January 1, 2004 and last amended on December 20, 2010, stipulates the circumstances in which an injury shall be determined as a work-related injury. Pursuant to the Measures for the Determination of Work-Injuries (《工傷認定辦法》), which was implemented on January 1, 2011, if an employee

is injured, the employer shall, within 30 days as of the day when the accident injury occurs, file an application for the determination of the work-related injury to the social insurance administrative department and the department shall make a decision about the determination of a work-related injury within 60 days.

Pursuant to the Regulations on Work-Injury Insurance, employees sustain injuries due to work shall be entitled to work-related injury medical treatment, and if they need to stop working for such treatment, the employer shall pay their original wages and benefits monthly for a period generally not exceeding 12 months. If an employee becomes disabled or dies due to a work-related injury, the employee or his/her close relatives shall be entitled to disability benefits, or funeral grants, dependent family pensions and lump-sum death benefits from the work-related injury insurance fund.

REGULATIONS RELATING TO TAXATION

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), or the EIT Law, promulgated by the SCNPC on March 16 2007 and implemented on January 1, 2008 and last revised on December 29, 2018 and the Implementation Rules of the EIT Law of the PRC (《中華人民共和國企業所得税法實施條例》) promulgated by the State Council on December 6, 2007 and came into effect on January 1, 2008 and last revised on December 6, 2024, a domestic enterprise which is established within the PRC in accordance with the laws or established in accordance with any laws of foreign country or region but with an actual management entity within the PRC shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT of 25% of any income generated within or outside the PRC. A preferential EIT rate shall be applicable to any key industry or project which is supported or encouraged by the State.

Value-Added Tax

According to the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例》), which was promulgated by the State Council on December 13, 1993 and last revised on November 19, 2017, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例實施細則》), which was promulgated by the Ministry of Finance on December 25, 1993 and last amended on October 28, 2011, entities and individuals that sell goods or labor services of processing, repair or replacement, sell services, intangible assets, or immovables, or import goods within the territory of Chinese Mainland are taxpayers of value-added tax, or the VAT, and shall pay VAT in accordance with law. Unless otherwise stipulated, the VAT rate is 17% for taxpayers selling goods, labor services, or tangible movable property leasing services or importing goods; 11% for taxpayers selling transportation, postal, basic telecommunications, construction, or immovable leasing services, selling immovables, transferring land use rights, or selling or importing specific goods; unless otherwise stipulated, 6% for taxpayers selling services or intangible assets.

According to the Circular of the MOF and the SAT on Adjusting Value-added Tax Rate (《財政部、税務總局關於調整增值税税率的通知》), which was promulgated by the MOF and the SAT on April 4, 2018 and became effective on May 1, 2018, the tax rates for the taxable sales or goods import activity, which were subject to the tax rates of 17% and 11% respectively, were adjusted to 16% and 10% respectively.

According to the Circular on Policies in Relation to the Deepening of Value-added Tax Reforms (《關於深化增值税改革有關政策的公告》), which was jointly promulgated by the MOF, the SAT and the General Administration of Customs on March 20, 2019, the tax rate of 16% and 10% originally applicable to general VAT taxpayers' VAT taxable sales or goods import shall be adjusted to 13% and 9%, respectively.

The SCNPC promulgated PRC Value-added Tax Law (《中華人民共和國增值税法》) on December 25, 2024, which came into effect on January 1, 2026. The State Council promulgated Implementation Regulations of the Value-Added Tax Law of the PRC (《中華人民共和國增值税法實施條例》) on December 25, 2025, which came into effect on January 1, 2026. According to the PRC Value-added Tax Law and Implementation Regulations of the Value-Added Tax Law of the PRC, the VAT rate for general VAT taxpayers engaging in sale of goods, services, lease of tangible and movable goods or importation of goods was adjusted to 13%, the VAT rate for general VAT taxpayers engaging in, among others, the sale of transportation services, postal services, basic telecommunications services, construction services, the lease and sale of real properties, and the transfer of land use rights was adjusted to 9%. From January 1, 2026, the Interim Regulations of the PRC on Value-added Tax has been repealed.

Dividends Distribution

The principal regulations governing dividends distributions by companies is the PRC Company Law. PRC companies are required to set aside as general reserves at least 10% of their after-tax profit, until the cumulative amount of their reserves reaches 50% of their registered capital. PRC companies are not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), which was promulgated by the SCNPC on September 10, 1980 and last revised on August 31, 2018, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), which was promulgated by the State Council on January 28, 1994 and last revised on December 18, 2018, dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty. Pursuant to the EIT Law and the Implementation Rules of the EIT Law, an enterprise income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless any such non-PRC resident investors' jurisdiction of incorporation has a tax treaty with China that provides for a preferential withholding arrangement.

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese EIT imposed on the dividends received from PRC companies. The PRC currently has entered into avoidance of double taxation treaties or arrangements with Hong Kong, Macau, and a number of countries and regions including Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, the United States and etc. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the EIT in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

REGULATIONS RELATING TO FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administrative Regulations of the PRC (《中華人民共和國外匯管理條例》), as amended in August 5, 2008, the RMB is generally freely convertible for current account items, including the distribution of dividends, trade and service related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside the PRC, unless the prior approval of the State Administration of Foreign Exchange, or the SAFE, or its designated banks is obtained.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including but not limited to

foreign exchange capital and external debts and funds recovered from overseas listing) may convert from foreign currency into RMB on a self-discretionary basis. The ratio of the discretionary exchange rate of foreign exchange receipts under the domestic capital account is tentatively set at 100%. The SAFE may adjust the above ratio in due course according to the balance of payment status.

According to the Notice of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) which was promulgated on October 23, 2019 Notice on Further Deepening the Reform to Facilitate Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) which was promulgated on December 4, 2023, foreign-invested enterprises engaged in noninvestment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to the law on the condition that the current Special Administrative Measures (Negative List) for Foreign Investment Access are not violated and the relevant domestic investment projects are genuine and in compliance with laws.

According to the Notice of the People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds of Domestic Enterprises Listed Overseas (中國人民銀行、國家外匯管理局關於境內企業境外上市資金管理有關問題的通知), which was issued on December 24, 2025 and became effective on April 1, 2026, domestic enterprises listed overseas shall apply for overseas listing registration within 30 working days from the first trading day of their overseas listing or upon the completion of the over-allotment. In principle, the funds raised by domestic enterprises through overseas listing shall be repatriated to China in a timely manner. If such funds are retained overseas for conducting businesses including overseas direct investment, overseas securities investment, and overseas lending, the domestic enterprises shall obtain the approval or filing documents from the competent business authorities prior to the conclusion of the overseas listing issuance or the completion of the overallotment, and shall comply with the relevant provisions on cross-border capital administration.

According to the Notice of the State Administration of Foreign Exchange on the Relevant Issues Concerning the Administration of Foreign Exchange for Domestic Individuals' Participation in Equity Incentive Programs of Overseas Listed Companies (國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知), which is issued on February 15, 2012, all individuals who participate in the same equity incentive program of an overseas listed company shall, through their domestic company, collectively entrust one domestic agency to solely handle the relevant matters for them including registration of foreign exchange, opening of the account and transfer and conversion of funds, and one overseas agency shall solely handle such matters including individuals' exercise of rights, the purchase and sale of relevant stocks or equities and transfer of relevant funds.

REGULATIONS RELATING TO SECURITIES AND OVERSEAS LISTINGS

Securities Law

The Securities Law of the People's Republic of China (《中華人民共和國證券法》), which was promulgated by the SCNPC on December 29, 1998, and was latest amended on December 28, 2019 and took effect on March 1, 2020, comprehensively regulating activities in the Chinese Mainland securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The China Securities Regulatory Commission, or the CSRC, is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

Overseas Listings

On February 17, 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), or the Overseas Listing Trial Measures, together with several supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the "Overseas Listing Regulations"). Under Overseas Listing Regulations, Chinese Mainland domestic companies that seek to [**REDACTED**] and [**REDACTED**] securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its [**REDACTED**] for overseas [**REDACTED**] is submitted.

The Overseas Listing Regulations provides that no overseas [**REDACTED**] and [**REDACTED**] shall be made under any of the following circumstances: (i) such securities [**REDACTED**] and [**REDACTED**] is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities [**REDACTED**] and [**REDACTED**] may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities [**REDACTED**] and [**REDACTED**], or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities [**REDACTED**] and [**REDACTED**] is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller. Additionally, the Overseas Listing Regulations stipulates that after an issuer has [**REDACTED**] and [**REDACTED**] securities in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of (i) a change of control thereof, (ii) investigations of or sanctions imposed on the issuer by overseas securities regulators or relevant competent authorities, (iii) changes of [**REDACTED**] status or transfers of [**REDACTED**] segment, and (iv) a voluntary or mandatory [**REDACTED**]. Overseas [**REDACTED**] and [**REDACTED**] by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity, data security and etc., and duly fulfill their obligations to protect national security.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》). Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of Chinese Mainland by the securities companies and securities service agencies that provide corresponding services for the overseas [**REDACTED**] and [**REDACTED**] of domestic enterprises shall be kept within the territory of Chinese Mainland. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

OVERVIEW

Our business was founded in December 2016 by our co-founders, Mr. Chen, Mr. Xu and Mr. Fang. We are a pioneer and the global leader in ACR solutions. Over the past decade, our focused development of ACR has enabled us to build a comprehensive understanding of complex customer workflows and operational pain points. This commitment has allowed us to broaden our product portfolio to support high-performance requirements across diverse use cases, including high-frequency order picking, dynamic replenishment, and space-constrained layouts.

For the biographies of our co-founders, see "Directors, Supervisors and Senior Management."

MILESTONES

The following table summarizes the key business and corporate development milestones of our Group.

Year	Event
2017	We launched *HaiPick System 1 (HPS1)*, our first ACR solution, in 2017, establishing the foundation of our ACR product line.
2018 - 2020	We upgraded HPS 1 to increase its storage density and efficiency, paving the way for commercialization.
	We upgraded HPS 1 to include advanced functions including double-deep storage designs, carton-picking, telescoping and lifting and laser SLAM, and launched the automated loading/unloading machine to meet customers' needs for flexible and efficient robots for warehouse.
2021	We accelerated the pace of our overseas expansion, and established our subsidiaries in Hong Kong, the United States, Singapore, Japan and the Netherlands.
	Our factory in Dongguan commenced operation.
	Our *Hai-for-Manufacturing Solution* was launched.
2022	We established our subsidiaries in England, Australia and South Korea.
	We launched *HaiPick System 2* (HPS 2), in order to meet customers' needs for collaborative work of different types of robots.
2023	We have upgraded the HPS 1 and HPS 2 to meet the needs for robots for warehouse for industries like cold chain logistics.
	We launched *HaiPick System 3*, creating a nexus that facilitates higher performance while delivering enhanced storage density.
2024	We completed the R&D for *HaiPick Climb* system and conducted the pilot deployment of *HaiPick Climb* system.
2025	We officially introduced the first and only single-sided climbing ACR system in the market, *HaiPick Climb*, which significantly improved square footage efficiency and contract fulfillment speed, bringing customers a more efficient and flexible warehousing operation model.
2026	We have upgraded the *HaiPick Climb* system, enhancing throughput, storage density, and workflow flexibility while maintaining the simplicity and reliability of its proven architecture to address broader warehouse operational demands.

OUR MAJOR SUBSIDIARIES

Set forth below are details for our major subsidiaries during the Track Record Period and up to the Latest Practicable Date. All of them have been wholly owned by our Company since their establishment and up to the Latest Practicable Date.

Name of subsidiary	Registered share capital	Place of incorporation/ establishment	Date of incorporation and commencement of business	Principal business
HAI Robotics Co., Ltd. (深圳市海柔創新科技有限公司)	RMB1,000,000,000	PRC	December 21, 2016	Develop, Manufacture and Sale of warehouse automation solutions through robotics technology and intelligent algorithms
Jiangsu Hairou Innovation Technology Co., Ltd. (江蘇海柔創新科技有限公司)	RMB300,000,000	PRC	May 9, 2024	Manufacture of warehouse automation solutions through robotics technology and intelligent algorithms
Shenzhen Kubo Software Co., Ltd. (深圳市庫寶軟件有限公司)	RMB300,000,000	PRC	December 3, 2020	Develop of warehouse automation solutions through robotics technology and intelligent algorithms
Shenzhen Hairou International Trade Co., Ltd. (深圳市海柔國際貿易有限公司)	RMB50,000,000	PRC	April 11, 2022	Sale of warehouse automation solutions through robotics technology and intelligent algorithms
HAI ROBOTICS (HK) LIMITED	USD31,500,000	Hong Kong	January 25, 2021	Sale of warehouse automation solutions through robotics technology and intelligent algorithms
HAI ROBOTICS SINGAPORE PTE. LTD.	USD5,000,000 and SGD22,453,630	Singapore	August 10, 2021	Sale of warehouse automation solutions through robotics technology and intelligent algorithms
HAI ROBOTICS EUROPE B.V.	EUR19,800	Netherlands	September 13, 2021	Sale of warehouse automation solutions through robotics technology and intelligent algorithms
株式会社 HAI ROBOTICS JAPAN	JPY77,350,000	Japan	October 9, 2020	Sale of warehouse automation solutions through robotics technology and intelligent algorithms
HAI ROBOTICS U.S.A. INC	USD1,000	United States	March 17, 2021	Sale of warehouse automation solutions through robotics technology and intelligent algorithms

For shareholding changes of our subsidiaries during the two years immediately preceding the date of this Document, see "Appendix IV — Statutory and General Information — Further Information about Our Company — Changes in Share Capital of Our Subsidiaries." Save as disclosed thereunder, there were no shareholding changes in our subsidiaries during the Track Record Period and up to the Latest Practicable Date.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

1. Establishment of our Company

On December 1, 2016, the predecessor of our Company, Dongguan Hairou Intelligent Technology Limited, was established under the PRC laws with an initial registered capital of RMB1,000,000. Upon establishment, Dongguan Hairou Intelligent Technology Limited was held as to 52.20% by Mr. Chen, 18.90% by Mr. Xu and 18.90% by Mr. Fang, and 10.00% by Dongguan Songshan Lake International Robotics Research Institute Co., Ltd.* (東莞松山湖國際機器人研究院有限公司) ("**Songshan Lake Robotics Institute**") an Independent Third Party, respectively.

2. Pre-[REDACTED] Investments

Since January 2017, the major changes in our shareholding structure were mainly due to the capital increases and equity transfers arising from the rounds of Pre-[**REDACTED**] Investments among our existing shareholders and the Pre-[**REDACTED**] Investors. For details, see "— Pre-[**REDACTED**] Investments" below in this section.

3. Adoption of WVR Structure

Considering Mr. Chen's significant role in the Group's business development and his contributions to our core technologies and strategic direction, and to enhance the efficiency of decision-making while maintaining control of the Group by Mr. Chen, our Company adopted a WVR structure in August 2021, where Mr. Chen has been entitled to exercise 20 votes for the amount of registered capital owned by Mr. Chen in our Company and the voting rights attached to the equity interest held by Mr. Chen increased to 70.67%. For details of the contribution of our WVR beneficiaries, see "Share Capital — H-Share Weighted Voting Rights Structure — Contribution of the WVR Beneficiaries".

4. Conversion into a Joint Stock Company with Limited Liability

On September 22, 2025, our shareholders resolved to convert our Company into a joint stock company with limited liability, with all the then 34 shareholders as the initial promoters. The shareholders confirmed that (i) the audited net asset value of our Company as of August 31, 2025 was RMB2,860,237,921.05 and the appraised value was RMB3,455,022,618.35, and; (ii) that the total audited net asset value be converted into 25,063,790 shares of the joint stock company at a par value of RMB1.00 per share, representing a conversion ratio of approximately 1:0.0087628. The portion of the net assets in excess of the registered share capital was recorded as capital reserve of the joint stock company. Upon completion of the conversion on November 13, 2025, the registered capital of our Company became RMB25,063,790 divided into 25,063,790 Shares with a par value of RMB1.0 per Share. As advised by our PRC Legal Adviser, all necessary consents, approvals, authorizations and permissions required to be obtained for our conversion into a joint stock limited company, share transfers and capital increases of our Company during the rounds of Pre-[**REDACTED**] Investments have been obtained, and all the conversion steps have been duly completed pursuant to the applicable PRC laws, regulations and rules.

5. Share Subdivision

Our Company underwent share sub-division (the "**Share Subdivision**") in January 2026, effective immediately before [**REDACTED**]. Upon completion of the Share Subdivision, the registered share capital of our Company is RMB51,675,769 divided into 516,757,690 shares of our Company (the "**Shares**") with a nominal value of RMB0.10 each.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any major acquisitions, disposals or mergers that we consider to be material to us.

CONCERT PARTY AGREEMENT

The WVR Beneficiaries entered into the concert party agreement in January 2018, pursuant to which among others, Mr. Xu and Mr. Fang agreed to act in concert with Mr. Chen in board meetings and general meetings of our Company and follow the decision of Mr. Chen in voting on the matters to be considered therein. In November 2025, the WVR Beneficiaries entered into a supplemental concert party agreement to reaffirm their historical acting in concert relationship, and to make certain housekeeping changes to clarify, among others, that (i) the Concert Party Agreement shall remain valid for 10 years from November 2025 and subject to potential extension upon mutual

agreement by the parties, (ii) the WVR Beneficiaries shall act in concert notwithstanding any changes to their respective shareholding in our Company, unless they have ceased to be a Shareholder of our Company, and (iii) as the Shareholders of our Company, the WVR Beneficiaries shall (a) perform their obligations under the Concert Party Agreement in full, (b) not appoint any nominee to hold or manage, directly or indirectly, any Shares in our Company held by the WVR Beneficiaries, and (c) not enter into any concert party agreement or agreement of similar effect with any person, unless requested by Mr. Chen. See "Relationship with Our Controlling Shareholders" for further details.

REASONS FOR THE [REDACTED]

Our Company is seeking a [**REDACTED**] of its H Shares on the Stock Exchange in order to provide further capital for the development and expansion of our Company's business, to strengthen our Company's working capital and to further raise our business profile and global presence. For further details of our future plans, see "Future Plans and Use of [**REDACTED**]."

EMPLOYEE INCENTIVE PLATFORM

An Employee Incentive Plan was adopted on March 10, 2020, all grantees were entitled to partnership interest. In recognition of the contributions of our current or former employees and to incentivize them to further promote our development, Hairou Weizheng was established in the PRC as our Employee Incentive Platform, in which Mr. Chen is the general partner and is entitled to exercise the voting rights attached to the Shares held by Hairou Weizheng. The participants of our equity incentives shall be given partnership interests of the Employee Incentive Platform as awards. The capital contribution made by the partners to the Employee Incentive Platform was sourced from their own funds and has been fully paid as of the date of this Document. As of the date of this Document, all awards corresponding to the underlying Shares held by the Employee Incentive Platform have been granted and vested.

The following persons are interested in Hairou Weizheng as limited partner as follows:- (i) Mr Chen, our executive Director, holds 20.34% equity interest of Hairou Weizheng; (ii) Mr. Xu, our executive Director, holds 13.72% equity interest of Hairou Weizheng; (iii) Mr. Fang, our executive Director, holds 7.74% equity interest of Hairou Weizheng; (iv) Mr. Liu Jianhua, our Supervisor, owns 2.14% equity interest of Hairou Growth Tenth Square Investment partnership (Limited Partnership), which in turn holds 6.84% equity interest of Hairou Weizheng; (v) Ms. Yang Suimei, our former director, owns 14.24% equity interest of Hairou Growth Ninth Square Investment partnership (Limited Partnership), which in turn holds 16.53% equity interest of Hairou Weizheng; (vi) Ms. Zhou Hongxia, our former Director, owns 24.35% equity interest of Hairou Growth Ninth Square Investment partnership (Limited Partnership), which in turn holds 16.53% equity interest of Hairou Weizheng; (vii) Mr. Kong Zhe, our former Director, owns 4.69% equity interest of Hairou Growth Ninth Square Investment partnership (Limited Partnership), which in turn holds 16.53% equity interest of Hairou Weizheng; (viii) Mr. Li Xiaolong, our former Director, owns 4.80% equity interest of Hairou Growth Ninth Square Investment partnership (Limited Partnership), which in turn holds 16.53% equity interest of Hairou Weizheng; and (ix) Mr. Yu Guitian, our supervisor of a subsidiary, owns 26.94% equity interest of Hairou Growth Seventeenth Square Investment partnership (Limited Partnership), which in turn holds 10.79% equity interest of Hairou Weizheng. Save as disclosed above, there are no connected persons who are limited partners of Hairou Weizheng.

EMPLOYEE INCENTIVE PLAN

An Employee Incentive Plan was amended on January 15, 2026, pursuant to which the form of the then share incentive (which were not fully vested) of grantees was changed from options to subscribe partnership interest of Hairou Weizheng to options to directly subscribe H Shares. For details and principal terms of the Employee Incentive Plan, see "Appendix IV — Statutory and General Information."

PRE-[REDACTED] INVESTMENTS

1. Overview

We underwent rounds of Pre-[**REDACTED**] Investments, the details of which are set forth below:

Round	Form of Investment	Date of initial investment agreement(s)	Date of full settlement of consideration	Transferor	Pre-[REDACTED] Investors[1]	Registered capital or shares subscribed for or acquired[2]	Amount of consideration paid	Total funds raised by our Company	Cost per Share[2] (approx.)	[REDACTED] to the H Share [REDACTED][3]
Series Angel. .	Subscription of increase registered capital of our Company	January 5, 2017	January 17, 2017		Tibet Star Galaxy Investment Center (Limited Partnership) (西藏星光銀河投資中心(有限合夥)) ("**Tibet Star**")	RMB259,800	RMB5,000,000	RMB5,750,000	RMB0.19	[REDACTED]%
					Shanghai Lingyi Investment Partnership (Limited Partnership) (上海零宜投資合夥企業(有限合夥)) ("**Shanghai Lingyi**")	RMB39,000	RMB750,000			
Series Pre-A. .	Subscription of increase registered capital of our Company	January 26, 2018	September 4, 2018		Beijing Tongfang Yiheng Venture Capital Center (Limited Partnership)* (北京同方以衡創業投資中心(有限合夥)) ("**Tongfang Yiheng**")	RMB162,350	RMB8,000,000	RMB16,000,000	RMB0.49	[REDACTED]%
					BEST Logistics Technologies (China) Co., Ltd.* (百世物流科技(中國)有限公司) ("**Best Logistics**")	RMB162,350	RMB8,000,000			
Series A . . .	Equity transfer from existing shareholder	May 1, 2019	March 12, 2019	Songshan Lake Robotics Institute	Seine Limited (香港塞納責任有限公司) ("**Seine Limited**")	RMB16,235	USD222,222	–	USD0.14	[REDACTED]%
	Subscription of increase registered capital of our Company	May 1, 2019	September 17, 2019		Seine Limited	RMB292,230	USD4,000,000	USD4,444,445	USD0.14	[REDACTED]%
					Best Logistics	RMB32,470	USD444,445			
Series Pre-B. .	Equity transfer from existing shareholders	June 9, 2020	August 21, 2020	Songshan Lake Robotics Institute	Shanghai Lingyi	RMB20,507	USD423,491.91	–	USD0.21	[REDACTED]%
				Tongfang Yiheng		RMB20,507	USD423,491.91			

Round	Form of Investment	Date of initial investment agreement(s)	Date of full settlement of consideration	Transferor	Pre-[REDACTED] Investors[1]	Registered capital or shares subscribed for or acquired[2]	Amount of consideration paid	Total funds raised by our Company	Cost per Share[2] (approx.)	[REDACTED] to the H Share [REDACTED][3]
	Subscription of increase registered capital of our Company	June 23, 2020	October 14, 2020		Matrice Capital Hong Kong Limited (矩陣資本香港有限公司) ("**Matrice Capital**")	RMB290,547	USD6,000,000	USD7,650,809	USD0.21	[REDACTED]%
					Seine Limited	RMB55,727	USD1,150,809			
					Shanghai Lingyi	RMB24,212	USD500,000			
Series B	Equity transfer from existing shareholder	November 26, 2020	February 19, 2021	Tibet Star	Evolution Holding IV Limited (五源五期控股四號有限公司) ("**Evolution Holding IV**")	RMB56,637	USD3,000,000	-	USD0.53	[REDACTED]%
				Best Logistics	Seine Limited	RMB24,909	USD1,319,400			
				Best Logistics	Angular Capital Hong Kong Limited (角度資本香港有限公司) ("**Angular Capital**")	RMB141,592	USD7,500,000			
	Subscription of increase registered capital of our Company	December 7, 2020	February 20, 2021		Evolution Holding IV	RMB226,547	USD12,000,000	USD14,700,000	USD0.53	[REDACTED]%
					Matrice Capital	RMB56,637	USD2,700,000		USD0.48	[REDACTED]%
Series C	Subscription of increase registered capital of our Company	April 28, 2021	June 17, 2021		Evolution Holding IV	RMB114,887	USD15,000,000	USD22,221,766 and RMB54,641,100	USD1.31	[REDACTED]%
					Seine Limited	RMB17,519	USD2,287,352			
					Matrice Capital	RMB26,443	USD3,452,545			
					Angular Capital	RMB11,350	USD1,481,869			
					Shenzhen HongShan Jiatai Equity Investment Partnership (Limited Partnership) (深圳紅杉嘉泰股權投資合夥企業(有限合夥)) ("**HongShan Jiatai**")	RMB35,038	RMB30,000,000		RMB8.56	[REDACTED]%
					Shanghai Scheme Investment Management Co., Ltd. (上海勢之能投資管理有限公司) ("**Shanghai Scheme**"),	RMB2,336	RMB2,000,000			
					Success Master (Shanghai) Consultancy Limited (鄺炳駿投資諮詢(上海)有限公司) ("**Success Master**")[4]	RMB26,443	RMB22,641,100			

Round	Form of Investment	Date of initial investment agreement(s)	Date of full settlement of consideration	Transferor	Pre-[REDACTED] Investors[1]	Registered capital or shares subscribed for or acquired[2]	Amount of consideration paid	Total funds raised by our Company	Cost per Share[2] (approx.)	[REDACTED] to the H Share [REDACTED][3]
Series D1 . . .	Subscription of increase registered capital of our Company	August 11, 2021	September 18, 2021		CTG Evergreen Investment B Two Limited ("**CTG B Two**")	RMB224,314	USD86,000,000	US$116,902,022 and RMB270,447,993	USD2.62	[REDACTED]%
					Angular Capital	RMB20,866	USD8,000,000			
					Evolution Holding IV	RMB18,005	USD6,902,922			
					01VC Khepri Ventures Limited ("**Khepri Ventures**")	RMB2,608	USD1,000,000			
					Macro Capital Hong Kong Limited (宏資本香港有限公司) ("**Macro Capital**")	RMB26,083	USD10,000,000			
					Minimal Capital Hong Kong Limited (極簡資本香港有限公司) ("**Minimal Capital**")	RMB13,042	USD5,000,000			
					Nanjing Wuyuan Qixing Entrepreneurship Investment Center (Limited Partnership) (南京五源啟圖創業投資中心(有限合夥)) ("**Wuyuan Qixing**")	RMB26,336	RMB65,333,143		RMB16.94	[REDACTED]%
					Shenzhen Hanchen Venture Capital Fund Partnership (Limited Partnership) (深圳市瀚辰創業投資基金合夥企業(有限合夥)) ("**Shenzhen Hanchen**")	RMB82,683	RMB205,114,850			
	Equity transfer from existing shareholder	August 11, 2021	August 17, 2021	Best Logistics	Shenzhen Hanchen	RMB28,319	RMB70,252,158	-	RMB16.94	[REDACTED]%
Series D2 . . .	Subscription of increase registered capital of our Company	October 18, 2021	December 10, 2021		Beijing Xingfan Venture Capital Partnership (Limited Partnership) (北京星梵創業投資合夥企業(有限合夥)) ("**Beijing Xingfan**")	RMB7,825	RMB19,411,500	US$9,300,000 and RMB19,411,500	RMB16.94	[REDACTED]%
					MeiLin1, LLC ("**Meilin Capital**")	RMB18,258	USD7,000,000		USD2.62	[REDACTED]%
					Global Innovative Growth Fund ("**Growth Fund**")	RMB5,999	USD2,300,000			

Round	Form of Investment	Date of initial investment agreement(s)	Date of full settlement of consideration	Transferor	Pre-[REDACTED] Investors[1]	Registered capital or shares subscribed for or acquired[2]	Amount of consideration paid	Total funds raised by our Company	Cost per Share[2] (approx.)	[REDACTED] to the H Share [REDACTED][3]
Series D+	Subscription of increase registered capital of our Company	January 29, 2022	March 21, 2022		Angular Capital	RMB23,973	USD10,000,000	RMB231,969,920 and USD82,600,000	USD2.62	[REDACTED]%
					CTG B Two	RMB95,891	USD40,000,000			
					Macro Capital	RMB6,233	USD2,600,000			
					CTG Evergreen Investment M One Limited ("**CTG M One**")	RMB23,973	USD10,000,000			
					CTG Evergreen Investment L One Limited ("**CTG L One**")	RMB23,973	USD10,000,000			
					01VC Artemis Ventures Limited ("**Artemis Ventures**")	RMB11,986	USD5,000,000			
					5Y Special Opportunity Holding II Limited ("**5Y Special Holding II**")	RMB11,986	USD5,000,000			
					Shenzhen Hanchen	RMB23,973	RMB63,728,000			
					Wuyuan Qixing	RMB23,973	RMB63,728,000			
					Wuxi Yuanze Equity Investment Partnership Enterprise (Limited Partnership) (無錫源澤股權投資合夥企業(有限合夥)) ("**Wuxi Yuanze**")	RMB39,315	RMB104,513,920			
Series E	Subscription of increase registered capital of our Company	April 28, 2024	June 11, 2024		Jianhu County Ninghu New Energy Equity Investment Fund (Limited Partnership) (建湖縣寧湖新能源股權投資基金(有限合夥)) ("**Jianhu Fund**")	RMB106,051	RMB195,000,000	RMB195,000,000	RMB18.39	[REDACTED]%
Series E+	Subscription of increase registered capital of our Company	December 6, 2024	January 6, 2025		Ezhou Wue[5]	RMB97,838	RMB180,000,000	RMB180,000,000	RMB18.40	[REDACTED]%
					Ezhou Core Intelligent[5]					

Round	Form of Investment	Date of initial investment agreement(s)	Date of full settlement of consideration	Transferor	Pre-[REDACTED] Investors[1]	Registered capital or shares subscribed for or acquired[2]	Amount of consideration paid	Total funds raised by our Company	Cost per Share[2] (approx.)	[REDACTED] to the H Share [REDACTED][3]
Series E++ . .	Subscription of increase registered capital of our Company	April 15, 2025	May 16, 2025		Wuyuan Qixing	RMB15,622	RMB28,805,005	USD1,494,130 and RMB97,124,238	RMB18.44	[REDACTED]%
					5Y Growth Holding I HK Limited ("**5Y Growth I**")	RMB31,242	RMB57,606,323			
					Wuxi Yuanyang Equity Investment Partnership Enterprise (Limited Partnership) (無錫源場股權投資合夥企業(有限合夥)) ("**Wuxi Yuanyang**")	RMB5,810	RMB10,712,910			
					Macro Capital	RMB5,810	USD1,494,130		USD2.57	[REDACTED]%
	Equity transfer from existing shareholder	April 15, 2025	May 29, 2025	Seine Limited	Wuyuan Qixing	RMB40,676	RMB26,888,014.03	-	RMB6.61	[REDACTED]%
				Tibet Star		RMB20,601	RMB13,617,858			
				Seine Limited	5Y Growth I	RMB81,350	RMB53,774,705.98			
				Tibet Star		RMB41,204	RMB27,237,037			
				Tibet Star	Wuxi Yuanyang	RMB22,789	RMB15,064,189			
				Tibet Star	Macro Capital	RMB22,789	USD2,101,003		USD0.92	[REDACTED]%
Series E+++ . .	Equity transfer from existing shareholder	August 22, 2025	January 7, 2026	Songshan Lake Robotics Institute	Zhuhai Chengyuan Management Consulting Enterprise (Limited Partnership) (珠海成源管理諮詢企業(有限合夥)) ("**Zhuhai Chengyuan**")	RMB8,941	RMB7,750,769	-	RMB8.67	[REDACTED]%
				Tongfang Yiheng		RMB129,737	RMB112,466,370			
	Subscription of increase registered capital of our Company	August 22, 2025	August 29, 2025		Zhuhai Chengyuan	RMB73,249	RMB136,309,060	RMB136,309,060	RMB18.61	[REDACTED]%
Series Pre-[REDACTED].	Subscription of shares of our Company	November 14, 2025	December 4, 2025		General Atlantic Singapore HR Pte. Ltd. ("**General Atlantic**")	2,855,712 Class B Ordinary Shares	USD150,000,000	USD150,000,000	USD2.63	[REDACTED]%

Round	Form of Investment	Date of initial investment agreement(s)	Date of full settlement of consideration	Transferor	Pre-[REDACTED] Investors[1]	Registered capital or shares subscribed for or acquired[2]	Amount of consideration paid	Total funds raised by our Company	Cost per Share[2] (approx.)	[REDACTED] to the H Share [REDACTED][3]
Series Pre-[REDACTED]+	Equity transfer from existing shareholder	December 19, 2025	January 27, 2026	Success Master	Zhuhai Chengyuan	79,329 Class B Ordinary Shares	RMB28,413,472	-	RMB17.91	[REDACTED]%
				Shanghai Lingyi		102,535 Class B Ordinary Shares	RMB36,725,225			
				Seine Limited	General Atlantic	139,598 Class B Ordinary Shares	USD7,062,546		USD2.53	[REDACTED]%
				Success Master		52,886 Class B Ordinary Shares	USD2,675,619			
				Shanghai Lingyi	Intelligence Investments (HK) Limited ("**Intelligence**")	92,258 Class B Ordinary Shares	USD4,667,536		USD2.53	[REDACTED]%
				Tibet Star		186,130 Class B Ordinary Shares	USD9,416,728			
				Growth Fund		29,287 Class B Ordinary Shares	USD1,748,379		USD2.98	[REDACTED]%
				Shanghai Lingyi	Xinchang Yuanxin Chuangying Equity Investment Partnership (Limited Partnership)(新昌源新創盈股權投資合夥企業(有限合夥)) ("**Yuanxin Chuangying**")	46,129 Class B Ordinary Shares	RMB16,522,143		RMB17.91	[REDACTED]%
				Tibet Star		93,065 Class B Ordinary Shares	RMB33,333,333			
				Growth Fund		14,643 Class B Ordinary Shares	RMB6,188,912		RMB21.13	[REDACTED]%
	Subscription of shares of our Company	December 19, 2025	January 19, 2026		General Atlantic	68,143 Class B Ordinary shares	USD4,068,026	USD8,220,803 and RMB41,800,000	USD2.98	[REDACTED]%
					Intelligence	69,562 Class B Ordinary shares	USD4,152,777			
					Yuanxin Chuangying	34,781 Class B Ordinary Shares	RMB14,700,000		RMB21.13	[REDACTED]%
					Zhuhai Chengyuan	64,120 Class B Ordinary shares	RMB27,100,000			

Round	Form of Investment	Date of initial investment agreement(s)	Date of full settlement of consideration	Transferor	Pre-[REDACTED] Investors[1]	Registered capital or shares subscribed for or acquired[2]	Amount of consideration paid	Total funds raised by our Company	Cost per Share[2] (approx.)	[REDACTED] to the H Share [REDACTED][3]
Series Pre-[REDACTED]++	Equity transfer from existing shareholder	February 2, 2026	February 12, 2026	Seine Limited	GCCZ Holding Limited ("GCCZ")	140,781 Class B Ordinary shares	RMB50,000,003	-	USD2.53	[REDACTED]%
				Beijing Xingfan		34,380 Class B Ordinary shares	RMB12,210,495			
				Songshan Lake Robotics Institute		129,169 Class B Ordinary shares	RMB45,875,999			
				Ezhou Core Intelligent		81,532 Class B Ordinary shares	RMB34,169,409		USD2.99	[REDACTED]%
				Ezhou Wue		138,875 Class B Ordinary shares	RMB58,201,486			
				Beijing Xingfan	Zhuhai Chengyuan	22,920 Class B Ordinary shares	RMB8,140,330		RMB17.76	[REDACTED]%
				Songshan Lake Robotics Institute		86,113 Class B Ordinary shares	RMB30,584,000			
				Ezhou Core Intelligent		27,178 Class B Ordinary shares	RMB11,389,900		RMB20.95	[REDACTED]%
				Ezhou Wue		51,365 Class B Ordinary shares	RMB21,526,600			

Notes:

(1) For the details of the Pre-**[REDACTED]** Investors, see "— 5. Information about the Pre-**[REDACTED]** Investors" below.

(2) The registered capitals or shares subscribed for or acquired refer to those specified under the respective agreements. The cost per Share is calculated based on the amount of investment made by the relevant Pre-**[REDACTED]** Investors and the number of Shares held by them corresponding to the investment, which was adjusted to reflect the subsequent capital reorganization including the conversion of capital reserve to registered capital of the Company and Share Subdivision, as applicable.

(3) The **[REDACTED]** to the H Share **[REDACTED]** is calculated based on the assumption that the **[REDACTED]** is HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range of HK$**[REDACTED]** to HK$**[REDACTED]** per **[REDACTED]**.

(4) On June 3, 2021, Success Master entered into an equity transfer agreement with Beijing Lenovo Star Future Investment Management Limited Company ("**Lenovo Star**"), pursuant to which Lenovo Star transferred all of its equity interest, rights and obligations to Success Master.

(5) Ezhou Wue Collaborative Venture Capital Fund Partnership Enterprise (Limited Partnership) (鄂州市武鄂協同創業投資基金合夥企業(有限合夥)) ("**Ezhou Wue**") and Ezhou City Core Intelligent Industry Investment Fund Partnership Enterprise (Limited Partnership) (鄂州市芯智能產業投資基金合夥企業(有限合夥)) ("**Ezhou Core Intelligent**"), are managed and represented by Ezhou Changrong Private Equity Fund Management Co., Ltd. (鄂州市昌融私募基金管理有限公司).

2. Principal Terms of the Pre-[REDACTED] Investments

Basis of determining the valuation and consideration paid	The determination of the valuation and consideration is based on arm's length negotiations between the relevant parties with reference to among others, (i) the timing and market conditions of the investments/equity transfers and the market value of comparable companies at the relevant time, (ii) the operation of our business, the financial performance of our Group at the relevant time/period, and (iii) the prospects of our business.
Lock-up	Pursuant to the applicable PRC law, within the 12 months following the [**REDACTED**], the Shares issued by the Company prior to the [**REDACTED**] (including the Shares held by the Pre-[**REDACTED**] Investors immediately prior to the [**REDACTED**]) are restricted from transfer. Our sophisticated investors, 5Y Capital, Capital Today, HongShan and General Atlantic, are expected to retain at least an aggregate of 50% of their investment at the time of the [**REDACTED**] for a period of at least six months following the completion of the [**REDACTED**], in accordance with paragraph 6 under Chapter 2.2 of the Guide for New Listing Applicants.
Use of proceeds from the Pre-[**REDACTED**] Investments	We utilized the proceeds from the Pre-[**REDACTED**] Investments for the operations, business expansion, research and development and general working capital purpose of our Group. As of the Latest Practicable Date, approximately 91% of the funds raised from the Pre-[**REDACTED**] Investments have been utilized.
Strategic benefit of the Pre-[**REDACTED**] Investments to our Group	At the time of each of the Pre-[**REDACTED**] Investments, our Directors were of the view that our Company could benefit from the capital raised through the Pre-[**REDACTED**] Investments, the Pre-[**REDACTED**] Investors' knowledge and experience, and the endorsement of and confidence in the Group's performance, strength and prospects reflected by the Pre-[**REDACTED**] Investments.

3. Special Rights of the Pre-[REDACTED] Investors

Certain Pre-[**REDACTED**] Investors have been granted certain special rights in relation to our Company, including, among others, redemption right, pre-emptive rights, tag-along rights, anti-dilution rights, rights of first refusal for new issuances, director appointment right, right of prior consent for certain corporate actions and changes in articles, information rights, company repurchase rights, and liquidation preference rights.

The redemption rights and company repurchase rights had been terminated immediately before the date of our first submission of [**REDACTED**] to the Stock Exchange, but shall automatically be reinstated upon the earlier occurrence of any of the following events: (a) where our Company voluntarily withdraws the [**REDACTED**]; (b) the rejection of the [**REDACTED**] by the relevant securities regulatory authority and/or stock exchange; and (c) the failure by our Company to consummate a qualified [**REDACTED**] within 18 months after the submission of the first [**REDACTED**]. All other special rights granted to the Pre-[**REDACTED**] Investors by our Company shall cease to be effective upon [**REDACTED**].

4. Joint Sponsors' Confirmation

On the basis that (i) the [**REDACTED**], being the first day of [**REDACTED**] of the H Shares on the Stock Exchange, will take place no earlier than 120 clear days after completion of the Pre-[**REDACTED**] Investments; and (ii) the special rights of the Pre-[**REDACTED**] Investors have been terminated as disclosed in "— Special Rights of the Pre-[**REDACTED**] Investors" above, the Joint Sponsors confirm that the Pre-[**REDACTED**] Investments are in compliance with the Pre-[**REDACTED**] Investment Guidance as defined in Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

5. Information about the Pre-[REDACTED] Investors

For details for our Pre-[**REDACTED**] Investors, see "— Capitalization" below in this section, which include our sophisticated investors, namely 5Y Capital, Capital Today, HongShan and General Atlantic. To the best knowledge of our Company and save as disclosed below, all of our Pre-[**REDACTED**] Investors and their ultimate beneficial owners are Independent Third Parties upon [**REDACTED**].

PUBLIC FLOAT

Following the conversion of the Unlisted Shares into H Shares and upon completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised):

(a) a total of [**REDACTED**] H Shares to be held by our core connected persons will not be counted towards the public float, including Hairou Weizheng, General Atlantic, 5Y Capital, Source Code Entities and Capital Today, representing approximately [**REDACTED**]% of our total issued Shares upon the completion of the [**REDACTED**];

(b) a total of [**REDACTED**] Unlisted Shares held by the WVR Beneficiaries, representing approximately [**REDACTED**]% of our share capital in aggregate upon [**REDACTED**], will not be converted into H Shares and will not be counted towards the public float;

(c) a total of [**REDACTED**] Unlisted Shares held by the remaining existing Shareholders will be converted into H Shares and [**REDACTED**] on the Stock Exchange, and therefore will be counted as part of the public float, representing [**REDACTED**]% of our share capital in aggregate upon the completion of [**REDACTED**]. To the best knowledge of our Directors, none of such remaining existing Shareholders is accustomed to take instructions from any of our core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and none of their acquisition of the Shares were financed directly or indirectly by our core connected person; and

(d) a total of [**REDACTED**] H Shares [**REDACTED**] pursuant to the [**REDACTED**] will be counted as part of the public float, representing [**REDACTED**]% of our share capital upon the completion of [**REDACTED**] in aggregate.

Based on the above, it is expected that immediately following completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), a total of [**REDACTED**] Shares (taking into account the Share Subdivision), representing [**REDACTED**]% of our total share capital upon the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised) will be counted as part of the public float. If the [**REDACTED**] is fixed at HK$[**REDACTED**], HK$[**REDACTED**] or HK$[**REDACTED**] per [**REDACTED**] (being the low end, mid-point and the upper end, respectively), the expected market capitalization of our Company's H Shares upon completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised) would be HK$[**REDACTED**], HK$[**REDACTED**] and HK$[**REDACTED**], and, therefore, the minimum prescribed public float percentage as required under Rule 19A.13A of the Listing Rules would be over [**REDACTED**]% of the total issued Share.

FREE FLOAT

Following the conversion of Unlisted Shares into H Shares and upon completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), a total of [**REDACTED**] H Shares are expected to be held by representing [**REDACTED**]% of our total issued Share upon completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), will be counted as part of the free float. As a results, over 10% of our Company's total issued Shares will be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) with an expected [**REDACTED**] at the time of [**REDACTED**] of over HK$[**REDACTED**] (based on the [**REDACTED**] of HK$[**REDACTED**], being the low-end of the indicative [**REDACTED**] range set out in this Document), as required under Rule 19A.13C of the Listing Rules.

CAPITALIZATION

Our Company [has filed] with the CSRC for H-share full circulation to convert certain Unlisted Shares into H Shares upon the [**REDACTED**]. The conversion of Unlisted Shares into H Shares will involve an aggregate of [**REDACTED**] Class B Ordinary Shares, representing approximately [**REDACTED**]% of total issued share capital of our Company upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) and the conversion of Unlisted Shares into H Shares:

	As of the Latest Practicable Date			Immediately upon Completion of the [REDACTED] (assuming the [REDACTED] is not exercised)			
Shareholder	Number of Unlisted Shares held	Ownership percentage (approx.)	Voting power percentage (approx.)[1]	Number of Unlisted Shares held	Number of H Shares held	Ownership percentage (approx.)	Voting power percentage (approx.)[1]
CONCERT PARTIES[2]							
Mr. Chen	4,090,592 Class A Ordinary Shares	7.92%	63.23%	[REDACTED] Class A Ordinary Shares	–	[REDACTED]%	[REDACTED]%
Mr. Xu	1,480,597 Class B Ordinary Shares	2.87%	1.14%	[REDACTED] Class A Ordinary Shares	–	[REDACTED]%	[REDACTED]%

	As of the Latest Practicable Date			Immediately upon Completion of the [REDACTED] (assuming the [REDACTED] is not exercised)			
Shareholder	**Number of Unlisted Shares held**	**Ownership percentage (approx.)**	**Voting power percentage (approx.)[1]**	**Number of Unlisted Shares held**	**Number of H Shares held**	**Ownership percentage (approx.)**	**Voting power percentage (approx.)[1]**
Mr. Fang	1,480,597 Class B Ordinary Shares	2.87%	1.14%	[REDACTED] Class A Ordinary Shares	–	[REDACTED]%	[REDACTED]%
EMPLOYEE INCENTIVE PLATFORM							
Hairou Weizheng[3]	4,636,350 Class B Ordinary Shares	8.97%	3.58%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
PRE-[REDACTED] INVESTORS							
***5Y Capital*[4]**							
Evolution Holding IV[5]	4,244,381 Class B Ordinary Shares	8.21%	3.28%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
5Y Growth I[6]	1,537,957 Class B Ordinary Shares	2.98%	1.19%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Wuyuan Qixing[7]	1,536,667 Class B Ordinary Shares	2.97%	1.19%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
5Y Special Holding II[8]	190,990 Class B Ordinary Shares	0.37%	0.15%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Sub-total	**7,509,995 Class B Ordinary Shares**	**14.53%**	**5.81%**	**–**	[REDACTED] **Class B Ordinary Shares**	[REDACTED]**%**	[REDACTED]**%**
General Atlantic [9]	6,232,665 Class B Ordinary Shares	12.06%	4.82%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Source Code Entities							
Matrice Capital[10]	3,736,262 Class B Ordinary Shares	7.23%	2.89%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Macro Capital[11]	767,288 Class B Ordinary Shares	1.48%	0.59%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%

	As of the Latest Practicable Date			Immediately upon Completion of the [REDACTED] (assuming the [REDACTED] is not exercised)			
Shareholder	Number of Unlisted Shares held	Ownership percentage (approx.)	Voting power percentage (approx.)[1]	Number of Unlisted Shares held	Number of H Shares held	Ownership percentage (approx.)	Voting power percentage (approx.)[1]
Wuxi Yuanze[12]	626,449 Class B Ordinary Shares	1.21%	0.48%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Wuxi Yuanyang[13]	285,989 Class B Ordinary Shares	0.55%	0.22%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Minimal Capital[14]	190,990 Class B Ordinary Shares	0.37%	0.15%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Sub-total	**5,606,978 Class B Ordinary Shares**	**10.85%**	**4.33%**	**–**	[REDACTED] **Class B Ordinary Shares**	[REDACTED]**%**	[REDACTED]**%**
Capital Today[15]							
CTG B Two[16]	4,812,980 Class B Ordinary Shares	9.31%	3.72%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
CTG M One[17]	381,979 Class B Ordinary Shares	0.74%	0.30%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
CTG L One[18]	381,979 Class B Ordinary Shares	0.74%	0.30%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Sub-total	**5,576,938 Class B Ordinary Shares**	**10.79%**	**4.32%**	**–**	[REDACTED] **Class B Ordinary Shares**	[REDACTED]**%**	[REDACTED]**%**
Zhuhai Chengyuan[19]	2,986,384 Class B Ordinary Shares	5.78%	2.31%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
HongShan[20]							
Shenzhen Hanchen[21]	2,007,596 Class B Ordinary Shares	3.88%	1.55%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
HongShan Jiatai[22]	350,379 Class B Ordinary Shares	0.68%	0.27%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%

	As of the Latest Practicable Date			Immediately upon Completion of the [REDACTED] (assuming the [REDACTED] is not exercised)			
Shareholder	Number of Unlisted Shares held	Ownership percentage (approx.)	Voting power percentage (approx.)[1]	Number of Unlisted Shares held	Number of H Shares held	Ownership percentage (approx.)	Voting power percentage (approx.)[1]
Sub-total	**2,357,975 Class B Ordinary Shares**	**4.56%**	**1.82%**	**–**	[REDACTED] **Class B Ordinary Shares**	[REDACTED]%	[REDACTED]%
Seine Limited[23]	2,285,177 Class B Ordinary Shares	4.42%	1.77%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Angular Capital[24]	2,216,985 Class B Ordinary Shares	4.29%	1.71%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
FountainVest Partners							
Intelligence[25]	754,472 Class B Ordinary Shares	1.46%	0.58%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Yuanxin Chuangying[26]	377,235 Class B Ordinary Shares	0.73%	0.29%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Sub-total	**1,131,707 Class B Ordinary Shares**	**2.19%**	**0.87%**	**–**	[REDACTED] **Class B Ordinary Shares**	[REDACTED]%	[REDACTED]%
Jianhu Fund[27]	1,060,508 Class B Ordinary Shares	2.05%	0.82%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
GCCZ[28]	1,049,472 Class B Ordinary Shares	2.03%	0.81%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
01 VC							
Shanghai Lingyi[29]	560,415 Class B Ordinary Shares	1.08%	0.43%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Artemis Ventures[30]	190,990 Class B Ordinary Shares	0.37%	0.15%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Khepri Ventures[31]	38,200 Class B Ordinary Shares	0.07%	0.03%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%

	As of the Latest Practicable Date			Immediately upon Completion of the [REDACTED] (assuming the [REDACTED] is not exercised)			
Shareholder	**Number of Unlisted Shares held**	**Ownership percentage (approx.)**	**Voting power percentage (approx.)[1]**	**Number of Unlisted Shares held**	**Number of H Shares held**	**Ownership percentage (approx.)**	**Voting power percentage (approx.)[1]**
Sub-total	**789,605 Class B Ordinary Shares**	**1.52%**	**0.61%**	**–**	[REDACTED] **Class B Ordinary Shares**	[REDACTED]%	[REDACTED]%
Tibet Star[32]	399,409 Class B Ordinary Shares	0.77%	0.31%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Ezhou Wue[33]	380,479 Class B Ordinary Shares	0.74%	0.29%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Meilin Capital[34]	267,389 Class B Ordinary Shares	0.52%	0.21%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Songshan Lake Robotics Institute[35]	112,607 Class B Ordinary Shares	0.22%	0.09%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Shanghai Scheme[36]	23,360 Class B Ordinary Shares	0.05%	0.02%	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Other [**REDACTED**] taking part in the [**REDACTED**]	–	–	–	–	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%
Total	**51,675,769 Ordinary Shares**	**100.00%**	**100.00%**	[REDACTED] **Class A Ordinary Shares**	[REDACTED] **Class B Ordinary Shares**	**100.00%**	**100.00%**

Notes:

(1) As of the Latest Practicable Date, each Class A Ordinary Share entitles the holder to exercise twenty votes and each Class B Ordinary Share entitles the holder to exercise one vote, other than the Special Matters. Upon the completion of the [**REDACTED**], each Class A Ordinary Share entitles the holder to exercise ten votes and each Class B Ordinary Share entitles the holder to exercise one vote, other than the Reserved Matters and the Special Matters.

(2) Mr. Chen, Mr. Xu and Mr. Fang entered into the Concert Party Agreement. See "— Concert Party Agreement" above.

(3) Hairou Weizheng is our Employee Incentive Platform controlled by Mr. Chen. See "— Employee Incentive Platform" above and "— Our Corporate Structure" below.

(4) 5Y Capital is a venture capital firm and specializes in fostering the growth of outstanding companies in the technology, life sciences, and consumer innovation sectors. The unwavering commitment of 5Y Capital is to serve as the premier, enduring, and most impactful investor for top-tier entrepreneurs. In addition to our Company, 5Y Capital has invested in other technology companies such as Xiaomi Corporation (stock code: 1810.HK), Kuaishou Technology (stock code: 1024.HK), XPeng Inc. (stock code: 9868.HK; XPEV) and Horizon Robotics (stock code: 9660.HK) etc. The aggregate fund size of USD-denominated funds managed by 5Y Capital was approximately US$2 billion as of September 30, 2020 (prior to the investment in our Company), over approximately US$5 billion as of December 31, 2025 and over approximately USD5 billion as of the Latest Practicable Date.

(5) Evolution Holding IV, namely Evolution Holding IV Limited (五源五期控股四號有限公司) is a limited company established under the laws of Hong Kong, and is principally engaged in equity investment. Evolution Holding IV is held as to 86.96% by Evolution Fund I, L.P. and as to 13.04% by Evolution Fund I Co-investment, L.P., both of which

are controlled by their general partner, 5Y Capital GP Limited. Mr. LIU Qin (劉芹) holds 100% of the equity interests in 5Y Capital GP Limited. None of the limited partners has contributed an amount exceeding 30% of the total commitment of Evolution Fund I, L.P. and Evolution Fund I Co-investment, L.P., and none of the limited partners has held a cumulative limited partner interest exceeding 30% across Evolution Fund I, L.P. and Evolution Fund I Co-investment, L.P.

(6) 5Y Growth I, namely 5Y Growth Holding I HK Limited, is a limited company established under the laws of Hong Kong, and is principally engaged in equity investment. 5Y Growth I is held as to 90.95% by 5Y Capital Growth Fund I, L.P. and as to 9.05% by 5Y Capital Growth Fund I Co-Investment, L.P., both of which are controlled by their general partner, 5Y Capital GP Limited. Mr. LIU Qin (劉芹) holds 100% of the equity interests in 5Y Capital GP Limited. None of the limited partners has contributed an amount exceeding 30% of the total commitment of 5Y Capital Growth Fund I, L.P. and 5Y Capital Growth Fund I Co-Investment, L.P, and none of the limited partners has held a cumulative limited partner interest exceeding 30% across 5Y Capital Growth Fund I, L.P. and 5Y Capital Growth Fund I Co-Investment, L.P.

(7) Wuyuan Qixing, namely Nanjing Wuyuan Qixing Venture Capital Investment Center (Limited Partnership) (南京五源啟興創業投資中心(有限合夥)), is a limited partnership established under the laws of the PRC, and is principally engaged in equity investment. The general partner of Wuyuan Qixing is Nanjing Wuyuan Chuxing Equity Investment Center (Limited Partnership) (南京五源初興股權投資中心(有限合夥)) ("**Wuyuan Chuxing**"), which is controlled by its general partner, Shanghai Xingshang Enterprise Management Consulting Co., Ltd. (上海興尚企業管理諮詢有限公司) ("**Wuyuan Xingshang**"), and the management company of Wuyuan Qixing is Shanghai Xingpan Private Equity Fund Management Co., Ltd. (上海興畔私募基金管理有限公司) ("**Wuyuan Xingpan**"), an affiliate of Wuyuan Chuxing. Mr. LIU Qin (劉芹) holds 50% of the equity interests in Wuyuan Xingshang and 97% of the equity interests in Wuyuan Xingpan, and is the ultimate beneficial owner of Wuyuan Qixing. None of the limited partner held 30% or more partnership interest in Wuyuan Qixing.

(8) 5Y Special Holding II, namely 5Y Special Opportunity Holding II Limited, is a limited company established under the laws of Hong Kong, and is principally engaged in equity investment. 5Y Special Holding II is held as to 86.96% by Evolution Special Opportunity Fund I, L.P. and as to 13.04% by Evolution Fund I Co-investment, L.P., both of which are controlled by their general partner, 5Y Capital GP Limited. Mr. LIU Qin (劉芹) holds 100% of the equity interests in 5Y Capital GP Limited. None of the limited partners has contributed an amount exceeding 30% of the total commitment of Evolution Special Opportunity Fund I, L.P. and Evolution Fund I Co-investment, L.P., and none of the limited partners has held a cumulative limited partner interest exceeding 30% across Evolution Special Opportunity Fund I, L.P. and Evolution Fund I Co-investment, L.P.

(9) General Atlantic, namely General Atlantic Singapore HR Pte. Ltd., is a company incorporated in Singapore on June 27, 2023. It is 100% owned by General Atlantic Singapore Fund Pte. Ltd. ("**GASF**"). GASF, which is incorporated in Singapore, forms part of the General Atlantic private equity group that makes and holds investments in growth companies globally, including the PRC, Hong Kong, India, Singapore, Indonesia and other regions of Asia. General Atlantic manages approximately $114 billion and approximately $126 billion in assets under management, inclusive of all strategies, as of June 30, 2025 (prior to the investment in our Company) and as of December 31, 2025, respectively, with more than 900 professionals in 20 countries across five regions. General Atlantic provides capital and strategic support for companies, such as Meituan (3690.HK), Ocumension Therapeutics (1477.HK), HUTCHMED (China) Limited (0013.HK), Xiabuxiabu Catering Management (China) Holdings Co., Ltd. (0520.HK), NetEase Cloud Music Inc. (9899.HK) and Wuxi XDC Cayman Inc. (2268.HK). The investment manager of GASF is General Atlantic Singapore Fund Management Pte. Ltd. ("**GASFM**"). GASFM is wholly owned by General Atlantic Service Company, L.P. ("**GASC**"), an investment advisor registered with the United States Securities and Exchange Commission. The general partner of GASC is GASC GP, LLC, which is wholly-owned by GASC MGP, LLC. Entities managed by General Atlantic, including GASC MGP, LLC, are ultimately controlled by the Partnership Committee of GASC MGP, LLC which, except as otherwise delegated, determines strategic and major policy decisions and oversees and controls the firm's affairs and business. There is no individual or limited partner who owns or controls 30% or more of General Atlantic Singapore HR Pte. Ltd, GASF, GASFM, GASC, GASC GP, LLC or GASC MGP, LLC.

(10) Matrice Capital, namely Matrice Capital Hong Kong Limited (矩陣資本香港有限公司), is a company incorporated in Hong Kong on May 8, 2019, and is principally engaged in equity investment. It is held as to 100% by Source Code Venture Fund IV L.P., whose general partner is Source Code Venture Fund IV Management L.P. The general partner of Source Code Venture Fund IV Management L.P. is Source Code V4 Management Co., which is controlled by Source Code Super Holdings Co.. Source Code Super Holdings Co. is ultimately controlled by Enlightenment Trust, as trustee for the benefit of Mr. Charlie CAO, an Independent Third Party, and his family members. None of the limited partners holds 30% or more partnership interest in Source Code Venture Fund IV L.P..

(11) Macro Capital, namely Macro Capital Hong Kong Limited (宏資本香港有限公司), is a company incorporated in Hong Kong on February 25, 2021, and is principally engaged in equity investment. It is held as to 100% by Source Code Growth Fund II L.P., whose general partner is Source Code Growth Fund II Management L.P. The general partner of Source Code Growth Fund II Management L.P. is Source Code G2 Management Co., which is controlled by Source Code Super Holdings Co.. Source Code Super Holdings Co. is ultimately controlled by Enlightenment Trust, as trustee for the benefit of Mr. Charlie CAO, an Independent Third Party, and his family members. None of the limited partners holds 30% or more partnership interest in Source Code Growth Fund II L.P..

(12) Wuxi Yuanze, namely Wuxi Yuanze Equity Investment Partnership Enterprise (Limited Partnership) (無錫源澤股權投資合夥企業(有限合夥)), is a limited partnership established in the PRC on September 29, 2021, and is principally engaged in equity investment. It is held as to approximately 0.01% by Wuxi Yuandao Management Consulting Co., Ltd. (無錫源道管理諮詢有限公司) ("**Wuxi Yuandao**") as general partner which exercises exclusive authority to manage and control the operations, investment activities, and other affairs of the partnership. Wuxi Yuandao is wholly owned by Ningbo Yuanlan Management Consulting Co., Ltd. (寧波源嵐管理諮詢有限公司) ("**Ningbo Yuanlan**"), which is in turn wholly owned by Nanjing Yuanju Technology Co., Ltd. (南京源矩科技有限公司) ("**Nanjing Yuanju**"). Nanjing Yuanju is held as to approximately 82.18% by Hangzhou Yiqian Enterprise Management Consulting Co., Ltd. (杭州毅謙企業管理諮詢有限公司) ("**Hangzhou Yiqian**"), which is wholly owned and ultimately controlled by Mr. Charlie CAO. Wuxi Yuanze's limited partners are Wuxi Yuanxuan Equity Investment Partnership Enterprise (Limited Partnership) (無錫源軒股權投資合夥企業(有限合夥)) ("**Wuxi Yuanxuan**"), holding approximately 96.16% partnership interests therein, and Wuxi Yuancheng Equity Investment Partnership Enterprise (Limited Partnership) (無錫源誠股權投資合夥企業(有限合夥)) ("**Wuxi Yuancheng**"), holding approximately 3.83%

partnership interests therein. The general partner of Wuxi Yuanxuan is Wuxi Yuandao, which is ultimately controlled by Mr. Charlie CAO. The limited partners of Wuxi Yuanxuan are Wuxi Yuanran Equity Investment Partnership Enterprise (Limited Partnership) (無錫源然股權投資合夥企業(有限合夥)) ("**Wuxi Yuanran**"), holding approximately 53.35% partnership interests therein, and Nanjing Yuanjun Equity Investment Partnership Enterprise (Limited Partnership) (南京源駿股權投資合夥企業(有限合夥)) ("**Nanjing Yuanjun**"), holding approximately 46.61% partnership interests therein. The general partner of Wuxi Yuanran is Wuxi Yuandao, which is ultimately controlled by Mr. Charlie CAO. None of the limited partners holds 30% or more partnership interest in Wuxi Yuanran. The general partner of Nanjing Yuanjun is Nanjing Yuanning Management Consulting Co., Ltd. (南京源寧管理諮詢有限公司), which is wholly owned by Nanjing Yuankai Management Consulting Group Co., Ltd. (南京源凱管理諮詢集團有限公司) ("**Nanjing Yuankai**"). Nanjing Yuankai is in turn wholly owned by Nanjing Yuanju and ultimately controlled by Mr. Charlie CAO. New China Life Insurance Company Ltd. (新華人壽保險股份有限公司) (stock code: 01336.HK and 601336.SH) is one of the limited partners of Nanjing Yuanjun, holding approximately 33.26% of its partnership interest. There are no other limited partners holding 30% or more of the partnership interest in Nanjing Yuanjun.

(13) Wuxi Yuanyang, namely Wuxi Yuanyang Equity Investment Partnership Enterprise (Limited Partnership) (無錫源揚股權投資合夥企業(有限合夥)), is a limited partnership established in the PRC on September 24, 2021, and is principally engaged in equity investment. It is held as to approximately 0.1% by Wuxi Yuandao as general partner which exercises exclusive authority to manage and control the operations, investment activities, and other affairs of the partnership. Wuxi Yuandao is wholly owned by Ningbo Yuanlan, which is in turn wholly owned by Nanjing Yuanju. Nanjing Yuanju is held as to approximately 82.18% by Hangzhou Yiqian, and is ultimately controlled by Mr. Charlie CAO. Wuxi Yuanyang's limited partners are Wuxi Yuanran, holding approximately 53.32% partnership interests therein, and Nanjing Yuanjun, holding approximately 46.58% partnership interests therein. Both Wuxi Yuanran and Nanjing Yuanjun are ultimately controlled by Mr. Charlie CAO, an Independent Third Party. Wuxi Yuanyang is managed by Lhasa Yuanchi Investment Management Co., Ltd. (拉薩源馳投資管理有限公司).

(14) Minimal Capital, namely Minimal Capital Hong Kong Limited (極簡資本香港有限公司), is a company incorporated in Hong Kong on May 21, 2021, and is an investment holding company. It is held as to 100% by Bell Investment L.P., whose general partner is Source Code Woodbine Venture Ltd., which is controlled by Source Code Super Holdings Co.. Source Code Super Holdings Co. is ultimately controlled by Enlightenment Trust, the underlying beneficial owners of which are Mr. Charlie CAO, an Independent Third Party, and his family members. The limited partner of Bell Investment L.P. is Unicorn Partners Fund IV, L.P., whose general partner is Unicorn Partners GP Fund IV Limited. Unicorn Partners GP Fund IV Limited are 50% held by Tommy Yip Yan Chak and 50% held by Low Kah Fai.

(15) Capital Today is a venture capital firm which manages dedicated China country funds with aggregate assets under management of approximately US$7 billion as of June 30, 2021 (prior to the investment in our Company) and approximately US$4 billion as of December 31, 2025. It is one of the first independent venture capital firms in China. Founded in 2005, Capital Today is committed to provide growth capital to Chinese companies and helps them build sustainable businesses and No. 1 brands. Capital Today has been investing in consumer internet, FSD, robotics and AI sectors. Its portfolios included JD.com Inc. (NASDAQ: JD; HKEX: 9618), Meituan Dianping (HKEX: 3690), Kanzhun Limited (NASDAQ: BZ; HKEX: 2076), Horizon Robotics (HKEX: 9660), Knowledge Atlas (HKEX: 02513) and Moonshot AI Ltd. Each of CTG B Two, CTG M One and CTG L One is an investment arm of Capital Today.

(16) CTG B Two, namely CTG Evergreen Investment B Two Limited, is a British Virgin Islands company incorporated on July 3, 2020, and is principally engaged in equity investment. CTG B Two is held as to 99.98% by Capital Today Evergreen Fund, L.P. ("**Capital Today Evergreen**"). Capital Today Evergreen is a limited partnership organized under the laws of the Cayman Islands, whose general partner is Capital Today Evergreen GenPar LTD., a Cayman Islands company which is wholly owned by Ms. Xu Xin. None of the limited partners of Capital Today Evergreen holds 10% or more of its partnership interest.

(17) CTG M One, namely CTG Evergreen Investment M One Limited, is a British Virgin Islands company incorporated on January 28, 2021, and is principally engaged in equity investment. CTG M One is held as to 25% by Citco Custody Limited Ref Roc Opportunity Fund, L.P., as to 35% by Perpetual Corporate Trust Limited as custodian for ROC Capital Pty Limited as trustee for ROC ES Private Equity Trust, and as to 40% by Perpetual Corporate Trust Limited as custodian for ROC Capital Pty Limited as trustee for Hostplus ROC Private Equity Trust. CTG M One is controlled by Capital Today Evergreen, which holds 100% of the ordinary shares of CTG M One. The general partner of Capital Today Evergreen is Capital Today Evergreen GenPar Ltd., which is wholly owned by Ms. Xu Xin. None of the limited partners of Capital Today Evergreen holds 10% or more of its partnership interest.

(18) CTG L One, namely CTG Evergreen Investment L One Limited, is a British Virgin Islands company incorporated on January 28, 2021, and is principally engaged in equity investment. Capital Today Evergreen has control over CTG L One through its holding of 100% of the ordinary shares of CTG L One. The general partner of Capital Today Evergreen is Capital Today Evergreen GenPar Ltd., which is wholly owned by Ms. Xu Xin. The preferred shares of CTG L One are held as to 70.00% by Ohana Holdings, L.L.C. and 30.00% by JME Holdings LP. None of the limited partners of Capital Today Evergreen holds 10% or more of its partnership interest.

(19) Zhuhai Chengyuan, namely Zhuhai Chengyuan Management Consulting Enterprise (Limited Partnership) (珠海成源管理諮詢企業(有限合夥)), is a limited partnership established in the PRC on November 12, 2020. Zhuhai Chengyuan is managed by its general partner, Shenzhen Jingchuang Zhizao Enterprise Management Partnership (Limited Partnership) (深圳精創智造企業管理合夥企業(有限合夥)) ("**Jingchuang Zhizao**"), which is in turn managed by its general partner, Tibet Zhizao Enterprise Management Co., Ltd. (西藏智造企業管理有限公司). Tibet Zhizao Enterprise Management Co., Ltd. is wholly owned by Hexie Aiqi Investment Management (Beijing) Co., Ltd. (和諧愛奇投資管理(北京)有限公司) ("**Hexie Aiqi**"). Hexie Aiqi is held as to 73.76% by Tibet Hexie Enterprise Management Co., Ltd. (西藏和諧企業管理有限公司) ("**Tibet Hexie**"). Tibet Hexie is held as to 93.63% by Zhuhai Hexie Zhiyuan Management Consultancy Co., Ltd. (珠海和諧致遠管理諮詢有限公司), which is owned as to 40% by LI Jianguang (李建光), 30% by NIU Kuiguang (牛奎光) and 30% by WANG Jingbo (王靜波). The only limited partner of Jingchuang Zhizao is Shenzhen Baocheng Chuangke Enterprise Management Co., Ltd. (深圳寶成創科企業管理有限公司), which is wholly owned by Tibet Hexie. The only limited partner of Zhuhai Chengyuan is Shenzhen Harmonious Growth Phase III Technology Development Equity Investment Fund Partnership (Limited Partnership) (深圳和諧成長三期科技發展股權投資基金合夥企業(有限合夥)) ("**Shenzhen Hexie**"), holding 99.9976% interest therein, whose general partner is Jingchuang Zhizao. None of the limited partners of Shenzhen Hexie holds 30% or more partnership interest therein.

(20) Shenzhen Hanchen and HongShan Jiatai are investment vehicles of HongShan. HongShan is a leading venture capital and private equity firm investing in technology, healthcare and consumer sectors. Founded in 2005, HongShan has nurtured entrepreneurship and innovation, backing more than 1,800 companies. The aggregate assets under management of HongShan was over HK$15 billion and approximately US$55 billion across different products and affiliate funds as of December 31, 2020 (prior to the investment in our Company) and as of December 31, 2025, respectively.

(21) Shenzhen Hanchen, namely Shenzhen Hanchen Venture Capital Fund Partnership (Limited Partnership) (深圳市瀚辰創業投資基金合夥企業(有限合夥)), is a limited partnership established in the PRC on September 29, 2019, focusing on the investments in technology, media and telecommunication, healthcare, consumer goods and modern services sectors. Shenzhen HongShan Antai Equity Investment Partnership (Limited Partnership) (深圳紅杉安泰股權投資合夥企業(有限合夥)) ("**HongShan Antai**"), a limited partnership established in the PRC, is the general partner of Shenzhen Hanchen, holding approximately 0.01% of partnership interest. HongShan Antai's general partner is Shenzhen HongShan Huanyu Investment Consulting Co., Ltd. (深圳市紅杉桓宇投資諮詢有限公司) ("**HongShan Huanyu**"), which is directly held as to 70% and ultimately controlled by Zhou Kui (周逵). The limited partners of HongShan Antai are HongShan Baichen (Xiamen) Equity Investment Partnership Enterprise (Limited Partnership) (紅杉柏辰(廈門)股權投資合夥企業(有限合夥)) ("**HongShan Baichen**"), holding approximately 67.25% of partnership interest therein, and the rest with each holding less than 5% of partnership interest therein. HongShan Baichen is ultimately controlled by Zhou Kui (周逵). The only limited partner of Shenzhen Hanchen is Shenzhen HongShan Yuechen Investment Partnership (Limited Partnership) (深圳紅杉悅辰投資合夥企業(有限合夥)) ("**HongShan Yuechen**"), holding approximately 99.99% of partnership interest in Shenzhen Hanchen, which is ultimately controlled by Zhou Kui (周逵).

(22) HongShan Jiatai, namely Shenzhen HongShan Jiatai Equity Investment Partnership (Limited Partnership) (深圳紅杉嘉泰股權投資合夥企業(有限合夥)), is a limited partnership established in the PRC on March 3, 2016, focusing on the investments in technology, media and telecommunication, healthcare, consumer goods and modern services sectors. HongShan Antai, a limited partnership established in the PRC, is the general partner of HongShan Jiatai, holding approximately 0.07% of partnership interest. The only limited partner of HongShan Jiatai is HongShan Yuechen, holding approximately 99.93% of partnership interest in HongShan Jiatai.

(23) Seine Limited, namely SEINE LIMITED (香港塞納責任有限公司), is a company incorporated in Hong Kong on September 25, 2009, and is principally engaged in equity investment. It is held as to 100% by Walden Technology Ventures III, L.P., which is a Cayman registered limited partnership. Walden Technology Ventures III LP is solely managed by its general partner entity, Walden technology ventures III GP LLC. The sole managers of the General Partner entity are Lip-Bu Tan, Hing Wong and Bill Li. None of the limited partners holds 30% or more of the partnership interest in Walden Technology Ventures III LP.

(24) Angular Capital, namely Angular Capital Hong Kong Limited (角度資本香港有限公司), is a company incorporated in Hong Kong on September 17, 2020, and is an investment holding company. It is held as to 100% by Resound Investment L.P., which is in turn controlled by Wanlong Corporation as the general partner and wholly-owned by Dianping Investment Limited as the limited partner respectively. Wanlong Corporation and Dianping Investment Limited are both ultimately controlled by Meituan (stock code: 3690.HK).

(25) Intelligence, namely Intelligence Investments (HK) Limited, is a company incorporated in Hong Kong on December 4, 2025, and is principally engaged in investment holding. It is wholly owned by Spring Bauhinia Capital LPF, whose general partner is Spring Bauhinia GP Limited. Spring Bauhinia GP Limited is controlled by its directors and ultimate beneficial owners, Kui Tang and George Jian Chuang.

(26) Yuanxin Chuangying, namely Xinchang Yuanxin Chuangying Equity Investment Partnership (Limited Partnership) (新昌源新創盈股權投資合夥企業(有限合夥)), is a limited partnership established in the PRC on October 28, 2022, and is principally engaged in investment holding. Hainan Yuanhai Jiacheng Investment Partnership Enterprise (Limited Partnership) (海南源海嘉成投資合夥企業(有限合夥)) ("**Yuanhai Jiacheng**"), a limited partnership established in the PRC, is the general partner of Yuanxin Chuangying. Yuanhai Jiacheng is ultimately controlled by Mr. Ma Xiao (馬驍), who is the general partner of Yuanhai Jiacheng, holding 75% of partnership interest therein. None of the limited partners holds 30% or more partnership interest in Yunahai Jiacheng. The remaining interests in Yuanxin Chuangying are held by four limited partners, with Xinchang Yunque Equity Investment Fund Co., Ltd. (新昌縣雲雀股權投資基金有限公司) ("**Xinchang Yunque**") holding approximately 41.6766% of partnership interest therein, Ningbo Yuanhai Chaoying Private Equity Fund Partnership Enterprise (Limited Partnership) (寧波源海超盈私募基金合夥企業(有限合夥)) ("**Yuanhai Chaoying**") holding approximately 35.9251% of partnership interest therein, and the rest holding less than 25% of partnership interest therein. Xinchang Yunque is ultimately controlled by Xinchang County finance Bureau. The general partner of Yuanhai Chaoying is Yuanhai Jiacheng, and none of the limited partners holds 30% or more partnership interest in Yunhai Chaoying.

(27) Jianhu Fund, namely Jianhu County Ninghu New Energy Equity Investment Fund (Limited Partnership) (建湖縣寧湖新能源股權投資基金(有限合夥)), is a limited partnership established in the PRC on December 20, 2023, and is principally engaged in equity investment. Shanghai Shanda Capital Co., Ltd. (上海善達投資管理有限公司) ("**Shanghai Shanda**"), a company established in the PRC, is the general partner of Jianhu Fund, holding approximately 0.50% of its partnership interest. Shanghai Shanda is ultimately controlled by Mr. Wu Changchun (伍長春), who holds approximately 51.00% of its interest. Shanghai Shanda is also held as to approximately 31.00% by Shanghai Qineryue Enterprise Management Partnership (Limited Partnership) (上海勤爾躍企業管理合夥企業(有限合夥)) ("**Shanghai Qineryue**") and as to approximately 18.00% by Ms. Zhu Junmei (朱軍妹). Shanghai Qineryue is ultimately controlled by Mr. Wu Changchun (伍長春) as its general partner, holding approximately 1.00% of its partnership interest. Mr. Han Lu (韓路) is one of the limited partners of Shanghai Qineryue, holding 30% of its partnership interest. None of the other limited partners holds 30% or more of the partnership interest in Shanghai Qineryue. The remaining interests in Jianhu Fund are held by 2 limited partners, with Jianhu County Development Zone Construction Investment Company (建湖縣開發區建設投資有限公司) holding approximately 58.01% of partnership interest and Jianhu County State-owned Assets Investment Management Co., Ltd. (建湖縣國有資產投資管理有限公司) holding approximately 41.49% of partnership interest therein. Jianhu Construction is ultimately controlled by Jianhu County People's Government, and Jianhu Management is ultimately controlled by the State-owned Assets Supervision and Administration Office of Jianhu County People's Government.

(28) GCCZ, namely GCCZ Holdings Limited, is a company incorporated in Cayman Islands on October 24, 2025 and is principally engaged in equity investment. As of the Latest Practicable Date, it is held as to 82.5% by Gaocheng Fund II, L.P., whose general partner is Gaocheng Holdings GP II, Ltd. Gaocheng Holdings GP II, Ltd is ultimately controlled by Hong Jing (洪婧), an Independent Third Party. None of the limited partners of Gaocheng Fund II, L.P. holds 30% or more partnership interest as of the Latest Practicable Date.

(29) Shanghai Lingyi, namely Shanghai Lingyi Investment Partnership (Limited Partnership) (上海零宜投資合夥企業(有限合夥)), is a limited partnership established in the PRC on May 20, 2015, and is principally engaged in equity investment. Shanghai Lingyi Investment Management Partnership (Limited Partnership) (上海零移投資管理合夥企業(有限合夥)) ("**Lingyi Investment**"), a limited partnership established in the PRC, is the general partner of Shanghai Lingyi, holding approximately 0.34% of its partnership interest. Lingyi Investment's general partner is Shanghai Lingyi Venture Capital Management Co., Ltd. (上海零頤創業投資管理有限公司), which is wholly owned and ultimately controlled by Yu Lu (余璐). The limited partners of Lingyi Investment are Zhao Yong (趙勇), Wu Chuhong (吳楚紅) and Cao Guoxiong (曹國熊) holding 49.50%, 39.50% and 10.00% of its partnership interest, respectively. The remaining interests in Shanghai Lingyi are held by 18 limited partners, each holding no more than 20% of its partnership interests.

(30) Artemis Ventures, namely 01VC Artemis Ventures Limited, is a company incorporated in Hong Kong on November 30, 2021, and is principally engaged in private equity investment. It is held as to 61% by Axiom Asia 6, L.P, and as to 39% by Axiom Asia 6-A SCSp, SICAV-RAIF. The general partner of Axiom Asia 6, L.P. is Mission Capital GP 6, L.P., whose general partner is Mission Capital GP Limited. The general partner of Axiom Asia 6-A SCSp, SICAV-RAIF is Mission Capital GP 6 Lux S.a.r.l., which is wholly owned by Mission Capital GP Limited. Mission Capital GP Limited's individual ultimate beneficial owners are Lee Sao Wei, Lau Zhi Yuan, Loh Siew Kee and Ng Chi Man Edmond, with each holding 20% interest. There are no individual limited partners holding 30% or more partnership interest in Axiom Asia 6, L.P., Axiom Asia 6-A SCSp, SICAV-RAIF and Mission Capital GP 6, L.P., respectively.

(31) Khepri Ventures, namely 01VC Khepri Ventures Limited, is a company incorporated in Hong Kong on March 24, 2021, and is principally engaged in equity investment. It is wholly owned by Unicorn Partners Fund IV, L.P., whose general partner is Unicorn Partners GP Fund IV Limited, which is ultimately controlled and held as to 50% and 50% by Tommy Yip Yan Chak and Low Kah Fai, respectively. No single limited partners of Unicorn Partners Fund IV, L.P. hold 10% or more partnership interest therein.

(32) Tibet Star, namely Tibet Star Galaxy Investment Center (Limited Partnership) (西藏星光銀河投資中心(有限合夥)), is a limited partnership established in the PRC on October 23, 2015, and is principally engaged in equity investment. Xizang Dazi Lianxing Management Consulting Co., Ltd. (西藏達孜聯星管理諮詢有限公司) ("**Dazi Lianixing**"), a company established in the PRC, is the general partner of Tibet Star, holding approximately 0.30% of its partnership interest. Dazi Lianxing is wholly owned by Beijing Legend Star Investment Management Co., Ltd. (北京聯想之星投資管理有限公司), which is in turn a wholly-owned company of Legend Holdings Corporation (聯想控股股份有限公司) (stock code: 3396.HK) ("**Legend Holdings**"). The remaining interests in Tibet Star are held by two limited partners, with Tibet Orient Qihui Investment Co., Ltd. (西藏東方企慧投資有限公司) holding approximately 99.00% of partnership interest therein, which is ultimately controlled by Legend Holdings.

(33) Ezhou Wue, namely Ezhou Wue Collaborative Venture Capital Fund Partnership Enterprise (Limited Partnership) (鄂州市武鄂協同創業投資基金合夥企業(有限合夥)), is a limited partnership established in the PRC on October 11, 2023, and is principally engaged in venture investment, especially investments in unlisted enterprises. Ezhou Changrong Private Equity Fund Management Co., Ltd. (鄂州市昌融私募基金管理有限公司) ("**Ezhou Changrong**"), a company established in the PRC, is the general partner of Ezhou Wue, holding approximately 0.05% of its partnership interest. Ezhou Changrong is wholly owned by Ezhou Changda Investment Holding Group Co., Ltd. (鄂州市昌達投資控股集團有限公司) ("**Ezhou Changda**"), which is in turn wholly owned and ultimately controlled by Ezhou Municipal People's Government State-owned Assets Supervision and Administration Commission (鄂州市人民政府國有資產監督管理委員會). The only limited partner of Ezhou Wue is Ezhou Changda, holding approximately 99.95% of partnership interest in Ezhou Wue.

(34) Meilin Capital, namely MeiLin1, LLC, is a partnership established in the United States on May 11, 2021, and is principally engaged in equity investment. It is ultimately controlled by Mehreen Malik as the general partner. None of Meilin Capital's limited partners holds 30% or more of partnership interest.

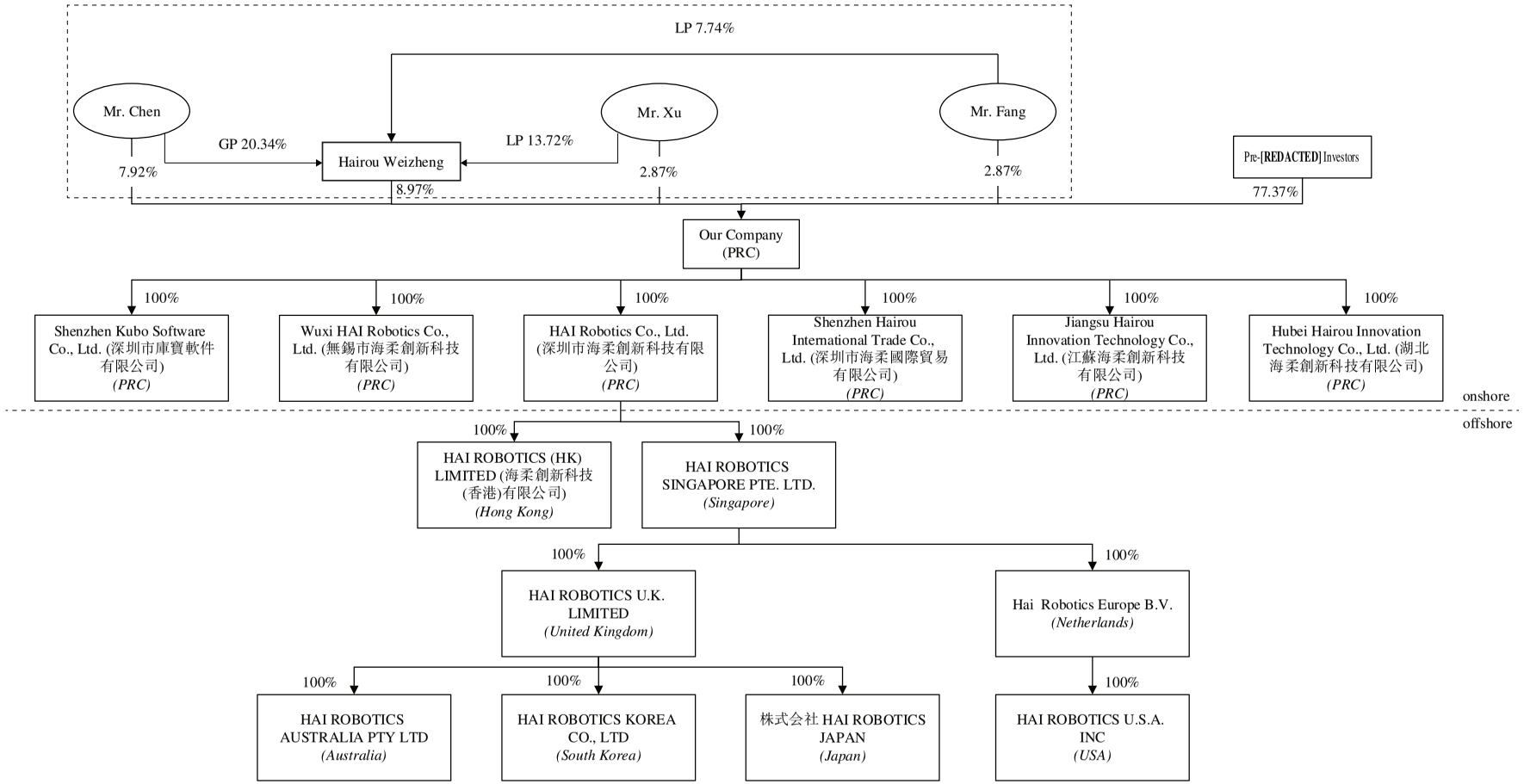
(35) Songshan Lake Robotics Institute, namely Dongguan Songshan Lake International Robotics Research Institute Co., Ltd. (東莞松山湖國際機器人研究院有限公司), is a company established in the PRC on February 1, 2016, and is principally engaged in the incubation of hard technology start-ups and the cultivation of the intelligent hardware industrial ecosystem, covering emerging engineering education and talent training, early-stage start-up incubation and investment, supply chain and intelligent manufacturing services, and the development of industrial ecosystems. Songshan Lake Robotics Institute is wholly owned by Dongguan Songshan Lake Robotic Industry Development Co., Ltd (東莞松山湖機器人產業發展有限公司), which is in turn wholly owned by Clear Water Bay Robotic Technology Investment (HK) Limited ((香港)清水灣機器人科技投資有限公司) ("**Clear Water Bay HK**"). Clear Water Bay HK is wholly owned by Clear Water Bay Robotic Investment Limited Company ("**Clear Water Bay**"). As of the Latest Practicable Date, the equity interest of Songshan Lake Robotics Institute is ultimately controlled as to 100% by Clear Water Bay, the shares of which is controlled as to 67.67% by Professor Li Zexiang (李澤湘), as to 12.33% by Professor Ko Ping Keung (高秉強), and as to 20% by Professor Gan Jie (甘潔).

(36) Shanghai Scheme, namely Shanghai Scheme Investment Management Co., Ltd. (上海勢之能投資管理有限公司), is a company established in the PRC on July 2, 2015, and is principally engaged in equity investment. Shanghai Scheme is ultimately controlled by Huang Jun (黃俊), who directly holds approximately 70.00% equity interest therein. Zhu Sijie (朱思潔) and Shanghai Shichang Enterprise Management Consulting Center (Limited Partnership) (上海勢暢企業管理諮詢中心(有限合夥)) ("**Shanghai Shichang**") hold approximately 20.00% and 10.00% equity interest in Shanghai Scheme, respectively. Huang Jun (黃俊) is the general partner of Shanghai Shichang, holding approximately 70.00% of its partnership interest. None of the limited partners of Shanghai Shichang holds 30% or more of its partnership interest.

OUR CORPORATE STRUCTURE

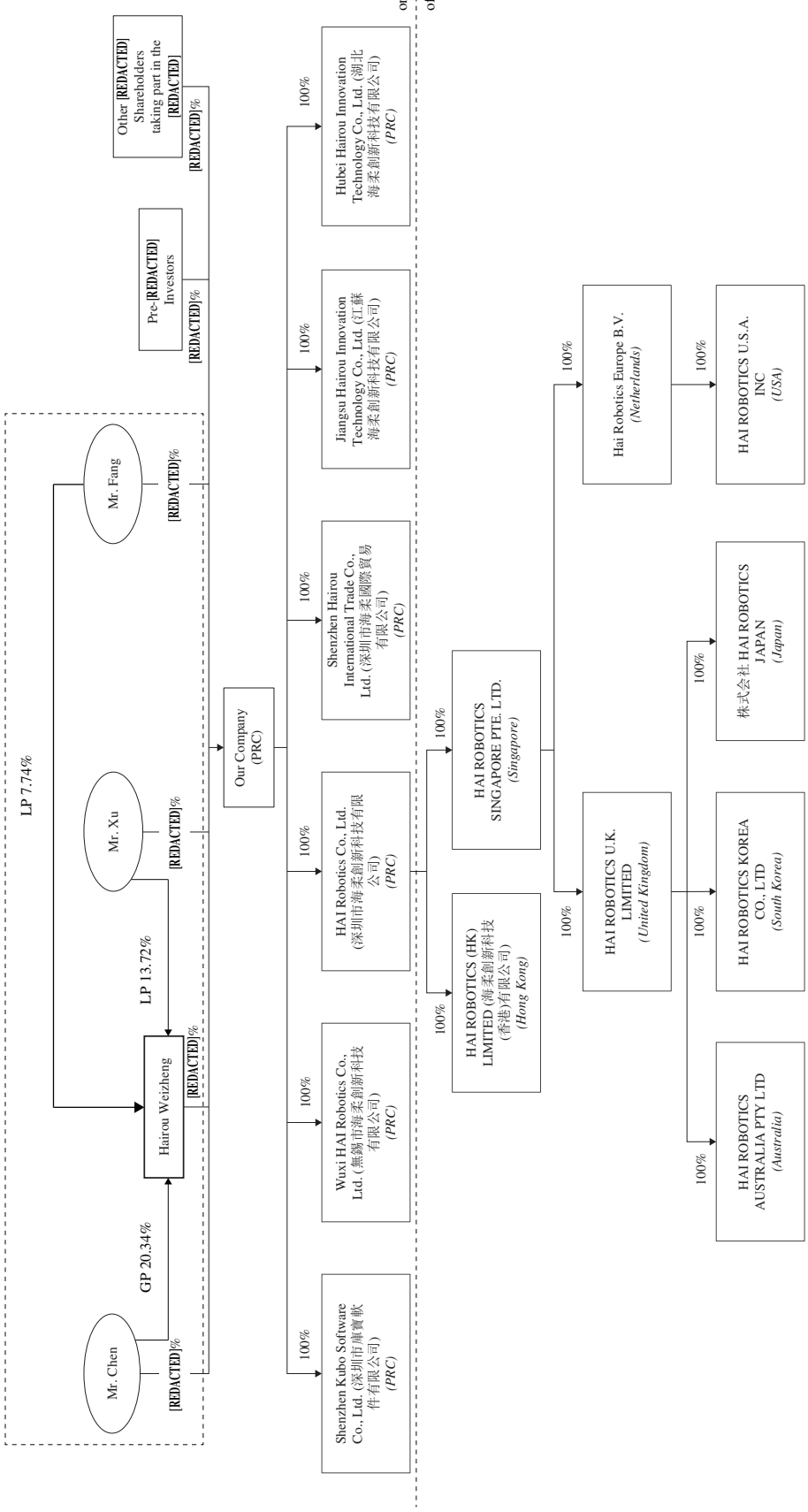
Corporate Structure Immediately Before the Completion of the [REDACTED]

The following chart sets forth our Group's corporate structure immediately prior to the completion of the [**REDACTED**]:



Corporate Structure Immediately Following the Completion of the [REDACTED]

The following chart sets forth our Group's corporate structure immediately after completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised):



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.

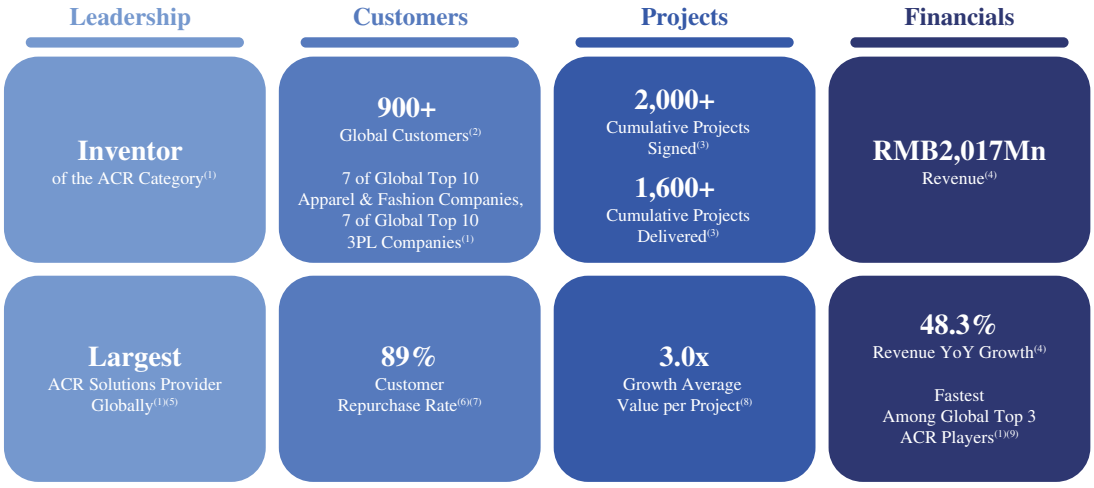
In the warehousing industry, despite the growth of e-commerce and rising labor constraints, many warehouses worldwide still rely on manual processes, which are labor-intensive, prone to human error, and difficult to scale as order volumes and SKU complexity rise. Traditionally, warehouse automation was 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.

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.

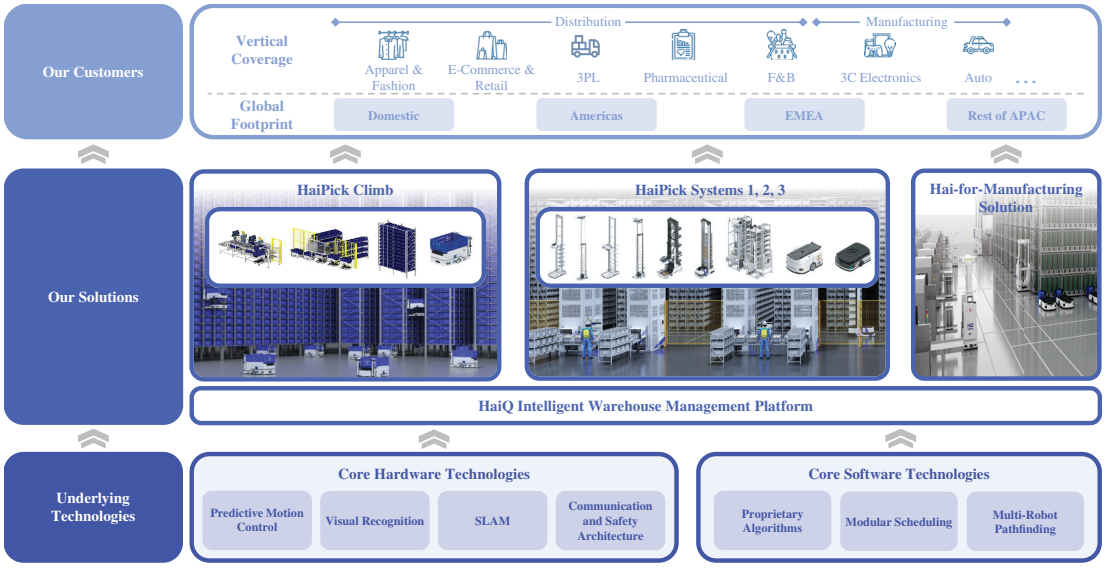
- *ACRs as the Fastest-Growing Sub-segment.* As the industry shifts toward case- and SKU-level precision, ACR solutions are becoming the preferred choice for warehouse automation. ACRs offer high-density storage, modular scalability, and lower system complexity, all of which are capabilities that directly 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

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

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

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.

- *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

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%.

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.

- *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.

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.

- *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.

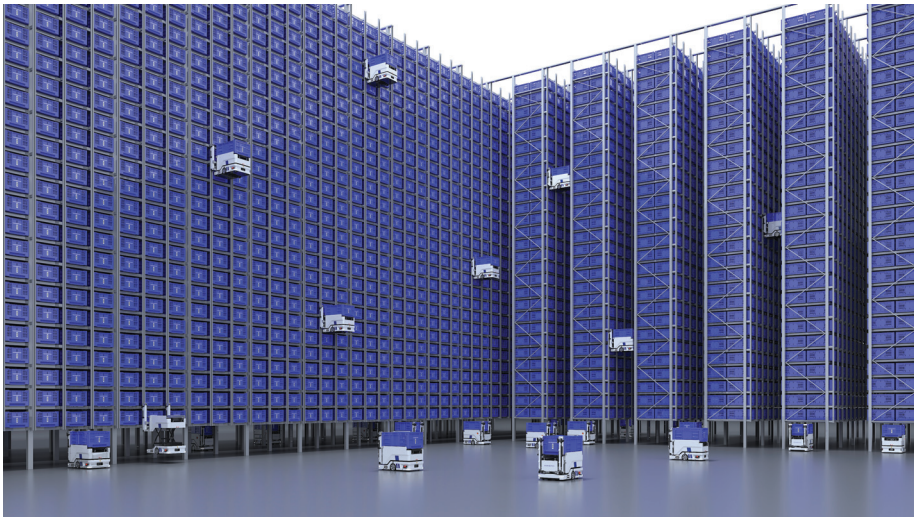
- *Hai-for-Manufacturing Solution*. *Hai-for-Manufacturing* Solution is a multi-robot coordination solution that integrates various robots to handle transport, picking, and replenishment tasks across multi-zone environments.

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.

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

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.

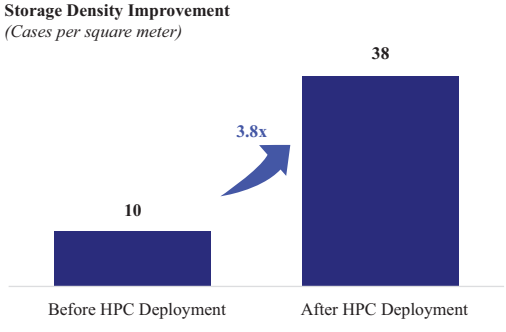
- *Scalability*. The system can coordinate up to 6,000 robots while maintaining stable performance under high load conditions. Automated charging enables continuous 24/7 operation, making the system particularly well-suited for peak-season e-commerce and other intensive use cases.

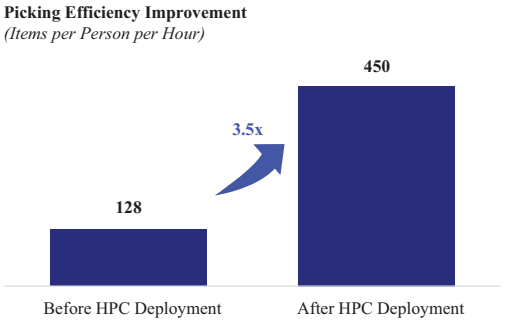
The *HaiPick Climb* is commonly used in warehouses where space is limited and high throughput is essential, such as e-commerce fulfillment centers, where it handles large volumes of small, varied orders during peak demand periods.

Case Study — A Leading E-commerce Company

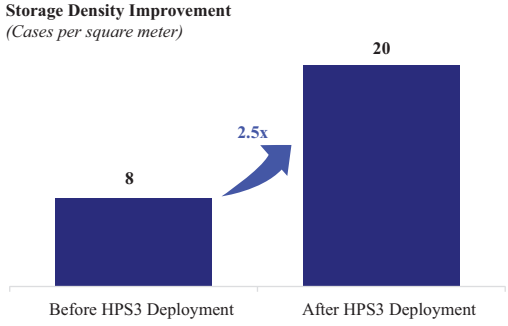
A global e-commerce leader operating fulfillment centers across 150+ countries adopted our automation solutions at multiple sites, reflecting repeat purchases and long-term trust.

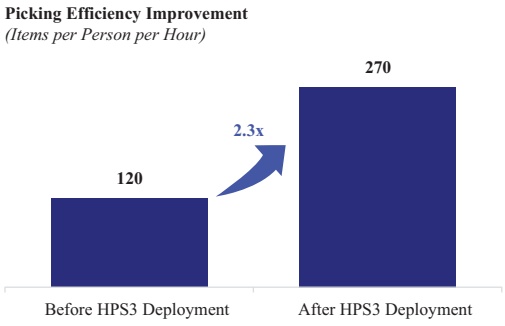
At one logistics center with severe space constraints, our *HaiPick Climb* system increased storage density to 3.8× its original level, from 10 cases per square meter before deployment to 38 cases per square meter after deployment. Throughput, an important indicator of labor productivity and operational 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.





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.



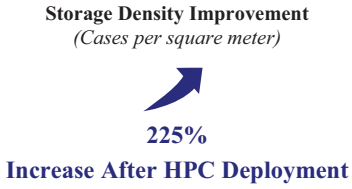


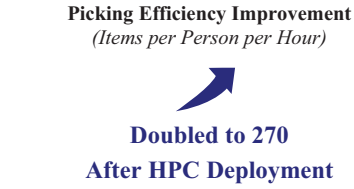
Case Study — Logistics Center of A Leading Global Retailer

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.

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

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

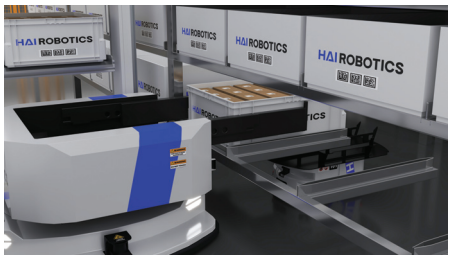


HaiPick System 3

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



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



Step 2: Transporting the case to AMRs



Step 3: Transporting the case to a designated workstation



Step 4: Operators picking goods from the case at workstations

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

- *High-density, High-bay Storage*. Designed for vertical storage up to 12 meters, the *HaiPick* family maximizes space utilization and converts existing floor area into multi-level storage. The optimized racking layouts can accommodate rising SKU counts and complex assortments.

- *Unified Handling of Diverse Load Types*. All systems handle multiple case sizes without dedicated racking, and also support bulk, irregular, and palletized items. This integration reduces the need for separate storage zones, supporting both goods-to-person and material-to-line scenarios.

- *High Throughput and Accelerated Workflows*. With batch picking and high travel speeds (up to 4.5 meters per second), the systems manage thousands of cases per hour, enabling efficient handling of high-frequency, high-volume orders, especially during peak seasons and promotions.

- *Flexibility, Scalability and Broad Scenario Adaptability*. The modular, software-defined architecture allows for easy scaling and reconfiguration, operating in narrow aisles and both greenfield and brownfield facilities. The systems are adaptable across industries like apparel & fashion, e-commerce & retail, F&B, 3PL, pharmaceutical, 3C electronics and automotive.

- *Accuracy and Reliability*. The *HaiPick systems* are designed to improve process accuracy while sustaining high utilization. Automated picking processes and standardized workstation interactions help reduce manual handling errors, with picking accuracy levels of above 99.99% in representative deployments. Additionally, the robots support automated charging and continuous operation, enabling full-time use without compromising accuracy or reliability and ensuring stable performance even during extended hours of operation.

- *Easy Deployment and Long-term Efficiency*. The modular design allows for staged deployment and future expansion. Systems integrate with existing IT infrastructure and conventional racking with minimal civil work, resulting in sustained cost efficiencies through higher density, reduced space, and improved labor productivity.

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

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

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

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



Picking Efficiency Improvement

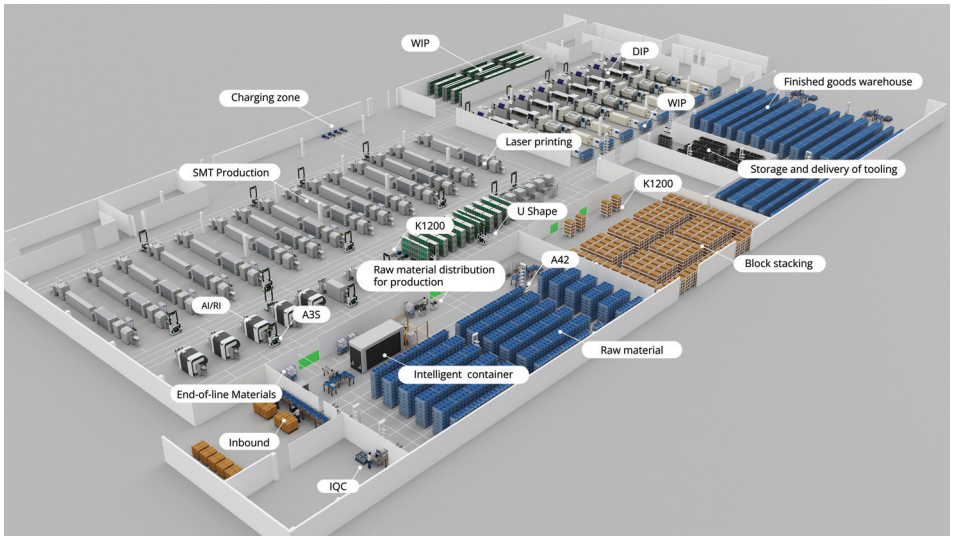
(Items per Person per Hour)

200%

Increase After HPS3 Deployment

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.

Solution Components

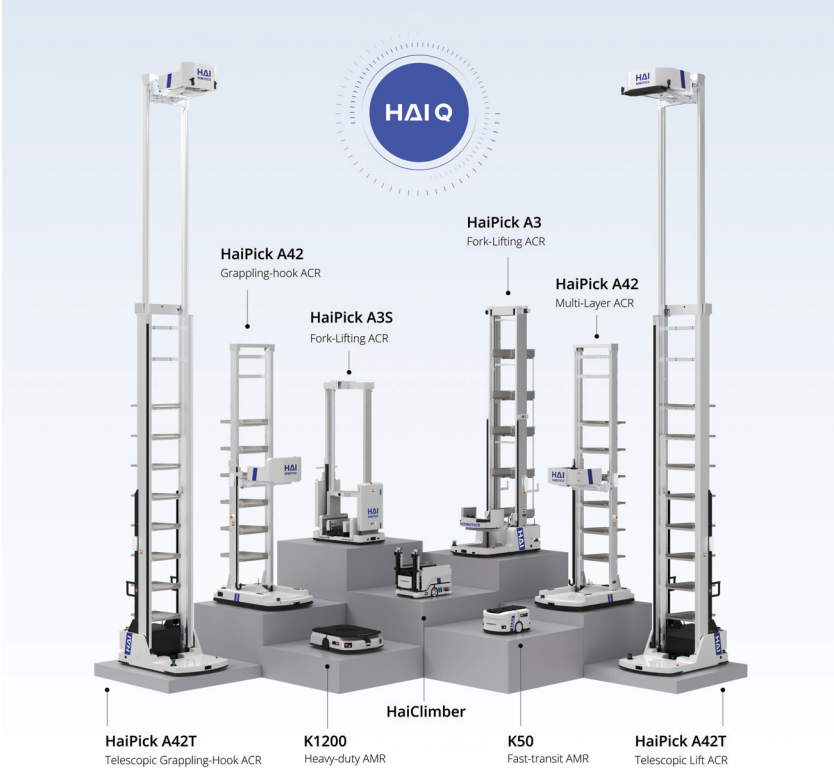
Each of our ACR solutions integrates hardware and software components to form an end-to-end automated warehousing system.

- *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.



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.

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.

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.

- *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.

- *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	■ Can be in the format of bidding/tendering or commercial negotiations ■ Marketing efforts focus on delivering measurable outcomes and long-term operational value	■ Sales and Marketing Department / Potential customers (including direct customers and channel partners)	■ No fund flow with external parties. See also "Our Sales and Marketing"
Designing and Developing ACR Solutions	■ ACR solution design process is a refined, iterative engineering framework	■ Engineering Department, Solution Design Department and Delivery Department	■ No fund flow with external parties. See also "Research and Development"
Order Origination and Receipt of Advance Payments	■ Agreement signed with direct customers or channel partners, typically after ACR solutions are largely designed and finalized	■ Sales and Marketing Department, Legal Department ■ Customers (including direct customers and channel partners)	■ Typically initial deposit is made upon order confirmation. See also "Our Sales and Marketing"
Procurement of Materials and Components	■ Procurement of raw materials used in our products	■ Procurement Department ■ Suppliers	■ Payments made to suppliers for materials and components. See also "Our Supply Chain"
Manufacturing	■ Follows a modular assembly model, under which major subsystems are produced and tested separately before entering final assembly	■ Manufacturing Department (Self-owned manufacturing facilities) ■ OEM Partners	■ Payments made to OEM partners. See also "Manufacturing and Production"
Delivery of Goods	■ A centralized logistics and warehousing system to support storage, delivery and after-sales service for our ACR solutions across markets	■ Logistics Department ■ Customers (including direct customers and channel partners)	■ 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	■ Conduct final acceptance in accordance with the terms and criteria set out in the contract and the technical agreement	■ Delivery Department ■ Customers (including direct customers and channel partners)	■ Final acceptance payment made by direct customers or channel partners
After Service and Warranty	■ A standard warranty covering repair or replacement of product defects	■ Customer Service Department ■ Customers (including direct customers and channel partners)	■ 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"

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	*HaiPick Climb*	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	*HaiPick System 3*	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	*HaiPick System 3*	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	*HaiPick Climb*	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	*HaiPick Climb*	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	*HaiPick Climb*	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	*HaiPick Climb*	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 *HaiPick System 3*	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	*HaiPick System 3*	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	*HaiPick Climb*	Direct sales	E-commerce fulfillment operations, including storage, picking and outbound processing

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.

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.

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.

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*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
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.

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*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
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.

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.

- *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.

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.

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

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.

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	*HaiPick System*	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	*HaiPick System*	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	*HaiPick System*	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	*HaiPick System*	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	*HaiPick System*	22,288	2.8%	Since 2022	Bank transfer
Total				**259,288**	**32.1%**		

Year Ended December 31, 2024

Rank	Customer	Background	Products purchased from us	Revenue	Percentage of total revenue	Year of commencement of business relationship	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	*HaiPick System*	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	*HaiPick System*	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	*HaiPick System*	104,887	7.7%	Since 2021	Bank transfer

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	*HaiPick System*	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	*HaiPick System*	36,803	2.7%	Since 2021	Bank transfer
Total				**498,570**	**36.7%**		

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	*HaiPick System*	429,812	21.3%	Since 2022	Bank transfer
2	Customer I (direct customer)	A leading apparel manufacturer and retailer, based in Poland	*HaiPick System*	197,951	9.8%	Since 2024	Bank transfer
3	Customer J (direct customer)	A cross-border e-commerce overseas warehouse operator, based in China	*HaiPick System*	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	*HaiPick System*	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	*HaiPick System*	76,896	3.8%	Since 2023	Bank transfer
Total				**870,632**	**43.2%**		

Note:

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

Six Months Ended June 30, 2026

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 (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	*HaiPick System*	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	*HaiPick System*	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	*HaiPick System*	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	*HaiPick System*	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	*HaiPick System*	46,331	4.1%	Since 2024	Bank transfer
Total				**562,940**	**50.3%**		

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.

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	Percentage of total purchase	Year of commencement of business relationship
				(RMB'000)		
1 . . .	Supplier A	An industrial equipment company primarily engaged in the sales of industrial equipment and the provision of technical services, based in China, 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

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

Year Ended December 31, 2025

Rank	Supplier	Background	Products and services provided to us	Purchase Amount	Percentage of total purchase	Year of commencement of business relationship
				(RMB'000)		
1 . . .	Supplier I	An intelligent logistics equipment company primarily engaged in the research and development, manufacture and servicing of smart logistics equipment, based in China	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	Percentage of total purchase	Year of commencement of business relationship
				(RMB'000)		
1 . . .	Supplier I	An intelligent logistics equipment company primarily engaged in the research and development, manufacture and servicing of smart logistics equipment, based in China	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

Rank	Supplier	Background	Products and services provided to us	Purchase Amount	Percentage of total purchase	Year of commencement of business relationship
				(RMB'000)		
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.

- *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.

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.

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
	(RMB in millions)			
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

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

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.

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

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

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.

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.

	Year Ended December 31,									Six Months Ended June 30,		
	2023			2024			2025			2026		
	Designed Production Capacity[1]	Actual Production Volume	Utilization rate[2]	Designed Production Capacity[1]	Actual Production Volume	Utilization rate[2]	Designed Production Capacity[1]	Actual Production Volume	Utilization rate[2]	Designed Production Capacity[1]	Actual Production Volume	Utilization rate[2]
	(units)	*(units)*	*(%)*	*(units)*	*(units)*	*(%)*	*(units)*	*(units)*	*(%)*	*(units)*	*(units)*	*(%)*
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.

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.

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

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	• Disruption to business operation and supply chain and logistics arrangement • Damage to property and assets in our operating locations, which may adversely impact our financial results	Monitoring local weather forecast closely, reminding employees to remain familiar with business contingencies, and implementing emergency protective measures
Climate-related transition risks			
Policy and legal risks:			
Evolving climate-related laws and regulations in transition to a low-carbon economy, including China's 2060 carbon neutral goal .	Medium to long term	• Increase in compliance and operating costs	Regularly monitoring changes in laws and regulations, and promptly communicating updates to employees to ensure compliance
Other ESG-related risks			
Supply chain risks:			
Energy consumed and greenhouse gas ("**GHG**") emissions released along the supply chain	Medium to long term	• Increase in reputational and operational risks	Establishing policies requiring suppliers to comply with applicable environmental regulations and to explore opportunities to minimize energy consumption where feasible
Supplier product quality and supply chain stability risks:			
Failure to meet customer expectations due to poor supplier product and service quality as well as poor supply chain stability	Short, medium and long term	• Increase in reputational risks, which may adversely impact our financial results	Establishing procurement and supplier management policies that define supplier evaluation criteria (quality, technical capability and delivery) and foster long-term partnerships to ensure supply chain stability

ESG-related risks	Timeframe	Potential impacts	Our responses
Climate-related opportunities			
Markets: Increasing market demand for the transition toward environmentally friendly ACR solutions, driven by the imperative to reduce carbon emissions and the growing awareness of sustainability among consumers	Medium to long term	• Increase in operating revenue driven by growing market demand for warehouse automation	Investing in R&D and talent development to drive innovations like ACR "dark warehouse" solutions and aligning employee skills with sustainability trends

Product Stewardship and Customer Sustainability

As the inventor of ACR solutions for warehouse automation operations, our solutions are engineered to enable customers to operate warehouse facilities in a more sustainable and safe manner. We drive decarbonization through, for example, the *Hai-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.

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 (tCO_2e/ 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.

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

	Unit	Year Ended December 31, 2023	2024	2025	Six Months Ended June 30, 2026
Emissions					
GHG emissions[3]					
Total (Scopes 1, 2)	tCO_2e	1,475.29	1,807.53	2,336.07	1,332.32
Total (Scopes 1, 2, 3)	tCO_2e	7,233.00	8,262.95	12,739.14	6,105.78
(i) Direct emissions (Scope 1)	tCO_2e	5.75	5.78	6.13	3.35
(ii) Energy indirect emissions (Scope 2)	tCO_2e	1,469.54	1,801.75	2,329.94	1,328.97
(iii) Other indirect emissions (Scope 3)[4]	tCO_2e	5,757.71	6,455.42	10,403.07	4,773.46
Total (Scopes 1, 2) intensity	tCO_2e/ million RMB revenue	2.36	1.81	1.36	1.57
Total (Scopes 1, 2, 3) intensity	tCO_2e/ million RMB revenue	11.59	8.26	7.44	7.19
Use of Resources					
Energy[5]					
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

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

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

Occupational Health and Safety

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

Supply Chain Management

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

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

Product Responsibility

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

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

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

property management. We have established relevant policies to ensure the authenticity and reliability of our product advertising, marketing and 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.

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.

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

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.

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.

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

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.

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."

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

BOARD OF DIRECTORS

Upon [**REDACTED**], our Board will comprise nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. Pursuant to the Articles of Association, our Directors are appointed for a term of three years and may be re-elected for successive re-appointments. Our Board is responsible for and has general powers for the management and conduct of our business. The table below sets forth certain information in respect of the members of our Board.

Name	Age	Position/Title	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities
Executive Directors					
Mr. Chen Yuqi (陳宇奇)	[37]	Executive Director, chief executive officer and Chairman of our Board	December 1, 2016	December 1, 2016	Responsible for setting our Group's long-term development vision, formulating our Group's development strategies, leading our Group's financing activities, and promoting our Group's growth and global expansion
Mr. Xu Shengdong (徐聖東)	[37]	Executive Director and chief technology officer	December 1, 2016	March 7, 2018	Responsible for leading the research and development team of our Group, focusing on the research and development of our Group's products
Mr. Fang Bing (房冰)	[35]	Executive Director and chief operation officer	December 1, 2016	March 7, 2018	Responsible for overall operation of our Group, human resources management and government and public affairs
Ms. Zeng Hongni (曾虹霓)	[49]	Executive Director and chief financial officer	August 27, 2024	August 22, 2025	Responsible for overseeing the financial management of our Group
Non-executive Directors					
Mr. Yeung Wing Fung (楊嶸峰)	[40]	Non-executive Director	July 1, 2024	July 1, 2024	Responsible for providing strategic advice to our Group
Ms. Shi Cong (石聰)	[34]	Non-executive Director	November 14, 2025	November 14, 2025	Responsible for providing strategic advice to our Group

Name	Age	Position/Title	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities
Independent Non-executive Directors					
Prof. Lou Lai Wah Miranda (盧麗華) . . .	[60]	Independent non-executive Director	[**REDACTED**]	January 22, 2026, effective upon [**REDACTED**]	Responsible for providing independent opinion and judgment to our Board
Dr. Zhang Taisu (張泰蘇) . . .	[43]	Independent non-executive Director	[**REDACTED**]	January 22, 2026, effective upon [**REDACTED**]	Responsible for providing independent opinion and judgment to our Board
Dr. Liu Xuejiao (劉雪嬌) . . .	[40]	Independent non-executive Director	[**REDACTED**]	January 22, 2026, effective upon [**REDACTED**]	Responsible for providing independent opinion and judgment to our Board

Executive Directors

Mr. Chen Yuqi (陳宇奇), aged [37], is the Chairman of our Board, an executive Director and the chief executive officer of our Company. Mr. Chen founded our Company and has served as an executive Director and the chief executive officer since its inception in December 2016. He has served as the Chairman of our Board since June 2018. Mr. Chen is primarily responsible for setting our Group's long-term development vision, formulating our Group's development strategies, leading our Group's financing activities, and promoting our Group's growth and global expansion. He also holds several directorship and management positions in certain subsidiaries of our Group.

Prior to the establishment of our Group, Mr. Chen was a general manager of Plugtech Precision Systems Limited (普格精密系統有限公司), a company principally engaged in developing optical modulator automatic bias controllers and customized modules, from February 2014 to December 2016, where he was primarily responsible for research and development of bias controller of the optical modulator, designing the operation flow and allocating tasks among the team members.

Mr. Chen has been recognized for his outstanding management expertise and contributions to the warehouse automation industries. In December 2020, Mr. Chen was awarded with 2020 Shenzhen Robotics Rising Star Award (2020深圳機器人新銳人物獎) by Shenzhen Robotics Association, and was recognized as one of the Greater Bay Area Enterprise Innovation Power List — Outstanding Innovator (粵港澳大灣區企業創新力榜單—創新傑出人物榜) by Shenzhen Industry Federation. Subsequently, Mr. Chen was recognized as one of Fortune China's 40 under 40 business elites (中國40位40歲以下商業精英榜單) in May 2021. He was awarded by Shenzhen Business News in September 2022 as 2022 Shenzhen Industry Youth Leader (2022 年度深圳行業領袖青年). Mr. Chen was recognized as 2023 Science and Innovation Leader (2023科創家) by 36Kr in May 2023 and awarded with Hurun U35 China Entrepreneurship Pioneer Award (胡潤U35中國創業先鋒獎) by Hurun Research Institute in November 2023, and 2024 Leader of the Year — "Young Entrepreneur" (2024傑出領袖選舉"青年企業家") by Sing Tao News Corporation Limited in June 2024.

Mr. Chen obtained his bachelor's degree in electronic and information engineering from Hong Kong Polytechnic University (香港理工大學) in Hong Kong in October 2012.

Mr. Xu Shengdong (徐聖東), aged [37], is an executive Director and the chief technology officer of our Company. Mr. Xu co-founded our Company and has served as the chief technology officer since its inception in December 2016. He served as a supervisor from December 2016 to March 2018, and has served as a Director since March 2018. He is primarily responsible for leading the research and development team of our Group, focusing on the research and development of our Group's products. Mr. Xu also holds management position in one of the subsidiaries of our Group.

Mr. Xu was recognized as Shenzhen Reserve Talent (深圳後備級人才) by Shenzhen Municipal Government in September 2021. Mr. Xu is the author of various journal articles, including *Feature Selection and Pose Estimation from Known Planar Objects Using Monocular Vision* in December 2013 and *Real Time 3D Navigation for Autonomous Vision-Guided MAVs* in October 2015.

Mr. Xu obtained his bachelor's degree in mechanical engineering and automation from Zhejiang University (浙江大學) in the PRC in July 2011 and master's degree in mechanical engineering and robotics from Federal Institute of Technology Zurich in Zurich in April 2015.

Mr. Fang Bing (房冰), aged [35], is an executive Director and the chief operation officer of our Company. Mr. Fang co-founded our Company in December 2016, and has served as the chief operation officer and an executive Director of our Company since October 2017 and March 2018, respectively. Mr. Fang is primarily responsible for overall operation of our Group, human resources management and government and public affairs. He also holds several directorship and management positions in certain subsidiaries of our Group.

Mr. Fang's work has earned him numerous accolades, including Shenzhen Bao'an District High-level Talent (深圳市寶安區高層次人才) by Shenzhen Baoan District Human Resources Bureau in March 2021, 2023 Shenzhen Top 10 Outstanding Young Entrepreneurs (2023年"深圳市十大傑出青年企業家") by Shenzhen Municipal Committee of the Communist Youth League of China in October 2023, Outstanding Young Alumnus (傑出青年校友) by Hong Kong Polytechnic University in December 2023, and Hong Kong 2023 Young Entrepreneur Outstanding Leader (香港2023青年企業家傑出領袖) by Sing Tao News Corporation Limited in June 2024,.

Mr. Fang obtained his bachelor's degree in electronic and information engineering from Hong Kong Polytechnic University (香港理工大學) in Hong Kong in October 2014.

Ms. Zeng Hongni (曾虹霓), aged [49], is an executive Director and the chief financial officer of our Company. Ms. Zeng has served as the chief financial officer since August 2024 and an executive Director since August 2025. Ms. Zeng is primarily responsible for overseeing the financial management of our Group. She also holds a management position in a subsidiary of our Group.

Prior to joining our Group, Ms. Zeng worked at OTAX Electronics (SHENZHEN) Co., Ltd. (歐達可電子(深圳)有限公司) from March 2005 to August 2008 with her last position as the Chief Financial Officer, where she was primarily responsible for overall financial management of the company. From August 2008 to August 2017, she worked at a renowned Chinese multinational corporation and technology company headquartered in the PRC with her last position as the Chief Financial Officer of the Software Product Line, where she was primarily responsible for overall management of finance. From August 2017 to August 2024, she worked at China Vanke Co., Ltd. (萬科企業股份有限公司) which is a listed company on the Stock Exchange (stock code: 2202.HK) with her last position as the Reginal Partner of the Vanke Southern Reginal Enterprise Management (Guangdong) Co., Ltd (萬科南方區域企業管理(廣東)有限公司), which is a wholly-owned subsidiary of China Vanke Co., Ltd, where she was primarily responsible for overseeing the strategic planning, business operations, and performance management of the company.

Ms. Zeng obtained her bachelor's degree in international accounting from Guangdong University of Foreign Studies (廣東外語外貿大學) in the PRC in July 1998. She was certified as a certified public accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in July 2005.

Non-Executive Directors

Mr. Yeung Wing Fung (楊嶸峰), aged [40], is a non-executive Director of our Company. Mr. Yeung joined our Group in July 2024 and has served as a non-executive Director since then. Mr. Yeung is primarily responsible for providing strategic advice to our Group.

Mr. Yeung has over 18 years of experience in accounting, investment and post-investment management. Prior to joining our Group, Mr. Yeung worked at PricewaterhouseCoopers Hong Kong (香港普華永道會計師事務所) with his last position as Director in the advisory department, an accounting firm, where he was primarily responsible for transaction services matters. He then joined Capital Today China Growth (HK) Limited (今日資本(香港)有限公司), an investment company, in January 2019, serving initially as Head of Portfolio Management from January 2019 to June 2021 and Partner from July 2021 to January 2023. He continued to serve within the same corporate group at Capital Today Group (HK) Limited as Partner from February 2023 to August 2025 and as Advisor since September 2025, where he was primarily responsible for portfolio management matters.

Mr. Yeung has been serving as a non-executive director of Yifeng Pharmacy Chain Co., Ltd. (益豐大藥房連鎖股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603939.SH), since June 2024, and a non-executive director of Bestore Co., Ltd. (良品鋪子股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603719.SH), since March 2022.

Mr. Yeung obtained his bachelor's degree in actuarial science from the University of Hong Kong (香港大學) in Hong Kong in November 2007. He has been a member of the Hong Kong Institute of Certified Public Accountants since January 2011.

Ms. Shi Cong (石聰), aged [34], is a non-executive Director of our Company. Ms. Shi joined our Group in November 2025 and has served as a non-executive Director since then. Ms. Shi is primarily responsible for providing strategic advice to our Group.

Prior to joining our Group, Ms. Shi began her career as an analyst at Temasek Management Services Consultancy (Beijing) Co., Ltd. (北京淡聯管理諮詢公司), a consultancy firm, from August 2014 to August 2015, where she was primarily responsible for investment analysis. She then served as an investment manager at Temasek Holdings Advisors (Beijing) Co., Ltd. (淡馬錫投資諮詢(北京)有限公司), a consultancy firm, from September 2015 to December 2016, where she was primarily responsible for providing investment advice to clients. From December 2016 to August 2024, she worked as a vice president at General Atlantic (Beijing) Investments Consultancy Limited (泛大西洋(北京)投資顧問有限公司), a company focusing on investment field, where she was primarily responsible for investment-related matters. She served as a vice president from September 2025 to December 2025 and has been served as an executive director since January 2026 at General Atlantic Asia Limited, an investment company where she is responsible for investment related matters.

Ms. Shi obtained her bachelor's degree in finance from the Renmin University of China (中國人民大學) in the PRC in June 2014.

Independent Non-Executive Directors

Prof. Lou Lai Wah Miranda (盧麗華), aged [60], was appointed as an independent non-executive Director of our Company in January 2026 effective from [**REDACTED**]. Prof. Lou was primarily responsible for providing independent opinion and judgment to our Board.

Prior to joining our Group, Prof. Lou has accumulated over three decades of executive experience across public administration, business development, academia and corporate governance. She began her career at the Independent Commission Against Corruption (ICAC) (廉政公署) as a community relations officer. She subsequently served at Orient Overseas Container Line Limited (東方海外貨櫃航運公司), a wholly-owned subsidiary of Orient Overseas (International) Limited (東方海外(國際)有限公司), which is a company listed on the Stock Exchange (stock code: 0316.HK) from July 1992 to September 2014, with her last position as the Chief Operating Officer of OOCL Logistics (Asia Pacific) Limited, where she was primarily responsible for overall business strategies and management. From September 2015 to September 2025, Prof. Lou worked at The Hong Kong Polytechnic University (香港理工大學) in Hong Kong with her last position as the Executive Vice President, where she was primarily responsible for overseeing finance, human resources, institutional advancement, mainland development, communications and public affairs, and legal and governance matters. She currently serves as an adjunct professor at the Faculty of Business of The Hong Kong Polytechnic University (香港理工大學) in Hong Kong and an advisor of Tencent WeTech Academy. She has been serving as the Co-chairman (Academic Sector) of Hong Kong-Jiangsu Science and Technology Innovation Center since October 2025. Since November 2025, she has served as an independent non-executive director of Gold Peak Technology Group Limited (金山科技工業有限公司), which is a company listed on the Stock Exchange (stock code: 0040.HK), where she was primarily responsible for providing independent opinion and judgment to the board.

Prof. Lou obtained her Bachelor of Arts degree from The University of Hong Kong (香港大學) in Hong Kong. She received her Master of Business Administration from The Chinese University of Hong Kong (香港中文大學) in Hong Kong. She obtained a Master of Science in Financial Management from the University of London in the United Kingdom through distance learning. She earned her Doctor of Business Administration from The Hong Kong Polytechnic University (香港理工大學) in Hong Kong in October 2009.

Dr. Zhang Taisu (張泰蘇), aged [43], was appointed as an independent non-executive Director of our Company in January 2026 effective from [**REDACTED**]. Dr. Zhang was primarily responsible for providing independent opinion and judgment to our Board.

Prior to joining our Group, Dr. Zhang has served in various academic and corporate roles. He worked as a visiting assistant professor and an associate professor at Duke University School of Law in the United States from September 2012 to June 2016, where he was primarily responsible for research and teaching affairs. Since July 2016, he has served as an associate professor and later a professor at Yale Law School in the United States, where he has been engaged in scholarly research and teaching. Since April 2025, he has been serving as an independent non-executive director of Chagee Holdings Limited (茶姬控股有限公司), a company listed on Nasdaq Stock Market (stock code: CHA.NASDAQ), where he was primarily responsible for providing independent opinion and judgment to the board.

Dr. Zhang obtained his Bachelor of Arts degree in Mathematics and History from Yale University in the United States in May 2005. He subsequently obtained a Juris Doctor degree from Yale Law School in the United States in June 2008 and a Doctor of Philosophy degree in History from Yale University in the United States in May 2014.

Dr. Liu Xuejiao (劉雪嬌), aged [40], was appointed as an independent non-executive Director of our Company in January 2026 effective from [**REDACTED**]. Dr. Liu is primarily responsible for providing independent opinion and judgment to our Board.

Prior to joining our Group, Dr. Liu accumulated extensive academic and professional experience in the fields of financial accounting and management. She commenced her academic career as an assistant professor at the University of International Business and Economics (對外經濟貿易大學) in the PRC from September 2013 to December 2016, and was subsequently promoted to associate professor, a role she held from December 2016 to January 2021, where she was

primarily responsible for academic research, teaching and peer review. Since January 2021, she has been serving as a professor and doctoral supervisor at the same institution, with her role expanded to include extensive duties in advanced research, teaching, and supervision. Throughout this period, she was also the principal investigator of National Natural Science Foundation of China.

In addition to her scholarly roles, Dr. Liu has served as an independent non-executive director in several listed companies in the PRC and has obtained all required qualification. From October 2023 to July 2024, she served as an independent non-executive director of Fujian Yongan Forestry (Group) Joint-stock Co., Ltd. (福建省永安林業(集團)股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000663.SZ). Since May 2023, she has served as an independent non-executive director of Shaanxi Baoguang Vacuum Electric Device Co., Ltd. (陝西寶光真空電器股份有限公司), which is listed on the Shanghai Stock Exchange (stock code: 600379.SH). Since May 2024, she has also been an independent non-executive director of Sinochem Equipment Technology (Qingdao) Co., Ltd. (中化裝備科技(青島)股份有限公司), (previously known an KraussMaffei Company Limited (克勞斯瑪菲股份有限公司)), a company listed on the Shanghai Stock Exchange (stock code: 600579.SH). Since July 2024, she has served as an independent non-executive director of Heilongjiang Agriculture Company Limited (黑龍江北大荒農業股份有限公司), which is listed on the Shanghai Stock Exchange (stock code: 600598.SH).

Dr. Liu obtained her bachelor's degree in management (international accounting-oriented) from the School of Management at Xiamen University (厦門大學管理學院) in the PRC in July 2008. She then received her master's degree in accounting from Simon Business School at the University of Rochester in the United States in June 2009. She subsequently obtained her doctoral degree in accounting from HKU Business School (香港大學商學院) in July 2013.

Dr. Liu has been an affiliated member of the Association of Chartered Certified Accountants (ACCA) since 2013 and was selected for the National High-level Talents Special Support Program (Youth Program) (國家級人才計劃(青年項目)) by the Organization Department of the CPC Central Committee in September 2023. She was also qualified for the National High-End Accounting Talents Program (財政部國家高端會計人才) by the Ministry of Finance of the PRC in November 2023.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in January 2026, and (ii) understands his or her obligations as a director of a [**REDACTED**] issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of our independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

SUPERVISORY COMMITTEE

Our Supervisory Committee consists of three Supervisors. The functions and duties of the Supervisory Committee include overseeing the financial conditions of our Company and supervising the performance of duty of our Board and the senior management of our Company. The following table sets out information in respect of the Supervisors as of the Latest Practicable Date.

Name	Age	Position/Title	Date of joining our Group	Date of appointment as a Supervisor	Roles and responsibilities
Ms. Li Wen (李雯)	[41]	Supervisor and the chairperson of the Board of Supervisors	December 6, 2021	August 22, 2025	Management of the Supervisory Committee and supervising the daily operation of our Group
Mr. Liu Jianhua (劉劍華) . . .	[46]	Supervisor	March 8, 2021	October 11, 2025	Management of the Supervisory Committee and supervising the daily operation of our Group
Mr. Zhang Guangyu (張廣宇) . . .	[38]	Employee representative Supervisor	October 27, 2022	October 11, 2025	Management of the Supervisory Committee and supervising the daily operation of our Group

SUPERVISORS

Ms. Li Wen (李雯), aged [41], is a Supervisor of our Company. Ms. Li joined our Group in December 2021 and was appointed as a Supervisor of our Company in August 22, 2025.

Prior to joining our Group, Ms. Li held various finance and audit positions across several companies. She worked at KPMG Shenzhen Branch (畢馬威會計師事務所深圳分所), an accounting firm, from October 2009 to July 2013, where she was primarily responsible for audit matters. She then served as a senior financial analyst at SZ DJI Technology Co., Ltd. (大疆創新科技有限公司), a Chinese technology company, from June 2017 to May 2021, where she was primarily responsible for conducting independent business analysis on after-sales business, and a finance FP of a R&D and customer service platform at Shenzhen Meituan Technology Co., Ltd. (深圳美團科技有限公司), a Chinese technology company that operates a platform for local services, from June 2021 to September 2021, where she was primarily responsible for overseeing the operation and budget analysis of certain product lines.

Ms. Li obtained her bachelor's degree in software engineering from Zhejiang University (浙江大學) in the PRC in June 2007 and her master's degree in actuarial and investment science from Hong Kong Polytechnic University (香港理工大學) in Hong Kong in October 2009.

Mr. Liu Jianhua (劉劍華), aged [46], is a Supervisor of our Company. Mr. Liu joined our Group in March 2021 and was appointed as a Supervisor of our Company in October 11, 2025. Mr. Liu also holds several directorship and management positions in certain subsidiaries of our Group.

Prior to joining our Group, Mr. Liu held various legal and compliance positions across multiple companies, where he was primarily responsible for providing legal advice and offering solutions to legal issues. From June 2004 to March 2006, he worked at TCL Communication Equipment (Huizhou) Co., Ltd. (TCL 通訊設備(惠州)有限公司), a subsidiary of TCL Technology Group Corporation (TCL科技集團股份有限公司) which is a listed company on the Shenzhen Stock Exchange (stock code: 000100.SZ). He subsequently worked at Guangdong Huaiming Law Firm (廣東懷明律師事務所) from June 2006 to May 2008. He then worked at Shenzhen Zhongan Credit Investment Co., Ltd. (深圳市中安信業創業投資有限公司), an investment company, from September 2010 to July 2011, and the branch offices of a renowned Chinese multinational corporation and technology company headquartered in the PRC from August 2011 to September 2013, where he was primarily responsible for overseeing business related matters. He subsequently served as a senior legal manager at Ofilm Group Co., Ltd. (歐菲光集團股份有限公司) which is a listed company on the Shenzhen Stock Exchange (stock code: 002456.SZ) from May 2014 to June 2016. From June 2016 to June 2018, he served as the legal director of Shenzhen TINNO Mobile Technology Corp. (深圳市天瓏移動技術有限公司), a subsidiary of TINNO Technology Group Co., Ltd. (天瓏科技集團股份有限公司) which was previously listed on the Shenzhen Stock Exchange (stock code: 000787.SZ) and is now traded on the National Equities Exchange and Quotations in the PRC (stock code: 4000059.NQ). From July 2018 to August 2020, he was appointed as the legal director of Shenzhen Woer Heat-shrinkable Material Co., Ltd. (深圳市沃爾核材股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002130.SZ).

Mr. Liu has also served as an independent non-executive Director of Guangdong Fuxin Technology Co., Ltd. (廣東富信科技股份有限公司), which is a listed company on the Shanghai Stock Exchange (stock code: 688662.SH) since December 2024.

Mr. Liu obtained his bachelor's degree in law from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2002 and his master's degree in economics law from Shenzhen University (深圳大學) in June 2011. He obtained the Legal Professional Qualification Certificate issued by the Ministry of Justice of the PRC (中華人民共和國司法部法律職業資格證) in March 2004.

Mr. Zhang Guangyu (張廣宇), aged [38], is an employee representative Supervisor of our Company. Mr. Zhang joined our Group in October 2022 and was appointed as a Supervisor of our Company in October 11, 2025. Mr. Zhang also holds several management positions in certain subsidiaries of our Group.

Prior to joining our Group, Mr. Zhang held various human resources and organisational development positions in several companies. From August 2013 to May 2015, he worked at TCL King Electronics (Shenzhen) Company Limited ((TCL王牌電子(深圳)有限公司), a company principally engaged in the research and development, manufacturing and sales of electronics products. He then served as an organisational development specialist at TCL Technology Group Corporation (TCL科技集團股份有限公司), a listed company on the Shenzhen Stock Exchange (stock code: 000100.SZ), from June 2015 to September 2017. From September 2017 to October 2019, he served as an organisational development manager at Shenzhen Baoneng Investment Group Co., Ltd. (深圳市寶能投資集團有限公司), and then as a senior human resources manager at BGI Genomics Co. Ltd. (深圳華大基因股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300676.SZ), from October 2019 to October 2022.

Mr. Zhang obtained his bachelor's degree in public administration from Liaocheng University (聊城大學) in the PRC in July 2010 and his master's degree in fundamental psychology from Wuhan University (武漢大學) in June 2013.

SENIOR MANAGEMENT

The following table sets out information regarding the members of senior management of our Company.

Name	Age	Position/Title	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities
Mr. Chen Yuqi (陳宇奇)	[37]	Executive Director, chief executive officer and Chairman of our Board	December 1, 2016	December 1, 2016	Responsible for setting our Group's long-term development vision, formulating our Group's development strategies, leading our Group's financing activities, and promoting our Group's growth and global expansion
Mr. Xu Shengdong (徐聖東)	[37]	Executive Director and chief technology officer	December 1, 2016	December 1, 2016	Responsible for leading the research and development team of our Group, focusing on the research and development of our Group's products
Mr. Fang Bing (房冰)	[35]	Executive Director and chief operation officer	December 1, 2016	October 9, 2017	Responsible for overall operation of our Group, human resources management and government and public affairs
Ms. Zeng Hongni (曾虹霓)	[49]	Executive Director and chief financial officer	August 27, 2024	August 27, 2024	Responsible for overseeing the financial management of our Group

Mr. Chen Yuqi (陳宇奇), aged [37], is the Chairman of our Board, an executive Director and the chief executive officer of our Company. For details of his biography, see "— Board of Directors — Executive Directors" above.

Mr. Xu Shengdong (徐聖東), aged [37], is an executive Director and the chief technology officer of our Company. For details of his biography, see "— Board of Directors — Executive Directors" above.

Mr. Fang Bing (房冰), aged [35], is an executive Director and the chief operation officer of our Company. For details of his biography, see "— Board of Directors — Executive Directors" above.

Ms. Zeng Hongni (曾虹霓), aged [49], is an executive Director and the chief financial officer of our Company. For details of her biography, see "— Board of Directors — Executive Directors" above.

GENERAL

Save as disclosed above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, as of the Latest Practicable Date, none of our Directors, Supervisors and senior management had been a director of any [**REDACTED**] the securities of which were [**REDACTED**] on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document.

Save as disclosed above, there were no other matters with respect to the appointment of our Directors and Supervisors that need to be brought to the attention of the Shareholders, nor was there any information relating to our Directors and Supervisors that was required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

As of the Latest Practicable Date, none of our Directors, Supervisors or senior management were related to other Directors, Supervisors or senior management of our Company.

INTERESTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Save as disclosed in the sections headed "Relationship with our Controlling Shareholders," "Substantial Shareholders" and "Appendix IV — Statutory and General Information — Further Information about Our Directors, Supervisors, Senior Management and Substantial Shareholders — Interests and short positions of our Directors, Supervisors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations," as of the Latest Practicable Date, none of our Directors and Supervisors held any interest in the securities within the meaning of Part XV of the SFO.

JOINT COMPANY SECRETARIES

Mr. Yu Guitian (于桂添) has been appointed as a joint company secretary of our Company effective from the [**REDACTED**]. Mr. Yu also holds several positions in our Group.

Mr. Yu joined our Group on June 15, 2021 and served as our chief financial officer from June 2021 to August 2024, where he was responsible for financial planning, capital operation and risk management. Since August 2024, he has served as the board secretary, primarily responsible for organizing meetings of the shareholders and our Board, overseeing investor relations and information disclosure, ensuring regulatory compliance, and supporting our Company's capital market activities.

Mr. Yu obtained his bachelor's degree in management from Southwest Jiaotong University (西南交通大學) in the PRC in July 2005, majoring in business administration. He then received his master's degree in management from Sun Yat-sen University (中山大學) in the PRC in June 2007, majoring in enterprise management.

Ms. Ho Sze Wah Cecilia (何詩華) has been appointed as a joint company secretary of our Company effective from the [**REDACTED**]. Ms. Ho has over 14 years of experience in company secretarial services and corporate governance for both Hong Kong and multinational corporations.

She currently serves as a Manager of Global Entity Compliance at Computershare Hong Kong Investor Services Limited.

Ms. Ho holds a Master's degree in Professional Accounting and Corporate Governance from City University of Hong Kong in July 2014 and a Bachelor's Degree of Business Administration and Management from De Montfort University in June 2008. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and Chapter 8A and the Corporate Governance Code as set out in the Appendix C1 to the Listing Rules, our Company has formed four Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Corporate Governance Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Dr. Liu Xuejiao, Dr. Zhang Taisu and Mr. Yeung Wing Fung. Dr. Liu Xuejiao has the accounting and related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules, and serves as the chairperson of the Audit Committee. The primary duties of the Audit Committee include, but not limited to, (i) proposing the appointment or change of external auditors to our Board, and monitoring the independence of external auditors and evaluating their performance; (ii) guiding internal audit work; (iii) examining the financial information of our Company, reviewing financial reports and statements of our Company and giving comments on relevant matters; (iv) assessing the effectiveness of internal control; (v) coordinating the communication among management, internal audit department, related departments and external audit agency; and (vi) dealing with other matters that are authorized by our Board or involved in relevant laws and regulations.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three Directors, namely Prof. Lou Lai Wah Miranda, Dr. Liu Xuejiao and Mr. Fang Bing. Prof. Lou Lai Wah Miranda serves as the chairperson of the Remuneration and Appraisal Committee. The primary duties of the Remuneration and Appraisal Committee include, but not limited to, (i) formulating individual remuneration plans for Directors and members of the senior management in accordance with the terms of reference of the job responsibilities, the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies; (ii) examining the criteria of performance evaluation of Directors and the senior management of our Company, and conducting annual performance evaluation; (iii) supervising the implementation of the remuneration plan of the Company, (iv) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and (v) dealing with other matters that are authorized by our Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of Part 2 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Dr. Zhang Taisu, Prof. Lou Lai Wah Miranda and Ms. Zeng Hongni. Dr. Zhang Taisu serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but not limited to, (i) making recommendations to our Board with regards to the size and composition of our Board based on our Company's business operation, asset scale and equity structure; (ii) researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board; (iii) conducting extensive search and providing to our Board suitable candidates for Directors, general managers and other members of the senior management; (iv) examining our Board candidates, general manager and members of the senior management and making recommendations to our Board; (v) assessing and reviewing the independence of independent non-executive Directors; and (vi) dealing with other matters that are authorized by our Board.

Corporate Governance Committee

We have established a Corporate Governance Committee in compliance with Chapter 8A of the Listing Rules. The Corporate Governance Committee comprises three independent non-executive Directors, namely Prof. Lou Lai Wah Miranda, Dr. Liu Xuejiao and Dr. Zhang Taisu. Prof. Lou Lai Wah Miranda is the chairperson of the Corporate Governance Committee. The primary duties of the corporate governance committee are, among other things, to ensure that the Company is operated and managed for the benefit of all Shareholders and to ensure the Company's compliance with the Listing Rules and safeguards relating to the weighted voting right structures of the Company. For details of their experience in corporate governance related matters, see the biographies of the independent non-executive Directors in the section headed "— Independent Non-executive Directors" above.

In accordance with Rule 8A.30 of the Listing Rules and the Corporate Governance Code, the work of our corporate governance committee as set out in its terms of reference includes (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to our Board; (b) to review and monitor the training and continuous professional development of Directors and senior management; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; (e) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report; (f) to review and monitor whether the Company is operated and managed for the benefit of all its Shareholders; (g) to confirm, on an annual basis, that the beneficiaries of weighted voting rights have been members of our Board throughout the year and that no matters under Rule 8A.17 of the Listing Rules have occurred during the relevant financial year; (h) to confirm, on an annual basis, whether or not the beneficiaries of weighted voting rights have complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules throughout the year; (i) to review and monitor the management of conflicts of interests and make a recommendation to our Board on any matter where there is a potential conflict of interest between the Company, a subsidiary of the Company and/or Shareholders of the Company (considered as a group) on one hand and any beneficiary of weighted voting rights on the other; (j) to review and monitor all risks related to the Company's weighted voting rights structure, including connected transactions between the Company and/or a subsidiary of the Company on one hand and any beneficiary of weighted voting rights on the other and make a recommendation to our Board on any such transaction; (k) to make a recommendation to our Board as to the appointment or removal of the Compliance Advisor; (l) to seek to ensure effective and on-going communication between the Company and its Shareholders, particularly with regards to the requirements of Rule 8A.35 of the Listing Rules; (m) to report on the work of the corporate governance committee on at least a half-yearly and annual basis covering all areas of its terms of reference; and (n) to disclose, on a comply or explain basis, its recommendations to our Board in respect of the matters in sub-paragraphs (i) to (l) above in the report referred to in sub-paragraph (m) above.

Pursuant to Rule 8A.32 of the Listing Rules, the Corporate Governance Report prepared by the Company for inclusion in our interim and annual reports after [**REDACTED**] will include a summary of the work of the corporate governance committee for the relevant period.

ROLE OF OUR INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rule 8A.26 of the Listing Rules, the role of the independent non-executive directors of a listed company with WVR structure must include, but is not limited to, the functions described in Code Provisions C.1.2, C.1.5 and C.1.6 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The functions of the independent non-executive Directors include (i) participating in Board meetings to bring an independent judgment to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct; (ii) taking the lead where potential conflicts of interests arise; (iii) serving on the audit, remuneration and appraisal, nomination and corporate governance committees, if invited; (iv)

scrutinizing the Company's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting; (v) giving our Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation; (vi) making a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments; and (vii) attending general meetings and developing a balanced understanding of the views of our Shareholders.

COMPENSATION OF DIRECTORS AND SUPERVISORS

Our Directors and Supervisors received their remuneration in the form of fees, salaries, allowances and benefits in kind, performance related bonuses, share-based payment expenses and pension scheme contributions.

For the three years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, the total remuneration accrued to our then Directors amounted to RMB10.4 million, RMB7.2 million, RMB14.9 million and RMB45.1 million, respectively.

For the three years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, the total remuneration accrued to our Supervisors amounted to RMB0.4 million, RMB0.4 million, RMB0.8 million and RMB1.6 million, respectively.

For the three years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, the total emoluments paid to the five highest paid individuals (excluding Directors and Supervisors) by our Group amounted to RMB16.3 million, RMB25.6 million, RMB15.6 million and RMB19.6 million, respectively.

Under the arrangement currently in force, we estimate the total compensation before taxation to be accrued to our Directors and our Supervisors for their service for the year ending December 31, 2026 to be approximately RMB52.9 million. The actual remuneration of Directors and Supervisors in 2026 may be different from the expected remuneration.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of any subsidiary of our Company.

Save as disclosed above, none of our Directors or Supervisors waived any remuneration during the relevant period. The remuneration of Directors, Supervisors and senior management is determined with reference to factors including operating results of our Company, market comparable and the achievement of major operating indicators of our Company.

CORPORATE GOVERNANCE CODE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the [**REDACTED**].

Pursuant to paragraph C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between chairman and chief executive should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive and Mr. Chen currently performs the roles of the chairman of our Board and an executive Director of our Company. Mr. Chen has assumed the role of chief executive officer of our Company since our

establishment. He has extensive experience in the business operations and management of our Group. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Mr. Chen is the Director best suited to identify strategic opportunities and focus of our Board due to his extensive understanding of our business. Our Board also believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of (i) ensuring consistent leadership within our Group, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of our Board, and (iii) facilitating the flow of information between the management and our Board for our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired, and this arrangement will enable the Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of chairman of our Board and chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of our Group as a whole.

Save as disclosed above, our Directors consider that upon [**REDACTED**], we will comply with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

BOARD DIVERSITY POLICY

We are committed to promoting the culture of diversity in the Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

We have adopted the board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, race, cultural background, educational background, industry experience and professional experience. Our Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of engineering, finance, mechanics, accounting, etc. Our three independent non-executive Directors have different industry backgrounds, with solid experiences in the fields of finance and accounting, management and corporate governance, law and business administration, representing one-third of the members of our Board. Our Board Diversity Policy is well implemented as evidenced by the fact that there are Directors ranging from 34 years old to 60 years old and comprises four female Director and five male Directors. Pursuant to the Board Diversity Policy, we aim to maintain at least one female representation in our Board and the current composition of our Board satisfies this target gender ratio. We will implement policies to ensure gender diversity when recruiting staff to develop a pipeline of female senior management and potential successors to our Board. We will strive to enhance our female representation and achieve appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices. Furthermore, we will implement comprehensive programs aimed at identifying and training our female staff who display leadership and potential, with the goal of promoting them to the senior management or our Board.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the [**REDACTED**], our Nomination Committee will review the Board Diversity Policy from time to time, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives to ensure its continued effectiveness. We will disclose in our corporate governance report about the implementation of the Board Diversity Policy on an annual basis.

COMPLIANCE ADVISOR

We have appointed Rainbow Capital (HK) Limited as our Compliance Advisor pursuant to Rule 8A.33 of the Listing Rules. Our Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws.

Pursuant to Rules 3A.23 and 8A.34 of the Listing Rules, our Compliance Advisor will advise our Company, among others, in the following circumstances: (a) before the publication of any regulatory announcement, circular or financial report; (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases; (c) where we propose to use the [**REDACTED**] from the [**REDACTED**] in a manner different from that detailed in this Document or where our business activities, developments or results deviate from any forecast, estimate or other information in this Document; (d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the [**REDACTED**] or [**REDACTED**] of its [**REDACTED**] securities or any other matters in accordance with Rule 13.10 of the Listing Rules; (e) the WVR Structure; (f) transactions in which any beneficiary of weighted voting rights in the Company has an interest; and (g) where there is a potential conflict of interest between the Company, its subsidiary and/or Shareholders (considered as a group) on one hand and any beneficiary of weighted voting rights in the Company on the other.

The term of appointment of the Compliance Advisor shall commence on the [**REDACTED**]. Pursuant to Rule 8A.33 of the Listing Rules, the Company is required to engage a compliance advisor on a permanent basis.

OVERVIEW

The WVR Beneficiaries, namely Mr. Chen, Mr. Fang and Mr. Xu entered into the concert party agreement in January 2018, as amended in November 2025, pursuant to which among others, Mr. Xu and Mr. Fang agreed to act in concert with Mr. Chen in board meetings and general meetings of our Company and follow the decision of Mr. Chen in voting on the matters to be considered therein. The Concert Party Agreement remains valid for 10 years from November 2025 and subject to potential extension upon mutual agreement by the parties.

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

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independent from our Controlling Shareholders after the [**REDACTED**].

Management Independence

Upon [**REDACTED**], our Board will comprise nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. We believe that our Directors and members of the senior management are able to perform their roles in our Company in managing our business independently from our Controlling Shareholders and their respective close associates for the following reasons:

(a) each of our Directors is aware of his or her fiduciary duties as a director, which requires, among other things, that he or she acts for our Company's best interests and he or she must not allow any conflict between his or her duties as a Director and his or her personal interests;

(b) our daily management and operation decisions are primarily made by all our executive Directors and senior management, all of whom have substantial experience in the industry in which we are engaged and will be able to make business decisions that are in the best interest of our Group. For details of the industry experience of our senior management, see "Directors, Supervisors and Senior Management" in this Document;

(c) we have appointed three independent non-executive Directors with a view to bringing independent judgment to the decision-making process of our Board;

(d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and

(e) we have adopted a series of corporate governance measures to management conflicts of interest, if any, between our Group and our Controlling Shareholders. For more details, please refer to "— Corporate Governance Measures" in this section.

Based on the above, our Directors believe that our Board and senior management as a whole are able to play a managerial role in our Company independently from our Controlling Shareholders after the [**REDACTED**].

Operational Independence

Our Company has full rights to make all decisions on, and to carry out, our own business operations independently. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate independently from our Controlling Shareholders and their close associates. We hold the licenses, intellectual property rights and qualifications necessary to carry on our principal business. We also have independent access to suppliers, and have sufficient capital, facilities and employees to operate our business independently from our Controlling Shareholders and their close associates.

Based on the above, our Directors believe that we are operationally independent from our Controlling Shareholders and their respective close associates.

Financial Independence

We have an independent financial system. We make financial decisions according to our own business needs, and neither our Controlling Shareholders nor their close associates intervene with our use of funds. We have established an independent finance department with a team of finance staff and an independent audit, accounting and financial management system.

As of the Latest Practicable Date, there were no loans, advances and balances due to or from our Controlling Shareholders or their respective close associates. Guarantees provided by our Controlling Shareholders or their respective close associates will be released upon [**REDACTED**].

Based on the above, our Directors consider there to be no financial dependence on any of our Controlling Shareholders.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

As of the Latest Practicable Date, none of our Controlling Shareholders and our Directors had any interest in any business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflicts of interests between our Group and our Controlling Shareholders:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(b) our Group has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if any transaction is proposed between our Group and our Controlling Shareholders and their respective associates, we will comply with the requirements of the Listing Rules;

(c) our Board consists of a balanced composition of executive Directors and independent non-executive Directors, with independent non-executive Directors representing one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expenses; and

(e) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor, who will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance, and inform us on a timely basis of any amendment or supplement to the Listing Rules or applicable laws and regulations in Hong Kong.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the [**REDACTED**] and conversion of our Unlisted Shares to H Shares, assuming the [**REDACTED**] is not exercised, the following persons will have interests and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

		As of the Latest Practicable Date		Immediately following [REDACTED] (assuming the [REDACTED] is not exercised)			
Name of Shareholder	Nature of Interest	Number of Shares (before Share Subdivision)	Approximate percentage of interest in the Class A Ordinary Shares/ Class B Ordinary Shares	Number of Shares	Approximate percentage of interest in the Class A Ordinary Shares/ Class B Ordinary Shares[1]	Approximate percentage of interest in the Unlisted Shares/ H Shares[1]	Approximate percentage of shareholding in our total share capital[1]
WVR BENEFICIARIES							
Mr. Chen[2]							
Mr. Chen	Beneficial interest	4,090,592 Class A Ordinary Shares	100%	[REDACTED] Class A Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
	Beneficial interest	57,600 Class B Ordinary Shares	0.12%	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
	Interest in controlled corporations	4,636,350 Class B Ordinary Shares	9.74%	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
Hairou Weizheng	Beneficial interest	4,636,350 Class B Ordinary Shares	9.74%	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
Mr. Xu	Beneficial interest	1,480,597 Class B Ordinary Shares	3.11%	[REDACTED] Class A Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
Mr. Fang	Beneficial interest	1,480,597 Class B Ordinary Shares	3.11%	[REDACTED] Class A Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
PRE-[REDACTED] INVESTORS							
Mr. LIU Qin[3]	Interest in controlled corporation	7,509,995 Class B Ordinary Shares	15.78%	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
Evolution Holding IV Limited (五源五期控股四號有限公司)[3]	Beneficial interest	4,244,381 Class B Ordinary Shares	8.92%	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%

		As of the Latest Practicable Date		Immediately following [REDACTED] (assuming the [REDACTED] is not exercised)			
Name of Shareholder	Nature of Interest	Number of Shares (before Share Subdivision)	Approximate percentage of interest in the Class A Ordinary Shares/ Class B Ordinary Shares	Number of Shares	Approximate percentage of interest in the Class A Ordinary Shares/ Class B Ordinary Shares[1]	Approximate percentage of interest in the Unlisted Shares/ H Shares[1]	Approximate percentage of shareholding in our total share capital[1]
General Atlantic Service Company, L.P. ("**GASC**")[4]	Interest in controlled corporation	6,232,665 Class B Ordinary Shares	13.10%	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
General Atlantic Singapore HR Pte. Ltd.[4]	Beneficial interest	6,232,665 Class B Ordinary Shares	13.10%	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
Source Code Entities[5]	Interest in controlled corporation	5,606,978 Class B Ordinary Shares	11.78%	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
Matrice Capital Hong Kong Limited (矩陣資本香港有限公司)[5]	Beneficial interest	3,736,262 Class B Ordinary Shares	7.85%	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
Ms. XU Xin[6]	Interest in controlled corporation	5,576,938 Class B Ordinary Shares	11.72%	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
CTG Evergreen Investment B Two Limited[6]	Beneficial interest	4,812,980 Class B Ordinary Shares	10.11%	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
Mr. LI Jianguang[7]	Interest in controlled corporation	2,986,384 Class B Ordinary Shares	6.28%	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
Mr. Niu Kuiguang[7]	Interest in controlled corporation	2,986,384 Class B Ordinary Shares	6.28%	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
Mr. Wang Jingbo[7]	Interest in controlled corporation	2,986,384 Class B Ordinary Shares	6.28%	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%
Zhuhai Chengyuan Management Consulting Enterprise (Limited Partnership) (珠海成源管理諮詢企業(有限合夥))[7]	Beneficial interest	2,986,384 Class B Ordinary Shares	6.28%	[REDACTED] Class B Ordinary Shares	[REDACTED]%	[REDACTED]%	[REDACTED]%

Notes:

(1) The calculation is based on: (i) the total number of [**REDACTED**] Class A Ordinary Shares and [**REDACTED**] Class B Ordinary Shares in issue immediately after completion of the [**REDACTED**] since [**REDACTED**] Class B Ordinary Shares will be issued pursuant to the [**REDACTED**], assuming that the [**REDACTED**] is not exercised; and

(ii) the total number of [**REDACTED**] Unlisted Shares and [**REDACTED**] H Shares in [**REDACTED**] immediately after completion of the [**REDACTED**] since [**REDACTED**] Unlisted Shares will be converted into H Shares and [**REDACTED**] H Shares will be [**REDACTED**] pursuant to the [**REDACTED**], assuming that the [**REDACTED**] is not exercised.

(2) As of the date of this Document, Mr. Chen, the chairman, an executive Director and the chief executive officer of our Company, is the general partner of Hairou Weizheng, which is our Employee Incentive Platform. As such, under the SFO, Mr. Chen is deemed to be interested in the Shares held by Hairou Weizheng upon the completion of the [**REDACTED**]. Mr. Chen beneficially owns 576,000 H Shares, which represent the maximum number of H Shares which he is entitled to receive pursuant to the exercise of options granted to him under the Employee Incentive Plan, subject to the terms and conditions of these options.

(3) As of the Latest Practicable Date, (i) Evolution Holding IV Limited ("**Evolution Holding IV**") was held by Evolution Fund I, L.P. and Evolution Fund I Co-investment, L.P., both of which were controlled by their general partner, 5Y Capital GP Limited, (ii) 5Y Growth Holding I HK Limited ("**5Y Growth I**") was held by 5Y Capital Growth Fund I, L.P. and 5Y Capital Growth Fund I Co-Investment, L.P., both of which were controlled by their general partner, 5Y Capital GP Limited, (iii) 5Y Special Opportunity Holding II Limited ("**5Y Special Holding II**") was held by Evolution Special Opportunity Fund I, L.P. and Evolution Fund I Co-investment, L.P., both of which were controlled by their general partner, 5Y Capital GP Limited, and (iv) Nanjing Wuyuan Qixing Venture Capital Investment Center (Limited Partnership) ("**Wuyuan Qixing**") was controlled by its general partner, Nanjing Wuyuan Chuxing Equity Investment Center (Limited Partnership), which was controlled by its general partner, Shanghai Xingshang Enterprise Management Consulting Co., Ltd. ("**Wuyuan Xingshang**") and its management company, Shanghai Xingpan Investment Management Consulting Co., Ltd. ("**Wuyuan Xingpan**"). 5Y Capital GP Limited, Wuyuan Xingshang and Wuyuan Xingpan were held as to over 50% by Mr. LIU Qin. As such, Mr. LIU Qin is deemed to be interested in the Shares held by Evolution Holding IV, 5Y Growth I, 5Y Special Holding II and Wuyuan Qixing upon the completion of the [**REDACTED**] under the SFO.

(4) As of the Latest Practicable Date, General Atlantic Singapore HR Pte. Ltd. ("**General Atlantic**") was held as 100% by General Atlantic Singapore Fund Pte. Ltd. ("**GASF**"). The manager of GASF was General Atlantic Singapore Fund Management Pte. Ltd. ("**GASFM**"). GASFM was wholly owned by General Atlantic Service Company, L.P. ("**GASC**"). As such, GASC is deemed to be interested in the Shares held by General Atlantic upon the completion of the [**REDACTED**] under the SFO.

(5) As of the Latest Practicable Date, (i) Matrice Capital Hong Kong Limited ("**Matrice Capital**") was held as to 100% by Source Code Venture Fund IV L.P., whose general partner was Source Code Venture Fund IV Management L.P. ("**Source Code Fund IV**"); (ii) Macro Capital Hong Kong Limited ("**Macro Capital**") was held as to 100% by Source Code Growth Fund II L.P., whose general partner was Source Code Growth Fund II Management L.P. ("**Source Code Fund II**"); and (iii) Wuxi Yuanze Equity Investment Partnership Enterprise (Limited Partnership) ("**Wuxi Yuanze**") was held as to approximately 0.01% by Wuxi Yuandao Management Consulting Co., Ltd. ("**Wuxi Yuandao**") as its general partner. Wuxi Yuandao was wholly owned by Ningbo Yuanlan Management Consulting Co., Ltd. ("**Ningbo Yuanlan**"), which was in turn wholly owned by Nanjing Yuanju Technology Co., Ltd. ("**Nanjing Yuanju**"). Nanjing Yuanju was held as to approximately 82.18% by Hangzhou Yiqian Enterprise Management Consulting Co., Ltd. ("**Hangzhou Yiqian**"), and was ultimately controlled by Mr. Charlie CAO; (iv) Wuxi Yuanyang Equity Investment Partnership Enterprise (Limited Partnership) ("**Wuxi Yuanyang**") was held as to approximately 0.1% by Wuxi Yuandao as general partner, and (v) Minimal Capital Hong Kong Limited ("**Minimal Capital"**) was held as to 100% by Bell Investment L.P., whose general partner was Source Code Woodbine Venture Ltd. ("**Source Code Woodbine**"). Source Code Fund IV, Source Code Fund II and Source Code Woodbine were ultimately controlled by Enlightenment Trust, as trustee for the benefit of Mr. Charlie CAO and his family members. Source Code Entities includes Matrice Capital, Macro Capital, Wuxi Yuanze, Wuxi Yuanyang and Minimal Capital. As such, Source Code Entities is deemed to be interested in the Shares held by Matrice Capital, Macro Capital, Wuxi Yuanze, Wuxi Yuanyang and Minimal Capital upon the completion of the [**REDACTED**] under the SFO.

(6) As of the Latest Practicable Date, (i) CTG Evergreen Investment B Two Limited ("**CTG B Two**") was held as to 99.98% by Capital Today Evergreen Fund, L.P. ("**Capital Today Evergreen**"), (ii) CTG Evergreen Investment M One Limited ("**CTG M One**") was controlled by Capital Today Evergreen, and (iii) CTG Evergreen Investment L One Limited ("**CTG L One**") was controlled by Capital Today Evergreen. The general partner of Capital Today Evergreen was Capital Today Evergreen GenPar LTD., which was wholly owned by Ms. XU Xin. As such, Ms. XU Xin is deemed to be interested in the Shares held by CTG B Two, CTG M One and CTG L One upon the completion of the [**REDACTED**] under the SFO.

(7) As of the Latest Practicable Date, Zhuhai Chengyuan Management Consulting Enterprise (Limited Partnership) ("**Zhuhai Chengyuan**") was managed by its general partner, Shenzhen Jingchuang Zhizao Enterprise Management Partnership (Limited Partnership) ("**Jingchuang Zhizao**"), which was in turn managed by its general partner, Tibet Zhizao Enterprise Management Co., Ltd. Tibet Zhizao Enterprise Management Co., Ltd. was wholly owned by Hexie Aiqi Investment Management (Beijing) Co., Ltd. ("**Hexie Aiqi**"). Hexie Aiqi was ultimately owned and controlled by Zhuhai Hexie Zhiyuan Management Consultancy Co., Ltd., which was ultimately controlled by Mr. LI Jianguang (李建光), Mr. Niu Kuiguang (牛奎光) and Mr. Wang Jingbo (王靜波). As such, Mr. LI Jianguang (李建光), Mr. Niu Kuiguang (牛奎光) and Mr. Wang Jingbo (王靜波) are deemed to be interested in the Shares held by Zhuhai Chengyuan upon the completion of the [**REDACTED**] under the SFO.

Save as disclosed above and the section headed "Appendix IV — Statutory and General Information — Further Information about our Directors, Supervisors, Senior Management and Substantial Shareholders," our Directors are not aware of any person who will, immediately following completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), have any interest and/or short position in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of our Group.

This section presents certain information regarding our share capital before and upon completion of the [**REDACTED**].

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB51,675,769, comprising 51,675,769 Unlisted Shares (including 4,090,592 Class A Ordinary Shares and 47,585,177 Class B Ordinary Shares) in issue of nominal value RMB1.0 each.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the [**REDACTED**] and the conversion of certain Unlisted Shares into H Shares, assuming that the [**REDACTED**] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital
Unlisted Class A Ordinary Shares in issue	[**REDACTED**]	[**REDACTED**]%
H Shares to be converted from Unlisted Shares (all being Class B Ordinary Shares)	[**REDACTED**]	[**REDACTED**]%
Shares to be [**REDACTED**] under the [**REDACTED**] (all being Class B Ordinary Shares)	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100%**

Immediately following completion of the [**REDACTED**] and the conversion of certain Unlisted Shares into H Shares, assuming the [**REDACTED**] is fully exercised, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital
Unlisted Class A Ordinary Shares in issue	[**REDACTED**]	[**REDACTED**]%
H Shares to be converted from Unlisted Shares (all being Class B Ordinary Shares)	[**REDACTED**]	[**REDACTED**]%
Shares to be [**REDACTED**] under the [**REDACTED**] (all being Class B Ordinary Shares)	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100%**

RANKING

Upon completion of the [**REDACTED**] and the conversion of [**REDACTED**] unlisted Class B Ordinary Shares into H Shares, the Shares will consist of H Shares (all comprising Class B Ordinary Shares) and Unlisted Shares (comprising unlisted Class A Ordinary Shares). H Shares and Unlisted Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional [**REDACTED**] in the PRC, the qualified PRC [**REDACTED**] under the Shanghai — Hong Kong Stock Connect or the Shenzhen — Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be [**REDACTED**] for by or [**REDACTED**] between [**REDACTED**] of the PRC. All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of Shares.

The [**REDACTED**] (all comprising Class B Ordinary Shares) will rank *pari passu* in all respects with all Class B Ordinary Shares (including H Shares) currently in [**REDACTED**] or to be [**REDACTED**] as mentioned in this Document, and will qualify and rank equally for all dividends or other distributions declared, made or paid on the Shares on a record date which falls after the date of this Document.

H-SHARE WEIGHTED VOTING RIGHTS STRUCTURE

The Company has an H-Share weighted voting rights structure. Under our weighted voting rights structure, our share capital comprises Class A Ordinary Shares and Class B Ordinary Shares. As of the Latest Practicable Date, each Class A Ordinary Share entitles the holder to exercise 20 votes and each Class B Ordinary Share entitles the holder to exercise one vote, other than the Special Matters. Upon the completion of the [**REDACTED**], each Class A Ordinary Share shall entitle the holder to exercise ten votes and each Class B Ordinary Share shall entitle the holder to exercise one vote, respectively, on any matters subject to the vote at general meetings of the Company, subject to Rule 8A.24 of the Listing Rules and the PRC Company Law that require the Reserved Matters and the Special Matters to be voted on a one vote per share basis.

The Reserved Matters are:

(i) any amendment to the Articles of Association;

(ii) the variation of the rights attached to any class of Shares;

(iii) the appointment, election or removal of any independent non-executive Director;

(iv) the appointment or removal of the Company's auditors; and

(v) the voluntary winding-up of the Company.

The Special Matters are:

(i) the election and change of Supervisors; and

(ii) where the Audit Committee exercises the functions of the Supervisory Committee and the Company has no Supervisory Committee or Supervisor, the election and change of the members of the Audit Committee.

In addition, Shareholders, including holders of Class B Ordinary Shares, holding not less than one-tenth of the share capital of the Company that carries the right of voting at general meetings (on a one share one vote basis) are entitled to convene an extraordinary general meeting of the Company and add resolutions to the meeting agenda. See "Appendix III — Summary of Articles of Association" for further details.

Class A Ordinary Shares may be converted into Class B Ordinary Shares on a one to one basis, subject to the procedures required under the Articles of Association, and the securities regulatory rules of the place where the Company's shares are [**REDACTED**]. Also see "— Conversion of Our Unlisted Shares into H Shares" below. Upon the conversion of all the issued and outstanding Class A Ordinary Shares into Class B Ordinary Shares, the Company will [**REDACTED**] Class B Ordinary Shares, representing approximately [**REDACTED**]% of the total number of issued Class B Ordinary Shares immediately following the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

The weighted voting rights attached to our Class A Ordinary Shares will cease when the WVR Beneficiaries cease to have beneficial ownership of any of our Class A Ordinary Shares, in accordance with Rule 8A.22 of the Listing Rules. This may occur:

(i) upon the occurrence of any of the circumstances set out in Rule 8A.17 of the Listing Rule, in particular where the WVR Beneficiaries are: (1) deceased; (2) no longer a member of our Board; (3) deemed by the Stock Exchange to be incapacitated for the purpose of performing his duties as a director; or (4) deemed by the Stock Exchange to no longer meet the requirements of a director set out in the Listing Rules;

(ii) when the holders of Class A Ordinary Shares have transferred to another person the beneficial ownership of, or economic interest in, the Class A Ordinary Shares or the control over the voting rights attached to them, other than in the circumstances permitted by Rule 8A.18 of the Listing Rule;

(iii) where a vehicle holding Class A Ordinary Shares on behalf of a WVR Beneficiary no longer complies with Rule 8A.18(2) of the Listing Rule; or

(iv) when all of the Class A Ordinary Shares have been converted to Class B Ordinary Shares.

Shareholding Structure of the WVR Beneficiaries

The table below sets out the WVR Beneficiaries' beneficial interests and voting rights of the Shares that the WVR Beneficiaries will be entitled to exercise through their direct interest in the Company, upon the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):

	Number of Class A Ordinary Shares held	Approximate percentage of beneficial interests in our total share capital	Approximate percentage of voting rights[(1)]
Mr. Chen	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%
Mr. Xu	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%
Mr. Fang	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%

Notes:

(1) On the basis that each Class B Ordinary Share entitles the Shareholder to one vote per Share and each Class A Ordinary Share entitles the Shareholder to ten votes per Share.

(2) For details of the shareholding structure of our WVR Beneficiaries, see "History, Development and Corporate Structure — Capitalization" and "History, Development and Corporate Structure — Our Corporate Structure."

The Company confirms that the holding arrangement through which the WVR Beneficiaries hold the Class A Ordinary Shares as described above meets the requirements in Rule 8A.18 of the Listing Rules.

To ensure that there will not be any circumvention of Rule 8A.18(1), each of the Company and Mr. Chen, Mr. Xu and Mr. Fang undertakes that so long there is any weighted voting rights attached to the Class A Ordinary Shares held by Mr. Chen, Mr. Xu and Mr. Fang, each of them will not transfer any beneficial ownership of or economic interest or the control over the voting rights attached to the Class A Ordinary Shares held by them to another person. In the event that there is any change in the beneficial ownership of or economic interest in the Class A Ordinary Shares held by Mr. Chen, Mr. Xu and Mr. Fang or the control over the voting rights attached to the Class A Ordinary Shares held by them to another person, the Company and Mr. Chen, Mr. Xu and Mr. Fang will notify the Stock Exchange pursuant to Rule 8A.19 of the Listing Rules and comply with the

relevant statutory obligations including obligations of disclosure of interests under the SFO, and the weighted voting rights attached to the Class A Ordinary Shares held by Mr. Chen, Mr. Xu and Mr. Fang shall cease upon such transfer accordingly. The Company will also comply with Rule 8A.30 of the Listing Rules to confirm, on an annual basis, that the WVR Beneficiary has complied with Rule 8A.18 of the Listing Rules.

Contribution of the WVR Beneficiaries

Since the inception of our principal business, we are led by an executive team with combination of technical expertise, commercial acumen and organizational management skills. Our executive team is headed by the WVR Beneficiaries, namely Mr. Chen, Mr. Xu and Mr. Fang.

The WVR Beneficiaries are Directors of our Company who perform executive functions and are expected to continue to hold their beneficial ownership and economic interest in the Shares immediately upon the [**REDACTED**]. As an integrated leadership team, each of the WVR Beneficiaries have materially contributed to the continued growth of our Company's business through their expertise, knowledge, and/or shared values. Being key members of the core management team of our Group and leveraging on their extensive professional industry experience, the WVR Beneficiaries are instrumental to our Group's success and have made significant contributions from strategic, technological, and operational perspectives. They have been deeply involved in the management of our Company's business operations across multiple departments. Their leadership together with their profound expertise in their respective fields has enabled our Company to proactively address industry-wide pain points, achieve organic growth through sustained innovation and self-transformation, and strengthen our market position. Through their visionary guidance and exceptional contributions, they have collectively propelled our Company to new heights. The contribution of the WVR Beneficiaries to the success of our Company are set out below:

Mr. Chen, our chairperson of the Board, executive Director and chief executive officer, has played a decisive role in shaping our overall strategic direction and business development. He led the formulation of our product roadmap, identified the market opportunity in warehouse robotics and drove the creation of the ACR model, which culminated in the launch of the world's first case-handling warehouse robot, *HaiPick*, in 2017. Under his leadership, our Company has built a strong management team, established a premium and diversified global customer base and expanded into key international markets through the establishment of overseas subsidiaries and operations. Today, our ACR solutions serve enterprises across a wide range of verticals, including apparel & fashion, e-commerce & retail, F&B, 3PL, pharmaceutical, 3C electronics and automotive, in more than 40 countries and regions. 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. As of June 30, 2026, we had entered into contracts for deployment of our ACR solutions with over 80 companies that appeared on the Fortune Global 500 annual lists since 2021. Mr. Chen has also been instrumental in spearheading our fundraising efforts and securing investments from reputable institutional investors, thereby providing the foundation for our continued growth and technological leadership.

Mr. Xu, our executive Director and chief technology officer, has been central to shaping the Company's technological roadmap and leading its R&D innovation since inception. As one of the core founders, Mr. Xu oversaw the development of the *HaiPick System*, the world's first case-handling warehouse robot which established ACR as the Company's strategic focus and laid the foundation for its technological leadership. He has led continuous R&D advancements across robot hardware, algorithms, perception systems and software architecture, enabling the Company to deliver scalable, flexible and high-performance ACR solutions for customers across diverse industries. Under his leadership, the Company introduced multiple generations of ACR technologies, significantly improving accuracy, efficiency, storage density and system flexibility,

and expanded its R&D team into one of the strongest in the global industry. Mr. Xu has also played a critical role in building a comprehensive IP portfolio and cultivating technical talent, ensuring the Company's sustained innovation capability and strengthening its position as a global leader in case-handling robotic solutions.

Mr. Fang, our executive Director and chief operating officer, has played a pivotal role in driving the Company's product development, operational execution and commercialization since its inception. As one of the earliest co-founders, Mr. Fang worked closely with Mr. Chen in establishing the Company's technological foundation and was instrumental in transforming early R&D concepts into scalable, market-ready ACR solutions. He has led the Company's operational management, including project delivery, solution customization and large-scale deployment across diverse industries, thereby ensuring customer satisfaction and strengthening our market reputation. Mr. Fang has also contributed significantly to the build-out of our engineering and operations teams and has been an important force in supporting the Company's global expansion and sustained growth.

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

Prospective [**REDACTED**] are advised to be aware of the potential risks of [**REDACTED**] in companies with weighted voting rights structures, in particular that interests of the WVR Beneficiaries may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiaries will be in a position to exercise their higher voting power to influence the affairs of our Company and the outcome of Shareholders' resolutions, irrespective of how other Shareholders vote.

Prospective [**REDACTED**] should make the decision to [**REDACTED**] in the Company only after due and careful consideration. For further information about the risks associated with the WVR structure adopted by the Company, see "Risk Factors — Risks Relating to The WVR Structure." Save for the weighted voting rights attached to Class A Ordinary Shares, the rights attached to Class A Ordinary Shares and Class B Ordinary Shares are identical. For further information about the rights, privileges and restrictions of the Class A Ordinary Shares and Class B Ordinary Shares, see "Appendix III — Summary of Articles of Association."

Undertakings by the WVR Beneficiaries

Pursuant to Rule 8A.43 of the Listing Rules, each WVR Beneficiary is required to give a legally enforceable undertaking to the Company that he will comply with the relevant requirements as set out in Rule 8A.43, which is intended to be for the benefit of and enforceable by the Shareholders. On [●], each of Mr. Chen, Mr. Xu and Mr. Fang made an undertaking to the Company (the "**Undertaking**"), that for so long as he is a WVR Beneficiary:

(a) he shall comply with (and, if the shares to which the weighted voting rights that he is beneficially interested in are attached are held through a limited partnership, trust, private company, or other vehicle, use his best endeavors to procure that such limited partnership, trust, private company or other vehicle complies with) all applicable requirements under Rules 8A.09, 8A.14, 8A.15, 8A.17, 8A.18 and 8A.24 of the Listing Rules from time to time in force (the "**Requirements**"); and

(b) he shall use his best endeavors to procure that the Company complies with all applicable Requirements.

For the avoidance of doubt, the Requirements are subject to Rule 2.04 of the Listing Rules. The WVR Beneficiaries acknowledged and agreed that the Shareholders rely on the Undertaking in acquiring and holding their Shares. The WVR Beneficiaries acknowledged and agreed that the Undertaking is intended to confer a benefit on the Company and all Shareholders and may be enforced by the Company and/or any Shareholder against the WVR Beneficiaries.

The Undertaking shall automatically terminate upon the earlier of (i) the date of [**REDACTED**] of the Company from the Stock Exchange, and (ii) the date on which the relevant WVR Beneficiary ceases to be a beneficiary of weighted voting rights in the Company. For the avoidance of doubt, the termination of the Undertaking shall not affect any rights, remedies, obligations or liabilities of the Company and/or any Shareholder and/or the WVR Beneficiary himself that have accrued up to the date of termination, including the right to claim damages and/or apply for any injunction in respect of any breach of the Undertaking which existed at or before the date of termination.

The Undertaking shall be governed by the laws of Hong Kong and all matters, claims or disputes arising out of the Undertaking shall be subject to the exclusive jurisdiction of the courts of Hong Kong.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC, the holders of our Unlisted Shares may, at their own option, authorize the Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares, and such converted Shares may be [**REDACTED**] and [**REDACTED**] on an overseas stock exchange provided that the required filings with the CSRC for the conversion, [**REDACTED**] and [**REDACTED**] of such converted Shares have been completed. Additionally, such conversion, [**REDACTED**] and [**REDACTED**] shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. We are not aware of the intention of such existing Shareholders to convert their Unlisted Shares.

If any of the Unlisted Shares are to be converted, [**REDACTED**] and [**REDACTED**] as H Shares on the Stock Exchange, the filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth below, we will apply for the [**REDACTED**] of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the [**REDACTED**] to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As the [**REDACTED**] of additional Shares after the [**REDACTED**] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior [**REDACTED**] for [**REDACTED**] at the time of our [**REDACTED**] in Hong Kong. No class Shareholder voting is required for the conversion of such Shares or the [**REDACTED**] and [**REDACTED**] of such converted Shares on an overseas stock exchange. Any [**REDACTED**] for [**REDACTED**] of the converted shares on the Stock Exchange after our [**REDACTED**] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite filings have been completed and approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the [**REDACTED**] to issue H Share certificates. Registration on the H Share register of our Company will be on the conditions that (i) the [**REDACTED**] lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be [**REDACTED**] on the Stock Exchange complies with the Listing Rules and the [**REDACTED**] and [**REDACTED**] in force from

time to time. Until the converted Shares are re-registered on the H Share register of our Company, such Shares would not be [**REDACTED**] as H Shares. For details of our existing Shareholders' proposed conversion of Unlisted Shares into H Shares, see "History, Development and Corporate Structure — Capitalization."

TRANSFER OF SHARES [REDACTED] PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares [**REDACTED**] prior to the [**REDACTED**] shall not be transferred within 12 months from the [**REDACTED**].

Shares transferred by our Directors, Supervisors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors, Supervisors and members of the senior management in our Company.

See "[**REDACTED**]" for details of the lock-up undertaking given by our Controlling Shareholders.

EMPLOYEE INCENTIVE PLAN

We adopted the Employee Incentive Plan, details of which are set forth in "Statutory and General Information — Employee Incentive Plan" in Appendix IV to this Document.

REGISTRATION OF SHARES NOT [REDACTED] ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines on Application for the "Full Circulation" Program for Domestic Unlisted Shares of H-Share Listed Companies (《H股公司境內未上市股份申請"全流通"業務指引》) published and implemented by the CSRC on November 14, 2019, which was most recently amended on August 10, 2023, the domestic shareholders of our Shares that are not [**REDACTED**] on the overseas stock exchange shall handle share conversion registration business in accordance with the relevant business rules of the CSDC. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the conversion registration with the CSDC of such shares involved in the application is completed.

SHAREHOLDERS' GENERAL MEETING

See "Appendix III — Summary of Articles of Association" for details of circumstances under which our general Shareholders' meeting is required.

You should read this discussion and analysis together with our consolidated financial information and notes in the Accountants' Report in Appendix I. Our financial statements are prepared under IFRSs, which may differ from accounting principles in other jurisdictions.This section contains forward-looking statements based on our current views, assumptions and analysis, subject to risks and uncertainties beyond our control. Actual results may differ materially. In evaluating our business, you should carefully consider this document, including "Risk Factors" and "Business." References to 2023, 2024 and 2025 are to our financial years ended December 31, and all financial information is presented on a consolidated basis unless otherwise stated.

BASIS OF PRESENTATION AND PREPARATION

The historical financial information of our Group has been prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board. The preparation of the historical financial information in conformity with IFRS Accounting Standards requires the use of certain material accounting policy information. It also requires management to make judgments, estimates and assumptions in the process of applying our accounting policies. Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the historical financial information and major sources of estimation uncertainty are discussed in the Accountants' Report included in Appendix I to this Document.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations have been, and are expected to continue to be, materially affected by the following company-specific factors:

Global Acceleration of Warehousing Picking Automation

The rising demand for warehouse automation, particularly in the picking process, has become a primary factor driving our revenue growth and long-term financial performance. ACRs have emerged as a highly advanced and complex warehousing picking automation solution, enabling high storage density, throughput, and adaptability compared with legacy conveyor systems and earlier-generation case-to-person models. See "Industry Overview" for details.

We are strategically positioned to benefit from this industry inflection point. As the world's largest ACR solution provider in terms of revenue and shipments in 2025, we have played a defining role in shaping this emerging market and driving its growth trajectory. Our ACR solution portfolio, including *HaiPick Climb* supported by the world's first single-sided climbing ACR, has enabled customers to achieve flexible system configurations, large-scale robot coordination, and enhanced space utilization. We believe we are well positioned to capture the expanding global ACR opportunity.

To capture the full potential of this rapidly expanding market, we intend to continue investing in product innovation, mechanical design, algorithms, and software capabilities. Our ACR architecture, which is designed to support high-bay storage, configurable system configurations, and reliable operations across varied warehouse environments, enables us to serve a broad spectrum of customer use cases as ACR adoption accelerates across industries and geographies. In particular, we will continue to strengthen collaboration with established customers, whose complex, high-volume and time-sensitive operational requirements often set the benchmark for their respective sectors. Through sustained innovation and deepening customer engagement, we expect our penetration within the ACR solutions industry to continue to increase, strengthening our leadership position, expanding our global footprint, and supporting long-term, scalable growth.

Strengthening Customer Relationships

A significant driver of our financial performance is our ability to deepen long-term relationships with existing customers while continuously expanding our global customer base. As the inventor and global leader in ACRs, our solutions form the operational backbone of many customers' warehouses, which in turn drives recurring, follow-on demand over time, such as incremental solution purchases, system capacity expansions and additional project deployments. Customer repurchase rate also increased from 68% in 2023 to 89% for the six months ended June 30, 2026, reflecting strong customer stickiness and the mission-critical nature of our solutions. Meanwhile, we have observed a steady shift in the composition of our deployments toward larger and more comprehensive projects, reflecting the increasing scale and sophistication of customer requirements and the growing depth of our engagement in their operations. Large deployments showcase our strong technological capabilities and execution strength to address complex, mission-critical automation needs. Through close collaboration with customers, we have cultivated long-term customer partnerships that generate customer repurchase, including broader multi-site rollouts, which improved visibility into revenue opportunities, supporting a more stable and predictable revenue profile.

Our financial performance also benefits from the depth, standardization, and scalability of our ACR solution. Because our hardware, scheduling algorithms, and warehouse execution systems operate as a unified solution, customers can expand deployments efficiently through additional units, higher-capacity configurations, or customized workflows. This has created substantial opportunities for follow-on demand across modules and system upgrades, as well as complementary services such as after-sales support, performance tuning, and ongoing operations optimization. As our customer base grows, these expansion-driven opportunities are becoming an increasingly important component of our revenue mix and are contributing to steady improvements in gross profit margin.

Looking ahead, we expect the continued expansion and deepening of our customer relationships to remain a key driver of our financial performance. As ACR solutions become increasingly embedded in customers' warehouse operations, we anticipate further growth in system expansions, repeat purchases, and long-term service engagements, as well as a broader adoption of our value-added services and emerging revenue categories. Supported by our growing deployments, increasing repurchases, and global footprint, these dynamics are expected to enhance the stability of our revenue profile, strengthen operating leverage as we scale, and improve overall visibility into future performance.

Expanding Global Footprint

Benefiting from our global footprint and the strong fit of our ACR solutions in markets characterized by acute labor shortages, high labor and warehouse rental costs and rapidly scaling order fulfillment needs, our non-domestic revenue has become a significant contributor to total revenue, increasing from 24.2% in 2023 to 47.0% in 2025, and further to 50.2% for the six months ended June 30, 2026. This reflects accelerating adoption of our ACR solutions in non-domestic markets. In these markets, automation investment decisions are driven primarily by solution capability and delivery reliability rather than labor cost arbitrage, underscoring the global relevance and scalability of our ACR technology.

While non-domestic deployments generally require longer implementation cycles, more extensive engineering coordination, and higher logistics or compliance-related costs, they also tend to involve larger warehouse areas, higher storage and throughput requirements, and more complex operating conditions. This typically translates into larger deployment scales, higher project values, and broader system footprints compared with most domestic projects. These characteristics, combined with more stringent service expectations, drive greater demand for value-added services such as system optimization, performance tuning, and on-site technical support, creating meaningful and recurring service-revenue opportunities throughout the project lifecycle. We believe

that these structural attributes of non-domestic markets, including larger project values, wider deployment scope, and deeper service penetration, will make our global footprint expansion an important contributor to sustained margin improvement and enhanced overall financial performance over time. During the Track Record Period, the gross profit margin of our non-domestic projects was consistently and significantly higher than that of projects in the domestic market due to the structurally larger project sizes, higher value-added service content and stronger pricing power typically associated with our non-domestic projects. For the six months ended June 30, 2026, gross profit margin of non-domestic projects was 40.1%, as compared with an overall gross profit margin of 34.4%.

Global expansion also introduces operational uncertainties, including exchange-rate movements, logistics-cost variability, and differing regulatory or technical requirements, which can influence project economics and our overall financial performance. As we scale globally, our ability to manage project execution, strengthen supply chain planning, and align pricing with project complexity will remain critical to maintaining margin health and supporting long-term growth.

Technological Innovation and R&D Investments

Technological leadership is a defining element of our competitive position and a core driver of our financial performance. Over the years, we have consistently invested in advancing our full-stack solution architecture to meet increasingly complex customer requirements across diverse industries and regions. As of June 30, 2026, we had filed 2,495 patent applications worldwide, representing the largest portfolio among ACR solution providers, according to CIC.

Our recent product advances demonstrate the impact of these investments. We have continuously expanded and deepened our ACR solution portfolio, extending from conventional case-handling robots to advanced high-reach variants that significantly broaden the range of warehousing environments we can support. Our continuous product innovation has increased the vertical operating span of our ACR solutions to as high as 15 meters, enabling effective automation across a broad spectrum of warehouse heights, including low-, mid- and high-bay warehouse configurations. Such expanded capability has enhanced storage density, operational flexibility and deployment efficiency for customers and allows us to address increasingly complex warehousing scenarios. By introducing new system architectures and performance benchmarks that define subsequent product generations in the market, we have maintained a generational technology lead over prevailing solutions, which has contributed to the growth of our revenue and overall financial performance.

Standardization and modular design have become central to our R&D strategy. We develop our products and systems around a common set of core hardware modules and software building blocks that can be reused across different models and projects, rather than developing each solution from the ground up. As a result, we are able to share components, algorithms and system architectures across a broad range of applications, which reduces repetitive engineering work, improves consistency and reliability, and supports faster deployment at scale, significantly lowering design-change work, procurement complexity and inventory risks. Together with our modular software stack, this architecture supports more efficient manufacturing, faster adaptation for large-scale projects and more consistent performance across varied warehouse layouts. It also improves reliability, reduces engineering rework during installation. These improvements have contributed to the rapid increase in our R&D efficiency during the Track Record Period, demonstrating meaningful gains in development productivity. As a result, while we consistently made substantial R&D investment during the Track Record Period, our R&D expenses as a percentage of revenue decreased from 38.3% in 2023 to 19.1% in 2025, and from 26.4% for the six months ended June 30, 2025 to 22.3% for the six months ended June 30, 2026.

Continued R&D investment allows us to iterate products more quickly, improve robot coordination, and support more complex workflows — capabilities that directly strengthen our competitiveness in project bidding and customer technical evaluations. While sustained R&D spending affects short-term margins, it provides long-term benefits by increasing parts commonality, reducing deployment-related engineering work and lowering maintenance and component-replacement needs. As our deployments grow, improvements in system reliability and software tools also create additional opportunities for value-added services such as performance tuning, workflow optimization and on-site technical support. We will continue to enhance our software capabilities, which play an increasingly important role in solution performance, to further drive the growth of orders and improve our margin profile.

Cost Management and Operational Efficiency

Our financial performance, particularly our margin profile and operating leverage, is significantly influenced by the evolution of our cost structure and operating expenses as we scale in both domestic and non-domestic markets. During the Track Record Period, rapid revenue growth, a higher mix of large and technically demanding projects, and the continued expansion of our global footprint influenced the trajectory of our materials, implementation and logistics costs, as well as our selling, administrative and R&D expenses.

We have undertaken a number of structural cost-efficiency initiatives and benefited from increasing scale effects. Cost management has become a core focus embedded within our daily operations. We implement cost-efficiency initiatives through structured, cross-functional processes applied consistently across products and projects, with a focus on product innovation, engineering execution and supply chain efficiency.

- *Product Innovation.* We continued to strengthen cost efficiency through R&D-driven product innovation, focusing on lowering system costs at the design stage. By enhancing product standardization and modularization across our ACR solutions, we increased the commonality of core components and expanded the use of baseline products in commercial deployments, reducing design-change effort and engineering complexity. New product designs, such as the introduction of our *HaiPick Climb* system, further improved cost competitiveness through simplified architecture, reduced installation requirements and more standardized configurations. Building on these design foundations, we reinforced product cost discipline through higher self-development ratios, minimum-cost compatible design principles and cost-driven engineering under a full-lifecycle cost perspective, supported by ongoing benchmarking against comparable products offered by industry peers.

- *Engineering Execution.* We strengthened our capability to evaluate end-to-end cost structures across alternative solution configurations, enabling more informed selection of cost-optimal designs at the project level. As our delivery experience accumulated and implementation processes became increasingly standardized, execution efficiency continued to improve. In addition, tighter control over engineering rework and more disciplined project-level decision-making contributed to smoother deployments and reduced operational friction.

- *Supply Chain Efficiency.* We further optimized our global sourcing and supplier management framework by building a qualified, multi-regional supplier resource pool and defining category-based shortlists and longlists. Our ability to assess supplier pricing rationality was enhanced through granular cost-breakdown analyses covering mechanical materials, processing inputs and electrical components, as well as systematic price benchmarking against established suppliers. We also optimized packaging design, logistics planning and inventory management, improving delivery execution and contributing to a declining trend in cost of sales as a percentage of revenue.

Accordingly, our gross profit margin continued to improve during the Track Record Period, from 16.0% in 2023 to 31.2% in 2025, and further to 34.4% for the six months ended June 30, 2026. As our business continues to mature, we expect economies of scale, greater product standardization and a more balanced project portfolio to contribute meaningfully to cost efficiency and operating leverage.

Operating expenses reflect our transition from early-stage commercialization to broader global presence, with operating expenses as a percentage of revenue declining over the Track Record Period as revenue scaled and operating leverage improved. Selling and distribution expenses increased as we strengthened global sales, pre-sales and after-sales functions, expanded our global presence and deepened customer support capabilities, while such expenses as a percentage of revenue declining from 52.7% in 2023 to 29.1% in 2025, and from 39.0% for the six months ended June 30, 2025 to 29.9% for the six months ended June 30, 2026. Administrative expenses grew earlier in the Track Record Period as we built corporate infrastructure but have since generally stabilized as organizational processes became more mature, with administrative expenses as a percentage of revenue declining from 23.7% in 2023 to 12.7% in 2025, and further to 10.1% for the six months ended June 30, 2026. R&D investment remained substantial, supporting continuous product iteration and strengthening the competitiveness of our solutions.

As our customer base expands and product architecture becomes increasingly standardized, we expect improving operating leverage across both cost of sales and operating expenses. Larger-scale procurement, more efficient implementation workflows, a maturing global sales organization and a stable administrative foundation are expected to enhance the efficiency of our cost base relative to revenue growth and support sustained margin enhancement. Over time, we expect these efficiencies to play a key role in driving a more balanced cost structure and strengthening our trajectory toward long-term profitability.

We also demonstrated solid operating cash flow generation and working capital management over the Track Record Period. Our cash conversion cycle continued to improve, primarily driven by rapid trade and bills receivables turnover and strong customer prepayment patterns reflected in our contract liabilities, ensuring our long-term sustainable growth. Although we recorded net cash outflows from operating activities as we invested in business expansion, such outflows were substantially lower than our adjusted net loss (non-IFRS measure) due to favorable working capital movements. In addition, our working capital position remained negative throughout the Track Record Period, primarily reflecting our operating model under which a substantial portion of our activities is financed through customer advances and supplier credit rather than external financing. See "— Liquidity and Capital Resources — Cash Flow Analysis" for details.

MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our financial statements. Accounting policies that are material for understanding our financial condition and results of operations are set forth in detail in Note 2 to the Accountants' Report in Appendix I of this Document. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. See Note 3 to the Accountants' Report in Appendix I of this Document for details. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period.

DESCRIPTION OF SELECTED ITEMS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss 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*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
Revenue	807,007	100.0	1,360,364	100.0	2,016,936	100.0	656,946	100.0	1,118,080	100.0
Cost of sales	(677,853)	(84.0)	(1,002,905)	(73.7)	(1,387,341)	(68.8)	(469,481)	(71.5)	(733,484)	(65.6)
Gross Profit	**129,154**	**16.0**	**357,459**	**26.3**	**629,595**	**31.2**	**187,465**	**28.5**	**384,596**	**34.4**
Other income and gains	50,015	6.2	55,086	4.0	107,064	5.3	62,715	9.5	88,556	7.9
Selling and distribution expenses	(424,451)	(52.7)	(489,178)	(35.9)	(586,539)	(29.1)	(256,150)	(39.0)	(334,769)	(29.9)
Administrative expenses	(190,687)	(23.7)	(199,555)	(14.8)	(257,014)	(12.7)	(104,076)	(15.8)	(113,124)	(10.1)
Research and development expenses	(308,873)	(38.3)	(333,954)	(24.5)	(385,293)	(19.1)	(173,413)	(26.4)	(249,041)	(22.3)
Impairment losses on financial and contract assets, net	(4,605)	(0.6)	(1,556)	(0.1)	(7,255)	(0.4)	(3,933)	(0.6)	(1,243)	(0.1)
Other expenses	(42,137)	(5.2)	(61,608)	(4.5)	(9,905)	(0.5)	(2,876)	(0.4)	(3,913)	(0.3)
Finance costs	(5,210)	(0.6)	(6,625)	(0.5)	(9,114)	(0.5)	(4,334)	(0.7)	(3,351)	(0.3)
Interest on redemption liabilities	(211,160)	(26.2)	(239,717)	(17.6)	(293,931)	(14.5)	(137,699)	(21.0)	(197,587)	(17.7)
Losses on fair value changes of derivative liabilities	–	–	(333,080)	(24.5)	–	–	–	–	–	–
Loss before tax	(1,007,954)	(124.9)	(1,252,728)	(92.1)	(812,392)	(40.3)	(432,301)	(65.8)	(429,876)	(38.4)
Income tax expense	(1,012)	(0.1)	(2,958)	(0.2)	(15,150)	(0.7)	(9,024)	(1.4)	(1,007)	(0.1)
Loss for the year/period	**(1,008,966)**	**(125.0)**	**(1,255,686)**	**(92.3)**	**(827,542)**	**(41.0)**	**(441,325)**	**(67.2)**	**(430,883)**	**(38.5)**
Attributable to:										
Owners of the parent	(1,008,806)	(125.0)	(1,255,686)	(92.3)	(827,542)	(41.0)	(441,325)	(67.2)	(430,883)	(38.5)
Non-controlling interests	(160)	(0.0)	–	–	–	–	–	–	–	–
	(1,008,966)	(125.0)	(1,255,686)	(92.3)	(827,542)	(41.0)	(441,325)	(67.2)	(430,883)	(38.5)

Non-IFRS Measures

To supplement our consolidated financial statements presented in accordance with IFRS Accounting Standards, we use adjusted net loss (non-IFRS measure), adjusted net loss margin (non-IFRS measure), adjusted EBITDA (non-IFRS measure) and adjusted EBITDA margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards. We believe that such non-IFRS measures facilitate comparisons of operating performance from year to year and company to company. We believe that such measures provide useful information to [**REDACTED**] in understanding and evaluating our consolidated results of operations in the same manner as they help management. However, presentation of these non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and [**REDACTED**] should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net loss (non-IFRS measure) as loss for the year/period adjusted for share-based payment, interest on redemption liabilities, exchange realignment on redemption liabilities, foreign exchange differences on intercompany balances, losses on fair value changes of derivative liabilities and [**REDACTED**]. Share-based payment relates to the share-based awards that we grant to participants of our share incentive schemes and is a non-cash expense. Interest on redemption liabilities and exchange realignment on redemption liabilities relate to the redemption liabilities arising from redemption rights granted to certain pre-[**REDACTED**] investors. Redemption liabilities will be re-designated to equity upon completion of the [**REDACTED**]. Foreign exchange differences on intercompany balances, which are non-recurring in nature, arise from the remeasurement of foreign currency-denominated balances between our Company and certain overseas subsidiaries due to differences in their respective functional currencies. Such balances primarily represent transitional intercompany funding arrangements to support the initial operations of our overseas subsidiaries, rather than settlements with these subsidiaries in the ordinary course of business. Losses on fair value changes of derivative liabilities arise from anti-dilution right granted to certain pre-[**REDACTED**] investors. When an anti-dilution right is triggered, our Company issues additional shares at no consideration and the related derivative liability is derecognized. [**REDACTED**] relates to expenses incurred in relation to this [**REDACTED**]. We define adjusted net loss margin (non-IFRS measure) as adjusted net loss (non-IFRS measure) divided by revenue for the same year multiplied by 100%. We define adjusted EBITDA (non-IFRS measure) as adjusted net loss (non-IFRS measure) adjusted for income tax expense, finance costs, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of intangible assets. We define adjusted EBITDA margin (non-IFRS measure) as adjusted EBITDA (non-IFRS measure) divided by revenue for the same year multiplied by 100%.

The following tables reconcile our non-IFRS financial measures with their corresponding figures presented in accordance with IFRS Accounting Standards for the periods indicated.

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss for the year/period	**(1,008,966)**	**(1,255,686)**	**(827,542)**	**(441,325)**	**(430,883)**
Adjusted for:					
Share-based payment	72,358	92,404	120,936	64,948	98,775
Interest on redemption liabilities	211,160	239,717	293,931	137,699	197,587
Exchange realignment on redemption liabilities	34,757	33,589	(61,758)	(10,079)	(114,633)
Foreign exchange differences on intercompany balances	(4,416)	12,196	(15,349)	(34,770)	33,580
Losses on fair value changes of derivative liabilities	–	333,080	–	–	–
[**REDACTED**]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net loss (non-IFRS measure)	**(695,107)**	**(544,700)**	**(468,165)**	**(283,527)**	**(207,856)**
Adjusted for:					
Income tax expense	1,012	2,958	15,150	9,024	1,007
Finance income	(6,634)	(6,606)	(9,596)	(3,536)	(17,980)
Finance costs	5,210	6,625	9,114	4,334	3,351
Depreciation of property, plant and equipment	24,597	28,184	16,427	7,402	8,905
Depreciation of right-of-use assets	33,762	32,439	30,673	15,454	14,524
Amortization of intangible assets	2,120	3,013	4,748	1,904	3,161
Adjusted EBITDA (non-IFRS measure)	**(635,040)**	**(478,087)**	**(401,649)**	**(248,945)**	**(194,888)**
Adjusted net loss margin (non-IFRS measure)	**(86.1%)**	**(40.0%)**	**(23.2%)**	**(43.2%)**	**(18.6%)**
Adjusted EBITDA margin (non-IFRS measure)	**(78.7%)**	**(35.1%)**	**(19.9%)**	**(37.9%)**	**(17.4%)**

Our adjusted net loss (non-IFRS measure) and the absolute amount of adjusted EBITDA (non-IFRS measure) decreased during the Track Record Period, primarily due to the decrease in our loss for the year/period, which was mainly attributable to our rapid revenue growth, continued improvement in cost efficiency, as well as operating leverage achieved through more disciplined control of operating expenses as a percentage of revenue, as our business scaled. See "— Description of Selected Items of Our Consolidated Statements of Profit or Loss" and "— Period-to-Period Comparison of Results of Operations" for detailed analysis.

Revenue

Our total revenue grew from RMB807.0 million in 2023 to RMB1,360.4 million in 2024, representing a year-over-year growth of 68.6%. Our total revenue increased from RMB1,360.4 million in 2024 to RMB2,016.9 million in 2025, and 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. This rapid expansion was primarily driven by:

- *Increasing Global Demand for Picking Automation Solutions*, with ACR solutions becoming the preferred choice. 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, within this market, ACR solutions are the fastest-growing sub-segment, with penetration expected to rise from 3.2% of global warehousing picking automation in 2025 to 21.5% by 2030, representing a projected CAGR of 70.0% from 2026 to 2030, significantly higher than the 15.3% CAGR of the warehousing picking automation industry overall;

- *The Expanding Deployment of Our Solutions and Growing Customer Base*, especially in non-domestic markets where certification and project admission cycles are initially long but accelerate substantially once reference deployment is established; and

- *A Broad and Highly Standardized Product Portfolio*, comprising multiple types of solutions and products built on a modular and standardized architecture. Through shared core modules and standardized system components, these solutions and products can be flexibly configured to address a wide range of warehousing use cases, improving deliverability and solution fit across diverse operating scenarios. The introduction of such solutions and products has broadened our addressable market and strengthened the foundation for subsequent scaling.

Revenue by Application Domain

During the Track Record Period, we generated substantially all our revenue from the sales of ACR solutions, and, to a much less extent, generated revenue from the leasing of ACR solutions.

We provide ACR solutions tailored to serve two core application domains: (i) distribution, enabling high-efficiency case handling, order fulfillment and circulation within warehouses, which is our primary area of deployment; and (ii) manufacturing, streamlining the automated flow of materials, components and finished goods across production lines and industrial facilities, which is an important area of our future expansion.

The following table sets forth our revenue by application domain and geographic location of our customers (determined based on the location of our internal teams managing such customers) 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*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
Distribution domain										
Domestic market	320,876	39.8	552,736	40.6	857,294	42.5	314,662	47.9	420,593	37.6
Non-domestic markets	142,808	17.7	433,672	31.9	833,815	41.3	193,521	29.5	527,939	47.2
Subtotal	**463,684**	**57.5**	**986,408**	**72.5**	**1,691,109**	**83.8**	**508,183**	**77.4**	**948,532**	**84.8**
Manufacturing domain										
Domestic market	291,217	36.0	289,671	21.3	211,789	10.5	93,923	14.3	135,738	12.2
Non-domestic markets	52,106	6.5	84,285	6.2	114,038	5.7	54,840	8.3	33,810	3.0
Subtotal	**343,323**	**42.5**	**373,956**	**27.5**	**325,827**	**16.2**	**148,763**	**22.6**	**169,548**	**15.2**
Total	**807,007**	**100.0**	**1,360,364**	**100.0**	**2,016,936**	**100.0**	**656,946**	**100.0**	**1,118,080**	**100.0**

During the Track Record Period, revenue from the distribution domain increased both in absolute terms and as a proportion of our total revenue, primarily due to our consistent focus on and continued expansion of our business in such domain, driven by our deep industry penetration and increasing project scale. As our distribution deployments scaled rapidly, we achieved increasing economies of scale in procurement, manufacturing and delivery, which contributed to improved cost efficiency and enhanced operating leverage.

Revenue from the manufacturing domain, while accounting for a smaller proportion of our total revenue over time, reflected our deliberate effort to optimize our business mix and reallocate resources among different application domains. Revenue from the manufacturing domain increased in absolute terms from RMB343.3 million in 2023 to RMB374.0 million in 2024, while its contribution to total revenue decreased from 42.5% to 27.5% for the same year. In 2025, revenue from the manufacturing domain declined to RMB325.8 million from RMB374.0 million in 2024, and its revenue contribution further declined from 27.5% to 16.2%. Revenue from the manufacturing domain increased from RMB148.8 million for the six months ended June 30, 2025 to RMB169.5 million for the six months ended June 30, 2026, while its revenue contribution decreased from 22.6% to 15.2% during the same periods. These trends reflected our ongoing strategic optimization of project mix in the manufacturing domain, including a more selective focus on higher-value projects and standardized solution offerings. See "— Gross Profit and Gross Profit Margin." According to CIC, the demand for warehouse automation in the manufacturing domain remains vast, making this domain a meaningful opportunity for further penetration as adoption of ACR-based manufacturing automation accelerates globally. Moreover, we recorded relatively higher gross profit margin for the manufacturing domain during the Track Record Period, which is indicative of its strong profitability potential. As a result, the manufacturing domain remains an important area for our future expansion.

Revenue by Solution Type

The following table sets forth a breakdown of our revenue by major solution type, 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*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
Major Solution Types[(1)]										
HaiPick System 1	748,408	92.8	1,159,561	85.2	715,776	35.5	462,226	70.4	331,818	29.7
HaiPick System 2	56,047	6.9	108,163	8.0	18,588	0.9	8,023	1.2	23,964	2.1
HaiPick System 3	2,552	0.3	92,640	6.8	1,134,926	56.3	186,618	28.4	606,843	54.3
HaiPick Climb	–	–	–	–	136,091	6.7	79	0.0	148,691	13.3
Others	–	–	–	–	11,555	0.6	–	–	6,764	0.6
Total	**807,007**	**100.0**	**1,360,364**	**100.0**	**2,016,936**	**100.0**	**656,946**	**100.0**	**1,118,080**	**100.0**

Note:

(1) Hai-for-Manufacturing is typically provided in close integration with HaiPick Systems in actual deployment and sales and is therefore not presented as a separate solution type.

During the Track Record Period, our revenue was primarily generated from our HaiPick Systems, which remained the core offering of our ACR solutions business. Revenue generated from HaiPick Systems increased from RMB807.0 million in 2023 to RMB1,360.4 million in 2024, and further to RMB1,869.3 million in 2025, representing 100.0%, 100.0% and 92.7% of our total revenue in the respective years. For the six months ended June 30, 2026, revenue generated from HaiPick Systems amounts to RMB962.6 million, representing 86.1% of our total revenue in such period. In 2025, we officially introduced HaiPick Climb and began to generate revenue from this solution type, which contributed RMB136.1 million and RMB148.7 million, or 6.7% and 13.3% of our total revenue in 2025 and for the six months ended June 30, 2026, respectively.

Revenue by Geographic Location

Over the years, we have built a geographically diverse and extensive customer base. Revenue generated from non-domestic markets accounted for 24.2%, 38.1%, 47.0% and 50.2% of total revenue in 2023, 2024 and 2025 and for the six months ended June 30, 2026 respectively.

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 customers), 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										
EMEA	16,391	2.0	144,835	10.6	499,612	24.8	115,953	17.7	291,854	26.1
– Romania	–	–	–	–	201,074	10.0	–	–	3,703	0.3
– Poland	–	–	32,713	2.4	52,212	2.6	50,142	7.6	47,343	4.2
– Spain	–	–	42,070	3.1	48,811	2.4	37,953	5.8	18,788	1.7
– Netherlands	14,668	1.8	890	0.1	31,184	1.5	50	0.0	185,682	16.6
– Others[(1)]	1,723	0.2	69,162	5.0	166,331	8.3	27,808	4.3	36,338	3.3
Americas	113,314	14.1	178,997	13.2	191,253	9.5	43,827	6.6	100,131	8.9
– United States	79,855	9.9	118,526	8.7	174,478	8.7	40,889	6.2	97,391	8.7
– Others[(2)]	33,459	4.2	60,471	4.5	16,775	0.8	2,938	0.4	2,740	0.2
Rest of Asia Pacific	65,209	8.1	194,125	14.3	256,988	12.7	88,581	13.5	169,764	15.2
– Japan	22,455	2.8	61,057	4.5	137,941	6.8	38,642	5.9	144,362	12.9
– Singapore	2,044	0.3	23,739	1.7	64,244	3.2	30,061	4.6	945	0.1
– Others[(3)]	40,710	5.0	109,329	8.1	54,803	2.7	19,878	3.0	24,457	2.2
Subtotal	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**

Notes:

(1) Include, among others, Italy and United Kingdom.

(2) Include, among others, Canada and Mexico.

(3) Include, among others, South Korea and Australia.

Our non-domestic business has scaled rapidly and has become a central part of our growth profile. The revenue contribution from non-domestic markets increased from 24.2% of our total revenue in 2023 to 47.0% in 2025, and further to 50.2% for the six months ended June 30, 2026, primarily driven by the significant growth of our EMEA business, together with continued revenue growth in the Americas and the rest of APAC. This growth reflected increasing demand for our ACR solutions across key non-domestic markets, where customers generally have mature logistics and fulfillment infrastructure, a strong focus on operational efficiency and automation, and increasing needs for flexible, scalable solutions to support large-scale, high-throughput warehouse and fulfillment operations. Non-domestic markets not only deliver larger initial deployment revenue but also create meaningful and recurring service-revenue opportunities, positioning our global footprint as a structural contributor to long-term margin improvement and overall financial performance. See "— Key Factors Affecting our Results of Operations — Expanding Global Footprint" for further information.

Revenue by Sales Channel

We generate revenue through two primary sales channels: (i) direct sales, representing sales conducted directly with customers, and (ii) channel partner sales, representing sales made through channel partners. The mix between these channels reflects differences in customer profiles, project complexity, and local execution requirements across regions.

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*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
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**

Direct Sales

We use direct sales for customers with such needs, particularly strategic and KA customers. Many of our projects with direct customers involve sizable warehouse areas, higher throughput requirements and longer implementation cycles, which demand close coordination between our engineering, implementation and on-site support teams. In these cases, we work directly with end customers from solution design through deployment and stabilization, allowing us to manage system performance more effectively, respond quickly to operational needs, and maintain control over service quality throughout the project lifecycle. During the Track Record Period, revenue from direct sales accounted for the majority of our revenue, mainly because large-scale projects, where we typically engage directly with end customers, carry significantly higher contract values.

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, which is our primary go-to-market model 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 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, further improving delivery efficiency and customer satisfaction, and obtain first-hand feedback from frontline customer usage and incorporate such feedback into our product iterations. The increasing standardization of our ACR solutions enables more seamless collaboration with system integrators, supporting a scalable sales and delivery ecosystem and reducing implementation manpower requirements to accelerate the rollout of our solutions and enhance deployment efficiency across regions. 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 other cases, our channel partners directly promote and resell our ACR solutions to end customers based on their understanding and knowledge of our ACR solutions. In this process, they also provide a suite of supporting services to end customers, such as design, implementation and maintenance.

During the Track Record Period, sales through our channel partners accounted for a significant portion of our ACR solution revenue, although the relative contribution varied across periods. In the early stage of our business, when our overall scale was still limited, we relied primarily on direct sales, particularly to serve major customers and secure initial large-scale projects that supported

technology validation and market entry. As our customer base expanded and our product offerings became more standardized, including the introduction of new products with higher modularity and improved deployability such as the *HaiClimbers*, use of channel partners is critical for us to expand market coverage and serve a broader group of customers.

While direct sales will continue to be a meaningful go-to-market channel, we expect cooperation with channel partners to become increasingly important for scaling deployments across multiple regions and customer groups.

Cost of Sales

Cost of sales mainly comprises the following items:

- *Material Costs* represent the largest component of our cost of sales. Throughout the Track Record Period, through significant improvements in product standardization, we have increased component commonality and reduced SKU complexity. These enhancements support longer-term material cost efficiency and gradually reduce materials cost as a percentage of revenue over time.

- *Implementation Costs* consist of engineering labor, onsite installation, commissioning, testing, technical support, and project-specific field services.

- *Logistics Costs* represent the expenses, including applicable taxes, incurred for packaging, transporting and delivering our ACR solutions to customers.

- *Inventory Write-down* represents the costs of inventories exceeding the net realizable value. See "—Discussion of Selected Items from Our Consolidated Balance Sheet — Assets — Inventories" for further information.

- *Share-based Payment* represents the share options granted under the Employee Incentive Plan to eligible employees for their contributions to us. See "Appendix IV — Statutory and General Information — Employee Incentive Plan" for details.

The following table sets forth a breakdown of our cost of sales by nature, 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	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Material costs	469,099	58.1	734,026	54.0	972,979	48.2	342,066	52.1	537,874	48.1
Implementation costs	97,785	12.2	154,884	11.3	203,341	10.1	64,193	9.8	118,275	10.5
Logistics costs	36,500	4.5	78,831	5.8	173,910	8.6	53,164	8.1	69,314	6.2
Inventory write-down	73,707	9.1	33,593	2.5	35,573	1.8	9,215	1.4	7,453	0.7
Share-based payment	762	0.1	1,571	0.1	1,538	0.1	843	0.1	568	0.1
Total	**677,853**	**84.0**	**1,002,905**	**73.7**	**1,387,341**	**68.8**	**469,481**	**71.5**	**733,484**	**65.6**

Our cost of sales increased from RMB677.9 million in 2023 to RMB1,002.9 million in 2024 and further to RMB1,387.3 million in 2025, and increased from RMB469.5 million for the six months ended June 30, 2025 to RMB733.5 million for the six months ended June 30, 2026, primarily reflecting the expansion of our revenue scale and higher shipment volumes of ACR solutions in line with business growth. Notwithstanding the increases in absolute amounts, our cost of sales as a percentage of revenue declined over the Track Record Period, from 84.0% in 2023 to

68.8% in 2025 and further to 65.6% for the six months ended June 30, 2026, reflecting the effects of scale expansion, ongoing cost management initiatives and improving operational and delivery efficiency. See "— Key Factors Affecting Our Results of Operations — Cost Management and Operational Efficiency" for further information.

Gross Profit and Gross Profit Margin

Gross profit is equal to our total revenue less cost of sales. Our gross profit increased significantly during the Track Record Period, rising from RMB129.2 million in 2023 to RMB357.5 million in 2024 and increased to RMB629.6 million in 2025. Correspondingly, our overall gross profit margin increased from 16.0% in 2023 to 26.3% in 2024 and increased to 31.2% in 2025. 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, respectively, with our overall gross profit margin increased from 28.5% to 34.4% for the same periods.

The improvement in our gross profit margin was primarily driven by the continued expansion of our business in non-domestic markets. Non-domestic projects generally involve larger deployment scales and higher project values, and the increasing contribution of revenue from non-domestic markets, from 24.2% in 2023 to 47.0% in 2025, and further to 50.2% for the six months ended June 30, 2026, enhanced our overall margin mix. Our margin improvement was also supported by the expanding scale of our deployments and the increasing standardization and efficiency of our solution delivery. As more projects were delivered across a broader customer base, we benefited from scale effects in procurement, production coordination and project execution. At the same time, the growing experience of our delivery teams in handling large and complex sites further improved operating efficiency and overall margin performance.

Looking ahead, we expect the same factors that supported our margin improvement during the Track Record Period to continue in the foreseeable future. As we undertake more non-domestic projects, we expect the share of higher-value projects to further increase. We believe that these structural factors will support a gradual and steady improvement in our gross profit margin over time in the medium to long term.

Gross Profit and Gross Profit Margin by Application Domain

The following table sets forth our gross profit and gross profit margin by application domain for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	Gross profit	*Gross profit margin*	*Gross profit*	*Gross profit margin*	*Gross profit*	*Gross profit margin*	*Gross profit*	*Gross profit margin*	*Gross profit*	*Gross profit margin*
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Distribution . . .	106,946	23.1	270,576	27.4	531,651	31.4	135,377	26.6	330,971	34.9
Manufacturing . .	96,677	28.2	122,047	32.6	135,055	41.4	62,145	41.8	61,646	36.4

During the Track Record Period, the distribution domain remained the primary growth driver of our revenue, with strong growth in both absolute revenue and revenue contribution, as well as improvement in profitability. The gross profit margin of the distribution domain increased from 23.1% in 2023 to 31.4% in 2025, and further to 34.9% for the six months ended June 30, 2026, reflecting enhanced operating efficiency achieved alongside rapid scale expansion. The manufacturing sector also delivered a meaningful improvement in profitability during the Track Record Period. As we proactively optimized our business mix and focused on high-value projects for the manufacturing domain, revenue from such domain experienced certain year-to-year

fluctuations, while gross profit margin improved steadily from 28.2% in 2023 to 41.4% in 2025, which effectively enhanced the profitability of this domain and supported our overall financial performance. The gross profit margin of the manufacturing domain decreased from 41.8% for the six months ended June 30, 2025 to 36.4% for the six months ended June 30, 2026, primarily attributable to changes in project mix. Within each application domain, gross profit margins are generally comparable across different industries, with variations primarily driven by project-specific factors such as solution scope, scale and delivery complexity.

Gross Profit and Gross Profit Margin by Geographic Location

The following table sets forth our gross profit and gross profit margin by geographic location for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	Gross profit RMB'000	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*
							(unaudited)			
Domestic market	114,523	18.7	178,153	21.1	222,074	20.8	87,152	21.3	167,606	30.1
Non-domestic markets	89,100	45.7	214,471	41.4	444,632	46.9	110,370	44.4	225,011	40.1

During the Track Record Period, we consistently recorded higher gross margins in non-domestic markets than in the domestic market. While non-domestic projects typically involve longer implementation cycles and higher upfront coordination, logistics and compliance costs, they are generally larger in scale, more complex and higher in value, with broader system scopes and more demanding performance requirements. In addition, non-domestic customers tend to require higher service standards throughout the project life cycle, driving sustained demand for value-added services that generate recurring revenue with structurally higher margins. In comparison, the domestic market is characterized by more intense competition and greater price sensitivity, which typically result in tighter pricing and lower margin levels for domestic projects. As a result, the combination of larger project value, broader deployment scope and deeper post-deployment service penetration supports consistently higher gross profit margins for non-domestic projects.

Gross Profit and Gross Profit Margin by Application Domain and Geographic Location

The following table sets forth our gross profit and gross profit margin by application domain and geographic location for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	Gross profit RMB'000	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*
							(unaudited)			
Distribution	**106,946**	**23.1**	**270,576**	**27.4**	**531,651**	**31.4**	**135,377**	**26.6**	**330,971**	**34.9**
Domestic market	46,254	14.4	97,898	17.7	143,984	16.8	53,955	17.1	122,799	29.2
Non-domestic markets	60,692	42.5	172,678	39.8	387,667	46.5	81,422	42.1	208,172	39.4
Manufacturing	**96,677**	**28.2**	**122,047**	**32.6**	**135,055**	**41.4**	**62,145**	**41.8**	**61,646**	**36.4**
Domestic market	68,268	23.4	80,254	27.7	78,091	36.9	33,197	35.3	44,807	33.0
Non-domestic markets	28,409	54.5	41,793	49.6	56,964	50.0	28,948	52.8	16,839	49.8

During the Track Record Period, the distribution domain remained the primary growth driver of our revenue growth and achieved continued improvement in gross profit margin, while the manufacturing domain maintained relatively strong profitability despite certain period-to-period fluctuations. In both application domains, we generally recorded higher gross profit margins in non-domestic markets than in the domestic market during the Track Record Period, primarily due to larger project scale, broader deployment scope and greater service content in the non-domestic markets, while the domestic market was subject to more intense competition and greater price sensitivity.

Other Income and Gains

During the Track Record Period, our other income consisted of (i) government grants, (ii) interest income from bank deposits and long-term receivables, (iii) software tax refund, (iv) other operating income, representing income from sales of certain slow-moving and obsolete inventory, (v) additional deduction of value-added tax, (vi) investment income from financial assets at FVTPL and financial assets at fair value through other comprehensive income, mainly returns from the wealth management products, (vii) investment income from debt investments, including structured deposits, time deposits and bank acceptance notes received from customers, and (viii) others.

Our gains primarily consisted of (i) gain on exchange differences, net and (ii) fair value gains on financial assets at FVTPL, which mainly reflected changes in the fair value of the wealth management products we held. The following table sets forth a breakdown of our other income and gains for the periods indicated.

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Other income					
Government grants	13,136	12,544	10,623	3,232	17,784
Interest income from bank deposit	6,106	5,896	9,164	3,345	17,751
Software tax refund	11,650	13,995	9,076	6,012	–
Other operating income	5,342	8,394	3,423	1,420	2,485
Additional deduction of value-added tax	92	11,864	2,018	1,959	26
Interest income from long-term receivables	528	710	432	191	229
Investment income from financial assets at FVTPL	9,106	744	406	–	1,602
Investment income from debt investments at FVOCI	3,034	565	–	–	–
Others	199	143	245	110	189
Gains					
Gain on exchange differences, net	–	–	71,677	46,446	48,152
Fair value gains on financial assets at FVTPL	822	231	–	–	338
Total	**50,015**	**55,086**	**107,064**	**62,715**	**88,556**

Selling and Distribution Expenses

During the Track Record Period, our selling and distribution expenses consisted of (i) employee compensation for sales personnel, (ii) marketing and promotional spending, (iii) office and travel expenses for business development activities, (iv) share-based payment for sales personnel, (v) depreciation and amortization, (vi) consulting service expenses, and (vii) other miscellaneous expenses incurred in connection with customer acquisition.

The following table sets forth a breakdown of selling and distribution expenses by nature, 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	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Employee compensation	284,804	35.3	328,922	24.2	393,196	19.5	171,271	26.1	216,363	19.4
Marketing and promotional spending	54,004	6.7	58,138	4.3	64,165	3.2	27,097	4.1	37,812	3.4
Office and travel expenses	37,401	4.6	45,936	3.4	57,970	2.9	21,536	3.3	36,197	3.1
Share-based payment	26,245	3.3	31,720	2.3	40,828	2.0	24,145	3.7	27,887	2.5
Depreciation and amortization	13,883	1.7	12,896	0.9	14,444	0.7	5,974	0.9	7,701	0.7
Consulting service expenses	3,651	0.5	7,446	0.5	7,351	0.4	2,751	0.4	5,764	0.5
Others	4,463	0.6	4,120	0.3	8,585	0.4	3,376	0.5	3,045	0.3
Total	**424,451**	**52.7**	**489,178**	**35.9**	**586,539**	**29.1**	**256,150**	**39.0**	**334,769**	**29.9**

During the Track Record Period, our selling and distribution expenses primarily reflected the expansion of our business, including the enlargement of our sales and solution team to support our domestic and non-domestic projects, as well as customer engagement activities associated with bidding, solution design and pre-deployment validation. In addition, we incurred promotional expenses to support global marketing and brand-building activities, including our participation in exhibitions across major markets, consistent with the global expansion of our customer base. These expenses were in line with the expansion of our commercial activities and the higher volume of customer interactions during the Track Record Period.

Our selling and distribution expenses as a percentage of total 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, reflecting the gradual realization of our economies of scale. Looking forward, we expect our selling and distribution expenses to continue to increase in absolute amount in the foreseeable future, driven primarily by the continued expansion of our global business. Meanwhile, we expect our selling and distribution expenses as a percentage of total revenue to continue to decline steadily over time, as revenue is projected to grow at a faster pace than the incremental investments required to support new markets.

Administrative Expenses

Our administrative expenses mainly comprised (i) employee compensation for management and general administrative staff which represented the largest component of administrative expenses, (ii) professional service expenses mainly relating to the legal, audit, consulting and compliance services supporting our corporate governance and expansion activities, (iii) office and travel expenses, including office supplies, utilities, rental, and travel expenses, (iv) share-based payment for management and general administrative staff, and (v) depreciation and amortization of office equipment and right-of-use assets.

The following table sets forth a breakdown of administrative expenses by nature, 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	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Employee compensation	113,429	14.1	114,171	8.4	118,546	5.9	59,898	9.1	62,941	5.7
Professional service expenses	14,410	1.8	20,145	1.5	61,849	3.1	7,555	1.1	13,924	1.2
Office and travel expenses	24,406	3.0	21,284	1.6	29,528	1.5	11,209	1.7	11,706	1.0
Share-based payment	21,040	2.6	26,768	2.0	25,463	1.3	16,841	2.6	13,458	1.2
Depreciation and amortization	11,347	1.4	8,965	0.7	12,471	0.5	4,973	0.8	4,251	0.4
Others[(1)]	6,055	0.8	8,222	0.6	9,157	0.4	3,600	0.5	6,844	0.6
Total	**190,687**	**23.7**	**199,555**	**14.8**	**257,014**	**12.7**	**104,076**	**15.8**	**113,124**	**10.1**

Note:

(1) Others primarily represent taxes and surcharges and bank charges.

Research and Development Expenses

During the Track Record Period, our research and development (R&D) expenses consisted of (i) employee compensation for R&D staff, (ii) share-based payment for R&D staff, (iii) material costs for prototyping and testing, (iv) office and miscellaneous expenses, (v) depreciation and amortization of equipment used in our R&D activities, (vi) consulting service expenses, including expenses associated with R&D process optimization consultation related to R&D support, and (vii) testing expenses. Our R&D expenses generally reflected the resources required to support ongoing product updates, software iteration and performance improvements across our ACR solutions.

The following table sets forth a breakdown of R&D expenses by nature, 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	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Employee compensation	227,152	28.1	240,990	17.7	266,541	13.2	125,564	19.1	153,257	13.7
Share-based payment	22,225	2.8	35,114	2.6	53,107	2.6	23,120	3.5	56,862	5.1
Material costs	18,981	2.4	14,053	1.0	20,186	1.0	6,014	0.9	13,501	1.2
Office and miscellaneous expenses	9,029	1.1	12,378	0.9	18,606	0.9	8,253	1.3	13,462	1.2
Depreciation and amortization	16,840	2.1	15,107	1.1	14,909	0.7	6,993	1.0	8,524	0.8
Consulting service expenses	13,117	1.6	13,113	1.0	9,534	0.5	2,328	0.4	1,830	0.2
Testing	1,529	0.2	3,199	0.2	2,410	0.2	1,141	0.2	1,605	0.1
Total	**308,873**	**38.3**	**333,954**	**24.5**	**385,293**	**19.1**	**173,413**	**26.4**	**249,041**	**22.3**

Our research and development expenses increased in absolute terms from RMB308.9 million in 2023 to RMB334.0 million in 2024, and RMB385.3 million in 2025, and further increased from RMB173.4 million for the six months ended June 30, 2025 to RMB249.0 million for the six months ended June 30, 2026, mainly due to continued execution of our product and technology roadmap. The increase reflected ongoing development, iteration and testing activities across multiple product lines, partially offset by improved resource discipline. For example, in 2023, several product iterations and derivative models required more prototypes and sample parts, leading to higher

material usage. In 2024, as we strengthened controls over prototype application, encouraged reuse and reduced unnecessary sample builds, overall material consumption declined. In 2025, material costs increased due to additional spending on new types of components associated with the launch of HaiClimbers. For the six months ended June 30, 2026, the increase primarily reflected our continued investment in product and technology development.

Our R&D expenses as a percentage of revenue were 38.3%, 24.5% and 19.1% in 2023, 2024 and 2025, and were 26.4% and 22.3% for the six months ended June 30, 2025 and 2026, respectively. While the absolute amount of R&D expenses continued to increase, the expense ratio declined as our revenue base expanded, reflecting the effects of scale leverage and better resource management. Looking ahead, we expect R&D investment to continue to grow in absolute terms, driven by major project cycles, software development needs, product upgrades and the recruitment of technical talent. However, we expect R&D expenses as a percentage of total revenue to continue to decrease over time as we benefit from increased economies of scale and more disciplined management of development resources, while maintaining a strong commitment to sustained investment in technology development as a core driver of our competitiveness.

Impairment Loss on Financial and Contract Assets, Net

Our impairment loss on financial and contract assets mainly related to expected credit loss provisions for trade receivables and contract assets. These amounts reflect periodic updates to our loss allowance based on customer credit profiles, aging of receivables and historical collection patterns. We recorded impairment loss on financial assets, net of RMB4.6 million, RMB1.6 million, RMB7.3 million, RMB3.9 million and RMB1.2 million in 2023, 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively. The impairment loss recorded in each period remained modest relative to the size of our trade receivables and contract assets balances and primarily reflected our routine adjustments under applicable accounting standards.

Other Expenses

Our other expenses consisted primarily of (i) exchange losses arising from the remeasurement of redemption liabilities denominated in foreign currencies and other foreign-currency denominated balances, (ii) losses on disposal of non-current assets; and (iii) impairment losses. Exchange losses fluctuated depending on currency movements during the Track Record Period, especially given the increase in non-domestic transactions. Losses on disposal of non-current assets mainly related to the retirement or replacement of equipment and right-of-use assets that were no longer required for our operations. Impairment losses related to certain fixed assets, primarily arising from impairment recognized on fixed assets that no longer had recoverable economic value despite not having reached the end of their useful lives.

Finance Costs

During the Track Record Period, our finance costs consisted of interest on bank loans, interest on lease liabilities and interest on long-term payables. Lease-related interest expenses primarily arose from our leased properties for manufacturing facilities, warehouses and domestic and non-domestic office premises. Interest on long-term payables related to financing arrangements associated with equipment and other long-term obligations. We incurred finance costs of RMB5.2 million, RMB6.6 million, RMB9.1 million, RMB4.3 million and RMB3.4 million in 2023, 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively.

Interest on Redemption Liabilities

Interest on redemption liabilities relates to the redemption liabilities arising from redemption rights granted to certain pre-[**REDACTED**] investors. During the Track Record Period, our interest on redemption liabilities was RMB211.2 million, RMB239.7 million, RMB293.9 million, RMB137.7 million and RMB197.6 million in 2023, 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively.

Losses on Fair Value Changes of Derivative Liabilities

Losses on fair value changes of derivative liabilities arises from the anti-dilution right granted to certain pre-[**REDACTED**] investors. During the Track Record Period, we did not record any gain or loss on fair value changes of derivative liabilities in 2023 and 2025 and for the six months ended June 30, 2025 and 2026, while our losses on fair value changes of derivative liabilities was RMB333.1 million in 2024.

Income Tax Expense

We recorded income tax expenses of RMB1.0 million, RMB3.0 million, RMB15.2 million, RMB9.0 million and RMB1.0 million in 2023, 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively. The increase in income tax expense over the Track Record Period was mainly due to certain subsidiaries beginning to incur taxable profits, resulting in actual tax payments at the subsidiary level.

Several of our PRC subsidiaries, including HAI Robotics Co., Ltd. and Kubo Software, qualify as High and New Technology Enterprises ("HNTEs") and enjoy a preferential enterprise income tax rate of 15%. The HNTE preferential tax status for HAI Robotics Co., Ltd. and Kubo Software remains valid until October 2026 and November 2026, respectively, and we intend to renew these qualifications upon expiry. In addition, we benefit from additional deductions for eligible R&D expenses under applicable PRC tax policies. Non-domestic subsidiaries are subject to local statutory tax rates, which range from approximately 17% to 35%.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Revenue

Our revenue increased by 70.2% 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, primarily due to higher revenue from both domestic and non-domestic markets, with revenue from non-domestic markets recording comparatively faster growth.

Distribution Domain

Revenue from the distribution domain increased by 86.7% from RMB508.2 million for the six months ended June 30, 2025 to RMB948.5 million for the six months ended June 30, 2026. This growth was mainly attributable to (i) the continued increase in warehouse automation adoption across key verticals in the distribution domain, (ii) expanding customer penetration supported by continued replication and multi-site deployments with existing key customers, and (iii) the delivery and acceptance of several large-scale overseas projects during the period.

Manufacturing Domain

Revenue from the manufacturing domain increased by 14.0% from RMB148.8 million for the six months ended June 30, 2025 to RMB169.5 million for the six months ended June 30, 2026, primarily reflecting our strategic adjustment of business mix to focus on high-value customers and projects.

Cost of Sales

Our cost of sales increased by 56.2% from RMB469.5 million for the six months ended June 30, 2025 to RMB733.5 million for the six months ended June 30, 2026, primarily due to the continued growth across materials, implementation and logistics and transportation costs, reflecting the expanded scale of solution deployments and changes in geographic mix.

More specifically, the increase was primarily attributable to:

- *Higher Material Costs*, which increased by 57.2% from RMB342.1 million for the six months ended June 30, 2025 to RMB537.9 million for the six months ended June 30, 2026, primarily due to the expanded scale of solution deployments, reflecting higher volumes of ACRs and other related components delivered during the period.

- *Higher Implementation Costs*, which increased by 84.2% from RMB64.2 million for the six months ended June 30, 2025 to RMB118.3 million for the six months ended June 30, 2026, primarily due to the expanded scale of solution deployments and the increased revenue contribution from non-domestic markets from 37.8% for the six months ended June 30, 2025 to 50.2% for the same period in 2026.

- *Higher Logistics and Transportation Costs*, which increased by 30.4% from RMB53.2 million for the six months ended June 30, 2025 to RMB69.3 million for the six months ended June 30, 2026, primarily due to the expanded scale of solution deployments and associated increase in outbound shipments. The increase was slower than our revenue growth during the same period, reflecting economies of scale and improved logistics efficiency.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased significantly by 105.2% from RMB187.5 million for the six months ended June 30, 2025 to RMB384.6 million for the six months ended June 30, 2026. Our gross profit margin improved from 28.5% for the six months ended June 30, 2025 to 34.4% for the six months ended June 30, 2026. The improvement in gross profit margin was primarily driven by the following factors:

(i) *A Higher Contribution from Non-domestic Markets*, which generally exhibit stronger margin profiles than projects in the domestic market. During the Track Record Period, differences in market structure and customer pricing between non-domestic and domestic markets had a material positive impact on our overall gross profit margin. This shift is reflected in our revenue mix, with revenue contribution from non-domestic markets increasing from 37.8% for the six months ended June 30, 2025 to 50.2% for the six months ended June 30, 2026. Although the gross profit margin of non-domestic markets decreased from 44.4% for the six months ended June 30, 2025 to 40.1% for the six months ended June 30, 2026, it remained higher than that of the domestic market, which was 30.1% for the six months ended June 30, 2026.

(ii) *Increased Economies of Scale*, which enhanced our purchasing leverage and helped reduce average component costs. As the number and size of our deployments continued to expand, particularly with a higher proportion of large-scale projects with higher

contract values, our procurement volumes increased materially. This allowed us to secure more favorable pricing terms from key component suppliers and manufacturing partners. At the same time, repeated execution of projects of similar scale and configuration improved production planning accuracy and on-site execution efficiency. These factors contributed to the increase in gross profit margin in the domestic market from 21.3% for the six months ended June 30, 2025 to 30.1% for the six months ended June 30, 2026.

Distribution Domain

For the six months ended June 30, 2026, the gross profit margin of the distribution domain increased to 34.9%, compared with 26.6% for the six months ended June 30, 2025, reflecting continued operating efficiency, disciplined project execution and stable pricing and cost control despite continued revenue growth and expansion of business scale during the period.

Manufacturing Domain

For the six months ended June 30, 2026, the gross profit margin of the manufacturing domain was 36.4%, compared with 41.8% for the six months ended June 30, 2025. Such fluctuation was primarily attributable to changes in project mix, as gross profit margins may vary depending on the scope, scale and delivery complexity of individual projects.

Other Income and Gains

Our other income and gains increased by 41.2% from RMB62.7 million for the six months ended June 30, 2025 to RMB88.6 million for the six months ended June 30, 2026, primarily due to higher interest income from bank deposits as a result of increased cash balances and deposits, and an increase in government grants received during the period, partially offset by a decrease in software tax refunds.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 30.7% from RMB256.2 million for the six months ended June 30, 2025 to RMB334.8 million for the six months ended June 30, 2026, primarily due to higher employee compensation to support our expanding business operations, as well as increased marketing and promotional spending and office and travel expenses in connection with our continued business expansion and customer development activities. Our selling and distribution expenses as a percentage of revenue decreased from 39.0% for the six months ended June 30, 2025 to 29.9% for the six months ended June 30, 2026, reflecting improved operating leverage and greater efficiency of our sales and distribution activities as revenue scaled.

Administrative Expenses

Our administrative expenses increased by 8.7% from RMB104.1 million for the six months ended June 30, 2025 to RMB113.1 million for the six months ended June 30, 2026, primarily due to an increase in professional service fees.

Research and Development Expenses

Our research and development expenses increased by 43.6% from RMB173.4 million for the six months ended June 30, 2025 to RMB249.0 million for the six months ended June 30, 2026, primarily due to (i) higher employee compensation for R&D personnel, reflecting increased investments in R&D resources to support the development of a broader range of products and technologies, (ii) increased share-based payments expenses for R&D personnel in support of our long-term R&D strategy, and (iii) higher material costs associated with enhanced new product development and testing activities.

Impairment Loss on Financial and Contract Assets, Net

Our impairment loss on financial and contract assets, net decreased from RMB3.9 million for the six months ended June 30, 2025 to RMB1.2 million for the six months ended June 30, 2026, primarily due to the reversal of impairment losses previously recognized on certain trade receivables following their subsequent collection.

Other Expenses

Our other expenses increased from RMB2.9 million for the six months ended June 30, 2025 to RMB3.9 million for the six months ended June 30, 2026, primarily due to increased expenses incurred for the sales of slow-moving and obsolete inventories.

Finance Costs

Our finance costs decreased by 22.7% from RMB4.3 million for the six months ended June 30, 2025 to RMB3.4 million for the six months ended June 30, 2026, primarily due to the repayment of all interest-bearing bank borrowings.

Interest on Redemption Liabilities

Our interest on redemption liabilities increased from RMB137.7 million for the six months ended June 30, 2025 to RMB197.6 million for the six months ended June 30, 2026, primarily reflecting the increase in redemption liabilities. See "— Indebtedness — Redemption Liabilities" for details.

Income Tax Expense

Our income tax expense decreased from RMB9.0 million for the six months ended June 30, 2025 to RMB1.0 million for the six months ended June 30, 2026, primarily due to lower taxable profits recorded by certain subsidiaries during the period.

Loss for the Period

As a result of the foregoing, our loss for the period decreased by 2.4% from RMB441.3 million for the six months ended June 30, 2025 to RMB430.9 million for the six months ended June 30, 2026.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 48.3% from RMB1,360.4 million in 2024 to RMB2,016.9 million in 2025, primarily due to higher revenue from both domestic and non-domestic markets, with non-domestic revenue recording comparatively faster growth.

Distribution Domain

Revenue from the distribution domain increased by 71.4% from RMB986.4 million in 2024 to RMB1,691.1 million in 2025. This growth was mainly attributable to (i) the continued increase in warehouse automation adoption in the distribution domain, (ii) expanding customer penetration supported by both new customer acquisitions and customer repurchase, and (iii) a broader and more standardized product portfolio.

Manufacturing Domain

Revenue from the manufacturing domain decreased by 12.9% from RMB374.0 million in 2024 to RMB325.8 million in 2025, primarily due to our strategic adjustment of business mix toward higher-margin projects in the manufacturing domain to reallocate our resources to high-value customers and expand our global presence. As a result, while revenue experienced a modest decline, the overall quality of our customer base and profitability of the manufacturing domain improved materially.

Cost of Sales

Our cost of sales increased by 38.3% from RMB1,002.9 million in 2024 to RMB1,387.3 million in 2025, primarily due to growth across materials, implementation and logistics and transportation costs, reflecting our revenue growth and expanding delivery volume.

More specifically, the increase was primarily attributable to:

- *Higher Material Costs*, which increased by 32.6% from 2024 to 2025, generally in line with the expanded scale of solution deployments, reflecting higher volumes of ACRs and other related components delivered during the year.

- *Higher Implementation Costs*, which increased by 31.3% from 2024 to 2025, mainly due to the greater revenue contribution from non-domestic markets for the same years, which increased from 38.1% in 2024 to 47.0% in 2025. The higher implementation costs were also attributable to the greater number and rising complexity of customer deployments.

- *An Increase in Logistics and Transportation Costs*, primarily due to the sustained increase in non-domestic order volume and the associated rise in outbound shipments, which is consistent with the significant growth in our revenue from non-domestic markets. Additionally, beginning in 2024, we launched a series of logistics optimization measures, including improvements in packaging structure, better planning of shipment density, and the introduction of dedicated logistics management personnel, which partially offset the impact of increased non-domestic deliveries. These initiatives are expected to support continued efficiency improvements as non-domestic shipments scale further.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 76.1% from RMB357.5 million in 2024 to RMB629.6 million in 2025. Our gross profit margin improved from 26.3% in 2024 to 31.2% in 2025. The improvement in gross profit margin was primarily driven by the following factors:

(i) *A Higher Contribution from Non-domestic Markets*, which generally exhibit stronger margin profiles than projects in the domestic market. During the Track Record Period, differences in market structure and customer pricing between non-domestic and domestic markets had a material positive impact on our overall gross profit margin. This shift is reflected in our revenue mix, with revenue contribution from non-domestic markets increasing from 38.1% in 2024 to 47.0% in 2025. Notably, in 2025, the order intake from non-domestic markets accounted for over 50% of our total order intake, indicating an increasing contribution from non-domestic markets.

(ii) *Increased Economies of Scale*, which enhanced our purchasing leverage and helped reduce average component costs. As the number and size of our deployments continued to expand, particularly with a higher proportion of large-scale projects with higher contract values, our procurement volumes increased materially. This allowed us to

secure more favorable pricing terms from key component suppliers and manufacturing partners. At the same time, repeated execution of projects of similar scale and configuration improved production planning accuracy and on-site execution efficiency.

These factors were reflected in our gross profit margin for the non-domestic markets, which increased from 41.4% in 2024 to 46.9% in 2025.

Distribution Domain

In 2025, the gross profit margin of the distribution domain increased to 31.4%, compared with 27.4% in 2024, reflecting continued operating efficiency, disciplined project execution and stable pricing and cost control despite continued revenue growth and expansion of business scale during the year.

Manufacturing Domain

In 2025, the gross profit margin of the manufacturing domain increased significantly to 41.4%, compared with 32.6% in 2024. This substantial improvement was primarily attributable to our continued optimization of the project mix in the manufacturing domain toward higher-value and higher-margin projects. Such margin expansion demonstrates a meaningful enhancement in profitability and reflects the effectiveness of our quality-focused approach to the manufacturing domain.

Other Income and Gains

Our other income and gains increased by 94.4% from RMB55.1 million in 2024 to RMB107.1 million in 2025, primarily due to net gains on exchange differences, partially offset by a significant reduction in additional VAT deductions available under changes in applicable policies.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 19.9% from RMB489.2 million in 2024 to RMB586.5 million in 2025, primarily due to higher employee compensation and share-based payment granted to sales staff, as well as increased office and travel expenses to support our expanding non-domestic customer base and pre-sales activities. Such increase was consistent with our broader global expansion and rising volume of cross-border commercial activities. Our selling and distribution expenses as a percentage of revenue decreased from 35.9% in 2024 to 29.1% in 2025, reflecting improved operating leverage and greater efficiency of our sales and distribution activities as revenue scaled.

Administrative Expenses

Our administrative expenses increased by 28.8% from RMB199.6 million in 2024 to RMB257.0 million in 2025, primarily due to an increase in professional service fees.

Research and Development Expenses

Our research and development expenses increased by 15.4% from RMB334.0 million in 2024 to RMB385.3 million in 2025, primarily due to (i) higher employee compensation for R&D personnel, reflecting adjustments to our R&D talent structure and the continued recruitment of global talent in support of our long-term R&D strategy; and (ii) increased office and travel expenses, attributable to more frequent travel by R&D personnel arising from deeper collaboration and interaction with customers in connection with our enhanced investment in strategic projects during 2025.

Impairment Loss on Financial and Contract Assets, Net

Our impairment loss on financial and contract assets, net increased from RMB1.6 million in 2024 to RMB7.3 million in 2025.

Other Expenses

Our other expenses decreased by 83.9% from RMB61.6 million in 2024 to RMB9.9 million in 2025.

Finance Costs

Our finance costs increased by 37.6% from RMB6.6 million in 2024 to RMB9.1 million in 2025, primarily due to an increase in interest on bank loans as a result of new bank loans in 2025.

Interest on Redemption Liabilities

Our interest on redemption liabilities increased from RMB239.7 million in 2024 to RMB293.9 million in 2025, primarily reflecting the increase in redemption liabilities. See "— Indebtedness — Redemption Liabilities" for details.

Losses on Fair Value Changes of Derivative Liabilities

We did not record any gain or loss on fair value changes of derivative liabilities in 2025, as compared to losses on fair value changes of derivative liabilities of RMB333.1 million in 2024, primarily due to changes in the fair value of derivative liabilities, as the anti-dilution right granted to certain pre-[**REDACTED**] investors was triggered in 2024, resulting in a significant remeasurement loss in such year, whereas no such triggering events occurred in 2025.

Income Tax Expense

Our income tax expense increased significantly from RMB3.0 million in 2024 to RMB15.2 million in 2025, primarily due to certain subsidiaries beginning to record taxable profits as their operations reached breakeven.

Loss for the Year

As a result of the foregoing, our loss for the year decreased by 34.1% from RMB1,255.7 million in 2024 to RMB827.5 million in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 68.6% from RMB807.0 million in 2023 to RMB1,360.4 million in 2024, primarily driven by higher revenue from both the domestic and non-domestic markets, with non-domestic revenue recording comparatively faster growth.

Revenue from the distribution domain increased significantly from RMB463.7 million in 2023 to RMB986.4 million in 2024 and revenue from the manufacturing domain from RMB343.3 million in 2023 to RMB374.0 million in 2024. This growth was mainly attributable to (i) the continued increase in warehouse automation adoption across both distribution and manufacturing domains, (ii) expanding customer penetration supported by both new customer acquisitions and customer repurchase, and (iii) a broader product portfolio, including iterations and upgrades to core product lines.

Cost of Sales

Our cost of sales increased by 47.9% from RMB677.9 million in 2023 to RMB1,002.9 million in 2024. This increase reflected growth across materials, implementation, logistics and other cost components, reflecting our revenue growth and expanding delivery volume.

More specifically, the increase was primarily attributable to:

- *Higher Material Costs*, which increased by 56.5% year-over-year in 2024, generally in line with the expanded scale of solution deployments, reflecting higher volumes of ACRs and other related components delivered during the year.

- *Higher Implementation Costs*, which increased by 58.4% from 2023 to 2024, mainly due to the greater revenue contribution from non-domestic markets for the same years. The higher implementation costs were also due to the greater number and rising complexity of customer deployments.

- *An Increase in Logistics and Transportation Costs*, primarily due to the sustained increase in non-domestic order volume and the associated rise in outbound shipments. This trend is consistent with the significant growth in our non-domestic revenue, which increased from 24.2% of total revenue in 2023 to 38.1% in 2024. Additionally, beginning in 2024, we launched a series of logistics optimization measures, including improvements in packaging structure, better planning of shipment density, and the introduction of dedicated logistics management personnel, which partially offset the impact of increased non-domestic deliveries. These initiatives are expected to support continued efficiency improvements as non-domestic shipments scale further.

Gross Profit and Gross Profit Margin

Our gross profit increased from RMB129.2 million in 2023 to RMB357.5 million in 2024, and our gross profit margin improved from 16.0% to 26.3% for the same year. The improvement in gross profit margin was primarily driven by the following factors:

(i) *A Higher Contribution from Non-domestic Markets*, which generally exhibit stronger margin profiles than domestic projects. During the Track Record Period, differences in market structure and customer pricing between non-domestic and domestic markets had a material positive impact on our overall gross profit margin. This shift is reflected in our revenue mix, with revenue contribution from non-domestic markets increasing from 24.2% in 2023 to 38.1% in 2024 and further to 47.0% in 2025. Notably, for 2025, the order intake from non-domestic orders accounted for over 50% of our total order intake, indicating an increasing contribution from non-domestic markets.

(ii) *Increased Economies of Scale*, which enhanced our purchasing leverage and helped reduce average component costs. As the number and size of our deployments continued to expand, particularly with a higher proportion of large-scale projects with higher contract values, our procurement volumes increased materially. This allowed us to secure more favorable pricing terms from key component suppliers and manufacturing partners. At the same time, repeated execution of projects of similar scale and configuration improved production planning accuracy and on-site execution efficiency.

Distribution Domain

The gross profit margin of the distribution domain increased from 23.1% in 2023 to 27.4% in 2024. This improvement was primarily attributable to enhanced operating efficiency achieved alongside rapid revenue growth and scale expansion. As the distribution business continued to grow in both absolute revenue and revenue contribution, we benefited from better absorption of fixed

operating costs, improved execution efficiency and increased standardization across projects. These factors collectively supported margin expansion in the distribution domain as the business transitioned into a more scaled and mature growth phase.

Manufacturing Domain

The gross profit margin of the manufacturing domain increased from 28.2% in 2023 to 32.6% in 2024. The improvement was primarily driven by our proactive optimization of the project mix in the manufacturing domain toward higher-value and higher-margin projects starting in 2024, which supported a higher margin profile and a meaningful enhancement in profitability during the year.

Other Income and Gains

Other income and gains were RMB50.0 million in 2023 and RMB55.1 million in 2024, remaining broadly stable across the two years. The slight year-on-year increase was primarily attributable to (i) an increase in additional deduction of value-added tax to which we are entitled under the VAT super-deduction policy in Chinese Mainland as well as an increase in software tax refund; and (ii) higher other operating income, which rose from RMB5.3 million to RMB8.4 million, mainly attributable to disposal of slow-moving and obsolete inventory as a result of our strengthened inventory management. These increases were partially offset by a decrease in investment income from financial assets at FVTPL from RMB9.1 million to RMB0.7 million, primarily due to lower investment returns from structured deposits as a result of the decreased balances and fluctuating interest rate of such investments.

Selling and Distribution Expenses

Selling and distribution expenses increased by 15.2% from RMB424.5 million in 2023 to RMB489.2 million in 2024. The increase was primarily driven by higher employee compensation, reflecting the localization of our non-domestic sales teams and improved compensation level for our sales staff in line with business expansion. In addition, office and travel expenses increased as a result of more frequent customer visits and on-site engagements, as our business expanded and cross-border commercial activities intensified. Our selling and distribution expenses as a percentage of revenue decreased from 52.7% in 2023 to 35.9% in 2024, reflecting improved operating leverage and greater efficiency of our sales and distribution activities as our business scaled.

Administrative Expenses

Our administrative expenses increased by 4.7% from RMB190.7 million in 2023 to RMB199.6 million in 2024 primarily attributable to: (i) an increase in consulting service fees in 2024 due to corporate-level activities, including pre-[**REDACTED**] preparations, due diligence work associated with financing activities, and consulting engagements related to organizational upgrades, and (ii) higher employee compensation, primarily due to increased share-based payments granted to administrative staff. Such increase was partially offset by decreased office and travel expenses, as we incurred significant expenses related to trademark registration and organizational build-out in 2023 while such activities normalized and related expenditures stabilized in 2024.

Research and Development Expenses

Research and development (R&D) expenses increased by 8.1% from RMB308.9 million in 2023 to RMB334.0 million in 2024. The increase was mainly due to higher employee-related costs, including increased share-based payment expenses for R&D personnel. The overall increase in R&D expenses was partially offset by a reduction in material consumption, which decreased from RMB19.0 million in 2023 to RMB14.1 million in 2024 mainly as a result of more disciplined R&D process management, including tighter control over prototype applications, enhanced sample reuse and more streamlined development workflows.

Impairment Loss of Financial and Contract Assets, Net

Impairment loss on financial and contract assets, net decreased from RMB4.6 million in 2023 to RMB1.6 million in 2024, primarily due to our enhanced management of trade and bills receivables and improved collection efficiency, resulting in a lower level of impairment provisions on trade and bills receivables and contract assets.

Other Expenses

Other expenses increased from RMB42.1 million in 2023 to RMB61.6 million in 2024, primarily due to increased foreign exchange losses arising from currency fluctuations during the year and increased impairment losses on property, plant and equipment.

Finance Costs

Finance costs increased by 26.9% from RMB5.2 million in 2023 to RMB6.6 million in 2024. The increase was primarily attributable to higher interest on bank loans, as we drew down both short-term and long-term facilities in 2024. These bank loans were mainly used to support our expanding operating scale, including higher working capital needs arising from non-domestic projects and the growth in project delivery volume.

Losses on Fair Value Changes of Derivative Liabilities

We recorded losses on fair value changes of derivative liabilities of RMB333.1 million in 2024, while did not record any gain or loss on fair value changes of derivative liabilities in 2023, primarily due to changes in the fair value of derivative liabilities arising from anti-dilution rights granted to certain pre-[**REDACTED**] investors. Such rights were triggered in 2024, resulting in a significant remeasurement loss in that year, whereas no such triggering events occurred in 2023.

Income Tax Expense

Income tax expense increased from RMB1.0 million in 2023 to RMB3.0 million in 2024, primarily due to certain subsidiaries beginning to record taxable profits as their operations reached breakeven.

Loss for the Year

As a result of the foregoing, our loss for the year increased by 24.4% from RMB1,009.0 million in 2023 to RMB1,255.7 million in 2024.

DISCUSSION OF SELECTED ITEMS FROM OUR CONSOLIDATED BALANCE SHEETS

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

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	203,437	176,392	218,772	231,861
Total current assets	1,731,101	2,294,583	3,604,352	3,260,592
Total assets	**1,934,538**	**2,470,975**	**3,823,124**	**3,492,453**

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current liabilities	200,143	243,608	219,982	224,528
Total current liabilities	4,258,724	5,575,605	7,687,922	7,638,950
Total liabilities	**4,458,867**	**5,819,213**	**7,907,904**	**7,863,478**
Net current liabilities	**2,527,623**	**3,281,022**	**4,083,570**	**4,378,358**
Net liabilities	**2,524,329**	**3,348,238**	**4,084,780**	**4,371,025**

Assets

Inventories

During the Track Record Period, our inventories primarily consisted of raw materials, finished goods, dispatched goods and contract costs.

Our raw materials mainly comprised electronic components, mechanical parts and consumables, which increased primarily due to higher order volumes in line with the expansion of our solution-delivery activities.

Finished goods mainly represented ancillary and peripheral equipment that had been procured or manufactured but not yet transferred or made available to specific customers. Fluctuations in finished-goods balances across the Track Record Period reflected timing differences between production completion and customer delivery schedules, along with the increase in the number of large projects.

Dispatched goods includes products that have been transferred or made available to customers prior to revenue recognition.

Contract costs represent costs incurred during the contract delivery process, including (i) labor, materials, on-site deployment, system configuration and other project-specific implementation activities, and (ii) raw materials, deliverables and other contract-specific resources procured or produced for fulfilling the contract, to the extent they meet the criteria for capitalization.

The following table sets forth the breakdown of our inventories as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	62,290	71,056	71,207	95,528
Finished goods	3,664	2,758	6,259	5,611
Dispatched goods	459,888	552,397	630,512	584,918
Contract costs	162,781	302,161	257,539	282,333
Total	**688,623**	**928,372**	**965,517**	**968,390**

Our inventories increased from RMB688.6 million as of December 31, 2023 to RMB928.4 million as of December 31, 2024, primarily due to the increase in customer orders during the year and the higher proportion of large projects requiring more materials and longer delivery cycles. Our inventories subsequently increased to RMB965.5 million as of December 31, 2025, mainly attributable to our rapid business expansion and strong order growth in 2025. Our inventories remained relatively stable at RMB968.4 million as of June 30, 2026.

As of July 31, 2026, approximately RMB18.2 million, or 3.1% of dispatched goods outstanding as of June 30, 2026, had been subsequently settled. The relatively low subsequent settlement ratio was primarily attributable to the timing difference between shipment and customer acceptance. Under our business model, revenue is recognized upon customer acceptance, which typically occurs after installation, testing and on-site validation. As a result, a portion of dispatched goods remained pending customer acceptance as of July 31, 2026. We have conducted an assessment of the net realizable value of our inventories in accordance with applicable accounting standards and did not identify any material inventory impairment during the Track Record Period.

We believe that maintaining an appropriate level of inventories enables us to meet customer-delivery requirements and support the execution of large and non-domestic projects, while preserving our overall liquidity position. We have put in place a series of inventory management procedures. See "Business — Manufacturing and Production — Inventory Management" for further details.

Our inventory turnover days, which equals the average of the beginning and ending balances of inventories for a given year divided by cost of sales for the same year and multiplied by the number of days in such year, decreased from 311 days in 2023 to 294 days in 2024, and further to 249 days in 2025, and were 241 days for the six months ended June 30, 2026, primarily due to improvements in our inventory management efficiency. Correspondingly, the Group's cash conversion cycle improved significantly from negative 40 days in 2023 to negative 135 days in 2025, and was negative 148 days for the six months ended June 30, 2026. Such trend indicates that we generally receive customer prepayments prior to settling payments with our suppliers, resulting in limited cash flow usage in supporting our operations. We operate under a "make-to-order" production model with customer prepayments. As of June 30, 2026, our contract liabilities of RMB1,127.0 million exceeded our dispatched goods and contract costs of RMB867.3 million, indicating that such fulfillment costs can be funded by customer advances rather than our own working capital.

The following table sets forth an aging analysis of our inventories as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	609,660	873,380	869,176	849,869
One to two years	65,063	34,761	86,367	107,663
Two to three years	13,900	15,334	6,992	7,623
Over three years	–	4,897	2,982	3,235
	688,623	**928,372**	**965,517**	**968,390**

As of July 31, 2026, approximately RMB74.1 million, or 7.7% of our inventories outstanding as of June 30, 2026, had been subsequently utilized or sold.

Trade and Bills Receivables

During the Track Record Period, our trade and bills receivables primarily represented amounts due from customers in the ordinary course of business. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our trade and bills receivables were RMB157.5 million, RMB209.6 million, RMB269.2 million and RMB290.2 million, respectively. As of December 31, 2023, 2024 and 2025 and June 30, 2026, we recorded impairment of trade and bills receivables of RMB4.1 million, RMB5.6 million, RMB12.2 million and RMB13.3 million, respectively.

Our trade and bills receivables increased from RMB157.5 million as of December 31, 2023 to RMB209.6 million as of December 31, 2024 and further to RMB269.2 million as of December 31, 2025, and amounted to RMB290.2 million as of June 30, 2026, generally in line with our revenue growth.

The following table sets forth an aging analysis of our trade receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	146,404	186,539	246,276	263,535
One to two years	5,448	18,631	13,186	15,903
Two to three years	86	1,099	9,168	9,479
Total	**151,938**	**206,269**	**268,630**	**288,917**

As our customer base continues to expand and diversify, our settlement terms vary across different customers and project types. We apply lifetime expected credit loss ("ECL") provisioning to our trade receivables that do not contain a significant financing component in accordance with applicable accounting standards and record impairment provisions based on our assessment of their recoverability. In determining the level of impairment allowances, we have taken into account factors including aging profile, historical collection patterns and the relatively longer settlement cycles associated with our business model. For overdue receivables, we have made impairment allowances as appropriate. Our management believes that the impairment allowances made for trade receivables are adequate and sufficient to cover the expected credit risks.

Our trade receivables turnover days, which equals the average of the beginning and ending balances of the current portion of trade receivables (net of provision for impairment) for a given year divided by revenue for the same year and multiplied by the number of days in such year. Our trade receivables turnover days increased from 40 days in 2023 to 46 days in 2024, primarily due to the increase in the average trade receivables balance, in line with our overall business growth. Our trade receivables turnover days decreased from 46 days in 2024 to 42 days in 2025, primarily due to the strengthened collection efforts and enhanced management. Our trade receivables turnover days subsequently increased to 45 days for the six months ended June 30, 2026, primarily reflecting fluctuations arising from our business expansion and changes in our customer mix. Our receivables profile benefited from strong customer payment discipline and supported by well-established credit assessment and collection mechanisms. As a result, we were able to maintain efficient and consistent collection cycles across years despite continued business growth.

As of July 31, 2026, approximately RMB100.0 million, or 33.1% of our trade receivables outstanding as of June 30, 2026, had been subsequently settled. We consider that there were no material issues as to the recoverability of our trade receivables during the Track Record Period and up to July 31, 2026. Our customers generally have established business relationships with us and maintain sound credit profiles, and we have not experienced any material bad debt losses historically.

Debt Investments at Fair Value Through Other Comprehensive Income (FVOCI)

During the Track Record Period, our debt investments at FVOCI primarily consisted of bankers' acceptances received from customers in settlement of trade receivables, and certificates of deposit. Such bankers' acceptances were primarily bank acceptance notes issued by banks at the request of our customers and received by us as settlement of trade receivables due from customers. We recorded debt investments at FVOCI of RMB55.7 million, RMB3.4 million, RMB3.3 million and RMB0.7 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. These fluctuations were driven by changes in the mix of payment methods adopted by customers and the decrease in certificates of deposit.

Contract Assets

Our contract assets primarily represent amounts contractually retained by customers following project delivery and acceptance. Under the terms of our standard commercial arrangements, certain customers withhold a portion of the contract consideration as warranty retentions. These retentions are payable to us in accordance with the relevant contractual terms upon the expiration of the applicable warranty period. See Note 20 to the Accountants' Report included in Appendix I to this Document for details of our contract assets.

Our contract assets increased from RMB44.2 million as of December 31, 2023 to RMB67.9 million as of December 31, 2024 and further to RMB89.5 million as of December 31, 2025, and amounted to RMB95.4 million as of June 30, 2026, primarily attributable to increased projects we completed, driven by our business growth.

As of July 31, 2026, RMB0.1 million, or 0.1% of the contract assets recognized as of June 30, 2026 have been certified.

Prepayments, Deposits and Other Receivables

Our prepayments and other receivables comprise (i) other receivables and deposits related to business operations, (ii) prepayments for property, plant and equipment, (iii) value-added tax recoverable, (iv) prepayments for raw materials and services, (v) prepaid operating expenses for services associated with our ordinary course of business, (vi) amounts due from related parties, and (vii) export tax rebate. See Note 21 to the Accountants' Report included in Appendix I to this Document for a detailed breakdown of our prepayments, deposits and other receivables.

Our prepayments, deposits and other receivables increased from RMB109.2 million as of December 31, 2023 to RMB133.8 million as of December 31, 2024 and remained relatively stable at RMB127.9 million as of December 31, 2025, and then increased to RMB167.6 million as of June 30, 2026, primarily driven by business expansion, higher advance procurement needs and increased other current assets.

As of July 31, 2026, RMB41.3 million, or 24.7% of the prepayments, deposits and other receivables as of June 30, 2026 have been settled.

Financial Assets at FVTPL

Our financial assets at fair value through profit or loss consisted of structured bank deposits and wealth management products purchased as part of our short-term cash management activities. As of December 31, 2023, 2024 and 2025 and June 30, 2026, we recorded financial assets at FVTPL of RMB30.8 million, RMB40.2 million, nil and RMB140.3 million, respectively. Changes in these balances reflected the timing of our purchases and redemptions of such deposits and/or wealth management products undertaken to optimize returns on surplus cash while meeting our working capital requirements.

Our investment strategy focuses on capital preservation, liquidity and prudent return management, with the objective of preserving principal and ensuring the availability of funds to support business operations while maintaining a conservative risk profile. During the Track Record Period, our wealth management products primarily consisted of structured deposits and time deposits, and our debt investments primarily consisted of bank acceptance notes received from customers in settlement of trade receivables. To ensure prudent management of surplus funds, we adopt a centralized investment management approach under the supervision of the finance department and senior management, which reviews investment arrangements in light of liquidity needs, cash position and operational requirements.

We have established internal control policies and procedures governing our investment activities. Before making any investment, we conduct internal risk assessment on the relevant product and classify it by risk level. As a general policy, we do not invest in medium-risk or high-risk products, and principal protection is a minimum requirement for our wealth management products. We also conduct compliance review to ensure that the relevant investment complies with applicable laws, regulations and internal policies. After an investment is made, our finance and treasury personnel monitor the performance and risk profile of the relevant product on an ongoing basis and report regularly to management. Our investment approval process is subject to internal approval thresholds. The treasury department initiates investment applications based on cash position and market conditions. All investments are strictly subject to internal approval procedures, and investments above RMB10 million are subject to approval by senior management. The treasury management team is responsible for execution and record keeping after approval is obtained. The Board performs oversight over material investment matters, and our Directors participate in the approval of major investment decisions.

Our management team has relevant experience in treasury and financial management. Members of our treasury team have prior banking experience and are familiar with the operation and risk characteristics of common low-risk deposit products such as structured deposits and time deposits. In addition, our financial management team has extensive experience in financial management and treasury decision-making.

Our investments classified as financial assets at FVTPL will comply with Chapter 14 of the Listing Rules after the [**REDACTED**].

Cash and Cash Equivalents, Time Deposits and Restricted Cash

Our cash and cash equivalents increased from RMB532.9 million as of December 31, 2023 to RMB767.6 million as of December 31, 2024, primarily due to proceeds received from our Series E completed in 2024. Our cash and cash equivalents further increased to RMB2,015.3 million as of December 31, 2025, primarily due to proceeds received from multiple rounds of financing in 2025 and improved business operations. Our cash and cash equivalents subsequently decreased to RMB1,416.9 million as of June 30, 2026, primarily due to cash used to support our business operations and investments in wealth management products.

Our time deposits were RMB66.7 million, RMB14.2 million, RMB384.7 million and RMB204.3 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. Variations in time-deposit balances reflected shifts in our short-term liquidity allocation between term deposits, structured deposits and cash on hand.

Our restricted cash mainly represented bank acceptance guarantee deposits and performance or payment guarantees required for certain non-domestic projects. Our restricted cash increased from RMB150.8 million as of December 31, 2023 to RMB184.0 million as of December 31, 2024, and further to RMB192.0 million as of December 31, 2025, generally consistent with the expansion of our operations and the increased number of projects requiring guarantee arrangements. Our restricted cash subsequently increased to RMB241.1 million as of June 30, 2026, primarily due to an increase in deposits and guarantees in connection with the expansion of our non-domestic business.

Property, Plant and Equipment

During the Track Record Period, our property, plant and equipment primarily consisted of (i) buildings, (ii) electronic equipment, (iii) machinery and equipment, (iv) other equipment, (v) leasehold improvements and (vi) construction in progress. These assets supported our R&D, production, testing and office activities. Buildings relate to our manufacturing facility in Yancheng, Jiangsu Province which commenced production in June 2025. Construction in progress mainly represented equipment and facilities that had not yet been placed into service, as well as project-related systems undergoing installation and commissioning. See Note 13 to the Accountants' Report included in Appendix I to this Document for a detailed breakdown of our property, plant and equipment.

Our property, plant and equipment decreased from RMB45.2 million as of December 31, 2023 to RMB30.4 million as of December 31, 2024, primarily because major facility renovation and production equipment installations were completed in 2023, with no significant asset additions coupled with ongoing depreciation in 2024. Our property, plant and equipment increased from RMB30.4 million as of December 31, 2024 to RMB75.4 million as of December 31, 2025, mainly attributable to the completion and capitalization of our Yancheng facility. Our property, plant and equipment subsequently increased to RMB81.5 million as of June 30, 2026, primarily due to additions of machinery for new production lines at our Yancheng facility and purchases of electronic equipment.

Right-of-use Assets

During the Track Record Period, our right-of-use assets mainly related to our leased properties for manufacturing facilities, warehouses and domestic and non-domestic office premises. Our right-of-use assets decreased from RMB107.1 million as of December 31, 2023 to RMB86.9 million as of December 31, 2024, primarily because we terminated leases or shifted to short-term leases for certain properties. Our right-of-use assets further decreased to RMB72.2 million as of December 31, 2025, primarily attributable to the continued depreciation of right-of-use assets under existing leases. Our right-of-use assets subsequently increased to RMB74.8 million as of June 30, 2026, primarily due to new leases of certain office premises.

Other Intangible Assets

During the Track Record Period, our other intangible assets primarily consisted of software systems and patents. Our other intangible assets remained relatively stable at RMB12.4 million, RMB13.2 million, RMB12.8 million and RMB13.8 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively.

Liabilities

Trade and Bills Payables

During the Track Record Period, our trade and bills payables primarily consisted of (i) bills payable, mainly representing payments to suppliers in the form of bank acceptance bills, and (ii) trade payables, representing amounts due to suppliers for goods or services procured. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our trade and bills payables were RMB649.7 million, RMB846.5 million, RMB1,034.1 million and RMB990.5 million.

Our trade and bills payables increased from RMB649.7 million as of December 31, 2023 to RMB846.5 million as of December 31, 2024, and further to RMB1,034.1 million as of December 31, 2025, primarily due to the sustained increase in procurement activities to support our rapidly growing project deliveries, as well as payment arrangements with suppliers under agreed credit terms. Our trade and bills payables subsequently decreased to RMB990.5 million as of June 30, 2026, primarily due to the decrease in bills payables as a result of changes in payment arrangements with suppliers, while trade payables increased along with our increased procurement activities.

Our trade payables turnover days, which equal the average of the beginning and ending balances of trade payables for a given year divided by cost of sales for the same year and multiplied by the number of days in such year, increased from 102 days in 2023 to 138 days in 2024, primarily because (i) we obtained longer credit terms from certain suppliers as our procurement volume increased, and (ii) we recorded higher year-end trade payable balances resulting from larger purchase volumes. Our trade payables turnover days remained relatively stable at 138 days in 2025 and 136 days for the six months ended June 30, 2026.

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had trade and bills payables aged within one year of RMB645.6 million, RMB841.0 million, RMB1,029.0 million and RMB987.0 million, respectively, and trade payables aged over one year of RMB4.0 million, RMB5.5 million, RMB5.1 million and RMB3.4 million, respectively.

As of July 31, 2026, approximately RMB211.5 million, or 37.0% of our trade payables outstanding as of June 30, 2026, had been subsequently settled.

Contract Liabilities

During the Track Record Period, our contract liabilities primarily represented advance payments received from customers. Our contract liabilities increased from RMB589.6 million as of December 31, 2023 to RMB948.0 million as of December 31, 2024, and further increased to RMB1,103.5 million as of December 31, 2025, primarily due to the higher volume of customer orders secured during the periods, reflecting customers' wide recognition of our solutions and delivery capabilities. Our contract liabilities remained relatively stable at RMB1,127.0 million as of June 30, 2026. As of June 30, 2026, our contract liabilities of RMB1,127.0 million exceeded our dispatched goods and contract costs of RMB867.3 million, indicating that such fulfillment costs can be funded by customer advances rather than our own working capital.

The following table sets forth an aging analysis of our contract liabilities as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	505,170	851,581	921,635	951,340
Over one year	84,450	96,466	181,907	175,642
Total	**589,620**	**948,047**	**1,103,542**	**1,126,982**

As of July 31, 2026, RMB25.6 million, or 2.3% of our contract liabilities as of June 30, 2026, had been subsequently recognized as revenue.

Other Payables and Accruals

During the Track Record Period, our other payables and accruals primarily consisted of (i) payroll payables, (ii) output value added tax to be transferred, (iii) payable for non-current assets, representing the consideration payable for the construction of the new factory building at our Yancheng facility, (iv) other tax payables, (v) other payables, (vi) payable to a third party and (vii) lease compensation payable. See Note 26 to the Accountants' Report included in Appendix I to this Document for a detailed breakdown of our other payables and accruals.

Our current other payables and accruals increased from RMB162.5 million as of December 31, 2023 to RMB224.5 million as of December 31, 2024, primarily due to an increase in other tax payables in line with our business growth. Our current other payables and accruals further increased to RMB365.9 million as of December 31, 2025 primarily due to accrued expenses related to pre-[**REDACTED**] financing and the [**REDACTED**], as well as outstanding supplier deposits as of year end. Our current other payables and accruals decreased to RMB246.5 million as of June 30, 2026, primarily due to settlement of certain other payables, mainly comprising deposits received from suppliers as bidding security for projects, and payroll payables.

Our non-current other payables and accruals decreased from RMB4.4 million as of December 31, 2023 to RMB3.4 million as of December 31, 2024, primarily due to a decrease in lease compensation payable as a result of the reclassification of certain non-current lease compensation payable as current portion. Our non-current other payables and accruals subsequently increased to RMB48.4 million as of December 31, 2025, primarily due to consideration payable for the construction of the new factory building at our Yancheng facility, and remained relatively stable at RMB47.7 million as of June 30, 2026.

As of July 31, 2026, RMB82.3 million, or 28.0% of the other payables and accruals as of June 30, 2026, had been subsequently settled.

Provisions

Our provisions mainly represented warranty reserves accrued for projects that have been accepted by customers but remain within the warranty period. Our provisions increased from RMB41.2 million as of December 31, 2023 to RMB74.1 million as of December 31, 2024 and further to RMB102.8 million as of December 31, 2025, and subsequently to RMB114.5 million as of June 30, 2026, which was in line with our business expansion and the increase in completed projects under warranty.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we funded our cash requirements primarily through capital contributions from shareholders and cash payments made by customers. Following the [**REDACTED**], we plan to finance our future capital requirements through cash from operating activities, [**REDACTED**] from the [**REDACTED**], equity financing activities and debt financing activities in a balanced manner.

Current Assets and Current Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of June 30,	As of July 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Current assets					
Inventories	688,623	928,372	965,517	968,390	1,140,181
Trade and bills receivables	147,274	202,682	264,993	286,568	238,558
Debt investments at FVOCI	55,655	3,446	3,284	729	1,681
Contract assets	24,623	38,188	45,998	55,712	53,678
Prepayment, deposits and other receivables	100,253	124,520	117,211	150,868	185,659
Financial assets at FVTPL	30,822	40,231	–	140,338	300,338
Cash and cash equivalents	532,930	767,622	2,015,321	1,416,923	1,206,146
Restricted cash	150,758	183,987	192,028	241,064	265,387
Time deposits with original maturity of over three months and less than one year	163	5,535	–	–	–
Total current assets	**1,731,101**	**2,294,583**	**3,604,352**	**3,260,592**	**3,391,628**
Current liabilities					
Trade and bills payable	649,664	846,529	1,034,074	990,474	980,858
Contract liabilities	488,878	813,309	1,031,479	1,038,122	1,205,669
Other payables and accruals	162,513	224,505	365,899	246,531	287,729
Interest-bearing bank loans	10,466	91,779	70,495	–	–
Lease liability	30,050	28,464	22,967	21,595	28,066
Provisions	30,512	56,706	78,437	88,300	115,763
Tax payable	952	2,538	13,224	218	–
Redemption liabilities	2,885,689	3,511,775	5,071,347	5,253,710	5,276,344
Total current liabilities	**4,258,724**	**5,575,605**	**7,687,922**	**7,638,950**	**7,894,429**
Net current liabilities	**2,527,623**	**3,281,022**	**4,083,570**	**4,378,358**	**4,502,801**

Our net current liabilities increased from RMB4,378.4 million as of June 30, 2026 to RMB4,502.8 million as of July 31, 2026, primarily because the increase in total current liabilities exceeded the increase in total current assets. Total current liabilities increased from RMB7,639.0 million as of June 30, 2026 to RMB7,894.4 million as of July 31, 2026, mainly due to an increase of RMB167.5 million in contract liabilities, in line with our business expansion. Total current assets increased from RMB3,260.6 million as of June 30, 2026 to RMB3,391.6 million as of July 31, 2026, primarily due to (i) an increase of RMB171.8 million in inventories, primarily reflecting increased procurement and stocking of materials to support ongoing and upcoming solution deployments, and (ii) an increase of RMB160.0 million in financial assets at FVTPL, as a result of our increased investments in structured deposits, which was partially offset by a decrease of RMB210.8 million in cash and cash equivalents, primarily due to cash used for investment in structured deposits and working capital purposes.

Our net current liabilities increased from RMB4,083.6 million as of December 31, 2025 to RMB4,378.4 million as of June 30, 2026, primarily because the decrease in total current assets exceeded the decrease in total current liabilities. Total current liabilities decreased from RMB7,687.9 million as of December 31, 2025 to RMB7,639.0 million as of June 30, 2026, mainly due to (i) a decrease of RMB119.4 million in other payables and accruals, and (ii) a decrease of RMB70.5 million in interest-bearing bank loans due to the full repayment of our outstanding bank borrowings, partially offset by an increase of RMB182.4 million in redemption liabilities in connection with the financing completed in the first half of 2026. Total current assets decreased from RMB3,604.4 million as of December 31, 2025 to RMB3,260.6 million as of June 30, 2026, mainly due to a decrease of RMB598.4 million in cash and cash equivalents, partially offset by an increase of RMB140.3 million in financial assets at FVTPL.

Our net current liabilities increased from RMB3,281.0 million as of December 31, 2024 to RMB4,083.6 million as of December 31, 2025, primarily because the increase in total current liabilities exceeded the increase in total current assets. Total current liabilities increased from RMB5,575.6 million as of December 31, 2024 to RMB7,687.9 million as of December 31, 2025, mainly due to (i) an increase of RMB1,559.6 million in redemption liabilities, in relation to the financing completed in December 2025; (ii) an increase of RMB218.2 million in contract liabilities, and (iii) an increase of RMB187.5 million in trade and bills payables and an increase of RMB141.4 million in other payables and accruals, both of which were generally in line with our expanded project volume and overall business growth. Total current assets increased from RMB2,294.6 million as of December 31, 2024 to RMB3,604.4 million as of December 31, 2025, primarily due to an increase in cash and cash equivalents of RMB1,247.7 million.

Our net current liabilities increased from RMB2,527.6 million as of December 31, 2023 to RMB3,281.0 million as of December 31, 2024, primarily because the growth in total current liabilities exceeded the increase in total current assets. Total current liabilities increased from RMB4,258.7 million as of December 31, 2023 to RMB5,575.6 million as of December 31, 2024, mainly due to (i) an increase of RMB626.1 million in redemption liabilities; and (ii) an increase of RMB324.4 million in contract liabilities and an increase of RMB196.9 million in trade and bills payables, both of which were generally in line with our expanded project volume and overall business growth. Total current assets increased from RMB1,731.1 million as of December 31, 2023 to RMB2,294.6 million as of December 31, 2024, primarily due an increase in inventories of RMB239.7 million and an increase in cash and cash equivalents of RMB234.7 million.

Cash Flow Analysis

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

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Net cash flows used in operating activities	(482,249)	(195,749)	(34,295)	(288,993)	(359,787)
Net cash flows (used in)/generated from investing activities	740,075	16,341	29,734	7,715	(156,178)
Net cash flows (used in)/ generated from financing activities	(31,816)	421,434	1,253,724	148,560	(35,832)
Net increase in cash and cash equivalents	**226,010**	**242,026**	**1,249,163**	**(132,718)**	**(551,797)**
Cash and cash equivalents at the beginning of year	304,708	532,930	767,622	767,622	2,015,321
Effect of foreign exchange rate changes, net	2,212	(7,334)	(1,464)	17,963	(46,601)
Cash and cash equivalents at end of year	**532,930**	**767,622**	**2,015,321**	**652,867**	**1,416,923**

We assess our liquidity efficiency through cash conversion cycle, which we calculate as inventory turnover days plus trade and bills receivables turnover days minus the sum of trade and bills payables turnover days and contract liabilities turnover days. Our cash conversion cycle was negative 40 days, negative 85 days, negative 135 days and negative 148 days in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively. Our cash conversion cycle remained negative throughout the Track Record Period, driven primarily by rapid trade and bills receivables turnover, evidenced by our trade and bills receivables turnover days of 42 days, 47 days, 42 days and 45 days in 2023, 2024 and 2025 and for the six months ended June 30, 2026, and strong customer prepayment patterns reflected in our contract liabilities, which together broadly offset our inventory requirements. This indicates that, on average, we are able to collect cash from customers before inventories are fully converted. Such cash efficiency reduces reliance on external financing, strengthens our liquidity profile and provides additional flexibility to support business expansion.

During the Track Record Period, we recorded net cash outflows from operating activities as we continued to invest in business expansion and incurred net losses. For each year, our net cash used in operating activities was substantially lower than our adjusted EBITDA (non-IFRS measure), primarily due to favorable working capital movements, including higher and faster customer prepayments as well as increased balances of trade and bills payables. These factors collectively indicate that our operations have generated cash more efficiently over time.

Additionally, since 2023, our working capital has remained negative, primarily because our trade and bills payables and contract liabilities have consistently exceeded our inventories and trade and bills receivables. In 2023, 2024 and 2025 and for the six months ended June 30, 2026, our working capital, amounted to negative RMB302.6 million, negative RMB528.8 million, negative RMB835.0 million and negative RMB773.6 million, respectively. This working capital structure is primarily driven by our ability to secure customer advances prior to or at early stages of project execution, as well as favorable payment terms from suppliers, allowing us to finance a substantial portion of our operations through customer prepayments and supplier credit rather than through our own cash resources. As of June 30, 2026, our contract liabilities of RMB1,127.0 million exceeded our dispatched goods and contract costs of RMB867.3 million, indicating that such fulfillment costs can be funded by customer advances rather than our own working capital.

Net Cash Used in Operating Activities

For the six months ended June 30, 2026, our net cash used in operating activities was RMB359.8 million, which was primarily attributable to loss before tax of RMB429.9 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) interest on redemption liabilities of RMB197.6 million, and (ii) share-based payments of RMB98.8 million. The amount was further adjusted by changes in working capital, primarily include an increase in contract liabilities of RMB51.1 million, (i) a decrease in other payables and accruals of RMB82.4 million, (ii) an increase in restricted bank deposits of RMB49.0 million and (iii) a decrease in trade and bills payables of RMB44.7 million.

In 2025, our net cash used in operating activities was RMB34.3 million, which was primarily attributable to loss before tax of RMB812.4 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) interest on redemption liabilities of RMB293.9 million, and (ii) share-based payments of RMB120.9 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in trade and bills payables of RMB186.5 million, (ii) an increase in contract liabilities of RMB138.5 million, and (iii) an increase in other payables and accruals of RMB115.4 million, partially offset by an increase in trade and bills receivables of RMB64.7 million and an increase in inventories of RMB53.5 million.

In 2024, our net cash used in operating activities was RMB195.7 million, which was primarily attributable to loss before tax of RMB1,252.7 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i)

interest on redemption liabilities of RMB239.7 million, (ii) share-based payments of RMB92.4 million, and (iii) foreign exchange losses of RMB42.4 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in contract liabilities of RMB381.1 million and (ii) an increase in trade and bills payables of RMB199.2 million, partially offset by an increase in inventories of RMB293.0 million.

In 2023, our net cash used in operating activities was RMB482.2 million, which was primarily attributable to loss before tax of RMB1,008.0 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) interest on redemption liabilities of RMB211.2 million, (ii) write-down of inventories to net realizable value of RMB73.7 million, and (iii) share-based payments of RMB72.4 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in trade and bills payables of RMB360.9 million and (ii) an increase in contract liabilities of RMB278.9 million, partially offset by (i) an increase in inventories of RMB284.9 million, and (ii) an increase in trade and bills receivables of RMB120.9 million.

We had relatively significant inventory balances, longer inventory turnover days and net operating cash outflows during the Track Record Period, which were primarily attributable to our project-based delivery model and revenue recognition policy, under which revenue is generally recognized upon customer acceptance. As a result, inventories remain on our balance sheet for a period of time prior to revenue recognition and cash collection. Notwithstanding the relatively high inventory balances, our contract liabilities have progressively increased and provided increasing coverage for our inventory. Since 2024, customer advances have generally covered the inventory required for project delivery, and we typically do not need to deploy additional working capital to fund such inventory investments. We have implemented, and will continue to enhance, a series of targeted working capital management measures, with a particular focus on inventory management and project execution efficiency, to improve our liquidity position and reduce net operating cash outflows.

- *Project-based planning and delivery optimization*. We align procurement and inventory planning closely with confirmed orders and project pipelines, and dynamically adjust production and procurement schedules based on project timelines and delivery milestones. Cross-functional teams, including sales, project delivery and supply chain management, collaborate to ensure that inventory buildup is closely matched with actual project progress. Meanwhile, we continuously optimize project scheduling, installation and commissioning processes to shorten delivery cycles and accelerate customer acceptance. These measures help reduce the duration for which inventory is held prior to revenue recognition, thereby facilitating faster conversion of inventory into revenue and cash inflows.

- *Digitalized inventory control and standardization*. We utilize digital systems (such as ERP) to monitor inventory on a real-time and project-level basis, enabling visibility over inventory allocation, movement and status across different stages of project execution. We conduct regular inventory reviews and physical counts to identify slow-moving or excess stock and take timely actions such as reallocation across projects or controlled disposal. In addition, we have increasingly adopted standardized and modular product designs, which allows key components and subsystems to be reused across multiple projects. This reduces the need for project-specific inventory buildup, enhances flexibility in inventory deployment and improves overall inventory turnover efficiency.

- *Supply chain coordination and customer payment structure*. We closely coordinate with suppliers based on project schedules and provide rolling forecasts to optimize procurement timing, shorten lead times and reduce safety stock requirements. This enables us to better synchronize material deliveries with project execution and avoid unnecessary inventory accumulation. In addition, we typically receive advance

payments from customers upon contract signing and/or at key project milestones, which partially offset upfront working capital requirements associated with procurement and production. Together, these measures improve our working capital structure and support our liquidity position.

Net Cash Generated from Investing Activities

Throughout the Track Record Period, our investing-cash-flow movements mainly reflect the timing of purchases and redemptions of short-term wealth-management products.

For the six months ended June 30, 2026, our net cash used in investing activities was RMB156.2 million, which was primarily attributable to (i) purchase of financial assets at fair value through profit or loss of RMB539.5 million, and (ii) purchases of property, plant and equipment of RMB13.9 million, which was partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB401.1 million.

In 2025, our net cash generated from investing activities was RMB29.7 million, which was primarily attributable to (i) purchase of financial assets at fair value through profit or loss of RMB130.3 million, mainly in relation to our purchases of short-term wealth management products and (ii) purchases of items of property, plant and equipment of RMB15.2 million, which was partially offset by disposal of financial assets at fair value through profit or loss of RMB171.0 million, mainly in relation to our redemptions of short-term wealth management products.

In 2024, our net cash generated from investing activities was RMB16.3 million. This was primarily attributable to (i) purchase of financial assets at fair value through profit or loss of RMB245.1 million, mainly in relation to our purchases of short-term wealth management products, and (ii) purchases of items of property, plant and equipment of RMB14.6 million, which was partially offset by disposal of financial assets at fair value through profit or loss of RMB236.7 million, mainly in relation to our redemptions of short-term wealth management products.

In 2023, our net cash generated from investing activities was RMB740.1 million. This was primarily attributable to disposal of financial assets at fair value through profit or loss of RMB1,134.9 million, partially offset by purchase of financial assets at fair value through profit or loss of RMB566.8 million, mainly in relation to our purchases and redemptions of short-term wealth management products.

Net Cash Generated from or Used in Financing Activities

For the six months ended June 30, 2026, our net cash used in financing activities was RMB35.8 million, which was primarily attributable to (i) repayment of bank loans of RMB88.2 million, (ii) transaction cost for issuance of shares with redemption liabilities of RMB19.3 million, and (iii) lease payments of RMB17.8 million. This was partially offset by proceeds from issue of series shares of RMB99.4 million.

In 2025, our net cash generated from financing activities was RMB1,253.7 million, which was primarily attributable to (i) proceeds from issue of series shares of RMB1,327.4 million in relation to the equity financing completed in 2025 and (ii) new bank and other borrowings of RMB97.7 million secured as working capital to meet our cash needs in daily operations. This was partially offset by repayment of bank loans of RMB120.4 million.

In 2024, our net cash generated from financing activities was RMB421.4 million, which was primarily attributable to (i) proceeds from issue of series shares of RMB352.8 million in relation to the equity financing completed in 2024 and (ii) new bank and other borrowings of RMB127.7 million secured as working capital to meet our cash needs in daily operations. This was partially offset by (i) lease payments of RMB32.9 million and (ii) repayment of bank loans of RMB27.2 million.

In 2023, our net cash used in financing activities was RMB31.8 million, which was primarily attributable to lease payments of RMB37.7 million and repayment of bank loans of RMB5.3 million, partially offset by new bank and other borrowings of RMB10.8 million.

Working Capital Sufficiency

Our Directors are of the view that, taking into account the financial resources available to our Group, including cash and cash equivalents, cash flows from operating and financing activities, and the estimated net [**REDACTED**] from the [**REDACTED**], we have sufficient working capital to meet our present requirements for at least the next 12 months from the date of this Document.

INDEBTEDNESS

During the Track Record Period, our indebtedness included lease liabilities, interest-bearing bank loans, payable to a third party and redemption liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of June 30,	As of July 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Current					
Lease liabilities	30,050	28,464	22,967	21,595	28,066
Interest-bearing bank loans	10,466	91,779	70,495	–	–
Payable to a third party	–	3,056	1,986	371	94
Redemption liabilities	2,885,689	3,511,775	5,071,347	5,253,710	5,276,344
Non-current					
Lease liabilities	82,823	68,069	57,449	60,124	64,516
Interest-bearing bank loans	–	19,186	17,705	–	–
Payable to a third party	–	1,225	–	–	–
Total	**3,009,028**	**3,723,554**	**5,241,949**	**5,335,800**	**5,369,020**

Lease Liabilities

During the Track Record Period, our lease liabilities primarily arose from leased properties for office premises, manufacturing facilities and warehouses. The following table sets forth a breakdown of our lease liabilities as of the dates indicated.

	As of December 31,			As of June 30,	As of July 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Current	30,050	28,464	22,967	21,595	28,066
Non-current	82,823	68,069	57,449	60,124	64,516
Total	**112,873**	**96,533**	**80,416**	**81,719**	**92,582**

Our lease liabilities decreased from RMB112.9 million as of December 31, 2023 to RMB96.5 million as of December 31, 2024 and subsequently decreased to RMB80.4 million as of December 31, 2025, primarily due to our lease payments and expiration of certain leases. Our lease liabilities

remained relatively stable at RMB81.7 million as of June 30, 2026, primarily due to our lease payments, offset by the additions arising from new leases. Our lease liabilities subsequently increased to RMB92.6 million as of July 31, 2026, primarily due to renewal of certain leases.

Interest-Bearing Bank Loans

During the Track Record Period, our interest-bearing bank loans primarily consisted of secured and unsecured bank loans. The following table sets forth a breakdown of our interest-bearing bank loans as of the dates indicated.

	As of December 31,			As of June 30,	As of July 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Current					
Bank loans – secured	9,009	47,118	26,000	–	–
Bank loans – unsecured	1,457	2,004	2,720	–	–
Current portion of long-term bank loans – secured	–	42,657	41,775	–	–
Subtotal	**10,466**	**91,779**	**70,495**	**–**	**–**
Non-current					
Bank loans – secured	–	19,186	17,705	–	–
Total	**10,466**	**110,965**	**88,200**	**–**	**–**

Our bank loans increased from RMB10.5 million as of December 31, 2023 to RMB111.0 million as of December 31, 2024, reflecting the higher working capital requirements associated with our rapidly expanding business scale. Our bank loans decreased from RMB111.0 million as of December 31, 2024 to RMB88.2 million as of December 31, 2025, primarily attributable to the reduction in current secured bank loans. As of June 30, 2026, our bank loans were nil as we fully repaid our outstanding bank borrowings. As of July 31, 2026, being the date of our indebtedness statement, we did not have any outstanding bank borrowings. Our bank loans bore interest at rates ranging from 1.11% to 3.80% during the Track Record Period, consistent with the prevailing market financing costs for working capital facilities for the same period.

Except for our indebtedness as disclosed above as of December 31, 2023, 2024 and 2025 and June 30, 2026 and July 31, 2026, we did not have any other material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of July 31, 2026, being our indebtedness statement date.

As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date. As of July 31, 2026, being the date of our indebtedness statement, we had unutilized committed bank facilities of RMB1,581.4 million and US$15.3 million. Our Directors confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that there is no material change in our indebtedness since July 31, 2026 and up to the date of this Document.

Payable to a Third Party

Our payable to a third party related to a sale and repurchase arrangement with such third party in 2024 for certain inventories, in order to supplement our working capital. See Note 26 to the Accountants' Report included in Appendix I to this Document for details. We did not record any loan from a third party as of December 31, 2023. Our loan from a third party decreased from RMB4.3 million as of December 31, 2024 to RMB2.0 million as of December 31, 2025 and further to RMB0.4 million as of June 30, 2026, primarily due to the partial repayment of the loan. As of July 31, 2026, being the date of our indebtedness statement, we had loan from a third party of RMB0.1 million.

Redemption Liabilities

Our redemption liabilities mainly related to the redemption rights granted to certain pre-[**REDACTED**] investors in several series of equity financings. Our redemption liabilities were RMB2,885.7 million, RMB3,511.8 million, RMB5,071.3 million, RMB5,253.7 million and RMB5,276.3 million as of December 31, 2023, 2024 and 2025, June 30, 2026 and July 31, 2026. See Note 31 to the Accountants' Report included in Appendix I to this Document for further details.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures primarily related to the acquisition of property, plant and equipment and intangible assets used in our R&D, production and office operations. These assets mainly included electronic equipment, machinery and other supporting devices, leasehold improvements required for our leased R&D, manufacturing and office premises, as well as transportation equipment and construction-in-progress associated with equipment and facilities that had not yet reached their intended operating condition. Construction-in-progress primarily comprised equipment and facility items under installation or commissioning phases.

The following table sets forth a breakdown of our capital expenditures for the periods indicated.

	Year Ended December 31,			Six Months Ended June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	26,529	14,588	15,213	13,888
Intangible assets	7,524	3,779	7,432	4,120
Total	**34,053**	**18,367**	**22,645**	**18,008**

Historically, we funded our capital expenditures primarily through cash generated from our operations and bank borrowings obtained to support our working-capital and business expansion needs. We expect to continue making capital expenditures to meet the anticipated growth of our business. We plan to fund our future capital expenditures with a combination of financial resources, including our existing cash balance, cash generated from operating activities, the net [**REDACTED**] from the [**REDACTED**] and, where appropriate, potential future equity or debt financing. Looking ahead, we expect capital expenditures to support the expansion of our R&D, production and global operations, including potential additions of equipment and facilities associated with our planned non-domestic manufacturing capacity. See "Future Plans and Use of [**REDACTED**] — Use of [**REDACTED**]" for further details. We may adjust our capital expenditure plans based on our evolving business needs.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had capital commitments of RMB0.6 million, RMB321.6 million, RMB264.9 million and RMB263.0 million, respectively. These capital commitments reflect our planned investments in certain manufacturing facilities. As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had contracted, but not provided for, purchases of items of property, plant and equipment of RMB0.6 million, RMB315.8 million, RMB264.9 million and RMB263.0 million, respectively. In addition, as of December 31, 2024, we had contracted, but not provided for, purchases of items of land use rights of RMB5.8 million.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we did not have any material contingent liabilities.

RELATED PARTY TRANSACTIONS

We entered into transactions with our related parties from time to time. See Note 38 to the Accountants' Report set out in Appendix I to this Document for details of our related party transactions during the Track Record Period.

Our directors confirm that each of the significant related party transactions during the Track Record Period was conducted on an arm's length basis and with normal commercial terms between the relevant parties, and would not distort our results of operations over the Track Record Period or make our historical results not reflective of our future performance.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not have any outstanding off-balance sheet arrangements.

KEY FINANCIAL RATIOS

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

	Year Ended/As of December 31,			Six Months Ended/As of June 30,
	2023	2024	2025	2026
Gross profit margin[(1)]	16.0%	26.3%	31.2%	34.4%
Adjusted EBITDA margin (non-IFRS measure)[(2)]	(78.7%)	(35.1%)	(19.9%)	(17.4%)
Cash conversion cycle[(3)] (days)	(40)	(85)	(135)	(148)

Notes:

(1) Equals gross profit for a given period divided by revenue for the same period and multiplied by 100%.

(2) Equals adjusted EBITDA (non-IFRS measure) for a given period divided by revenue for the same period and multiplied by 100%. See "— Description of Selected Items of Our Consolidated Statements of Profit or Loss — Non-IFRS Measures."

(3) The cash conversion cycle is a metric that measures the time between cash payments for inventory procurement and the collection of cash from customers, and is calculated as inventory turnover days plus trade and bills receivables turnover days minus the sum of trade and bills payables turnover days and contract liabilities

turnover days. A negative cash conversion cycle is generally considered a positive indicator, as it suggests that a company is able to convert its investments in inventory into cash efficiently, often reflecting strong operational execution and financial discipline. See "— Liquidity and Capital Resources — Cash Flow Analysis."

FINANCIAL RISK DISCLOSURE

The main risks we are subject to include foreign currency risk, credit risk and liquidity risk. See Note 41 to the Accountants' Report set out in Appendix I to this Document for details of our exposure to financial risk.

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which we conduct business may affect our financial condition and results of operations.

We trade only with recognized and creditworthy parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. The credit risk of our other financial assets, which comprise cash and cash equivalents, time deposits, restricted cash and financial assets included in prepayments, deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

We monitor our risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both our financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

DIVIDENDS

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

We do not maintain a formal dividend policy or have a fixed dividend distribution ratio. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board. As advised by our PRC Legal Advisor, PRC laws require that dividends be paid only out of distributable profits. Distributable profits are after-tax profits, after making up for historically accumulated losses (if any) and less appropriations to statutory and other reserves that a PRC company is required to make in accordance with the PRC laws. PRC laws require a PRC company to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, until the agreed amount of such funds reaches 50% of their registered capital, which are not available for distribution as cash dividends. After the company makes the allocation to the statutory reserve funds from its after-tax profits, it may also make an allocation to its discretionary reserve funds from its after-tax profits upon a resolution approved at the shareholders' meeting. As advised by our PRC Legal Advisor, we cannot pay dividends to shareholders as there is no distributable profits in view of the accumulated losses. Furthermore, in the future, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable.

DISTRIBUTABLE RESERVES

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we did not have any distributable reserves.

[**REDACTED**]

[**REDACTED**] to be borne by us are estimated to be approximately HK$[**REDACTED**] (including [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per Share), which represent [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**], assuming no Shares are issued pursuant to the [**REDACTED**]. The above [**REDACTED**] are comprised of (i) [**REDACTED**] expenses of HK$[**REDACTED**], and (ii) [**REDACTED**] expenses of HK$[**REDACTED**], including (a) fees and expenses of our legal advisors and reporting accountants of HK$[**REDACTED**], and (b) other fees and expenses of HK$[**REDACTED**]. An estimated amount of HK$[**REDACTED**] for our [**REDACTED**] was or is expected to be expensed through the statement of profit or loss, and approximately HK$[**REDACTED**] is attributable to the [**REDACTED**] of Shares and will be deducted from equity upon [**REDACTED**]. We recognized [**REDACTED**] of RMB[**REDACTED**] in our consolidated statement of profit or loss during the Track Record Period. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[**REDACTED**]

NO MATERIAL ADVERSE CHANGE

Our directors confirm that, up to the date of this Document, there has been no material adverse change in our financial or trading position, level of indebtedness, mortgages, contingent liabilities, guarantees or prospects since June 30, 2026, being the end of the year reported on in the Accountants' Report set out in Appendix I to this Document. The directors further confirm that no event has occurred since June 30, 2026, which would materially affect the information contained in the Accountants' Report.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our directors confirm that, except as otherwise disclosed in this Document, as of the Latest Practicable Date, there were no circumstances that would give rise to disclosure required under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

See "Business — Our Strategies" for further details of our future plans.

USE OF [REDACTED]

We estimate that we will receive aggregate net [**REDACTED**] from the [**REDACTED**] (after deducting [**REDACTED**] fees and estimated expenses in connection with the [**REDACTED**] payable by us, and assuming that the [**REDACTED**] is not exercised and an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range stated in this Document) of approximately HK$[**REDACTED**].

We intend to use the net [**REDACTED**] we will receive from the [**REDACTED**] for the following purposes:

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] will be used to deepen our technology capabilities and accelerate the upgrade of our ACR solutions, software, algorithms and next-generation technology stack. We plan to use these [**REDACTED**] progressively over the next three years, with approximately [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]% of the relevant [**REDACTED**] allocated to 2027, 2028 and 2029, respectively, for the enhancement of ACR solutions, software capabilities and the next-generation technology stack. More specifically:
    - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to strengthen our core ACR solution portfolio and accelerate the development of next-generation automation. We will focus on deepening the underlying capabilities of our robotic systems so they can support a broader range of warehouse operations with higher efficiency, reliability and adaptability. Through such improvement, we intend to enhance the versatility and standardization of our ACR solutions, which in turn is expected to improve cost efficiency and operating leverage.
        - *Enhancing Core Robotic Performance*. We plan to enhance the fundamental performance of our robots, including motion control, sensing precision, navigation stability and multi-level operating capability. Our R&D will reinforce smooth operation across different layouts, storage densities, item dimensions and workflow intensity, including mechanical stability under varying payloads environmental factors. We also aim to deliver more predictable and agile movements in high-traffic or time-sensitive settings.
        - *Expanding System Versatility Across Diverse Workflows*. We plan to increase the versatility of our systems so they can automate a wider spectrum of warehouse workflows with limited customization. We will expand their handling envelope, support a broader range of item characteristics and enable efficient transitions between different storage zones and operational layers. Upgrades to gripping and stabilization mechanisms, high-reach and multi-level functionality and operating precision will support more complex warehouse configurations, reduce manual handling and increase automation coverage.
        - *Developing Next-generation Automation Modules*. We plan to broaden the functional scope of our solutions through next-generation automation modules and robotic extensions. These developments will enhance vertical reach, handling robustness and integrated movement-and-storage capabilities

so that our systems can address a more diverse set of warehouse workflows. By expanding application coverage, we aim to offer customers more comprehensive automation options that support end-to-end warehouse processes.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to upgrade our next-generation technology stack, including our algorithmic capabilities, system-level integration and software tools and platforms that underpin our solutions, to support the expansion of software-related revenue streams and improve overall revenue quality and gross margin profile.

  - *Enhancing Algorithmic Capabilities*. We plan to improve the core execution and scheduling system to enhance task assignment speed and accuracy across robots and devices. This will include advanced prioritization, increased stability during peak periods, and optimized fleet-level planning to reduce congestion, distribute workloads, and increase system utilization, especially under high-demand conditions.

  - *Improving System-level Integration*. We plan to enhance the system-level software for better deployment, operation, and optimization in customer environments, improving responsiveness, scalability, and reliability. Additionally, we will strengthen task coordination between local systems and the cloud to support faster rollouts and growing subscription-based services, while improving backend service frameworks for improved stability and deployment efficiency.

  - *Upgrading Software Tools and Platforms*. We plan to improve our solution-engineering tools, including warehouse design, material-flow planning, and system simulation platforms, to optimize customer projects more efficiently. This includes developing machine-vision capabilities for better detection and adaptability in real-world warehouse operations, as well as improving large-scale fleet efficiency and task execution through enhanced software that supports large deployments and subscription services.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] will be used to enhance our global manufacturing footprint and strengthen the resilience, scalability and quality consistency of our supply-chain system, to support increasing order volumes and accelerate delivery timelines.

  - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] will be used to expand our global production and delivery infrastructure to support our business expansion and revenue growth. This includes investing in additional manufacturing capacity in key markets worldwide, including the United States, to support the production of ACRs. We also intend to establish regional hubs in selected non-domestic locations, such as Europe and the United States, to shorten delivery cycles for standard products and strengthen local service capabilities. In parallel, we plan to build or upgrade machining and component-processing facilities to increase the in-house production of key robot parts primarily including sheet metal parts and machined components, with certain motion control-related parts being critical components of our robotic systems. We also plan to further optimize our global production network and adopt smart manufacturing and automation technologies to enhance production efficiency, quality and cost competitiveness. These planned investments are designed to improve our

manufacturing resilience, enhance cost efficiency and support the continued scaling of our global delivery network. For more information about our manufacturing facilities, see "Business — Manufacturing and Production — Manufacturing Facilities."

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] will be used to strengthen our global supply chain capabilities to improve procurement efficiency, optimize cost structure and strengthen pricing and margin resilience. These investments will support the rollout of upgraded production management systems, strengthen digital tools used in planning, scheduling and quality control, and enhance human-machine interfaces to improve on-site execution. We will further invest in enhancing our intra-warehouse logistics and assembly support systems to improve throughput, accuracy and delivery stability. We will also strengthen data-driven supply chain planning and risk management across key suppliers and regions to enhance supply chain resilience and ensure supply continuity. Collectively, these initiatives are designed to shorten delivery cycles, support global expansion, enhance product quality and contribute to more scalable and resilient operations.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] will be used to expand our global after-sales support infrastructure, including regional spare-parts centers, to improve customer experience, increase customer retention and support recurring business. We intend to establish and upgrade spare-parts warehouses calibrated to local market characteristics so that critical components are stocked closer to customer sites. These investments are expected to improve parts availability, shorten replacement and repair cycles and support faster on-site response times. By strengthening the geographic coverage and operating capability of our after-sales network, including enhancing our on-site technical support capabilities and diversifying our service offerings, we aim to provide more reliable lifecycle support for our global installed base.

The following table sets forth the details of our plan to enhance our global manufacturing footprint and strengthen the resilience, scalability and quality consistency of our supply chain system.

Key Initiatives	Current status	2027	2028	2029
Production and delivery infrastructure	Initial Expansion in progress	Approximately [**REDACTED**]% of allocated [**REDACTED**] • Accelerate the ramp-up of our U.S. facility; • Expand in-house manufacturing capabilities	Approximately [**REDACTED**]% of allocated [**REDACTED**] • Optimize and scale our global production capacity and operations; • expansion of in-house manufacturing capabilities	Approximately [**REDACTED**]% of allocated [**REDACTED**] • Further optimize our global production network to achieve economies of scale; • Adopt smart manufacturing and automation to enhance efficiency and quality

Key Initiatives	Current status	2027	2028	2029
Supply chain capabilities	Ongoing system upgrades and process standardization	Approximately [**REDACTED**]% of allocated [**REDACTED**] • Expand deployment of supply chain management systems and digital tools; • Enhance coordination across procurement and planning functions	Approximately [**REDACTED**]% of allocated [**REDACTED**] • Optimize end-to-end supply chain processes; • Improve delivery efficiency and product quality	Approximately [**REDACTED**]% of allocated [**REDACTED**] • Build data-driven supply chain planning capabilities with AI-enabled demand forecasting; • Enhance supply chain resilience and risk management across key suppliers and regions
After-sales support infrastructure	Ongoing enhancement of service systems and spare-parts planning	Approximately [**REDACTED**]% of allocated [**REDACTED**] • Expand regional spare-parts warehouses; • Upgrade remote technical support systems; • Develop lifecycle service management and technical training platforms	Approximately [**REDACTED**]% of allocated [**REDACTED**] • Enhance spare-parts management systems and service processes; • Strengthen on-site technical support capabilities; • Develop new service offerings	Approximately [**REDACTED**]% of allocated [**REDACTED**] • Further expand global service network; • Continue to diversify service offerings

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] will be used to strengthen our global commercial reach and service capabilities to support growing global demand and ensure high-quality customer experience.
    - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] will be used to support our commercial expansion in key non-domestic markets, which is expected to contribute to revenue growth and may also support overall margin improvement given the generally higher margin profile of non-domestic projects. We expect to enhance regional marketing and solution-design capabilities, including building local teams responsible for demand generation, solution scoping and customer delivery support, as well as recruiting additional local talent across major non-domestic markets. Additionally, we plan to strengthen our global after-sales service infrastructure by upgrading localized service centers in key markets. These centers will serve as regional hubs for customer support, field operations, and spare-parts management. We expect to scale key service functions through increased headcount and investment in service process optimization, customer support tools, and training of service engineers and local staff. We expect these investments to accelerate our development in key non-domestic markets such as the United States, Europe, South America, Middle East and Africa, strengthen long-term customer relationships and build a scalable commercial organization capable of supporting our global growth.

  - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] will be used for marketing and promotion initiatives to further increase customer acquisition, drive order intake and strengthen our global brand positioning. This includes investments in major industry exhibitions, technology forums, and the expansion of non-domestic demo centers. We will also support regional marketing, leadership events, and develop a structured library of customer references and case studies to strengthen enterprise adoption and global brand positioning. These efforts aim to further elevate our industry recognition, accelerate market penetration, and broaden our global customer base.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] will be used to strengthen our global talent base and organizational capabilities, which is critical to ensuring execution quality, supporting global expansion and sustaining our long-term growth. This includes recruiting local talent with bachelor's degrees in mechanical engineering, electrical engineering, computer science, software engineering or other related fields of study and/or possessing an average of three to 15 years of relevant professional experience in industrial robotics, warehouse automation or advanced manufacturing in major non-domestic markets, such as the United States, Europe, South America, Middle East and Africa, to reinforce sales, customer success, supply chain and localized operational support, as well as targeted, performance-linked incentives to retain core employees who are critical to large and complex deployments and our global expansion. Such talents are expected to cover research and development, commercial, manufacturing and supporting functions, and will be recruited based on relevant academic and professional qualifications, with remuneration determined with reference to prevailing market benchmarks. We also intend to invest in training and organizational development programs, including leadership development, professional upskilling and key technical competencies such as solution design and engineering. These initiatives are intended to enhance execution quality, support global scaling and build long-term capabilities across our business and technical teams.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] will be used for working capital and other general corporate purposes.

If the [**REDACTED**] is determined at the highest point of the stated range, the net [**REDACTED**] from this [**REDACTED**] would be increased to approximately HK$[**REDACTED**]. If the [**REDACTED**] is determined at the lowest point of the stated range, the net [**REDACTED**] to our Company would be decreased to approximately HK$[**REDACTED**]. The above allocation of the net [**REDACTED**] will be adjusted on a pro rata basis if the [**REDACTED**] is fixed at a higher or lower level compared to the mid-point of the indicative [**REDACTED**] range stated in this Document.

If the [**REDACTED**] is exercised in full, the net [**REDACTED**] that we will receive will be approximately HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the midpoint of the indicative [**REDACTED**] range). If the [**REDACTED**] is exercised in full, we intend to apply the additional net [**REDACTED**] to the purposes in the proportions stated above.

To the extent that the net [**REDACTED**] are not immediately applied toward the purposes outlined above, and insofar as permitted by applicable laws and regulations, we will place the net [**REDACTED**] exclusively in short-term interest-bearing accounts with licensed commercial banks and/or authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions).

We will issue an appropriate announcement if there is any material change to the above proposed use of [**REDACTED**].

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

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[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HAI ROBOTICS INNOVATION GROUP CO., LTD. CITIC SECURITIES (HONG KONG) LIMITED AND GOLDMAN SACHS (ASIA) L.L.C.

INTRODUCTION

We report on the historical financial information of HAI ROBOTICS INNOVATION GROUP CO., LTD. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to [●], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 and six months ended 30 June 2026 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to [●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [**REDACTED**] (the "Document") in connection with the [**REDACTED**] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance

with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024, and 2025 and 30 June 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2025, and other explanatory information (the "Interim Comparative Financial Information").

The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements *2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]
Certified Public Accountants
Hong Kong
[**REDACTED**]

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
REVENUE	*5*	807,007	1,360,364	2,016,936	656,946	1,118,080
Cost of sales		(677,853)	(1,002,905)	(1,387,341)	(469,481)	(733,484)
Gross profit		129,154	357,459	629,595	187,465	384,596
Other income and gains	*5*	50,015	55,086	107,064	62,715	88,556
Selling and distribution expenses		(424,451)	(489,178)	(586,539)	(256,150)	(334,769)
Administrative expenses		(190,687)	(199,555)	(257,014)	(104,076)	(113,124)
Research and development expenses		(308,873)	(333,954)	(385,293)	(173,413)	(249,041)
Impairment losses on financial and contract assets, net		(4,605)	(1,556)	(7,255)	(3,933)	(1,243)
Other expenses		(42,137)	(61,608)	(9,905)	(2,876)	(3,913)
Finance costs	*6*	(5,210)	(6,625)	(9,114)	(4,334)	(3,351)
Interest on redemption liabilities	*31*	(211,160)	(239,717)	(293,931)	(137,699)	(197,587)
Losses on fair value changes of derivative liabilities	*31*	–	(333,080)	–	–	–
LOSS BEFORE TAX	*7*	(1,007,954)	(1,252,728)	(812,392)	(432,301)	(429,876)
Income tax expense	*10*	(1,012)	(2,958)	(15,150)	(9,024)	(1,007)
LOSS FOR THE YEAR/PERIOD		(1,008,966)	(1,255,686)	(827,542)	(441,325)	(430,883)
Attributable to:						
Owners of the parent		(1,008,806)	(1,255,686)	(827,542)	(441,325)	(430,883)
Non-controlling interests		(160)	–	–	–	–
		(1,008,966)	(1,255,686)	(827,542)	(441,325)	(430,883)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted (RMB per share)	*12*	(26.52)	(30.32)	(18.34)	(9.94)	(8.34)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
LOSS FOR THE YEAR/PERIOD	(1,008,966)	(1,255,686)	(827,542)	(441,325)	(430,883)
Other comprehensive income that may be reclassified to profit and loss in subsequent periods:					
Exchange differences on translation of foreign operations	(5,106)	6,293	(30,288)	(7,864)	29,528
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD	(1,014,072)	(1,249,393)	(857,830)	(449,189)	(401,355)
Attributable to:					
Owners of the parent	(1,013,912)	(1,249,393)	(857,830)	(449,189)	(401,355)
Non-controlling interests	(160)	–	–	–	–
	(1,014,072)	(1,249,393)	(857,830)	(449,189)	(401,355)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*13*	45,214	30,377	75,367	81,504
Right-of-use assets	*15*	107,051	86,897	72,232	74,833
Other intangible assets	*14*	12,421	13,187	12,830	13,789
Deferred tax assets	*18*	–	–	–	1,738
Prepayment, deposits and other receivables	*21*	8,925	9,318	10,660	16,712
Trade and bills receivables	*19*	10,228	6,931	4,170	3,612
Contract assets	*20*	19,598	29,682	43,513	39,673
Total non-current assets		203,437	176,392	218,772	231,861
CURRENT ASSETS					
Inventories	*17*	688,623	928,372	965,517	968,390
Trade and bills receivables	*19*	147,274	202,682	264,993	286,568
Debt investments at fair value through other comprehensive income	*24*	55,655	3,446	3,284	729
Contract assets	*20*	24,623	38,188	45,998	55,712
Prepayments, deposits and other receivables	*21*	100,253	124,520	117,211	150,868
Financial assets at fair value through profit or loss	*22*	30,822	40,231	–	140,338
Cash and cash equivalents	*23*	532,930	767,622	2,015,321	1,416,923
Restricted cash	*23*	150,758	183,987	192,028	241,064
Time deposits with original maturity of over three months and less than one year	*23*	163	5,535	–	–
Total current assets		1,731,101	2,294,583	3,604,352	3,260,592
CURRENT LIABILITIES					
Trade and bills payable	*25*	649,664	846,529	1,034,074	990,474
Contract liabilities	*28*	488,878	813,309	1,031,479	1,038,122
Other payables and accruals	*26*	162,513	224,505	365,899	246,531
Interest-bearing bank loans	*27*	10,466	91,779	70,495	–
Lease liabilities	*15*	30,050	28,464	22,967	21,595
Provisions	*30*	30,512	56,706	78,437	88,300
Tax payable		952	2,538	13,224	218
Redemption liabilities	*31*	2,885,689	3,511,775	5,071,347	5,253,710
Total current liabilities		4,258,724	5,575,605	7,687,922	7,638,950
NET CURRENT LIABILITIES		(2,527,623)	(3,281,022)	(4,083,570)	(4,378,358)
TOTAL ASSETS LESS CURRENT LIABILITIES		(2,324,186)	(3,104,630)	(3,864,798)	(4,146,497)

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES					
Interest-bearing bank loans	*27*	–	19,186	17,705	–
Other payables and accruals	*26*	4,384	3,432	48,446	47,713
Deferred income	*29*	1,500	750	–	1,600
Lease liabilities	*15*	82,823	68,069	57,449	60,124
Provisions	*30*	10,694	17,433	24,319	26,231
Contract liabilities	*28*	100,742	134,738	72,063	88,860
Total non-current liabilities		200,143	243,608	219,982	224,528
Net liabilities		(2,524,329)	(3,348,238)	(4,084,780)	(4,371,025)
Share capital	*32*	–	–	27,920	51,676
Paid-in capital	*32*	3,020	3,601	–	–
Deficits	*33*	(2,527,349)	(3,351,839)	(4,112,700)	(4,422,701)
Total deficits		(2,524,329)	(3,348,238)	(4,084,780)	(4,371,025)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent								
	Paid-in capital	Capital reserve	Exchange fluctuation reserve	Share-based payment reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RMB'000 (note 32)	*RMB'000 (note 33)*	*RMB'000 (note 33)*	*RMB'000 (note 34)*	*RMB'000 (note 33)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	2,982	2,260,288	(2,206)	101,087	(2,259,347)	(1,722,933)	(1,620,129)	(234)	(1,620,363)
Loss for the year	–	–	–	–	–	(1,008,806)	(1,008,806)	(160)	(1,008,966)
Exchange differences on translation of foreign operations	–	–	(5,106)	–	–	–	(5,106)	–	(5,106)
Total comprehensive loss for the year	–	–	(5,106)	–	–	(1,008,806)	(1,013,912)	(160)	(1,014,072)
Acquisition of additional interest in a subsidiary	–	(693)	–	–	–	–	(693)	394	(299)
Share-based payments *(note 34)*	–	–	–	72,358	–	–	72,358	–	72,358
Exercise of share-options *(note 34)*	–	3,437	–	(3,079)	–	–	358	–	358
Settlement of the derivative liabilities for anti-dilution right *(note 31)*	38	37,651	–	–	–	–	37,689	–	37,689
As at 31 December 2023	3,020	2,300,683*	(7,312)*	170,366*	(2,259,347)*	(2,731,739)*	(2,524,329)	–	(2,524,329)

Year ended 31 December 2024

	Paid-in capital	Capital reserve	Exchange fluctuation reserve	Share-based payment reserve	Other reserve	Accumulated losses	Total
	RMB'000 (note 32)	*RMB'000 (note 33)*	*RMB'000 (note 33)*	*RMB'000 (note 34)*	*RMB'000 (note 33)*	*RMB'000*	*RMB'000*
As at 1 January 2024	3,020	2,300,683	(7,312)	170,366	(2,259,347)	(2,731,739)	(2,524,329)
Loss for the year	–	–	–	–	–	(1,255,686)	(1,255,686)
Exchange differences on translation of foreign operations	–	–	6,293	–	–	–	6,293
Total comprehensive loss for the year	–	–	6,293	–	–	(1,255,686)	(1,249,393)
Capital contribution by shareholders	191	352,589	–	–	–	–	352,780
Share-based payments *(note 34)*	–	–	–	92,404	–	–	92,404
Settlement of the derivative liabilities for anti-dilution right *(note 31)*	390	332,690	–	–	–	–	333,080
Recognition of redemption liabilities *(note 31)*	–	–	–	–	(352,780)	–	(352,780)
As at 31 December 2024	3,601	2,985,962*	(1,019)*	262,770*	(2,612,127)*	(3,987,425)*	(3,348,238)

Year ended 31 December 2025

	Share capital	Paid-in capital	Capital reserve	Exchange fluctuation reserve	Share-based payment reserve	Other reserve	Accumulated losses	Total
	RMB'000 (note 32)	*RMB'000 (note 32)*	*RMB'000 (note 33)*	*RMB'000 (note 33)*	*RMB'000 (note 34)*	*RMB'000 (note 33)*	*RMB'000*	*RMB'000*
As at 1 January 2025	–	3,601	2,985,962	(1,019)	262,770	(2,612,127)	(3,987,425)	(3,348,238)
Loss for the year	–	–	–	–	–	–	(827,542)	(827,542)
Exchange differences on translation of foreign operations	–	–	–	(30,288)	–	–	–	(30,288)
Total comprehensive income for the year	–	–	–	(30,288)	–	–	(827,542)	(857,830)
Capital contribution by shareholders	2,856	1,412	1,323,483	–	–	–	–	1,327,751
Share-based payments *(note 34)*	–	–	–	–	120,936	–	–	120,936
Recognition of redemption liabilities *(note 31)*	–	–	–	–	–	(1,327,399)	–	(1,327,399)
Conversion into a joint stock company	25,064	(5,013)	(40,212)	–	–	–	20,161	–
As at 31 December 2025	27,920	–	4,269,233*	(31,307)*	383,706*	(3,939,526)*	(4,794,806)*	(4,084,780)

Six months ended 30 June 2026

	Share capital	Capital reserve	Exchange fluctuation reserve	Share-based payment reserve	Other reserve	Accumulated losses	Total
	RMB'000 (note 32)	*RMB'000 (note 33)*	*RMB'000 (note 33)*	*RMB'000 (note 34)*	*RMB'000 (note 33)*	*RMB'000*	*RMB'000*
As at 1 January 2026	27,920	4,269,233	(31,307)	383,706	(3,939,526)	(4,794,806)	(4,084,780)
Loss for the period	–	–	–	–	–	(430,883)	(430,883)
Exchange differences on translation of foreign operations	–	–	29,528	–	–	–	29,528
Total comprehensive income for the period	–	–	29,528	–	–	(430,883)	(401,355)
Capital contribution by shareholders	236	99,173	–	–	–	–	99,409
Share-based payments *(note 34)*	–	–	–	98,775	–	–	98,775
Exercise of share options	–	209,768	–	(193,433)	–	–	16,335
Recognition of redemption liabilities *(note 31)*	–	–	–	–	(99,409)	–	(99,409)
Transfer from capital reserve to share capital	23,520	(23,520)	–	–	–	–	–
As at 30 June 2026	51,676	4,554,654*	(1,779)*	289,048*	(4,038,935)*	(5,225,689)*	(4,371,025)

* The reserve accounts comprised the consolidated deficits of RMB2,527,349,000, RMB3,351,839,000 and RMB4,112,700,000 and RMB4,422,701,000 in the consolidated statements of financial position as at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, respectively.

Six months ended 30 June 2025 (unaudited)

	Paid-in capital	Capital reserve	Exchange fluctuation reserve	Share-based payment reserve	Other reserve	Accumulated losses	Total
	RMB'000 (note 32)	*RMB'000 (note 33)*	*RMB'000 (note 33)*	*RMB'000 (note 34)*	*RMB'000 (note 33)*	*RMB'000*	*RMB'000*
As at 1 January 2025	3,601	2,985,962	(1,019)	262,770	(2,612,127)	(3,987,425)	(3,348,238)
Loss for the period	–	–	–	–	–	(441,325)	(441,325)
Exchange differences on translation of foreign operations	–	–	(7,864)	–	–	–	(7,864)
Total comprehensive income for the period	–	–	(7,864)	–	–	(441,325)	(449,189)
Capital contribution by shareholders	71	130,024	–	–	–	–	130,095
Share-based payments *(note 34)*	–	–	–	64,948	–	–	64,948
Recognition of redemption liabilities *(note 31)*	–	–	–	–	(130,095)	–	(130,095)
As at 30 June 2025 (unaudited)	3,672	3,115,986	(8,883)	327,718	(2,742,222)	(4,428,750)	(3,732,479)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
Loss before tax		(1,007,954)	(1,252,728)	(812,392)	(432,301)	(429,876)
Adjustments for:						
Finance costs	*6*	5,210	6,625	9,114	4,334	3,351
Interest income	*5*	(6,634)	(6,606)	(9,596)	(3,536)	(17,980)
Interest on redemption liabilities	*31*	211,160	239,717	293,931	137,699	197,587
Loss on disposal of items of property, plant and equipment	*7*	510	456	277	83	487
Losses/(gains) on early termination of a lease	*7*	1,204	(54)	66	–	(326)
Loss on disposal of intangible assets	*7*	–	–	415	279	–
Foreign exchange losses/(gains)		25,042	42,370	(92,190)	(36,348)	(42,844)
Share-based payments	*34*	72,358	92,404	120,936	64,948	98,775
Transaction cost for issuance of shares with redemption liabilities	*7*	–	–	21,470	–	–
Impairment losses on property, plant and equipment		–	5,166	–	–	–
Impairment losses on financial and contract assets, net		4,605	1,556	7,255	3,934	1,244
Write-down of inventories to net realisable value	*7*	73,707	33,593	35,572	12,557	8,168
Investment (income)/loss on financial assets at fair value through profit or loss	*5*	(9,106)	(744)	112	300	(1,602)

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Investment income from debt investments at fair value through other comprehensive income	*5*	(3,034)	(565)	–	–	–
Fair value gains on financial assets at fair value through profit or loss	*5*	(822)	(231)	–	–	(338)
Losses on fair value changes of derivative liabilities		–	333,080	–	–	–
Depreciation of property, plant and equipment	*13*	24,597	28,184	16,427	7,402	8,905
Amortisation of intangible assets	*14*	2,120	3,013	4,748	1,904	3,161
Depreciation of right-of-use assets	*15*	33,762	32,439	30,673	15,454	14,524
		(573,275)	(442,325)	(373,182)	(223,291)	(156,764)
Increase in inventories		(284,939)	(292,992)	(53,534)	(312,418)	(33,620)
(Increase)/decrease in trade and bills receivables		(120,859)	(57,592)	(64,653)	25,335	(26,167)
(Increase)/decrease in restricted bank deposits		(141,138)	(33,229)	(8,041)	(58,979)	(49,036)
Increase in contract assets		(23,835)	(23,731)	(22,297)	(7,013)	(6,030)
(Increase)/decrease in prepayments, deposits and other receivables		(28,602)	(25,488)	14,441	(27,175)	(30,306)

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
(Increase)/decrease in bills receivable measured at fair value through other comprehensive income		(4,055)	5,137	162	(226)	2,555
Increase/(decrease) in trade and bills payables		360,929	199,246	186,471	151,775	(44,723)
Provision for warranty		23,356	32,933	28,617	(8,870)	11,775
Increase in contract liabilities		278,867	381,127	138,546	213,005	51,081
Increase/(decrease) in other payables and accruals		26,765	57,184	115,426	(41,327)	(82,381)
Increase/(Decrease) in deferred income		(500)	(750)	(750)	(375)	1,600
Cash used in operations		(487,286)	(200,480)	(38,794)	(289,559)	(362,016)
Interest received		5,097	6,103	8,963	3,497	17,980
Income tax paid		(60)	(1,372)	(4,464)	(2,931)	(15,751)
Net cash flows used in operating activities		(482,249)	(195,749)	(34,295)	(288,993)	(359,787)

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received		1,537	503	633	39	–
Purchase of financial assets at fair value through profit or loss		(566,822)	(245,106)	(130,318)	(30,000)	(539,500)
Disposal of financial assets at fair value through profit or loss		1,134,873	236,672	170,955	39,931	401,102
Disposal of derivative financial instruments		–	–	(518)	–	–
Purchases of items of property, plant and equipment		(26,529)	(14,588)	(15,213)	(7,462)	(13,888)
Purchases of intangible assets		(7,524)	(3,779)	(7,432)	(2,138)	(4,120)
Proceeds from disposal of items of property, plant and equipment		922	374	1,552	270	228
Purchase of time deposits with original maturity of over three months		(49,579)	(81,356)	–	–	–
Disposal of time deposits with original maturity of over three months		165,257	75,984	5,535	5,535	–
Purchase of certificate deposit		(16,000)	–	–	–	–
Disposal of certificate deposit		103,940	47,637	–	–	–
Receipt of repayment from related party		–	–	4,540	1,540	–
Net cash flows from investing activities		740,075	16,341	29,734	7,715	(156,178)

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES						
Interest paid		(386)	(2,140)	(4,222)	(2,332)	(785)
Proceeds from issue of series shares		–	352,780	1,327,399	130,095	99,409
Capital contribution by shareholders		–	–	1,268	–	–
Transaction cost for issuance of shares with redemption liabilities		–	–	(2,200)	–	(19,270)
New bank and other borrowings	*27*	10,769	127,716	97,679	90,426	–
Funds received from a third party		–	4,281	–	–	–
Consideration paid for acquisition of a non-controlling interest		(299)	–	–	–	–
Lease payments	*15*	(37,705)	(32,879)	(35,639)	(14,010)	(17,809)
Lease compensation payments		–	–	(1,655)	(194)	–
[**REDACTED**] paid		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Payment of lease deposit		–	(1,107)	(4,880)	(1,695)	(6,953)
Recovery of lease deposit		1,655	–	–	2,227	1,497
Loan provided to a related party		(540)	–	–	–	–
Repayment of funds to a third party		–	–	(2,530)	(870)	(1,660)
Repayment of bank loans	*27*	(5,310)	(27,217)	(120,444)	(55,087)	(88,200)
Net cash flows from/(used in) financing activities		(31,816)	421,434	1,253,724	148,560	(35,832)
NET INCREASE IN CASH AND CASH EQUIVALENTS		226,010	242,026	1,249,163	(132,718)	(551,797)

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Cash and cash equivalents at beginning of year/period	*23*	304,708	532,930	767,622	767,622	2,015,321
Effect of foreign exchange rate changes, net		2,212	(7,334)	(1,464)	17,963	(46,601)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		532,930	767,622	2,015,321	652,867	1,416,923
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Unrestricted cash and bank balances	*23*	466,378	758,996	1,630,633	509,719	1,212,596
Non-pledged time deposits with original maturity of less than three months when acquired		66,552	8,626	384,688	143,148	204,327
Cash and cash equivalents as stated in the consolidated statements of financial position	*23*	532,930	767,622	2,015,321	652,867	1,416,923

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment		5	3	1	132
Investment in subsidiaries	*16*	2,365,081	2,782,007	3,108,430	3,209,976
Total non-current assets		2,365,086	2,782,010	3,108,431	3,210,108
CURRENT ASSETS					
Prepayments, deposits and other receivables	*21*	7,489	6,565	117,142	268,425
Financial assets at fair value through profit or loss	*22*	–	–	–	140,338
Cash and cash equivalents	*23*	23,748	77,575	1,062,073	826,415
Restricted cash		–	954	–	–
Total current assets		31,237	85,094	1,179,215	1,235,178
CURRENT LIABILITIES					
Trade payables	*25*	186	236	233	46
Other payables and accruals	*26*	875	32,028	65,001	14,249
Redemption liabilities	*31*	2,885,689	3,511,775	5,071,347	5,253,710
Total current liabilities		2,886,750	3,544,039	5,136,581	5,268,005
NET CURRENT LIABILITIES		(2,855,513)	(3,458,945)	(3,957,366)	(4,032,827)
TOTAL ASSETS LESS CURRENT LIABILITIES		(490,427)	(676,935)	(848,935)	(822,719)
Net liabilities		(490,427)	(676,935)	(848,935)	(822,719)
Share capital	*32*	–	–	27,920	51,676
Paid-in capital	*32*	3,020	3,601	–	–
Deficits	*33*	(493,447)	(680,536)	(876,855)	(874,395)
Total deficits		(490,427)	(676,935)	(848,935)	(822,719)

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Hai Robotics Innovation Group Co., Ltd. (the "Company") was incorporated as a limited liability in Dongguan, People's Republic of China (the "PRC") on 1 December 2016. The Company was converted into a joint stock company with limited liability in November 2025. The registered office address of the Company is Room 101, Building B, Hairou Innovation Technology Industrial Park, Nanchang Community, Xixiang Street, Baoan District, Shenzhen City, PRC.

During the Relevant Periods, the Company and its subsidiaries (collectively the "Group") were principally engaged in providing efficient, intelligent and flexible warehouse automation solutions through robotics technology and intelligent algorithms.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	Place and date of registration and place of operations	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
HAI Robotics Co., Ltd. 深圳市海柔創新科技有限公司* *(note (d))*	Chinese Mainland 21 December 2016	RMB1,000,000,000	100%	–	Develop, Manufacture and Sale of warehouse automation solutions through robotics technology and intelligent algorithms
Jiangsu Hairou Innovation Technology Co., Ltd. 江蘇海柔創新科技有限公司* *(note (a))*	Chinese Mainland 9 May 2024	RMB300,000,000	100%	–	Manufacture of warehouse automation solutions through robotics technology and intelligent algorithms
Shenzhen Kubo Software Co., Ltd. 深圳市庫寶軟件有限公司* *(note (d))*	Chinese Mainland 3 December 2020	RMB300,000,000	100%	–	Develop of warehouse automation solutions through robotics technology and intelligent algorithms
Shenzhen Hairou International Trade Co., Ltd. 深圳市海柔國際貿易有限公司* *(note (d))*	Chinese Mainland 11 April 2022	RMB50,000,000	100%	–	Sale of warehouse automation solutions through robotics technology and intelligent algorithms
HAI ROBOTICS (HK) LIMITED *(note (b))*	HONG KONG 25 January 2021	USD31,500,000	–	100%	Sale of warehouse automation solutions through robotics technology and intelligent algorithms
HAI ROBOTICS SINGAPORE PTE. LTD. *(note (c))*	SINGAPORE 10 August 2021	USD5,000,000 and SGD22,453,630	–	100%	Sale of warehouse automation solutions through robotics technology and intelligent algorithms
HAI ROBOTICS EUROPE B.V. *(note (a))*	Netherlands 13 September 2021	EUR19,800	–	100%	Sale of warehouse automation solutions through robotics technology and intelligent algorithms

Name	Place and date of registration and place of operations	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
株式會社HAI ROBOTICS JAPAN *(note (a))*	Japan 9 October 2020	JPY77,350,000	–	100%	Sale of warehouse automation solutions through robotics technology and intelligent algorithms
HAI ROBOTICS U.S.A. INC *(note (a))*.	United States 17 March 2021	USD1,000	–	100%	Sale of warehouse automation solutions through robotics technology and intelligent algorithms

* The English names of these companies registered in the PRC represent the best effort made by the directors of the Company to translate their Chinese names as these companies have not been registered with any official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the Relevant Periods or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes:

(a) As at the date of this report, no audited financial statements have been prepared for these entities for the Relevant Periods.

(b) The statutory financial statements of this entity for the period for the year ended 31 December 2023 and 2024 prepared in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standards ("SME-FRS") issued by the HKICPA, were audited by Lee Chi Fai Clement Certified Public Accountant (Practising), certified public accountants registered in Hong Kong. As at the date of this report, no audited financial statements of this entity for the year ended 31 December 2025 have been prepared.

(c) The statutory financial statements of this entity for the period for the year ended 31 December 2023 and 2024 prepared in accordance with Singapore Financial Reporting Standards ("SFRSs"), were audited by RSM Chio Lim LLP and Audtrust Assurance PAC, certified public accountants registered in Singapore. As at the date of this report, no audited financial statements of this entity for the year ended 31 December 2025 have been prepared.

(d) The statutory financial statements of this entity for the period the year ended 31 December 2023, 2024 and 2025 prepared in accordance with PRC GAAP, were audited by Hua Si Certified Public Accountants LLP (深圳華思會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("IASB"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information.

The Historical Financial Information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each of the Relevant Periods.

As at 30 June 2026, the Group recorded net current liabilities of RMB4,378,358,000 and net liabilities of RMB4,371,025,000 and incurred accumulated losses from operations. The net current liabilities primarily arose from the redemption right liability in respect of the capital contribution of Pre-[**REDACTED**] investors amounted to RMB5,253,710,000 as at 30 June 2026. The directors of the Company do not expect the capital investment with redemption right to be redeemed within the next 12 months, as the redemption right is conditional upon the completion of a qualified [**REDACTED**] or a complete sale prior to 15 March 2029. Upon completion of the [**REDACTED**], all special rights including the redemption right will be terminated, and the redemption liabilities will be reclassified into equity.

In assessing the Group's working capital adequacy to meet its current liabilities, the directors of the Company have considered all accessible financial resources, including existing cash and cash equivalents. The directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due for the next twelve months from 30 June 2026, and accordingly, the Historical Financial Information has been prepared on a going concern basis.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial information of subsidiaries is prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

Amendments to IAS 21 . .	*Translation to a Hyperinflationary Presentation Currency*[1]
IFRS 18	*Presentation and Disclosure in Financial Statements*[1]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosure*[1]
Amendments to lFRS 10 and IAS 28	*Sale or Contribution of Assets between an investor and its Associate or JointeVenture*[2]
IFRS 20	*Regulatory Assets and Regulatory Liabilities*[3]
Amendments to IAS 28 . .	*Amendments to the Fair Value Option for investments in Associates and Joint Ventures in IAS 28*[4]

1 Effective for annual/reporting periods beginning on or after 1 January 2027

2 No mandatory effective date yet determined but available for adoption

3 Effective for annual periods beginning on or after 1 January 2029

4 The amendments are applied when an entity first applies lFRS 18

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. So far, the Group considers that these new and amended IFRS Accounting Standards, except for IFRS 18, may result in changes in accounting policies but are unlikely to have a significant impact on the Group's financial performance and a financial position in the period of initial application. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures certain of its financial instruments at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Shorter of remaining lease terms and estimated useful lives
Electronic equipment	31.7% to 33.3%
Machinery and vehicles	9.5% to 23.8%
Building	3.3%
Other equipment	19.0%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Patent

Purchased patent technology is initially recognised and measured at cost. The cost is amortised on the straight-line basis over its estimated useful life of 4 to 6 years.

Software

Purchased office software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Right-of-use assets	Shorter of remaining lease terms and estimated useful lives
Building	2 to 5 years
Land	50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office and employee dormitories (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of this leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in profit or loss so as to provide a constant periodic rate of return over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables that do not contain a significant financing component and contract assets which apply the simplified approach as detailed below.

Stage 1	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component and contract assets, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, Interest-bearing bank loans, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals, interest-bearing bank borrowings, derivative liabilities measured at fair value through profit or loss and redemption liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, loans and borrowings)

After initial recognition, trade payables, other payables and accruals, interest-bearing bank borrowings, and redemption liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Redemption liabilities

For the redeemable liabilities as detailed in note 31, financial liabilities are recognised based on the net present value of the redemption amount and debited to equity. Changes of net present value subsequent to the initial recognition are recognised in profit or loss.

Derivative liabilities measured at fair value through profit or loss

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales amount and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each or the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

The Group principally generates its revenue from the sales of Autonomous Case-Handling Robotic System Solutions ("ACR solutions") and after-sales service.

(a) Sale of ACR solutions

ACR solutions involve the design, manufacture, deployment and commissioning of customised ACR solutions to end customers or channel partners. The Group determines that the promised goods and services in ACR solutions represent a performance obligation, because these promises are highly interdependent, and the customers are unable to derive significant benefits from the access to an individual promise for the intended purposes without receipt of the other goods or services. Revenue is recognised when the customer takes possession of and accepts the ACR solutions. There are circumstances where only hardware is sold without the involvement of deployment and commissioning, in such circumstances, revenue is recognised when the customer takes delivery and accepts the hardware.

Certain contracts of ACR solutions provide an extended warranty service to its customers which represents a distinct service and a separate performance obligation. A portion of the transaction price is allocated to the extended warranty service using a relative-alone selling price of the warranty. The revenue from extended warranty service is recognised over the period in which the service is provided.

(b) After-sales services

The Group provides after-sales services to customers which include the provision of remote technology support services, product repair and maintenance services, and on-site diagnostic services in a specified service period. The Group also provides one-off after-sales services as required by customers. Should any of the following conditions be satisfied, the services provided by the Group are performance obligations fulfilled within a certain period of time. For after-sales services provided within a period, revenue is recognised overtime when the service is transferred to the customer in accordance with the progress of the contract performance, for one-off time after-sales services, revenue is recognised when the services are rendered and accepted by customers.

Revenue from Robot as a Service ("RaaS services")

Revenue from RaaS services, referring to the leasing of ACR solutions, is recognised over time when the service is transferred to the customer over time.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets, they are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future;

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Group operates Employee Incentive Plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value the at the date on which they are granted. The fair value of share options is determined by an external valuer using discounted cash flow method or backsolve method based on the option pricing model. Further details are included in note 34 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Other employee benefits

Pension scheme

Chinese Mainland

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. Other than the monthly contributions, the Group has no further payment obligations once the contributions have been paid.

Other countries or regions

The Group makes contributions in accordance with local legal requirements, which are designated for paying pensions and other post-retirement benefits. The amounts based on the defined contribution plans are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to profit or loss for the current period.

Housing fund and other social insurances — Chinese Mainland

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include a housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in each of the Relevant Periods.

Housing fund and other social insurances — Other countries or regions

The Group participates in local social security contribution schemes for its employees in accordance with the relevant laws and regulations of the other countries or regions jurisdictions. The contributions are charged to profit or loss on an accrual basis.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its Historical Financial Information but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Classification of financial assets

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets. In determining the business model, the Group considers how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model (and the financial assets held within) and, in particular, the way those risks are managed. In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, it is necessary for the Group to consider the reason, timing, frequency, and value of sales prior to the maturity date.

Research and development expenses

All research costs are charged to profit or loss as incurred. Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgement on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are

recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Determination of individual performance obligations

The Group's generally provide warranties in relation to the sale of ACR solutions. For the sales which are granted with longer warranty period than the average level, the exceed portions are accounted as service-type warranties. The transaction price are allocated based on relative stand-alone selling price method.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Net realisable value of inventories

Inventories are stated at the lower of cost and net realizable value at the end of each reporting period. The net realisable value is the estimated selling price in the ordinary course of business, less applicable costs, selling expenses and tax charges. Management of the Group makes the best estimate on the net realizable value and the corresponding impairment of inventories, while the impairment assessment may still be significantly changed due to changes of market conditions.

Provision for expected credit losses on trade and bills receivables and contract assets

The Group makes allowances on trade and bills receivables and contract assets based on assumptions about risk of default and expected loss rates. The Group uses estimations in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade and bills receivables is disclosed in notes 19 and note 20 to the Historical Financial Information, respectively.

Provision for product warranty provision

The Group provides for warranties in relation to the sale of ACR solutions during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Share-based payment

The Group makes the best estimate of the number of exercisable equity instruments during the vesting period based on the fair value on the grant date and the latest subsequent information obtained, and includes the services obtained in the current period in relevant costs or expenses. The fair value of the share option awards to employees is determined the using the discounted cash flow method or backsolve method based on the option pricing model at the date they are granted. Significant estimates on assumptions, including the expected volatility, risk-free interest rate and dividend yield of options, are made by the management of the Group. Further details are included in note 34 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on its services and products and has only one reportable operating segment.

The information reported to the directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance, does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Domestic market	612,093	842,407	1,069,083	408,585	556,331
Non-domestic markets	194,914	517,957	947,853	248,361	561,749
	807,007	1,360,364	2,016,936	656,946	1,118,080

The revenue information above is based on the geographic locations of the Group's sales team, which lead negotiations with customers to reach sales transactions.

(b) Non-current assets

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Domestic market	171,024	145,052	177,248	186,998
Non-domestic markets	22,185	24,409	33,606	28,824
	193,209	169,461	210,854	215,822

The non-current asset information above is based on the locations of the assets and excludes non-current portion of trade and bills receivables and non-current portion of financial assets included in prepayments, deposits and other receivables.

Information about major customers

Revenue from a major customer which accounted for 10% or more of the Group's revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Customer 1	*	142,665	429,812	203,745	180,584
Customer 2	126,253	172,439	*	*	*
Customer 3	*	*	*	*	129,056
Customer 4	*	*	*	*	126,716

* The corresponding revenue of these customers are not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the respective period.

5. REVENUE, OTHER INCOME AND GAINS

Revenue

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue from contracts with customers	805,916	1,358,731	2,016,640	656,704	1,117,062
Revenue from RaaS	1,091	1,633	296	242	1,018
	807,007	1,360,364	2,016,936	656,946	1,118,080

(a) Disaggregated revenue information

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Types of goods or services					
Sales of ACR solutions	799,404	1,343,922	1,969,788	644,072	1,059,319
After-sales services	6,512	14,809	46,852	12,632	57,743
	805,916	1,358,731	2,016,640	656,704	1,117,062

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Timing of revenue recognition					
Goods transferred at a point in time	803,067	1,351,997	2,002,449	650,069	1,083,912
Services transferred over time	2,849	6,734	14,191	6,635	33,150
Total revenue from contracts with customers	805,916	1,358,731	2,016,640	656,704	1,117,062

The Group has elected the practical expedient for not to disclose the remaining performance obligations for certain of contracts with customers have an expected original expected duration of one year or less.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) of contracts with customers with expected duration over one year as at 31 December 2023, 2024, 2025 and 30 June 2025 and 2026 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Amounts expected to be recognised as revenue:					
Within one year	2,024	9,458	16,867	11,329	15,580
After one year	216,573	410,796	320,285	392,546	339,702
	218,597	420,254	337,152	403,875	355,282

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to sales of ACR solutions and after-sales services, of which the performance obligations are to be satisfied within the remaining contract period. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	219,587	488,878	813,309	407,407	658,454

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of ACR solutions

The performance obligation is satisfied when customers take possession of and accept the ACR solutions. Payment terms and conditions are based on the billing schedule established in the contracts with customers. Generally, payment is due within 10 to 60 days after contract signing (specified portion of the contract amount), within 10 to 60 days before shipment or after receipt of goods (specified portion

of the contract amount), and within 10 to 60 days after project acceptance (the remaining balance), provided no warranty retention applies. If warranty retention is applicable, the retention amount is due within 10 to 60 days after the warranty period expires.

After-sales services

For after-sales services provided within a period, the performance obligation is satisfied over time when the service is transferred to the customer in accordance with the progress of the contract performance. For one-off after-sales services, the performance obligation is satisfied when the service is rendered and accepted by customers. Payment terms and conditions are based on the billing schedule established in the contracts with customers.

Other income and gains

An analysis of other income and gains is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Other income					
Interest income from bank deposit	6,106	5,896	9,164	3,345	17,751
Interest income from long-term receivables	528	710	432	191	229
Government grants*	13,136	12,544	10,623	3,232	17,784
Additional deduction of value-added tax	92	11,864	2,018	1,959	26
Software tax refund	11,650	13,995	9,076	6,012	–
Investment income from financial assets at fair value through profit or loss	9,106	744	406	–	1,602
Investment income from debt investments at fair value through other comprehensive income	3,034	565	–	–	–
Other operating income**	5,342	8,394	3,423	1,420	2,485
Others	199	143	245	110	189
Gains					
Fair value gains on financial assets at fair value through profit or loss	822	231	–	–	338
Gain on exchange differences, net	–	–	71,677	46,446	48,152
	50,015	55,086	107,064	62,715	88,556

* The Group has received certain government grants related to assets and income. The grants related to assets have future related costs expected to be incurred and require the Group to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions, were recognised in profit or loss over the useful lives of the relevant assets. The grants related to income represent the compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group, these grants related to income are recognised in profit or loss upon receipt and there are no unfulfilled conditions or contingencies relating to these grants.

** Other operating income mainly includes revenue from sales of scrap or surplus raw materials.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest on bank loans	386	2,140	4,222	2,332	785
Interest on long term payables	117	208	1,304	239	957
Interest on lease liabilities	4,707	4,277	3,588	1,763	1,609
	5,210	6,625	9,114	4,334	3,351

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Cost of services provided*		677,853	1,002,905	1,387,341	469,481	733,484
Depreciation of property, plant and equipment**	*13*	24,597	28,184	16,427	7,402	8,905
Depreciation of right-of-use assets**	*15*	33,762	32,439	30,673	15,454	14,524
Amortisation of intangible assets **	*14*	2,120	3,013	4,748	1,904	3,161
Loss on disposal of property, plant and equipment***		510	456	277	83	487
Loss on disposal of intangible assets***		–	–	415	279	–
Loss/(gain) on early termination of a lease***		1,204	(54)	66	–	(326)
Foreign exchange losses/(gains), net***		33,150	47,326	(71,677)	(46,446)	(48,152)
Lease payments in respect of short-term leases		1,310	1,758	2,131	852	2,288
Impairment losses on property, plant and equipment***		–	5,166	–	–	–
Impairment of financial and contract assets, net:		4,605	1,556	7,255	3,933	1,243
Impairment of trade receivables, net		3,946	1,474	6,599	3,831	1,086

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Impairment of contract assets, net		659	82	656	102	157
Write-down of inventories to net realisable value****		73,707	33,593	35,572	12,557	8,168
Fair value gain on financial assets at fair value through profit or loss***		(822)	(231)	–	–	(338)
Loss of derivative financial instruments***		–	–	518	–	–
Investment income from financial assets at fair value through profit or loss***		(9,106)	(744)	(406)	–	(1,602)
Investment income from debt investments at fair value through other comprehensive income***		(3,034)	(565)	–	–	–
Losses on fair value changes of derivative financial liabilities		–	333,080	–	–	–
Interest on redemption liabilities	*31*	211,160	239,717	293,931	137,699	197,587
Research and development expense		308,873	333,954	385,293	173,413	249,041
Product warranty provision*****	*30*	45,450	85,293	109,011	21,117	57,563
[**REDACTED**]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Employee benefit expenses (excluding directors', supervisors' and chief executive's remuneration *(note 8)*)						
– Wages and salaries		649,588	667,861	667,310	337,782	406,081
– Pension scheme contributions		18,661	23,384	26,170	13,603	17,185
– Share-based payment expenses		64,812	88,159	113,803	62,420	57,594
		733,061	779,404	807,283	413,805	480,860

* The amounts disclosed for cost of inventories sold including the write-down of inventories to net realisable value, employee benefit expenses and depreciation, amortization have also been included in the respective expense items disclosed below.

** The depreciation of property, plant and equipment and right-of-use assets and amortisation of intangible assets are included in "Cost of sales", "Selling and distribution expenses", "Administrative expenses" and "Research and development expenses" in profit or loss, respectively.

*** The amounts are included in "Other expenses" or "Other income and gains" in profit or loss.

**** The amounts are included in "Cost of sales" in profit or loss.

***** The amounts are included in "Selling and distribution expenses" in profit or loss.

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors', supervisors' and chief executive's remuneration as recorded during the Relevant Periods and the six months ended 30 June 2025, disclosed pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is set out below:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Fees	–	–	–	–	–
Other emoluments:					
Salaries, allowances and benefits in kind	3,142	3,039	3,688	1,392	3,733
Performance related bonus	91	257	4,759	2,035	1,762
Pension scheme contributions	54	97	114	48	47
Share-based payment expenses	7,546	4,245	7,133	2,528	41,181
	10,833	7,638	15,694	6,003	46,723

30 June 2026

	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Chen Yuqi	1,166	550	8	603	2,327
Mr. Xu Shengdong	691	394	8	36,812	37,905
Mr. Fang Bing	519	300	8	650	1,477
Ms. Zeng Hongni *(i)*	516	250	5	2,603	3,374
Subtotal	2,892	1,494	29	40,668	45,083
Non-executive directors:					
Mr. Yeung Wing Fung *(v)*	–	–	–	–	–
Ms. Shi Cong *(x)*	–	–	–	–	–
Subtotal	–	–	–	–	–
Supervisors:					
Ms. Li Wen *(xi)*	328	103	8	245	684
Mr. Liu Jianhua *(xii)*	266	104	5	214	589
Mr. Zhang Guangyu *(xiii)*	247	61	5	54	367
Subtotal	841	268	18	513	1,640
Total	3,733	1,762	47	41,181	46,723

30 June 2025 (unaudited)

	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Chen Yuqi	142	561	8	628	1,339
Mr. Xu Shengdong	304	341	8	447	1,100
Mr. Fang Bing	276	270	8	282	836

	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Ms. Zhou Hongxia *(xx)*	244	308	8	167	727
Ms. Yang Suimei *(xxi)*	217	450	8	990	1,665
Mr. Kong Zhe *(ii)*	209	105	8	14	336
Subtotal	1,392	2,035	48	2,528	6,003
Non-executive directors:					
Mr. Li Wenbiao *(xxii)*	–	–	–	–	–
Mr. Wu Jinhai *(iv)*	–	–	–	–	–
Mr. Yeung Wing Fung *(v)*	–	–	–	–	–
Mr. Huang Yungang *(vi)*	–	–	–	–	–
Mr. Liu Qin *(vii)*	–	–	–	–	–
Subtotal	–	–	–	–	–
Supervisors:					
Mr. Bai Xiaojun *(xiv)*	–	–	–	–	–
Subtotal	–	–	–	–	–
Total	1,392	2,035	48	2,528	6,003

31 December 2025

	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Chen Yuqi	286	1,122	16	1,013	2,437
Mr. Xu Shengdong	608	683	16	746	2,053
Mr. Fang Bing	553	540	16	475	1,584
Ms. Zeng Hongni *(i)*	305	269	4	2,669	3,247
Ms. Zhou Hongxia *(xx)*	487	616	16	281	1,400
Ms. Yang Suimei *(xxi)*	431	901	16	1,442	2,790
Mr. Kong Zhe *(ii)*	420	209	15	28	672
Mr. Li Xiaolong *(iii)*	156	275	6	262	699
Subtotal	3,246	4,615	105	6,916	14,882
Non-executive directors:					
Mr. Li Wenbiao *(xxii)*	–	–	–	–	–
Mr. Wu Jinhai *(iv)*	–	–	–	–	–
Mr. Yeung Wing Fung *(v)*	–	–	–	–	–
Mr. Huang Yungang *(vi)*	–	–	–	–	–
Mr. Liu Qin *(vii)*	–	–	–	–	–
Ms. Gong Yuan *(viii)*	–	–	–	–	–
Mr. Niu Kuiguang *(ix)*	–	–	–	–	–
Ms. Shi Cong *(x)*	–	–	–	–	–
Subtotal	–	–	–	–	–
Supervisors:					
Ms. Li Wen *(xi)*	216	68	5	122	411
Mr. Liu Jianhua *(xii)*	118	47	2	48	215
Mr. Zhang Guangyu *(xiii)*	108	29	2	47	186
Mr. Bai Xiaojun *(xiv)*	–	–	–	–	–
Subtotal	442	144	9	217	812
Total	3,688	4,759	114	7,133	15,694

31 December 2024

	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Chen Yuqi	377	36	15	1,477	1,905
Mr. Xu Shengdong	608	36	15	765	1,424
Mr. Fang Bing	553	36	15	457	1,061
Ms. Zhou Hongxia *(xx)*	486	36	15	420	957
Ms. Yang Suimei *(xxi)*	475	43	15	1,061	1,594
Mr. Kong Zhe *(ii)*	239	21	8	30	298
Subtotal	2,738	208	83	4,210	7,239
Non-executive directors:					
Mr. Li Wenbiao *(xxii)*	–	–	–	–	–
Mr. Hao Yiwen *(xv)*	–	–	–	–	–
Ms. Xu Xin *(xvi)*	–	–	–	–	–
Mr. Chen Zhe *(xvii)*	–	–	–	–	–
Mr. Wu Jinhai *(iv)*	–	–	–	–	–
Mr. Yeung Wing Fung *(v)*	–	–	–	–	–
Mr. Huang Yungang *(vi)*	–	–	–	–	–
Mr. Liu Qin *(vii)*	–	–	–	–	–
Subtotal	–	–	–	–	–
Supervisors:					
Ms. Liang Jinlan *(xviii)*	301	49	14	35	399
Mr. Bai Xiaojun *(xiv)*	–	–	–	–	–
Subtotal	301	49	14	35	399
Total	3,039	257	97	4,245	7,638

31 December 2023

	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Chen Yuqi	614	4	9	2,001	2,628
Mr. Xu Shengdong	609	–	9	3,320	3,938
Mr. Fang Bing	553	1	9	700	1,263
Ms. Zhou Hongxia *(xx)*	573	5	9	448	1,035
Ms. Yang Suimei *(xxi)*	476	25	9	1,052	1,562
Subtotal	2,825	35	45	7,521	10,426
Non-executive directors:					
Mr. Li Wenbiao *(xxii)*	–	–	–	–	–
Mr. Hao Yiwen *(xv)*	–	–	–	–	–
Mr. Cheng Yu *(xix)*	–	–	–	–	–
Ms. Xu Xin *(xvi)*	–	–	–	–	–
Mr. Chen Zhe *(xvii)*	–	–	–	–	–
Subtotal	–	–	–	–	–
Supervisors:					
Ms. Liang Jinlan *(xviii)*	317	56	9	25	407
Mr. Bai Xiaojun *(xiv)*	–	–	–	–	–
Subtotal	317	56	9	25	407
Total	3,142	91	54	7,546	10,833

(a) Independent non-executive directors

There were no emoluments payable to the independent non-executive directors during the Relevant Periods.

At the general meeting of shareholders on January 22, 2026, Ms. Lu Lihua, Mr. Zhang Taisu and Ms. Liu Xuejiao were appointed as independent directors of the Company, and their appointment take effect from the date of [**REDACTED**] of the Company.

(b) Directors, supervisors and the chief executive

Directors and supervisors whose names are not marked with numbers indicate that they have served throughout the reporting period.

(i) Ms. Zeng Hongni was appointed as a Director of the Company in August 2025.

(ii) Mr. Kong Zhe was appointed as a Director of the Company in May 2024 and resigned from such position in December 2025.

(iii) Mr. Li Xiaolong was appointed as a Director of the Company in August 2025 and resigned from such position in December 2025.

(iv) Mr. Wu Jinhai was appointed as a Non-executive Director of the Company in May 2024 and resigned from such position in December 2025.

(v) Mr. Yeung Wing Fung was appointed as a Non-executive Director of the Company in July 2024.

(vi) Mr. Huang Yungang was appointed as a Non-executive Director of the Company in December 2024 and resigned from such position in December 2025.

(vii) Mr. Liu Qin was appointed as a Non-executive Director of the Company in December 2024 and resigned from such position in December 2025.

(viii) Ms. Gong Yuan was appointed as a Non-executive Director of the Company in August 2025 and resigned from such position in December 2025.

(ix) Mr. Niu Kuiguang was appointed as a Non-executive Director of the Company in August 2025 and resigned from such position in December 2025.

(x) Ms. Shi Cong was appointed as a Non-executive Director of the Company in November 2025.

(xi) Ms. Li Wen was appointed as a Supervisor of the Company in August 2025.

(xii) Mr. Liu Jianhua was appointed as a Supervisor of the Company in October 2025.

(xiii) Mr. Zhang Guangyu was appointed as a Supervisor of the Company in October 2025.

(xiv) Mr. Bai Xiaojun resigned from his position as Supervisor of the Company in August 2025.

(xv) Mr. Hao Yiwen resigned from his position as Non-executive Director of the Company in December 2024.

(xvi) Ms. Xu Xin resigned from her position as Non-executive Director of the Company in July 2024.

(xvii) Mr. Chen Zhe was appointed as a Non-executive Director of the Company in January 2023 and resigned from such position in December 2024.

(xviii) Ms. Liang Jinlan resigned from her position as Supervisor of the Company in December 2024.

(xix) Mr. Cheng Yu resigned from his position as Non-executive Director of the Company in January 2023.

(xx) Ms. Zhou Hongxia resigned from her position as Director of the Company in December 2025.

(xxi) Ms. Yang Suimei resigned from her position as Director of the Company in December 2025.

(xxii) Mr. Li Wenbiao resigned from her position as Non-executive Director of the Company in December 2025.

Notes:

During the Relevant Periods, share options were granted to certain directors through share incentive platforms, further details of which are included in the disclosures in note 34 to the Historical Financial Information. The fair value of such share options, which has been recognised in profit or loss, was determined as at the date of grant and the amount for the Relevant Periods is included in the above directors' remuneration disclosures.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the six months ended 30 June 2025 included one, nil, one, one and nil directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining four, five, four, four and five highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods and the six months ended 30 June 2025 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	5,709	6,673	6,067	3,739	6,050
Performance related bonus	4,613	3,759	6,982	2,707	3,684
Pension scheme contributions	70	39	129	84	134
Share-based payment expenses	5,913	15,138	2,379	6,246	9,736
	16,305	25,609	15,557	12,776	19,604

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	Numbers of employees			*(unaudited)*	
HK$900,001 to HK$1,000,000	–	–	–	1	–
HK$1,000,001 to HK$1,500,000	–	–	–	1	–
HK$2,500,001 to HK$3,000,000	–	–	1	1	–
HK$3,000,001 to HK$3,500,000	3	–	1	–	1
HK$3,500,001 to HK$4,000,000	–	2	1	1	1
HK$4,000,001 to HK$4,500,000	1	–	–	–	1
HK$4,500,001 to HK$5,000,000	–	1	1	1	–
HK$5,500,001 to HK$6,000,000	–	1	–	–	–
HK$6,500,001 to HK$7,000,000	–	1	–	–	–
HK$10,000,001 to HK$10,500,000	–	–	–	–	1
	4	5	4	5	4

During the Relevant Periods, share options were granted to four, five, four, five and four non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 34 to the Historical Financial Information. The fair values of such share options, which have been recognised in the statement of profit or loss over the vesting period, were determined as at the dates of grant and the amounts for the Relevant Periods are included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese Mainland

The provision for corporate income tax in Chinese Mainland is based on the statutory rate of 25% of the taxable profits determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008.

HAI Robotics Co., Ltd. and Shenzhen Kubo Software Co., Ltd., were qualified as high and new technology enterprise and were subject to income tax at a preferential tax rate of 15% during the Relevant Periods. This qualification is subject to review by the relevant governmental authority in the PRC for every three years. HAI Robotics Co., Ltd. and Shenzhen Kubo Software Co., Ltd have reapplied for the high and new technology enterprise recognition in 2026, the management assessed that the Company should be able to continuously enjoy the referential income tax rate after assessing the fulfilment of relevant requirements and the pass experience renewal records, accordingly, the preferential income tax rate of 15% was used by HAI Robotics Co., Ltd. and Shenzhen Kubo Software Co., Ltd for the six months ended 30 June 2026.

Hubei Hairou Innovation Technology Co., Ltd. has met the requirement under the relevant tax rules and regulations for small and low-profit enterprise and accordingly, is subject to a reduced rate of 25% and the corporate income tax rate is paid at the rate of 20% starting from the financial year of 2024.

Japan

For the subsidiary in Japan, a qualifying entity with stated capital no more than JPY100,000,000 was under the two-tiered profits tax rates regime, where the first JPY8,000,000 of assessable profits were taxed at 15% and the remaining assessable profits were taxed at 23.2%, additionally, there were local corporate taxes whose tax rate varies by region during the Relevant Periods.

USA

The subsidiaries incorporated in the USA are subject to statutory United States federal corporate income tax at a rate of 21% during the Relevant Periods, and the US subsidiaries are also subject to state income tax in corresponding jurisdictions.

The income tax expense of the Group for the Relevant Periods and the six months ended 30 June 2025 is analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Current income tax	1,012	2,958	15,150	9,024	2,745
Deferred income tax	–	–	–	–	(1,738)
Total tax charge/(credit) for the year	1,012	2,958	15,150	9,024	1,007

A reconciliation of the expected income tax calculated at the preferential tax rate and (loss)/profit before income tax, with the actual income tax at the effective tax rate is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss before tax	(1,007,954)	(1,252,728)	(812,392)	(432,301)	(429,876)
Tax charge at the statutory rate	(244,375)	(308,093)	(194,320)	(107,847)	(104,657)
Effect of different applicable tax rates for specific jurisdictions or enacted by local authority	37,629	34,801	40,245	14,195	10,223
Adjustment for the impact of income tax in prior periods	–	–	–	–	1,561
Additional deductible allowance for qualified research and development expenses	(19,908)	(19,194)	(24,594)	(10,806)	(14,757)
Utilization of prior year tax loss	(581)	–	(3,916)	(2,516)	(3,340)
Temporary differences and tax losses not recognised	147,499	116,637	105,544	65,325	64,788
Expenses not deductible for tax	80,748	178,807	92,191	50,673	47,189
Tax charge/(credit) at the Group's effective tax rate	1,012	2,958	15,150	9,024	1,007

(i) According to the PRC Corporate Income Tax regulations, HAI Robotics Co., Ltd. and Shenzhen Kubo Software Co., Ltd. were entitled to an additional deduction of 100% of qualified R&D expenses from taxable income during the Relevant Periods and the six months ended 30 June 2025.

(ii) The nature of expenses not deductible for tax mainly refers to losses on fair value changes of derivative liabilities, share-based payments and interest and exchange alignment on redemption liabilities.

11. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share was based on the loss attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the Relevant Periods and the six months ended 30 June 2025. The weighted average number of ordinary shares in issue for the Relevant Periods and the six months ended 30 June 2025 before the conversion into a joint stock company was determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:5 as upon transformation into a joint stock company in November 2025. The weighted average number of ordinary shares in issue used in the basic loss per share calculation has been adjusted retrospectively to reflect the equity adjustment approved on January 2026, pursuant to which, the Company's capital reserve of RMB23,519,661 was converted into 23,519,661 ordinary shares, which were allocated to certain shareholders other than Hairou Weizheng.

No adjustment has been made to the basic loss per share amounts presented for the Relevant Periods and for six months ended 30 June 2025, in respect of a dilution as the impact of share options outstanding had an anti-dilutive effect on the basic earnings per share amounts presented. Further details of the share option and the modification to the Employee Incentive Plan are included in the disclosures in note 34 to the Historical Financial Information.

The calculations of basic and diluted loss per share are based on:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(unaudited)	
Loss					
Loss attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB'000)	(1,008,806)	(1,255,686)	(827,542)	(441,325)	(430,883)
Shares					
Weighted average number of ordinary shares in issue during the year/period, used in the basic loss per share calculation ('000)	38,038	41,408	45,119	44,421	51,643

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Electronic equipment	Machinery and vehicles	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023						
At 1 January 2023						
Cost	12,674	4,938	7,499	31,557	8,090	64,758
Accumulated depreciation	(4,257)	(650)	(1,230)	(11,861)	–	(17,998)
Net carrying amount	8,417	4,288	6,269	19,696	8,090	46,760
At 1 January 2023, net of accumulated depreciation	8,417	4,288	6,269	19,696	8,090	46,760
Additions	1,336	3,253	4,483	13,810	984	23,866
Transfer	2,464	–	3,190	–	(5,654)	–
Disposals	(315)	–	(329)	(788)	–	(1,432)
Depreciation provided during the year	(4,481)	(680)	(2,288)	(17,148)	–	(24,597)
Exchange realignment	–	–	612	(8)	13	617
At 31 December 2023, net of accumulated depreciation	7,421	6,861	11,937	15,562	3,433	45,214
At 31 December 2023						
Cost	16,073	8,191	15,433	44,571	3,433	87,701
Accumulated depreciation	(8,652)	(1,330)	(3,496)	(29,009)	–	(42,487)
Net carrying amount	7,421	6,861	11,937	15,562	3,433	45,214

	Electronic equipment	Machinery and vehicles	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024						
At 1 January 2024						
Cost	16,073	8,191	15,433	44,571	3,433	87,701
Accumulated depreciation	(8,652)	(1,330)	(3,496)	(29,009)	–	(42,487)
Net carrying amount	7,421	6,861	11,937	15,562	3,433	45,214
At 1 January 2024, net of accumulated depreciation	7,421	6,861	11,937	15,562	3,433	45,214
Additions	1,571	672	59	16,270	202	18,774
Transfer	797	82	1,123	–	(2,002)	–
Disposals	(17)	(70)	(358)	(387)	–	(832)
Impairment	–	(1,212)	(3,954)	–	–	(5,166)
Depreciation provided during the year	(4,536)	(925)	(3,424)	(19,299)	–	(28,184)
Exchange realignment	–	–	391	180	–	571
At 31 December 2024, net of accumulated depreciation	5,236	5,408	5,774	12,326	1,633	30,377
At 31 December 2024						
Cost	18,355	7,255	9,794	60,633	1,633	97,670
Accumulated depreciation	(13,119)	(1,847)	(4,020)	(48,307)	–	(67,293)
Net carrying amount	5,236	5,408	5,774	12,326	1,633	30,377

	Building	Electronic equipment	Machinery and vehicles	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025							
At 1 January 2025							
Cost	–	18,355	7,255	9,794	60,633	1,633	97,670
Accumulated depreciation	–	(13,119)	(1,847)	(4,020)	(48,307)	–	(67,293)
Net carrying amount	–	5,236	5,408	5,774	12,326	1,633	30,377
At 1 January 2025, net of accumulated depreciation and impairment	–	5,236	5,408	5,774	12,326	1,633	30,377
Additions	50,560	6,321	559	773	4,053	47	62,313
Transfer	–	526	37	1,112	–	(1,675)	–
Disposals	–	(213)	–	(1,420)	(196)	–	(1,829)
Depreciation provided during the year	(695)	(4,033)	(617)	(2,559)	(8,523)	–	(16,427)
Exchange realignment	–	216	–	101	616	–	933
At 31 December 2025, net of accumulated depreciation	49,865	8,053	5,387	3,781	8,276	5	75,367
At 31 December 2025							
Cost	50,560	16,727	7,851	9,258	35,847	5	120,248
Accumulated depreciation	(695)	(8,674)	(2,464)	(5,477)	(27,571)	–	(44,881)
Net carrying amount	49,865	8,053	5,387	3,781	8,276	5	75,367

	Building	Electronic equipment	Machinery and vehicles	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
30 June 2026							
At 1 January 2026							
Cost	50,560	16,727	7,851	9,258	35,847	5	120,248
Accumulated depreciation	(695)	(8,674)	(2,464)	(5,477)	(27,571)	–	(44,881)
Net carrying amount	49,865	8,053	5,387	3,781	8,276	5	75,367
At 1 January 2026, net of accumulated depreciation and impairment	49,865	8,053	5,387	3,781	8,276	5	75,367
Additions	–	4,588	183	131	2,740	8,309	15,951
Transfer	–	1,323	593	6,398	–	(8,314)	–
Disposals	–	(56)	–	(659)	–	–	(715)
Depreciation provided during the period	(990)	(2,045)	(389)	(2,119)	(3,362)	–	(8,905)
Exchange realignment	(146)	(30)	(15)	(29)	26	–	(194)
At 30 June 2026, net of accumulated depreciation	48,729	11,833	5,759	7,503	7,680	–	81,504
At 30 June 2026							
Cost	50,414	22,541	8,612	14,518	38,613	–	134,698
Accumulated depreciation	(1,685)	(10,708)	(2,853)	(7,015)	(30,933)	–	(53,194)
Net carrying amount	48,729	11,833	5,759	7,503	7,680	–	81,504

* In 2024, the Group entered into an agreement with a third-party entity to entrust the entity constructing its new factory building on behalf of the Company. The construction of the factory building is completed in 2025. The Group has not obtained the property ownership certification of the building with net carrying amount of RMB48,729,000 as of 30 June 2026. The Company is obligated to make the related payment for purchase of factory building no later than December 2029.

** As of 30 June 2026, Other equipment includes rented equipment amounting to RMB 5,683,000. These assets are stored at the customers' locations and RAAS fee are charged to the customers.

Considering the losses position in 2023, 2024 and 2025 and Six months ended 30 June 2026, impairment review on the non-current assets, which including the property, plant and equipment, intangible assets, right-of-use assets and prepayment for property, plant and equipment, has been conducted by the management as at 31 December 2023, 2024 and 2025 and 30 June 2026 according to IAS 36. The management considered that the Group was highly centralised managed and its activities including research and development, procurement, manufacture and production, sales are all governed and managed in headquarters. The entities that hold non-current assets are highly inter-related and cannot be considered to generate cash inflows that are largely independent of each other. Therefore, the Group as a whole constitutes one cash-generating unit ("CGU") for the purposes of impairment testing of non-current assets located in different entities. The recoverable amount of the CGU was determined based on value in use calculation using cash flow projections based on financial budgets approved by the management. The budgeted sales and margins were estimated based on historical information achieved and the expected market development. The discount rate adopted reflected the time valued and specific risks relating to the Group. According to the impairment test results, the recoverable amount of the CGU was higher than the carrying amount of the non-current assets, no impairment loss was recognised as at 31 December 2023, 2024 and 2025 and 30 June 2026.

The key valuation assumptions used in valuation model are as follows:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Pre-Tax Weighted Average Cost of Capital	12.9%	12.8%	12.8%	13.0%
Average revenue growth rate	37.6%	28.1%	18.9%	16.6%

14. OTHER INTANGIBLE ASSETS

The Group

	Software	Total
	RMB'000	*RMB'000*
31 December 2023		
At 1 January 2023		
Cost	7,642	7,642
Accumulated amortisation	(625)	(625)
Net carrying amount	7,017	7,017
At 1 January 2023, net of accumulated amortisation	7,017	7,017
Additions	7,524	7,524
Amortisation provided during the year	(2,120)	(2,120)
At 31 December 2023, net of accumulated amortisation	12,421	12,421
At 31 December 2023		
Cost	15,166	15,166
Accumulated amortisation	(2,745)	(2,745)
Net carrying amount	12,421	12,421

	Patent	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2024			
At 1 January 2024			
Cost	–	15,166	15,166
Accumulated amortisation	–	(2,745)	(2,745)
Net carrying amount	–	12,421	12,421
At 1 January 2024, net of accumulated amortisation	–	12,421	12,421
Additions	2,212	1,567	3,779
Amortisation provided during the year	(40)	(2,973)	(3,013)
At 31 December 2024, net of accumulated amortisation	2,172	11,015	13,187
At 31 December 2024			
Cost	2,212	16,733	18,945
Accumulated amortisation	(40)	(5,718)	(5,758)
Net carrying amount	2,172	11,015	13,187

	Patents	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2025			
At 1 January 2025			
Cost	2,212	16,733	18,945
Accumulated amortisation	(40)	(5,718)	(5,758)
Net carrying amount	2,172	11,015	13,187
At 1 January 2025, net of accumulated amortisation	2,172	11,015	13,187
Additions	456	4,350	4,806
Amortisation provided during the year	(969)	(3,779)	(4,748)
Disposals	–	(415)	(415)
At 31 December 2025, net of accumulated amortisation	1,659	11,171	12,830
At 31 December 2025			
Cost	2,668	20,460	23,128
Accumulated amortisation	(1,009)	(9,289)	(10,298)
Net carrying amount	1,659	11,171	12,830

	Patents	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
30 June 2026			
At 1 January 2026			
Cost	2,668	20,460	23,128
Accumulated amortisation	(1,009)	(9,289)	(10,298)
Net carrying amount	1,659	11,171	12,830
At 1 January 2026, net of accumulated amortisation	1,659	11,171	12,830
Additions	454	3,666	4,120
Amortisation provided during the period	(731)	(2,430)	(3,161)
Disposals	–	–	–
At 30 June 2026, net of accumulated amortisation	1,382	12,407	13,789
At 30 June 2026			
Cost	3,122	24,126	27,248
Accumulated amortisation	(1,740)	(11,719)	(13,459)
Net carrying amount	1,382	12,407	13,789

The Group has performed impairment review on other intangible assets, details of the impairment set out in note 13 to the Historical Financial Information.

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings. Leases of buildings generally have lease terms between 1 and 5 years.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Land use rights*	Buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	–	88,270	88,270
Additions	–	92,406	92,406
Early termination	–	(39,917)	(39,917)
Depreciation charge	–	(33,762)	(33,762)
Exchange realignment	–	54	54
At 31 December 2023	–	107,051	107,051
At 1 January 2024	–	107,051	107,051
Additions	–	13,160	13,160
Early termination	–	(673)	(673)
Depreciation charge	–	(32,439)	(32,439)
Exchange realignment	–	(202)	(202)
At 31 December 2024	–	86,897	86,897
At 1 January 2025	–	86,897	86,897
Additions	5,797	17,005	22,802
Early termination	–	(7,105)	(7,105)
Depreciation charge	(59)	(30,614)	(30,673)
Exchange realignment	–	311	311
At 31 December 2025	5,738	66,494	72,232
At 1 January 2026	5,738	66,494	72,232
Additions	–	22,140	22,140
Early termination	–	(4,311)	(4,311)
Depreciation charge	(59)	(14,465)	(14,524)
Exchange realignment	–	(704)	(704)
At 30 June 2026	5,679	69,154	74,833

* The land use right is the land where the factory buildings located, the third-party entity constructed the factory building on the land. Details of the factory building is set out in note 13 to the Historical Financial Information. The Group has not obtained the land use right ownership certification of the building as of 30 June 2026.

The Group has performed impairment review on right of use assets, details of the impairment set out in note 13 to the Historical Financial Information.

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at 1 January	99,723	112,873	96,533	80,416
Additions	92,406	13,160	22,802	22,140
Accretion of interest recognised during the year/period	4,707	4,277	3,588	1,609

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Termination	(46,258)	(727)	(7,039)	(4,637)
Lease payment	(37,705)	(32,879)	(35,639)	(17,809)
Exchange realignment	–	(171)	171	–
Carrying amount at 31 December/ 30 June	112,873	96,533	80,416	81,719
Analysed into:				
Current portion	30,050	28,464	22,967	21,595
Non-current portion	82,823	68,069	57,449	60,124

(c) The amounts recognised in profit or loss in relation to leases are as follows:

The Group

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease payments in respect of short-term leases	1,310	1,758	2,131	2,288
Interest on lease liabilities	4,707	4,277	3,588	1,609
Early termination loss/(profit)	1,204	(54)	66	(326)
Depreciation charge of right-of-use assets	33,762	32,439	30,673	14,524
Total amount recognised in profit or loss	40,983	38,420	36,458	18,095

(d) The total cash outflows for leases are disclosed in note 35 to the Historical Financial Information.

The Group as a lessor

The Group leases its ACR solutions to its customers under operating lease arrangements. The terms of the leases generally require customers to pay rent on a regular basis. Rental income recognised by the Group during the Relevant Periods and the six months ended 30 June 2025 was RMB1,091,000, RMB1,633,000, and RMB296,000, RMB1,018,000, and RMB242,000, respectively, details of which are included in note 5 to the financial statements.

16. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment cost	2,217,500	2,543,500	2,751,000	2,760,866
Share-based payment	147,581	238,507	358,430	450,110
Less: Impairment of investment in subsidiaries	–	–	(1,000)	(1,000)
	2,365,081	2,782,007	3,108,430	3,209,976

17. INVENTORIES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	62,290	71,056	71,207	95,528
Finished goods	3,664	2,758	6,259	5,611
Dispatched goods	459,888	552,397	630,512	584,918
Contract costs	162,781	302,161	257,539	282,333
	688,623	928,372	965,517	968,390

The inventories are net of write-down of approximately RMB106,262,000, RMB60,707,000, and RMB43,331,000 and RMB29,332,000 as at 31 December 2023, 2024, and 2025 and 30 June 2026, respectively.

18. DEFERRED TAX

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax assets

The Group

	Leases liabilities	Unrealized intra-group profit	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	12,808	–	12,808
Deferred tax (debited)/credited to profit or loss during the year	3,381	–	3,381
As at 31 December 2023 and 1 January 2024	16,189	–	16,189
Deferred tax (debited)/credited to profit or loss during the year	(2,643)	–	(2,643)
As at 31 December 2024 and 1 January 2025	13,546	–	13,546
Deferred tax (debited)/credited to profit or loss during the year	(1,211)	–	(1,211)
As at 31 December 2025 and 1 January 2026	12,335	–	12,335
Deferred tax (debited)/credited to profit or loss during the period	(750)	1,738	988
As at 30 June 2026	11,585	1,738	13,323

Deferred tax liabilities

The Group

	Right-of-use assets	Total
	RMB'000	*RMB'000*
As at 1 January 2023	12,808	12,808
Deferred tax (credited)/charged to profit or loss during the year	3,381	3,381
As at 31 December 2023 and 1 January 2024	16,189	16,189
Deferred tax (credited)/charged to profit or loss during the year	(2,643)	(2,643)
As at 31 December 2024 and 1 January 2025	13,546	13,546
Deferred tax (credited)/charged to profit or loss during the year	(1,211)	(1,211)
As at 31 December 2025 and 1 January 2026	12,335	12,335
Deferred tax (credited)/charged to profit or loss during the period	(750)	(750)
As at 30 June 2026	11,585	11,585

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	–	–	–	1,738
Net deferred tax liabilities recognised in the consolidated statement of financial position	–	–	–	–

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	1,991,562	2,588,314	3,197,083	3,441,179
Deductible temporary differences	336,699	408,280	423,534	504,454
	2,328,261	2,996,594	3,620,617	3,945,633

The Group has accumulated tax losses in Chinese Mainland of RMB1,657,017,000, RMB2,122,511,000, and RMB2,724,489,000 and RMB2,908,750,000 in aggregate as at 31 December 2023, 2024, and 2025 and 30 June 2026, respectively, which are available to offset against future taxable profits of the companies in which the losses were incurred within the next one to ten years.

The Group also has accumulated tax losses in Hong Kong, the United States, the Netherlands, the United Kingdom, Australia and Singapore of RMB299,955,000, RMB400,356,000, and RMB418,869,000 and RMB466,689,000 in aggregate as at 31 December 2023, 2024, and 2025 and 30 June 2026, respectively, that can be carried forward indefinitely to offset against future taxable profits of the companies in which losses were incurred.

The Group's accumulated tax losses in Japan of RMB24,261,000, RMB53,977,000, and RMB32,612,000 and RMB43,568,000 as at 31 December 2023, 2024, and 2025 and 30 June 2026, respectively. These losses are available to offset against future taxable profits of the companies in which the losses were incurred within the next one to ten years.

The Group's accumulated tax losses in Korea of RMB10,329,000, RMB11,470,000, and RMB21,113,000 and RMB22,172,000 as at 31 December 2023, 2024, and 2025 and 30 June 2026, respectively. These losses are available to offset against future taxable profits of the companies in which the losses were incurred within the next one to fifteen years.

Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

19. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	156,081	211,885	280,846	302,220
Less: Impairment of trade receivables	(4,143)	(5,616)	(12,216)	(13,303)
Trade receivables, net*	151,938	206,269	268,630	288,917
Bills receivable	5,564	3,344	533	1,263
	157,502	209,613	269,163	290,180
Analysed into:				
Current portion	147,274	202,682	264,993	286,568
Non-current portion	10,228	6,931	4,170	3,612
	157,502	209,613	269,163	290,180

* Bills receivable are subject to impairment under the general approach and the impairment is considered to be minimal.

The Group's trading terms with its customers are mainly on credit. The settlement is generally made in accordance with the terms specified in the sales contracts. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the revenue recognition date and net of loss allowance, is as follows:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	146,404	186,539	246,276	263,535
1 to 2 years	5,448	18,631	13,186	15,903
2 to 3 years	86	1,099	9,168	9,479
	151,938	206,269	268,630	288,917

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	197	4,143	5,616	12,216
Impairment losses, net	3,946	1,474	6,600	1,087
At end of year/period	4,143	5,616	12,216	13,303

An impairment analysis is performed at each reporting date.

For trade receivables that do not contain a significant financing component, the Group applies the simplified approach and assess the expected credit losses on an individual or portfolio basis by using a provision matrix to measure expected credit losses. Considering the credit risk characteristics of different customers, the Group assesses the expected credit losses of trade receivables with shared risk characteristics based on their ageing portfolio, adjusted as appropriate to reflect current and forward-looking information. The ageing profile is determined based on the revenue recognition date.

For trade receivables that contain significant financing components, the Group applies the general approach. As of the end of Relevant Periods, the balances of trade receivables that contain significant financing components were RMB18,540,000, RMB12,482,000 and RMB7,260,000 and RMB6,302,000, respectively, which are at stage 1 and the impairment is considered to be minimal.

Set out below is the information about the credit risk exposure on the Group's trade receivables that do not contain a significant financing component:

The Group

As at 31 December 2023

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Provision on an individual basis	1,072	100.00%	1,072
Provision on a collective basis:			
Within 1 year	132,798	1.68%	2,231
1 to 2 years	3,526	22.18%	782
2 to 3 years	144	40.28%	58
	137,540	3.01%	4,143

As at 31 December 2024

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Provision on an individual basis	1,124	100.00%	1,124
Provision on a collective basis:			
Within 1 year	184,228	1.22%	2,248
1 to 2 years	13,016	14.47%	1,883
2 to 3 years	992	32.06%	318
Over 3 years	43	100.00%	43
	199,403	2.82%	5,616

As at 31 December 2025

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Provision on an individual basis	3,657	100.00%	3,657
Provision on a collective basis:			
Within 1 year	250,485	1.68%	4,208
1 to 2 years	13,688	16.17%	2,213
2 to 3 years	5,616	35.57%	1,998
Over 3 years	140	100.00%	140
	273,586	4.47%	12,216

As at 30 June 2026

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Provision on an individual basis	2,837	100.00%	2,837
Provision on a collective basis:			
Within 1 year	268,092	1.70%	4,558
1 to 2 years	17,554	16.27%	2,856
2 to 3 years	6,823	35.77%	2,440
Over 3 years	612	100.00%	612
	295,918	4.50%	13,303

20. CONTRACT ASSETS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract assets arising from:				
Warranty retention receivables	44,977	68,708	91,004	97,035
Less: Impairment of contract assets	(756)	(838)	(1,493)	(1,650)
Net carrying amount	44,221	67,870	89,511	95,385
Analysed into:				
Current portion	24,623	38,188	45,998	55,712
Non-current portion	19,598	29,682	43,513	39,673

Contract assets are mainly generated from the contracts for ACR solutions. According to the contract term, a certain percentage of the contract amount represents the retention receivables which will be collected upon the completion of the warranty period. The retention receivables are recognised as contract assets when the solutions are accepted by the customer and are reclassified to trade receivables upon the completion of warranty period.

The movements in the loss allowance for impairment of contract assets are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	97	756	838	1,493
Impairment losses, net	659	82	655	157
At end of year/period	756	838	1,493	1,650

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Prepayments for property, plant and equipment	2,632	400	1,339	397
Rent deposit	4,013	6,708	3,748	10,689
Prepaid operating expenses	2,280	2,210	5,573	5,626
Current				
Other receivables and deposit	18,183	21,159	19,830	26,258
Due from related parties *(note 38)**	5,505	7,002	16,181	16,680
Export tax refund	4,113	6,186	6,528	6,385
Prepayments	35,286	25,524	20,516	61,604
Deferred [**REDACTED**]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Value-added tax recoverable	32,625	48,656	45,542	32,578
Prepaid operating expenses	4,541	15,993	5,792	3,593
Less: Impairment of other receivables and deposit	–	–	–	–
Impairment of Prepayments	–	–	(1,113)	(1,356)
	109,178	133,838	127,871	167,580

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Value-added tax recoverable	728	940	1,483	1,130
Prepayments	122	–	642	644
Deferred [**REDACTED**]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other receivables and deposits	12	2	182	306
Due from related parties *(note 38)**	3,965	5,462	16,181	16,680
Due from subsidiaries*	2,662	161	94,719	244,539
Less: Impairment of other receivables and deposit	–	–	–	–
	7,489	6,565	117,142	268,425

* The amounts due from subsidiaries and related parties are non-interest bearing and repayable on demand. The Company estimated that the expected loss rate for its other receivables due from subsidiaries and related parties is minimal.

Other receivables are unsecured, non-interest-bearing and are collectable within one year.

As at 31 December 2023, 2024, and 2025 and 30 June 2026, the impairment of other receivables and deposits was measured based on 12-month expected credit losses if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on lifetime expected credit losses. The Company estimated that the expected loss rate for its other receivables and deposits is minimal.

As at 31 December 2023, 2024, and 2025 and 30 June 2026, the impairment of prepayments was provided for prepayment made to certain suppliers which is past due and no delivery of required purchase items as expected, which the management do not expect the recovery of the prepayment and a full impairment for doubtful accounts was provided.

The Group has performed impairment review on prepayments for property, plant and equipment, the details of the impairment review please refer to Note 13.

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

Financial assets at fair value through profit or loss

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Structured bank deposits	30,822	40,231	–	140,338
	30,822	40,231	–	140,338

The Company

Financial assets at fair value through profit or loss

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Structured bank deposits	–	–	–	140,338
	–	–	–	140,338

The structured deposits and wealth management products issued by banks in Chinese Mainland are classified and measured at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

23. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	466,378	758,996	1,630,633	1,212,596
Time deposits	66,715	14,161	384,688	204,327
Restricted cash	150,758	183,987	192,028	241,064
	683,851	957,144	2,207,349	1,657,987
Less:				
Restricted cash*	(150,758)	(183,987)	(192,028)	(241,064)
Time deposits with original maturity over three months	(163)	(5,535)	–	–
Cash and cash equivalents	532,930	767,622	2,015,321	1,416,923
Denominated in:				
RMB	316,257	347,269	370,604	541,861
USD	121,022	175,698	1,326,736	684,949
EUR	42,726	143,577	223,952	112,158
JPY	37,091	46,584	44,046	39,588
KRW	7,234	23,004	14,823	26,186
SGD	5,725	7,684	18,909	4,881
GBP	1,106	10,577	5,047	1,885
AUD	1,451	6,029	9,929	5,272
HKD	318	7,200	1,275	143
	532,930	767,622	2,015,321	1,416,923

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted cash balances are deposited with creditworthy banks with no recent history of default.

* As at 31 December 2023, 2024, and 2025 and 30 June 2026, the restricted cash was mainly restricted as deposit for issuance of bank acceptance bills and guarantee letters.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	23,748	77,575	850,907	622,088
Time deposits	–	–	211,166	204,327
Restricted cash	–	954	–	–
	23,748	78,529	1,062,073	826,415
Less:				
Restricted cash	–	(954)	–	–
Cash and cash equivalents	23,748	77,575	1,062,073	826,415

24. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank acceptance bills	8,583	3,446	3,284	729
Certificate deposits	47,072	–	–	–
	55,655	3,446	3,284	729

The above bank acceptance bills and certificate deposits are issued by reputable banks in Chinese Mainland. They are classified and measured at fair value through other comprehensive income as they are held within a business model with the objective of both collecting contractual cash flows and selling. The fair value as at the end of each of the Relevant Periods approximates to the carrying value due to the short maturity. Bank acceptance bills and certificate deposits are subject to impairment under the general approach and the impairment is considered to be minimal.

25. TRADE AND BILLS PAYABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills payable	422,882	315,741	515,127	419,308
Trade payables	226,782	530,788	518,947	571,166
Trade and bills payables	649,664	846,529	1,034,074	990,474

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	645,646	841,020	1,028,974	987,049
Over 1 year	4,018	5,509	5,100	3,425
	649,664	846,529	1,034,074	990,474

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	186	236	233	46
	186	236	233	46

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	186	236	233	46

The trade payables are non-interest-bearing and are normally settled within a period of 3 months, which is extendable to a longer period.

26. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Payable to a third party*	–	1,225	–	–
Lease compensation payable	4,384	2,207	–	–
Payable for non-current assets**	–	–	48,446	47,713
Current				
Other payables***	4,064	9,184	61,907	22,125

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
[**REDACTED**] payable	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Transaction cost for issuance of shares with redemption liabilities	–	–	19,270	–
Payroll payables	111,086	113,410	158,744	100,203
Other tax payables	11,595	34,122	15,302	40,238
Payable to a third party*	–	3,056	1,986	371
Lease compensation payable	–	2,385	3,114	3,156
Payable for non-current assets**	–	–	3,005	3,030
Liabilities arising from endorsed bills to suppliers that are not derecognised	1,447	931	247	1,192
Output value added tax to be transferred	34,321	61,417	83,638	68,829
	166,897	227,937	414,345	294,244

* The Group has received funds from a third party in the form of loans from 20 December 2024 to 20 December 2026. The amount relates to a sale and repurchase arrangement for certain inventories, with an annual interest rate of 4.77%, and no mortgage or guarantee arrangements.

** This amount represents the consideration payable for the construction of the new factory building, detail is included in Note 13 to the Historical Financial Information.

*** Other payable as at 31 December 2025 includes deposits received from suppliers as bidding security for a project, the deposit was released to suppliers subsequently upon the completion of the bidding process.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other payables	445	1,930	17,986	729
[**REDACTED**] payable	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Transaction cost payable for issuance of shares with redemption liabilities	–	–	19,270	–
Payroll payables	428	59	8,799	6,130
Other tax payables	2	39	260	3
Due to subsidiaries	–	30,000	–	–
	875	32,028	65,001	14,249

27. INTEREST-BEARING BANK LOANS

The Group

	At 31 December									At 30 June****		
	2023			2024			2025			2026		
	Effective interest rate (%)	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*
Current												
Bank loans – secured*	3.00-3.50	2024	9,009	3.00-3.80	2025	47,118	3.00-3.80	2026	26,000	–		–

	At 31 December									At 30 June****		
	2023			2024			2025			2026		
	Effective interest rate (%)	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*
Bank loans – unsecured**	1.11-1.68	2024	1,457	1.11-1.68	2025	2,004	1.11-1.68	2026	2,720	–		–
Current portion of long-term bank loans – secured***	–		–	–		42,657	–		41,775	–		–
Subtotal	–		10,466	–		91,779	–		70,495	–		–
Non-current												
Bank loans – secured***	–		–	3.80	2026	19,186	3.10-3.50	2028	17,705	–		–
Subtotal	–		–	–		19,186	–		17,705	–		–
Total	–		10,466	–		110,965	–		88,200	–		–

* The loan was guaranteed by the Company and Mr. Chen Yuqi, Mr. Fang Bing, Mr. Xu Shengdong, Hai Robotics Innovation Group Co., Ltd.. As at 31 December 2023, 2024, and 2025 (note 38).

** Bank loans – unsecured represent bill receivables discounted at the bank and these bill receivables are unmatured as at 31 December 2023, 2024, and 2025.

*** The loan was guaranteed by the Company, Mr. Chen Yuqi, Mr. Fang Bing and Mr. Xu Shengdong as at 31 December 2023, 2024, and 2025 (note 38).

**** As of 30 June 2026, the company has repaid all its loans in full.

28. CONTRACT LIABILITIES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed for reporting purposes as:				
Current liabilities	488,878	813,309	1,031,479	1,038,122
Non-current liabilities	100,742	134,738	72,063	88,860
	589,620	948,047	1,103,542	1,126,982

Contract liabilities primarily consist of advance payments received under sales contracts, representing the obligations to transfer ACR solutions to customers in the future. The increase in contract liabilities was mainly due to the expansion of business scale.

29. DEFERRED INCOME

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants	1,500	750	–	1,600
At beginning of year/period	2,000	1,500	750	–
Additions	–	–	–	1,600
Released to profit or loss during the year/period	(500)	(750)	(750)	–
At end of year/period	1,500	750	–	1,600

The Group has received certain government grants related to assets and income. Certain of the grants related to assets and income have future related costs expected to be incurred and require the Group to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions. The grants related to assets were recognised in profit or loss over the useful lives of the relevant assets.

30. PROVISIONS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Product warranty provision	30,512	56,706	78,437	88,300
Non-current				
Product warranty provision	10,694	17,433	24,319	26,231
	41,206	74,139	102,756	114,531

(a) The Group generally provides warranties to its customers on certain of its products for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales amount and past experience of the level of repairs. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

	Product warranty provision
	RMB'000
At 1 January 2023	17,850
Additional provision	45,450
Amounts utilised during the year	(22,094)
At 31 December 2023	41,206
At 1 January 2024	41,206
Additional provision	85,293
Amounts utilised during the year	(52,360)
At 31 December 2024	74,139
At 1 January 2025	74,139
Additional provision	109,011
Amounts utilised during the year	(80,394)
At 31 December 2025	102,756

	Product warranty provision
	RMB'000
At 1 January 2026	102,756
Additional provision	57,563
Amounts utilised during the period	(45,788)
At 30 June 2026	114,531

31. REDEMPTION LIABILITIES AND DERIVATIVE LIABILITIES

The Company has completed several rounds of financing and received capital contributions with special rights ("Special Rights"), among which Series Angel, Series Pre-A, Series A, Series Pre-B, Series B, Series C, Series D, and Series D+ with an aggregate principal amount of RMB2,259,346,000 were issued prior to the beginning of the Relevant Periods. Series E and Series E+ with an aggregate amount of RMB352,780,000 (note 32) were issued during the year ended 31 December 2024. Series E+, Series E++, Series E+++ and Series Pre-[**REDACTED**] with an aggregate amount of RMB1,327,399,000 (note 32) were issued during the year ended 31 December 2025. Series Pre-[**REDACTED**]+ with an aggregate amount of RMB99,409,000 (note 32) were issued during the six months ended 30 June 2026. The equity holders of the above series of shares with Special Rights ("Series Shares") are collectively referred to as the Redemption Liability Investors.

The key terms of the Special Rights are summarized as follows:

Redemption rights

Upon occurrence of any triggering events, including but not limited to: (i) the Company's failure to achieve a qualified [**REDACTED**] or a complete sale prior to 15 March 2029 or such other date approved by the shareholders' meeting, (ii) any material breach by the group companies or the Company's major shareholders of their representations, warranties and covenants, (iii) the Company or any of its subsidiaries is involved in a material legal dispute, which impact the Company as a whole to continue operating its core business or prevents the Company from continuing to develop new core products as a whole, (iv) the founder, Mr. Chen, resigns from the Company or no longer substantially holds a key position within the Company and any shareholder requests for repurchase of shares, the Redemption Liability Investors have the right to exercise the redemption right. The redemption price is the original investment amount paid by the Redemption Liability Investors for the redemption liabilities they requested to repurchase, plus the interest accrued on the original investment amount at the annual simple or compound interest rate of 8% calculated from the payment date of the original investment amount to the date on which the redemption price is fully paid, plus the declared but unpaid dividends.

Liquidation preferences

In the event of (i) the Company merging with or being acquired by another entity, and the Company's shareholders do not retain a controlling interest in the newly formed or surviving entity, or other transactions resulting in a change of control of the Company, such as integrations, mergers, or equity transfers; (ii) sale, lease or transfer of all or substantially all assets of the Company; (iii) sale, lease, exclusive transfer, or exclusive licensing of all or substantially all of the Company's key intangible assets, or the external licensing of all or substantially all of the Company's intangible assets; or (iv) bankruptcy or liquidation, of the company, the Redemption Liability Investors could receive liquidation preference amounts equal to the original investment amount paid by the Redemption Liability Investors, plus the interest accrued on the original investment amount at the annual simple or compound interest rate of 8% calculated from the actual payment date of the original investment amount to the date on which the liquidation preference amount is fully paid, plus the declared but unpaid dividends.

Anti-dilution rights

If the Company increases its capital, other than for the purpose of implementing the employee incentive plan, at the price lower than the unit price of the original investment paid by the Redemption Liability Investors, the Redemption Liability Investors' effective shareholding of the Company of the Redemption Liabilities' Investors is adjusted in accordance with a pre-determined formula to the extent that the effective shareholding percentage is consistent before and after the Company's capital increase, through the Company's issuance of equity interests to the Redemption Liability Investors at the lowest price permitted by laws.

According to the supplemental agreement dated 9 February 2026, the relevant redemption rights shall automatically terminate immediately prior to the submission of [**REDACTED**] materials by the Company to a stock exchange (including but not limited to the Hong Kong Stock Exchange). Such clauses shall have no legal effect on the relevant parties, and the parties shall no longer enjoy any rights or bear any obligations under such clauses. Notwithstanding the foregoing provisions, if (i) the Company voluntarily withdraws its [**REDACTED**], or (ii) the Hong Kong Stock Exchange, the Securities and Futures Commission of Hong Kong and/or the China Securities

Regulatory Commission explicitly rejects the Company's [**REDACTED**], or (iii) the Company fails to complete [**REDACTED**] and [**REDACTED**] within 18 months from the date of first submission of [**REDACTED**] materials, then the rights terminated shall automatically be reinstated and deemed never to have been terminated as of the day following the occurrence of the earlier of the aforementioned events.

Accounting implications of key features of the redemption liabilities

Considering that the redemption rights constitute the Company's obligations to repurchase its own equity instruments, such instruments are classified as financial liabilities, i.e., the redemption liabilities, which are initially measured at fair value, representing the present value of the expected cash flows for settling the related obligations if such preferred rights are exercised, and subsequently measured at amortised cost.

Redemption liabilities on Series Shares as at 31 December 2023, 2024 and 2025 and 30 June 2026 were classified as current liabilities as the Company did not have the right at the end of the relevant periods to defer settlement of the liabilities for at least twelve months after the relevant periods.

The anti-dilution right was accounted for as a derivative liability measured at fair value through profit or loss. The fair value of the derivative liability will consider the possibility, of triggering event (which is under the Company's control) and the value of shares to be issue if triggered. During the year of 2022, the Group recognised a fair value loss of RMB37,689,000 on the derivative liability arising from the anti-dilution right of certain investors. In January 2023, the Company entered into a supplementary agreement with the Redemption Liabilities' Investors to the issuance of 37,536 shares at no cost consideration to certain investors and the related derivative liabilities at the time of the anti-dilution right being triggered with an amount of RMB37,689,000 were derecognised.

In April 2024, the anti-dilution clause was triggered again, and certain investors exercised their anti-dilution right, the Company entered into a supplementary agreement with Redemption Liabilities' Investors to the issuance of 389,611 shares at no consideration, the Group recognised a fair value loss of RMB333,080,000 on the derivative liability arising from the anti-dilution right in 2024 at the time of the anti-dilution right being triggered and upon the issuance of 389,611 shares at no cost consideration.

The movements of the redemption liabilities during the Relevant Periods are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	2,639,772	2,885,689	3,511,775	5,071,347
New redemption liabilities	–	352,780	1,327,399	99,409
Interest on redemption liabilities	211,160	239,717	293,931	197,587
Exchange realignment	34,757	33,589	(61,758)	(114,633)
At end of year/period	2,885,689	3,511,775	5,071,347	5,253,710

The movements of the derivative liabilities during the Relevant Periods are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	37,689	–	–	–
Fair value change recognised	–	333,080	–	–
Settlement with issuance of shares at no cost consideration	(37,689)	(333,080)	–	–
At end of year/period	–	–	–	–

32. SHARE CAPITAL/PAID-IN CAPITAL

The Group and the Company

Paid-in capital

	RMB'000
As at 1 January 2023	2,982
Settlement of the derivative liabilities for anti-dilution right*	38
As at 31 December 2023	3,020
As at 1 January 2024	3,020
Settlement of the derivative liabilities for anti-dilution right**	390
Capital contribution by shareholders***	191
As at 31 December 2024	3,601
As at 1 January 2025	3,601
Capital contribution by shareholders****	1,412
Conversion into a joint stock company*****	(5,013)
As at 31 December 2025	–

* During the year ended 31 December 2023, the Company issued 37,536 new shares to particular shareholders to settle the derivative liabilities for anti-dilution right, details are set out in note 31 to the Historical Financial Information.

** During the year ended 31 December 2024, the Company issued 389,611 new shares to particular shareholders to settle the derivative liabilities for anti-dilution right, details are set out in note 31 to the Historical Financial Information.

*** During the year ended 31 December 2024, the Company received capital contribution of RMB352,780,000 from Series E and Series E+ investors. The capital contribution increased the paid-in capital and capital reserve by RMB191,000 and RMB352,589,000, respectively.

**** During the year ended 31 December 2025, the Company received capital contribution of RMB266,404,000 from Series E+, Series E++ and Series E+++ investors, which increased the paid-in capital and capital reserve by RMB144,000 and RMB266,260,000, respectively.

During the year ended 31 December 2025, the Company received capital contribution of RMB1,268,000 from the Controlling Shareholders to make payment on the register capital, which increased the paid-in capital by RMB1,268,000.

***** During the year ended 31 December 2025, the Company converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as of the conversion base date, including the paid-in capital, capital reserves and retained profits, were converted into 25,063,790 ordinary shares of RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserve.

Share capital

	Number of shares in issue	Share Capital
		RMB'000
As at 1 January 2025	–	–
Issue of ordinary shares upon conversion into a joint stock company of RMB1 each	25,063,790	25,064

	Number of shares in issue	Share Capital
		RMB'000
Issue of shares with redemption rights*	2,855,712	2,856
As at 31 December 2025	27,919,502	27,920
Transfer from capital reserve to share capital***	23,519,661	23,520
Issue of shares with redemption rights**	236,606	236
As at 30 June 2026	51,675,769	51,676

* In December 2025, the Company received capital contribution of RMB1,060,995,000 from one investors, which increased the share capital and capital reserve by RMB2,856,000 and RMB1,058,139,000, respectively.

** During the six months ended 2026, the Company received capital contribution of RMB99,409,000 from four investors, which increased the share capital and capital reserve by RMB236,000 and RMB99,173,000, respectively.

*** On 15 January 2026, the general meeting of the Company approved an equity adjustment arrangement, pursuant to the arrangement, the Company's capital reserve of RMB23,519,661 was converted into 23,519,661 ordinary shares, which were allocated to certain shareholders other than Hairou Weizheng in proportion to their respective shareholding interests.

33. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(i) Capital reserve

The capital reserve of the Group represents i) the difference between the value of the paid-up capital and the consideration received; ii) the capital reserve transferred from share award reserve upon exercise of share-options; iii) reserve arising from acquisition of additional interest in a subsidiary; iv) reserve arising from settlement of liabilities assumed in respect of Anti-dilution right with Pre-[**REDACTED**] investors, which represents the difference between the fair value of the derivative liabilities of the anti-dilution right and the value of paid-up capital, detail of which were set out in note 31 to the Historical Financial Information.

(ii) Share-based payment reserve

The share-based payment reserve of the Group represents the share-based compensation reserve arising from equity-settled share-based payment transactions, details of which were set out in note 34 to the Historical Financial Information.

(iii) Exchange fluctuation reserve

The exchange fluctuation reserve of the Group represents exchange differences arising from the translation of financial statements of foreign operations.

(iv) Other reserve

The initial recognition of the redemption right liability from reserves with the carrying amounts of the considerations received from Series Angel, Series Pre-A, Series A, Series Pre-B, Series B, Series C, Series D, Series D+, Series E, Series E+, Series E++, Series E+++ and Pre-[**REDACTED**] investors, investments with redemption features is stipulated in note 31 to the Historical Financial Information.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

	Capital reserve	Share-based payment reserve	Other reserve	Accumulated loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	2,260,414	101,087	(2,259,347)	(450,688)	(348,534)
Loss for the year	–	–	–	(255,280)	(255,280)
Total comprehensive loss for the year	–	–	–	(255,280)	(255,280)
Share-based payments *(note 34)*	–	72,358	–	–	72,358
Exercise of share options *(note 34)*	3,437	(3,079)	–	–	358
Settlement of the derivative liabilities for anti-dilution right *(note 31)*	37,651	–	–	–	37,651
At 31 December 2023	2,301,502	170,366	(2,259,347)	(705,968)	(493,447)
At 1 January 2024	2,301,502	170,366	(2,259,347)	(705,968)	(493,447)
Loss for the year	–	–	–	(611,992)	(611,992)
Total comprehensive loss for the year	–	–	–	(611,992)	(611,992)
Capital contribution by shareholders	352,589	–	–	–	352,589
Settlement of the derivative liabilities for anti-dilution right *(note 31)*	332,690	–	–	–	332,690
Share-based payments *(note 34)*	–	92,404	–	–	92,404
Recognition of redemption liabilities *(note 31)*	–	–	(352,780)	–	(352,780)
At 31 December 2024	2,986,781	262,770	(2,612,127)	(1,317,960)	(680,536)
At 1 January 2025	2,986,781	262,770	(2,612,127)	(1,317,960)	(680,536)
Loss for the year	–	–	–	(293,289)	(293,289)
Total comprehensive income for the year	–	–	–	(293,289)	(293,289)
Capital contribution by shareholders	1,323,484	–	–	–	1,323,484
Share-based payments *(note 34)*	–	120,936	–	–	120,936
Recognition of redemption liabilities *(note 31)*	–	–	(1,327,399)	–	(1,327,399)
Conversion into a joint stock company	(40,212)	–	–	20,161	(20,051)
At 31 December 2025	4,270,053	383,706	(3,939,526)	(1,591,088)	(876,855)
At 1 January 2026	4,270,053	383,706	(3,939,526)	(1,591,088)	(876,855)

	Capital reserve	Share-based payment reserve	Other reserve	Accumulated loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Loss for the period	–	–	–	(88,894)	(88,894)
Total comprehensive income for the period	–	–	–	(88,894)	(88,894)
Capital contribution by shareholders	99,173	–	–	–	99,173
Share-based payments *(note 34)*	–	98,775	–	–	98,775
Exercise of share options	209,768	(193,433)	–	–	16,335
Recognition of redemption liabilities *(note 31)*	–	–	(99,409)	–	(99,409)
Transfer from capital reserve to share capital	(23,520)	–	–	–	(23,520)
At 30 June 2026	4,555,474	289,048	(4,038,935)	(1,679,982)	(874,395)

34. SHARE-BASED PAYMENTS

Pursuant to a written shareholders' resolution of the Company passed in 2020, an Employee Incentive Plan has been approved for the purpose of providing incentives to eligible participants who contribute to the success of the Group's growth and development. Eligible participants will be granted the right to subscribe for the limited partnership interests on the employee shareholding platform. Hairou Weizheng was established and designated as the share incentive platform. The Group has no control over Hairou Weizheng.

During the Relevant Periods, the Group granted 102,584,108 share options, 160,582,565 share options, 284,879,400 share options and 47,325,452 share options respectively to its employees, directors and senior management at weighted average exercise prices of RMB0.27, RMB0.19, RMB0.19 and RMB0.08 per share options (1,000 share options equal to RMB1 paid-in capital, and equal to 10 share capital after the conversion into a joint stock company and capital reserve adjustment, or equal to 100 share capital after [**REDACTED**]) respectively. Certain tranches of share options granted shall be subject to both a performance-based condition and a service-based condition, and certain tranches of share options granted are exercisable immediately when granted. The share options become exercisable in several tranches commencing from the grant date, the exercise period of each tranche of share option is from the vesting date to the 15th anniversary of the date of grant.

The vesting period and performance-based condition of the options under the Employee Incentive Plan are categorised into the following types:

Type A

The share option of Type A is subject to a vesting schedule of four years pursuant to which 25% of the shares options shall become vested and exercisable at the end of Year 1 to Year 4 upon the fulfilment of the condition of latest annual performance appraisal result is B or above at vesting date of each respective year.

Type B

The share options of Type B is subject to a vesting schedule of three years pursuant to which 25% of the share options shall become vested and exercisable at the date of grant, and the second to fourth 25% of the share options shall become vested and exercisable at the end of Year 1 to Year 3 upon the fulfilment of condition of latest annual performance appraisal result is B or above on vesting date of each respective year.

Type C

The share options of Type C is subject to a vesting schedule of five years pursuant to which 16.6% of the share options should become vested and exercisable at the date of grant, and the second to sixth 16.6% of the share options shall become vested and exercisable at the end of Year 1 to Year 5, upon the fulfilment of condition of latest annual performance appraisal result is B or above on vesting date of each respective year.

Type D

The share options of Type D are vested and exercisable from the date of grant without performance or service conditions.

Type E

Type E has two subtypes. The first type is subject to a vesting schedule over three years starting from April 1st of each respective year (from 2026 onward), pursuant to which 10% of the share options shall become vested and exercisable on April 1st of the first year, 20% on April 1st of the second year, and the remaining 70% on April 1st of the third year, based on the respective start date, upon the fulfilment of condition of latest annual performance appraisal result is B or above on vesting date of each respective year. The second type is subject to a graduated vesting schedule of four years starting from April 1st of each respective year (from 2026 onward), pursuant to which 25% of the share options shall become vested and exercisable annually on each April 1st, with equal portions vesting each year, upon the fulfilment of condition of latest annual performance appraisal result is B or above on vesting date of each respective year.

Type F

The share options of Type F are vested and exercisable 50% on the day of successful [**REDACTED**], and the remaining 50% vest and become exercisable after one year of successful [**REDACTED**].

Modification to the Employee Incentive Plan

On January 2026, to align with the approval of the equity adjustment arrangement, the Company passed a shareholders' resolution to modify multiple conditions included in the Employee Incentive Plan. The Modification includes:

(i) 19,714,000 share options granted with vesting conditions became immediately vested and no longer subject to any vesting condition going forward upon the modification, the Group has accounted for the amendment as a modification to the Share Incentive Scheme, share-based payment expenses not yet recognised of these modified share options were recognised immediately on the modification date;

(ii) Settlement obligation of 463,635,000 share options when they became exercisable is changed from Hairou Weizheng to the Company, upon the modification, the Company is obligated to [**REDACTED**] and [**REDACTED**] of new H shares to above incentive participants when their granted share options became exercisable, which is generally the later of Company's successful [**REDACTED**] and the exercising date of the share options. While the vesting conditions for these 463,635,000 share options remain unchanged, the eligible exercise period has been modified. Pursuant to this amendment, the

options will become exercisable in tranches at multiple intervals following the Company's [**REDACTED**]: (i) one year, (ii) two years, (iii) three years, (iv) four years, and (v) five years after the [**REDACTED**]. Each exercise window spans a duration of 48 months. This modification does not result in any incremental fair value.

Details of the options granted under the during the Relevant Periods are as follows:

Grant during the year/six months of	Number of share units	Exercise price	Vesting period defined
		RMB per share	
2023	586,316	0.19	Type A
2023	33,507,710	0.27	Type A
2023	400,000	0.19	Type B
2023	31,370,000	0.27	Type B
2023	20,490,082	0.27	Type C
2023	16,230,000	0.27	Type D
	102,584,108		
2024	49,151,052	0.19	Type A
2024	20,000	0.27	Type A
2024	74,387,388	0.27	Type B
2024	50,000	0.19	Type B
2024	10,249,000	0.19	Type C
2024	21,225,125	0.00	Type D
2024	5,500,000	0.19	Type D
	160,582,565		
2025	91,960,000	0.19	Type A
2025	50,435,000	0.19	Type B
2025	14,130,400	0.19	Type C
2025	36,884,000	0.19	Type D
2025	91,470,000	0.19	Type E
	284,879,400		
2026	14,830,000	0.19	Type A
2026	2,863,166	0.19	Type B
2026	800,000	0.19	Type C
2026	26,332,286	0.00	Type D
2026	2,500,000	0.19	Type F
	47,325,452		

The fair values of the share option granted were estimated as at the grant date by using the discounted cash flow method or backsolve method based on the option pricing model by external valuer. The following table lists the key inputs to the fair value model used:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
Risk-free interest rate	2.67%-2.80%	2.08%-2.41%	1.95%-2.11%	1.66%-1.86%
Volatility	43.58%-45.06%	46.89%-48.28%	49.01%-49.18%	46.93%-48.45%
Dividend yield	0%	0%	0%	0%

The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

The share options granted and outstanding during the Relevant Periods are as follows:

	Weighted average exercise price	Number of share units
	RMB per share	
At 1 January 2023	0.09	468,136,997
Granted during the year	0.27	102,584,108
Forfeited during the year	0.23	(37,103,458)
Exercised during the year	0.15	(4,233,639)
At 31 December 2023	0.11	529,384,008
At 1 January 2024	0.11	529,384,008
Granted during the year	0.18	160,582,565
Forfeited during the year	0.23	(35,080,595)
At 31 December 2024	0.12	654,885,978
At 1 January 2025	0.12	654,885,978
Granted during the year	0.19	284,879,400
Forfeited during the year	0.21	(40,954,437)
At 31 December 2025	0.14	898,810,941
At 1 January 2026	0.14	898,810,941
Granted during the period	0.08	47,325,452
Forfeited during the period	0.17	(23,962,081)
Exercised during the period	0.27	(463,635,000)
At 30 June 2026	0.00	458,539,312

During the year ended 31 December 2023, Mr. Xu Shengdong, an executive director of the Company, acquired 4,233,639 vested share units from certain incentive participants under the Employee Incentive Plan. The difference between the fair value of the acquired share units and the consideration paid was accounted as share-based payments for the year ended 31 December 2023.

The fair value of the share options granted during the years ended 31 December 2023, 2024 and 2025 and Six months ended 30 June 2026 was RMB87,256,000, RMB141,191,000, and RMB311,977,000 and RMB60,659,000, and the Group recognised share option expenses of RMB72,358,000, RMB92,404,000, and RMB120,936,000 and RMB98,775,000, respectively.

35. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

In addition to the transactions detailed in note 42 to the Historical Financial Information, the Group had the following major non-cash transactions:

During the years ended 31 December 2023, 2024 and 2025 and Six months ended 30 June 2025 and 2026, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB92,406,000, RMB13,160,000, and RMB22,802,000 and RMB8,589,000, and RMB22,140,000, respectively, in respect of lease arrangements for buildings premises.

During the years ended 31 December 2023 and 2024, the Group settled the derivative liabilities for anti-dilution right of RMB37,689,000 and RMB333,080,000, respectively, by issuing of registered capital with no cost consideration, further details of which are set out in note 31 to the Historical Financial Information.

(b) Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest bearing bank loans	Lease liabilities	Other payables	Redemption liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	5,007	99,723	–	2,639,772	2,744,502
Changes from financing cash flow	5,073	(37,705)	–	–	(32,632)
Changes from non-cash transaction	–	46,148	4,267	–	50,415
Exchange realignment	–	–	–	34,757	34,757
Accretion of interest	386	4,707	117	211,160	216,370
At 31 December 2023 and 1 January 2024	10,466	112,873	4,384	2,885,689	3,013,412
Changes from financing cash flow	98,359	(32,879)	4,281	352,780	422,541
Changes from non-cash transaction	–	12,433	–	–	12,433
Exchange realignment	–	(171)	–	33,589	33,418
Accretion of interest	2,140	4,277	208	239,717	246,342
At 31 December 2024 and 1 January 2025	110,965	96,533	8,873	3,511,775	3,728,146
Changes from financing cash flow	(26,987)	(35,639)	(7,437)	1,327,399	1,257,336
Changes from non-cash transaction	–	15,763	25,406	–	41,169
Exchange realignment	–	171	–	(61,758)	(61,587)
Accretion of interest	4,222	3,588	412	293,931	302,153
At 31 December 2025 and 1 January 2026	88,200	80,416	27,254	5,071,347	5,267,217
Changes from financing cash flow	(88,985)	(17,809)	(22,991)	99,409	(30,376)
Changes from non-cash transaction	–	17,503	(1,003)	–	16,500
Exchange realignment	–	–	(779)	(114,633)	(115,412)
Accretion of interest	785	1,609	87	197,587	200,068
At 30 June 2026	–	81,719	2,568	5,253,710	5,337,997

(c) Total cash outflows for leases

The total cash outflows for leases included in the consolidated statements of cash flows are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Within operating activities	1,310	1,758	2,131	852	2,288
Within financing activities	37,705	32,879	35,639	14,010	17,809
	39,015	34,637	37,770	14,862	20,097

36. PLEDGE OF ASSETS

Details of the Group's restricted cash are included in note 23 to the Historical Financial Information.

37. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods.

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for:				
Purchase of items of property, plant and equipment	586	315,753	264,914	262,953
Purchase of items of land use rights	–	5,797	–	–
	586	321,550	264,914	262,953

38. RELATED PARTY TRANSACTIONS

The Directors are of the view that the following are related parties that have material transactions or balances with the Group during the Relevant Periods.

(a) Name and relationships of the related parties

Name	Relationship
Mr. Chen Yuqi	One of the controlling shareholders
Mr. Fang Bing	One of the controlling shareholders
Mr. Xu Shengdong	One of the controlling shareholders
Hairou Weizheng	One of the controlling shareholders

(b) Outstanding balances with related parties:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Hairou Weizheng				
Other receivables – Loans*	4,540	4,540	–	–
Other receivables – Exercise of share option**	965	2,462	16,181	16,680
	5,505	7,002	16,181	16,680

* The loans to Hairou Weizheng were non-trade in nature with no interest and were repayable on demand, which were fully settled in the year ended 31 December 2025.

** The balances represent the difference between the exercise price received by Hairou Weizheng on behalf of the Company from the incentive employees, and the balances were non-trade in nature and are expected to be fully repaid before the [**REDACTED**].

(c) Compensation of key management personnel of the Group

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	3,142	3,464	4,235	1,817	3,733
Performance related bonus	91	264	5,239	2,410	1,762
Pension scheme contributions	54	100	122	53	47
Equity-settled share-based payment expenses	7,546	12,852	11,890	7,676	41,181
	10,833	16,680	21,486	11,956	46,723

Further details of directors', supervisors' and the chief executive's remuneration are included in note 8 to the Historical Financial Information.

39. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods were as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through other comprehensive income:				
Bank acceptance bills	8,583	3,446	3,284	729
Certificate Deposits	47,072	–	–	–
	55,655	3,446	3,284	729
Financial assets at fair value through profit or loss:				
Structured deposits and Wealth management products	30,822	40,231	–	140,338
Financial assets at amortised cost:				
Trade and bills receivables	157,502	209,613	269,163	290,180
Financial assets included in deposits and other receivables	27,701	34,869	39,759	53,627
Restricted cash	150,758	183,987	192,028	241,064
Time deposits	163	5,535	–	–
Cash and cash equivalents	532,930	767,622	2,015,321	1,416,923
	869,054	1,201,626	2,516,271	2,001,794
Financial liabilities at amortised cost:				
Trade and bills payables	649,664	846,529	1,034,074	990,474
Financial liabilities included in other payables and accruals	9,895	18,988	156,661	84,974
Lease liabilities	112,873	96,533	80,416	81,719
Redemption liabilities	2,885,689	3,511,775	5,071,347	5,253,710
Interest-bearing bank loans	10,466	110,965	88,200	–
	3,668,587	4,584,790	6,430,698	6,410,877

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

All the carrying amounts of the Group's financial instruments approximate to their fair values due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods, the finance department analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation is reviewed and approved by the finance manager. The valuation process and results are discussed with the directors of the Company once a year for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the financial assets and financial liabilities at fair value through profit or loss have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

Fair value hierarchy

Financial assets

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss:				
Structured deposits	–	30,822	–	30,822
Financial assets at fair value through other comprehensive income:				
Debt investments at fair value through other comprehensive income – Bank acceptance bills	–	8,583	–	8,583

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss:				
Structured deposits	–	40,231	–	40,231
Financial assets at fair value through other comprehensive income:				
Debt investments at fair value through other comprehensive income – Bank acceptance bills	–	3,446	–	3,446

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss:				
Structured deposits	–	–	–	–
Financial assets at fair value through other comprehensive income:				
Debt investments at fair value through other comprehensive income – Bank acceptances bills	–	3,284	–	3,284

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss:				
Structured deposits	–	140,338	–	140,338
Financial assets at fair value through other comprehensive income:				
Debt investments at fair value through other comprehensive income – Bank acceptances bills	–	729	–	729

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, financial assets at fair value through profit or loss and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term borrowings. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group's policy is to maintain certain of its interest-bearing bank borrowings at floating interest rates. At 31 December 2024 and 31 December 2025, approximately 100% of the Group's long-term interest-bearing borrowings bore interest at floating rates. The Group currently does not enter into any hedging instrument for both of the fair value interest rate risk and cash flow interest rate risk.

Foreign currency risk

	Increase/(decrease) in foreign currency exchange rates	Increase/(decrease) in profit before tax	Increase/(Decrease) in equity
	%	*RMB'000*	*RMB'000*
Year ended 31 December 2023			
If RMB weakens against the USD	5	(740)	(740)
If RMB strengthens against the USD	5	740	740
If RMB weakens against the EUR	5	(155)	(155)
If RMB strengthens against the EUR	5	155	155
Year ended 31 December 2024			
If RMB weakens against the USD	5	(635)	(635)
If RMB strengthens against the USD	5	635	635
If RMB weakens against the EUR	5	(431)	(431)
If RMB strengthens against the EUR	5	431	431
Year ended 31 December 2025			
If RMB weakens against the USD	5	(53,966)	(53,966)
If RMB strengthens against the USD	5	53,966	53,966
If RMB weakens against the EUR	5	(535)	(535)
If RMB strengthens against the EUR	5	535	535
Six months ended 30 June 2026			
If RMB weakens against the USD	5	(21,789)	(21,789)
If RMB strengthens against the USD	5	21,789	21,789
If RMB weakens against the EUR	5	(151)	(151)
If RMB strengthens against the EUR	5	151	151

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

Credit risk

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, time deposits, restricted cash and financial assets included in prepayments, deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	–	–	–	137,541	137,541
Trade receivables with significant financing components	18,540	–	–	–	18,540
Bills receivable	5,564	–	–	–	5,564
Financial assets included in prepayments, deposits and other receivables – Normal*	27,700	–	–	–	27,700
Restricted cash	150,758	–	–	–	150,758
Time deposits	163	–	–	–	163
Cash and cash equivalents	532,930	–	–	–	532,930
	735,655	–	–	137,541	873,196

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	–	–	–	199,403	199,403
Trade receivables with significant financing components	12,482	–	–	–	12,482
Bills receivable	3,344	–	–	–	3,344
Financial assets included in prepayments, deposits and other receivables – Normal*	34,869	–	–	–	34,869
Restricted cash	183,987	–	–	–	183,987
Time deposits	5,535	–	–	–	5,535
Cash and cash equivalents	767,622	–	–	–	767,622
	1,007,839	–	–	199,403	1,207,242

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	–	–	–	273,586	273,586
Trade receivables with significant financing components	7,260	–	–	–	7,260
Bills receivable	533	–	–	–	533
Financial assets included in prepayments, deposits and other receivables – Normal*	39,759	–	–	–	39,759
Restricted cash	192,028	–	–	–	192,028
Cash and cash equivalents	2,015,321	–	–	–	2,015,321
	2,254,901	–	–	273,586	2,528,487

As at 30 June 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	–	–	–	295,918	295,918
Trade receivables with significant financing components	6,302	–	–	–	6,302
Bills receivable	1,263	–	–	–	1,263
Financial assets included in prepayments, deposits and other receivables – Normal*	53,628	–	–	–	53,628
Restricted cash	241,064	–	–	–	241,064
Cash and cash equivalents	1,416,923	–	–	–	1,416,923
	1,719,180	–	–	295,918	2,015,098

* The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations. The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

As at 31 December 2023

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	649,664	–	649,664
Financial liabilities included in other payables and accruals	5,511	4,820	10,331
Lease liabilities	34,516	93,884	128,400
Redemption liabilities	2,885,689	–	2,885,689
Interest-bearing bank loans	10,466	–	10,466
	3,585,846	98,704	3,684,550

As at 31 December 2024

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	846,529	–	846,529
Financial liabilities included in other payables and accruals	15,556	3,979	19,535
Lease liabilities	31,975	73,924	105,899
Redemption liabilities	3,511,775	–	3,511,775
Interest-bearing bank loans	91,779	19,186	110,965
	4,497,614	97,089	4,594,703

As at 31 December 2025

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	1,034,074	–	1,034,074
Financial liabilities included in other payables and accruals	110,077	53,193	163,270
Lease liabilities	25,741	70,608	96,349
Redemption liabilities	5,071,347	–	5,071,347
Interest-bearing bank loans	72,268	19,241	91,509
	6,313,507	143,042	6,456,549

As at 30 June 2026

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	990,474	–	990,474
Financial liabilities included in other payables and accruals	39,228	51,398	90,626
Lease liabilities	24,095	64,165	88,260
Redemption liabilities	5,253,710	–	5,253,710
Interest-bearing bank loans	–	–	–
	6,307,507	115,563	6,423,070

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The asset-liability ratios as at the end of each of the Relevant Periods are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total assets	1,934,538	2,470,975	3,823,124	3,492,453
Total liabilities	4,458,867	5,819,213	7,907,904	7,863,478
Asset-liability ratio*	230.5%	235.5%	206.8%	225.2%

* Asset-liability ratio is calculated by dividing total liabilities by total assets.

42. TRANSFERS OF FINANCIAL ASSETS

(a) Transferred financial assets that are not derecognised in their entirety

As at the end of each of the Relevant Periods, the Group endorsed certain bills receivable accepted by banks in Chinese Mainland (the "Endorsed Bills") with carrying amounts of RMB1,447,000, RMB931,000, RMB247,000 and RMB1,192,000 to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated payables are presented in other payables and accruals. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amounts of the trade payables settled by the Endorsed Bills during the year to which the suppliers have recourse were RMB4,130,000 RMB3,888,000, RMB2,343,000 and RMB1,787,000 as at the end of each of the Relevant Periods, respectively.

As at the end of each of the Relevant Periods, the Group discounted certain bills receivable accepted by banks in Chinese Mainland (the "Discounted Bills") with carrying amounts in aggregate of RMB1,456,000, RMB2,004,000, RMB2,720,000 and Nil, respectively, to banks (the "Bills Discount"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Discounted Bills and the associated bank borrowings. Subsequent to the Bills Discount, the Group did not retain any rights on the use of the Discounted Bills, including the sale, transfer or pledge of the Discounted Bills to another third parties. The aggregate carrying amount of bank borrowings attributable to the Discounted Bills was RMB10,380,000, RMB4,641,000, RMB11,395,000 and RMB10,517,000 as at the end of each of the Relevant Periods, respectively.

(b) Transferred financial assets that are derecognised in their entirety

As at the end of each of the Relevant Periods, the Group endorsed certain bills receivable accepted by banks in Chinese Mainland (the "Derecognised Bills") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amounts in aggregate of RMB2,761,000, RMB1,849,000, RMB9,313,000 and RMB11,112,000 respectively. The Derecognised Bills had a maturity of 1 to 6 months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise; the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "Continuing Involvement"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the Relevant Periods, the Group did not recognise any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

43. EVENTS AFTER THE REPORTING PERIOD

The Group did not have significant events after 30 June 2026 which may result in adjustments or additional disclosure to be made in the financial statements.

44. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period subsequent to 30 June 2026.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

This Appendix contains a summary of the principal provisions of the Articles of Association adopted in January 2026, which will become effective on the date on which the H Shares are [**REDACTED**] on the Stock Exchange. The main purpose of this Appendix is to provide potential [**REDACTED**] with an overview of the Articles of Association and it may not necessarily contain all information that is important to potential [**REDACTED**].

DIRECTORS AND THE BOARD OF DIRECTORS

Power to allot and issue Shares

The Articles of Association contain no provision to authorize the Board of Directors to allot or issue Shares. The Board of Directors shall prepare suggestions for Share allotment or issue, which are subject to approval by the Shareholders at the Shareholders' meeting in the form of a special resolution. Any such allotment or issue shall be in accordance with the procedures stipulated in applicable laws, administrative regulations and regulatory rules of the places where the Shares are [**REDACTED**].

Power to dispose assets of the Company or any subsidiary

The Board of Directors shall determine the authority for external investment, acquisition and disposal of assets, asset mortgage, external guarantees, entrusted wealth management and connected transactions, and establish rigorous review and decision-making procedures. Major investment projects shall be reviewed by relevant experts and professionals and reported to the Shareholders' meeting for approval.

Guarantees of loans to directors, supervisors or other management personnel

The Articles of Association contain no provision regarding the provision of loan guarantees to directors, supervisors, or other management personnel.

Provision of financial assistance for the purchase of shares in the company or any subsidiary

The Company and its subsidiaries (including affiliated companies of the Company) shall not provide financial assistance to others in the form of gifts, advances, loans, or otherwise for the purpose of acquiring shares of the Company or its parent company, except where the Company implements an employee stock ownership plan.

For the benefit of the Company, the Company may, upon a resolution by the Shareholders' meeting or by the Board of Directors under the Articles of Association or the authorization of the Shareholders' meeting, provide financial assistance to others for acquiring the shares of the Company or its parent company, provided that the total accumulative amount of the financial assistance shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be passed by two-thirds or more of all the Directors.

Any director, supervisor, or senior management personnel who violates the provisions of the preceding two paragraphs and causes losses to the company shall bear liability for compensation.

Disclosure of interests in contracts with the Company or any subsidiary

A director shall not enter into contracts or transactions with the Company, directly or indirectly, without reporting to the Board of Directors or the Shareholders' meeting and obtaining approval by a resolution passed by the Board of Directors or the Shareholders' meeting in accordance with the provisions of the Articles of Association.

Remuneration

The appointment and removal of the members of the Board of Directors, as well as their remuneration and payment methods, shall be adopted by the Shareholders' meeting by ordinary resolution.

Retirement, appointment, removal

The Board of Directors consists of 9 Directors, including three independent Directors.

The Board of Directors shall have one chairman, who shall be elected by more than half of all the Directors.

Directors shall be elected or changed by the Shareholders' meeting and may be removed by the Shareholders' meeting before the expiration of their term of office. The term of office of Directors shall be three-year and they may be re-elected upon expiration of their term.

The following persons shall not serve as our Directors:

(1) having no capacity for civil conduct or limited capacity for civil conduct;

(2) a person who has been sentenced to criminal punishment due to corruption, bribery, misappropriation of property, embezzlement of property or disruption of socialist market economy order and or has been deprived of political rights due to criminal offences and less than five years have elapsed since the expiration of the enforcement period; in case of a suspended sentence, less than two years have elapsed since the date of expiry of the probationary period;

(3) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvent liquidation of such company or enterprise;

(4) a person who served as the legal representative of a company or enterprise which has its business license revoked or is ordered to close down due to violation of the law and is personally liable, where less than three years have elapsed since the date of revocation of the business license of such company or enterprise;

(5) being listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of debts which has fall due;

(6) a person who is banned by the CSRC from access to the securities market, and the ban has not expired;

(7) a person who is determined by any stock exchange to be unsuitable to serve as a director, supervisor, or senior management personnel of a company, and the designated period has not yet expired;

(8) other circumstances as prescribed by laws, administrative regulations, departmental rules, or securities regulatory rules of the place where the Shares of the Compare are [**REDACTED**].

Borrowing powers

The Articles of Association contain no provisions regarding borrowing power.

Duties

The Directors shall abide by laws, administrative regulations and the Articles of Association, and shall have the following fiduciary duties to the Company:

(1) shall not embezzle the assets of the Company or misappropriate funds of the Company;

(2) shall not deposit the funds of the Company into accounts held in their own names or in the name of any other individual;

(3) shall not abuse their authority by accepting bribes or other illegal income;

(4) shall not entered any contracts or transactions with the Company, directly or indirectly, without reporting to Board of Directors or the Shareholders' meeting and obtaining approval by a resolution passed by the Board of Directors or the Shareholders' meeting in accordance with the provisions of the Articles of Association.

(5) shall not take advantage of their positions to pursue business opportunities for themselves or others that belong to the Company, except where such opportunities have been reported to the Board of Directors or Shareholders' meeting and approved by a resolution of the Shareholders' meeting, or where the Company is unable to utilize such business opportunities pursuant to laws, administrative regulations, or the Articles of Association.

(6) shall not engage in business operations similar to those of the Company, either for their own or on behalf of others, without reporting to the Board of Directors or the Shareholders' meeting and obtaining approval by a resolution passed by the Shareholders' meeting;

(7) shall not accept commissions paid by others for transactions conducted with the Company as their own;

(8) shall not disclose confidential information of the Company without authorization;

(9) shall not abuse their connected relationships to damage the interests of the Company;

(10) other fiduciary duties prescribed by laws, administrative regulations, departmental rules, securities regulatory rules of place where the Shares of the Company are [**REDACTED**], and the Articles of Association.

Any income obtained by the Director in violation of above provisions shall belong to the Company. If losses are caused to the Company because of such violation, such Director shall be liable for compensation.

Directors shall abide by laws, administrative regulations and the Articles of Association, and have the following duties of diligence to the Company:

(1) shall exercise the rights granted by the Company prudently, earnestly and diligently to ensure that the Company conducts its business activities in a manner that complies with the requirements of national laws, administrative regulations, and all relevant national economic policies, and that business activities of the Company do not exceed the scope of business activities specified in the business license;

(2) shall treat all Shareholders fairly;

(3) shall stay informed about the business operations and management of the Company in a timely manner;

(4) shall provide a written confirmation opinion on the periodic reports of the Company to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;

(5) shall provide accurate information and materials to the Supervisory Committee and shall not obstruct the Supervisory Committee or supervisors from performing its or their duties;

(6) shall perform other duties of diligence prescribed by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are [**REDACTED**], and the Articles of Association.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company may amend the Articles of Association in accordance with the provisions of the laws, administrative regulations and the Articles of Association.

Any amendments to the Articles of Association approved by the Shareholders' meeting that require approval from the competent authority shall be submitted to the competent authority for approval; where such amendments involve the registration of the Company, the registration of change shall be processed in accordance with the law.

VARIATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES

The Shares of the Company are issued in the form of registered shares and divided into Class A Ordinary Shares and Class B Ordinary Shares. Shareholders are only entitled to receive Shares when the Board of Directors resolves to issue them. Any share certificate representing Class B Ordinary Shares (if any) shall prominently display the cautionary statement "a company controlled through weighted voting rights."

The shares of the Company shall be issued under the principles of openness, fairness and impartiality, and each of the Shares of the same class shall carry the same rights. The terms and price of each Share of the same class issued in the same offering shall be the same. Any entity or individual subscribing to shares of the same class in the same offering shall pay the same price per share.

All Shareholders of the Company agree that only the following Shareholders hold Class A Ordinary Shares: Chen Yuqi, Fang Bing and Xu Shengdong. Other Shareholders of the Company hold Class B Ordinary Shares.

Except for the difference in voting rights as provided for in the Articles of Association, the Class A Shares and Class B Shares shall exactly carry the same rights. Shareholders holding Class A Shares shall exercise their rights in accordance with the applicable laws and regulations and the Articles of Association, and shall not abuse the special voting rights or use the special voting rights to harm the legitimate rights and interests of other shareholders.

The Company and holders of Class A Ordinary Shares shall not take any action (including the issue or repurchase of Shares of any class) that would result in:

(1) the aggregate number of votes entitled to be cast by all holders of Class B Ordinary Shares (for the avoidance of doubt, excluding those who are also holders of Class A Ordinary Shares and the Shares of the Company that have been repurchased but have not

been transferred or cancelled) present at a Shareholders' meeting to be less than 10% of the votes entitled to be cast by all Shareholders at a Shareholders' meeting (excluding the Shares of the Company that have been repurchased but have not been transferred or cancelled); or

(2) an increase in the proportion of Class A Ordinary Shares to the total number of Shares in issue.

No further Class A Ordinary Shares shall be allotted, issued or granted by the Company, except with the prior approval of the Stock Exchange and pursuant to:

(1) an offer made to all the Shareholders pro rata (apart from fractional entitlements) to their existing holdings;

(2) a pro rata issue of Shares to all the Shareholders by way of scrip dividends; or

(3) a stock split or other similar capital reorganization;

provided that, each Shareholder shall be entitled to subscribe for (in a pro rata offer) or be issued (in an issue of Shares by way of scrip dividends) Shares in the same class as the Shares then held by him, notwithstanding the provisions of this Article, and further provided that the proposed allotment or issuance will not result in an increase in the proportion of Class A Ordinary Shares in issue, so that:

(1) if, under a pro rata offer, any holder of Class A Ordinary Shares does not take up any part of the Class A Ordinary Shares or the rights thereto offered to them, such Shares (or rights) not taken up shall only be transferred to another person on the basis that such transferred rights will only entitle the transferee to an equivalent number of Class B Ordinary Shares; and

(2) to the extent that rights to Class B Ordinary Shares in a pro rata offer are not taken up in their entirety (including, but not limited to, where the pro rata offering is not fully [**REDACTED**]), the number of Class A Ordinary Shares that shall be allotted, issued or granted in such pro rata offer shall be reduced proportionately. Where necessary, the holders of Class A Ordinary Shares shall use their best endeavors to enable the Company to comply with this Article.

In the event the Company reduces (net of the Shares of the Company that have been repurchased but have not been transferred or cancelled) the number of Shares in issue (e.g. through a purchase of its own Shares), the holders of Class A Ordinary Shares shall reduce their weighted voting rights in the Company proportionately (for example through conversion of a proportion of their shareholding with those rights into Shares without those rights), if the reduction (net of the Shares of the Company that have been repurchased but have not been transferred or cancelled) in the number of Shares in issue would otherwise result in an increase in the proportion of Class A Ordinary Shares.

The Company shall not change the terms of the Class A Ordinary Shares to increase the weighted voting rights attached to that class. If the Company wishes to change the terms of the Class A Ordinary Shares to reduce those rights it may do so but shall, in addition to complying with any requirements under law, first obtain the prior approval of the Stock Exchange and, if approval is granted, shall announce the change.

Each Class A Ordinary Share is convertible into one Class B Ordinary Share at any time by the holder thereof, such right to be exercisable by the holder of the Class A Ordinary Share delivering a written notice to the Company that such holder elects to convert a specified number of

Class A Ordinary Shares into Class B Ordinary Shares. The conversion of Class A Shares into Class B Shares shall be processed in accordance with relevant laws and regulations, the Articles of Association, and the securities regulatory rules of the places where the Shares of the Company are [**REDACTED**].

Class A Ordinary Shares shall only be held by Chen Yuqi, Fang Bing and Xu Shengdong. Subject to the Listing Rules and other applicable laws or regulations, each Class A Ordinary Share shall be automatically converted into one Class B Ordinary Share upon the occurrence of any of the following events:

(1) the death of the holder of such Class A Share;

(2) the holder of such Class A Share ceasing to be a Director for any reason;

(3) the holder of such Class A Share being deemed by the Hong Kong Stock Exchange to be incapacitated for the purpose of performing their duties as a Director;

(4) the holder of such Class A Share being deemed by the Hong Kong Stock Exchange to no longer meet the requirements of a director set out in the Listing Rules; or

(5) the transfer to another person of the beneficial ownership of, or economic interest in such Class A Share or the Control over the voting rights attached to such Class A Share (through voting proxies or otherwise), other than (i) the grant of any lien, pledge, charge or other encumbrance over such Class A Share which does not result in the transfer of the legal title to or beneficial ownership of, or the voting rights attached to, such Class A Share, until it is transferred upon the enforcement of such lien, pledge, charge or other encumbrance, and (ii) the transfer of the legal ownership of such Class A Shares wholly owned and fully controlled by the founder to any founder holding company by the founder.

For the avoidance of doubt, a transfer shall be deemed to have took effected under this Article if the holder of Class A Ordinary Share enters into any arrangement or understanding with any person who is not the founder or a founder holding company wholly owned and fully controlled by the founder, to the extent that such arrangement or understanding would result in a transfer of weighted voting rights from such holder of Class A Shares to such person.

Any conversion of Class A Ordinary Shares into Class B Ordinary Shares shall take effect by a redesignation of Class A Shares to Class B Shares on a one to one ratio. Such conversion shall become effective forthwith upon entries being made in the register to record the re-designation of the relevant Class A Ordinary Shares as Class B Ordinary Shares. An issuer with a weighted voting rights structure shall seek prior approval from the Hong Kong Stock Exchange for the [**REDACTED**] of the shares to be issued upon conversion of shares with weighted voting rights.

All of the Class A Ordinary Shares in the authorized share capital of the Company shall be automatically re-designated into Class B Ordinary Shares in the event none of the holders of Class A Ordinary Shares at the time of [**REDACTED**] of the Shares of the Company on the Stock Exchange have beneficial ownership of Class A Ordinary Shares, and no further Class A Ordinary Shares shall be issued by the Company.

SPECIAL RESOLUTIONS

The resolutions of the Shareholders' meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution may be adopted by a simple majority of the votes held by the Shareholders (including proxies of Shareholders) attending the Shareholders' meeting.

A special resolution can be adopted by a two-thirds majority of the votes held by the Shareholders (including proxies of Shareholders) attending the Shareholders' meeting.

VOTING RIGHTS

Weighted voting rights shall be attached solely to Class A Shares and confer on Chen Yuqi, Fang Bing, and Xu Shengdong enhanced voting power on resolutions to be proposed at Shareholders' meetings. In all other respects, the rights attached to Class A Shares shall be otherwise be the same as those attached to Class B Shares. When holders of Class A Shares and Class B Shares vote on all resolutions proposed at the Shareholders' meetings, holders of Class A Shares shall be entitled to ten votes per share, while holders of Class B Shares shall be entitled to one vote per share. However, each Class A Share and Class B Share shall entitle its holder to one vote in respect of a resolution on any of the following maters:

(1) the election and change of Supervisors and members of the Audit Committee (where the Audit Committee exercises the functions and powers of the Supervisory Committee and the Company does not have a Supervisory Committee or Supervisors);

(2) any amendment to the Articles of Association, including the modification of the rights attached to any class of Shares;

(3) the appointment, election or removal of any independent Director;

(4) the appointment or removal of an accounting firm; or

(5) the voluntary winding-up of the Company.

Save and except for the rights and restrictions set out in the Articles of Association, the Class A Shares and the Class B Shares shall rank pari passu in all other respects and shall have the same rights and restrictions.

REQUIREMENTS FOR SHAREHOLDERS' MEETING

The Shareholders' meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within six months of the end of the previous financial year.

ACCOUNTS AND AUDIT

Financial and accounting policies

The Company shall develop its financial and accounting system in accordance with the laws, administrative regulations, and the rules stipulated by relevant authorities. Where the securities regulatory authority of the places where the Shares of the Company are [**REDACTED**] has other provisions, such provisions shall prevail.

The Company shall not keep accounts other than those provided by law. Funds of the Company shall not be deposited in an account opened in the name of any individual.

Appointment and dismissal of accountants

The Company shall employ an accounting firm that complies with the PRC Securities Law to conduct accounting statement audit, net asset verification and other related consulting services. The employment term shall be one year and subject to renewal.

The appointment of an accounting firm by the Company shall be resolved by the Shareholders' meeting and the Board of Directors shall not appoint any accounting firm without approval of the Shareholders' meeting.

NOTICE OF SHAREHOLDERS' MEETING AND AGENDA

The Company shall convene an extraordinary Shareholders' meeting within two months from the date of occurrence of any of the following events:

(1) when the number of Directors is less than the minimum number required by the Company Law or two-thirds of the number required by the Articles of Association;

(2) when the unrecovered losses of the Company amount to one-third of the total share capital;

(3) Shareholders, individually or jointly, holding 10% or more voting rights of the Company (on a one vote per share basis and, for the avoidance of doubt, the Company's shares that have been repurchased but have not been transferred or cancelled shall have no voting right), request to convene an extraordinary general meeting in writing;

(4) when deemed necessary by the Board of Directors;

(5) when proposed by the Supervisory Committee; and

(6) other circumstances stipulated by laws, administrative regulations, departmental rules, the Listing Rules or the Articles of Association.

Subject to the approval of a majority of all independent Directors, independent directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting. Upon receiving a proposal from independent Directors to convene an extraordinary general meeting, the Board of Directors shall, within 10 days upon receipt of such proposal, make a written response as to whether or not it agrees to convene an extraordinary general meeting in accordance with laws, administrative regulations, Listing Rules, and the Articles of Association. Where the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the meeting within 5 days after the resolution of the Board of Directors is made. If the Board of Directors disagrees with convening the extraordinary general meeting, it shall state the reasons and make an announcement.

The Supervisory Committee shall have the right to propose to the Board of Directors to convene an extraordinary general meeting and shall submit such proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, administrative regulations, and the Articles of Association, give a written reply as to whether it agrees or disagrees to convene the extraordinary general meeting within 10 days after receiving the proposal.

Where the Board of Directors agrees to convene an extraordinary general meeting, a notice of Shareholders' meeting shall be issued within five days after the resolution of the Board of Directors is made. Any changes to the original proposal in the notice shall be subject to the consent of the Supervisory Committee.

Where the Board of Directors does not agree to convene an extraordinary general meeting or fails to give reply within 10 days after receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the Shareholders' meeting. In such cases, the Supervisory Committee may convene and preside over the meeting on its own initiative.

Shareholders, individually or jointly, holding 10% or more of the voting rights of the Company (on a one vote per share basis and, for the avoidance of doubt, the Shares of the Company that have been repurchased but have not been transferred or cancelled shall have no voting right) may request the Company to convene an extraordinary general meeting or convene and preside over such meeting by itself/themselves in accordance with the sixth paragraph of this Article, subject to the following procedures:

Shareholders, individually or jointly, holding 10% or more of the voting rights of the Company (on a one vote per share basis and, for the avoidance of doubt, the Shares of the Company that have been repurchased but have not been transferred or cancelled shall have no voting right) may request the Board of Directors to convene an extraordinary general meeting and add resolutions to be considered to the agenda of the meeting, and such proposals shall be made to the Board of Directors in writing. For such proposal, the Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to convene an extraordinary general meeting, within 10 days upon receipt of such request.

Where the Board of Directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the resolution of the Board of Directors is made. Any changes to the original proposal in the notice shall be subject to the consent of the relevant Shareholder.

Where the Board of Directors disagrees to convene the extraordinary general meeting, or fails to give reply within 10 days after receipt of the request, shareholders, individually or jointly, holding 10% or more of the voting rights of the Company (on a one vote per share basis and, for the avoidance of doubt, the Shares of the Company that have been repurchased but have not been transferred or cancelled shall have no voting right) may request the Supervisory Committee to convene an extraordinary general meeting, and such request shall be made to the Supervisory Committee in writing.

Where the Supervisory Committee agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the receipt of the request. Changes made to the original proposal in the notice shall be subject to the consent of the relevant Shareholder.

Where the Supervisory Committee fails to give a relevant notice within the designated period, it shall be deemed that the Supervisory Committee fails to convene and preside over the shareholders' meeting. Shareholder(s) holding for consecutive 90 days individually or collectively 10% or more of the voting rights of the Company (on a one vote per share basis and, for the avoidance of doubt, the Shares of the Company that have been repurchased but have not been transferred or cancelled shall have no voting right) may convene and preside over the meeting by himself/themselves.

When the Company convenes and decides to convene a Shareholders' meeting, the shareholder(s) individually or in aggregate holding more than 1% of the shares of the Company shall have the right to propose additional proposals in a manner stipulated in the Articles of Association.

The Board of Directors, the Supervisory Committee, and shareholder(s) individually or jointly holding more than 1% of the Shares of the Company shall have the right to submit proposals to the Company for a Shareholders' meeting of the Company.

The Shareholder(s) individually or jointly holding more than 1% of the Shares of the Company may proposed an interim proposal in writing to the convener of a Shareholders' meeting in writing 10 days prior to the meeting. The convener shall issue a supplementary notice of the shareholders' meeting and announce the contents of such interim proposal within 2 days after receipt thereof and submit the same to the Shareholders' meeting for consideration, provided that

the interim proposal may not violate laws, administrative regulations or the provisions of the Articles of Association, or fall within the scope of authority of the Shareholders' meeting. For the issuance of the supplemental notice of the Shareholders' meeting, if there are special provisions under the securities regulatory rules of the place where the Shares of the Company are listed, such provisions shall prevail, provided that the Company Law and the Guidelines on the Bylaws of Listed Companies and other applicable laws and regulations of PRC are not violated. If the Shareholders' meeting shall be postponed due to the issuance of a supplemental notice of the Shareholders' meeting in accordance with the securities regulatory rules of the place where the Shares of the Company are [**REDACTED**], the convening of the Shareholders' meeting shall be postponed pursuant to the provisions of the securities regulatory rules of the place where the Shares of the Company are [**REDACTED**].

Except as provided by the preceding paragraph, the convener of a Shareholders' meeting shall not amend the proposed resolutions set out in the notice of the meeting or add any new proposed resolutions subsequent to the issue of the notice of the shareholders' meeting.

Proposals which are not specified in the notice of the Shareholders' meeting or which do not comply with the Articles of Association shall not be voted and resolved at the Shareholders' meeting.

The convener shall notify all Shareholders at least 20 days prior to the annual general meeting, and at least 15 days prior to an extraordinary general meeting. Where laws, regulations, or Listing Rules provide otherwise, such provisions shall prevail. When calculating the commencement period, the date of the meeting shall exclude the day of the meeting but include the day on which the notice is issued.

The resolutions of the Shareholders' meeting shall include ordinary resolutions and special resolutions. Ordinary resolutions of the Shareholders' meeting shall be adopted by Shareholders present at the meeting (including proxies) holding more than half of the voting rights. Special resolutions of the Shareholders' meeting shall be adopted by Shareholders present at the meeting (including proxies) holding at least two-thirds of the voting rights.

The following matters shall be adopted by ordinary resolution at the Shareholders' meeting:

(1) the work report of the Board of Directors and the Supervisory Committee;

(2) the proposals for profit distribution and recovery of losses formulated by the Board of Directors;

(3) the appointment and removal of the members of the Board of Directors and the Supervisory Committee and their remuneration and the payment method thereof;

(4) the annual report of the Company;

(5) appointment or dismissal of accounting firms by the Company, as well as the audit fees of accounting firms;

(6) matters other than those required by laws, administrative regulations, or the Articles of Association to be adopted by a special resolution.

The following matters shall be adopted by special resolution at the Shareholders' meeting:

(1) the increase or reduction in the Company's registered capital;

(2) the merger, division, dissolution, liquidation of the Company;

(3) the amendments to the Articles of Association;

(4) the Company's purchase or disposal of major assets or providing any security for others within 12 months in an amount exceeding 30% of the latest audited total assets of the Company;

(5) equity incentive plans;

(6) other matters required by laws, administrative regulations, the Listing Rules or the Articles of Association, or resolved at a Shareholders' meeting, by an ordinary resolution, to be of a nature that may have a material impact on the Company and should be adopted by special resolution.

When a shareholder (including his/her/its proxy(ies)) exercises voting rights based on the number of shares carrying voting rights that he/she/it represents, there shall be one vote for each share. During the poll, shareholders (including their proxies) entitled to two or more votes shall not be required to cast all their votes for, against or abstention in the same way.

Where the resolutions of the Shareholders' meeting and the Board of Directors violate the laws and administrative regulations, the Shareholders shall have the right to request the people's court to hold it invalid.

Where the convening procedures and voting methods of the Shareholders' meeting or the Board meeting violate laws, administrative regulations or the Articles of Association, or the resolutions violate the Articles of Association, the Shareholders shall have the right to request the people's court to revoke the resolutions within 60 days from the date of adoption of the resolutions, except where the procedures for convening a meeting of the Shareholders' meeting or the Board meeting or the voting method only has some minor defects, which produces no substantial effect on the resolution.

TRANSFER OF SHARES

Shares of the Company issued prior to the public issue of Shares shall not be transferred within one year of the date on which the Shares of Company are [**REDACTED**] on the Hong Kong Stock Exchange.

Directors, Supervisors and the senior management of the Company shall declare to the Company their shareholdings in the Company and changes in such shareholdings. During their terms of office as determined when they assume the posts, they may transfer no more than 25% of their total shareholdings in the Company each year; they shall not transfer shares held by them within one year from the date on which the Shares of the Company are [**REDACTED**] and [**REDACTED**]. The aforesaid persons shall not transfer the shares of the Company held by them within half a year after they leave office.

Where the Shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Where the Shareholders holding more than 5% of the Shares of the Company (except for the recognized clearing house under restriction provisions in effect from time to time under Hong Kong law and its agents), Directors, Supervisors, and senior management personnel disposes domestic shares or other equity securities in the Company within 6 months after purchase, or repurchase such securities within 6 months after disposal, any profits derived therefrom shall belong to the Company and shall be revoked by the Board of Directors. However, the disposals by securities firms holding more than 5% of the Shares in the Company due to purchasing unsold shares after [**REDACTED**] and other circumstances stipulated by the CSRC shall not be subject to the restriction.

The Shares or other equity securities held by any Director, Supervisor, senior management and natural person Shareholder referred to in the preceding paragraph shall include the Shares or other equity securities held by their spouses, parents and children, and those held through others' accounts. Where the Board of Directors of the Company fails to comply with the above paragraph of this Article, the Shareholders are entitled to request the Board of Directors to do so within 30 days. Where the Board of Directors of the Company fails to comply within the aforesaid period, the Shareholders are entitled to initiate litigation directly in the people's court in their own names for the interest of the Company. Where the Board of Directors fails to implement the provisions set forth in this Article, the responsible Directors shall bear joint and several liability in accordance with law.

POWER OF THE COMPANY TO PURCHASE ITS OWN SHARES

The Company may repurchase its own Shares in accordance with laws, administrative regulations, departmental rules, and the Articles of Association in the following circumstances:

(1) the Company decreases its registered capital;

(2) the Company merges with other companies holding Shares in the Company;

(3) the Shares of the Company are used for employee share ownership plan or equity incentives;

(4) Shareholders object to resolutions passed at Shareholders' meetings regarding the merger or division of the Company and request the company to repurchase their shares;

(5) the Shares of the Company are converted into corporate bonds issued by the Company that are convertible into the Shares of the Company; and

(6) it is necessary for maintaining the corporate value and Shareholders' equity of the Company.

POWER OF ANY SUBSIDIARY OF THE COMPANY TO OWN SHARES IN ITS PARENT

The Articles of Association contain no provisions regarding a subsidiary holding shares in its parent company.

DIVIDENDS AND OTHER METHODS OF DISTRIBUTION

The Company may distribute dividends in the form of cash, stock, or a combination of cash and stock, and may make interim distributions.

SHAREHOLDER PROXIES

Shareholders may appoint proxies to attend Shareholders' meetings on his/her behalf. Proxies shall submit a power of attorney for Shareholders to the Company and exercise voting rights within the scope of authorization. The power of attorney issued by a Shareholder for authorizing another person to attend the Shareholders' meeting shall include the following details:

(1) the name of the Shareholders and the class and number of Shares of the Company held;

(2) the name of the proxy;

(3) Specific instructions from Shareholders, including instructions to vote in favor of, against, or abstain on each item on the agenda of the Shareholders' meeting;

(4) the issuance date and valid period of the power of attorney

(5) the signature (or seal) of the Shareholder. For corporate Shareholders, the corporate seal shall be affixed.

The proxy form shall be lodged with the domicile of the Company or at such other place as specified in the notice convening the meeting at least 24 hours prior to the commencement of the relevant meeting for which the authorization is granted, or at least 24 hours prior to the designated voting time.

The power of attorney shall indicate whether the Shareholder's proxy can vote according to his own will if the Shareholder does not give specific instructions.

CALLS ON SHARES AND FORFEITURE OF SHARES

The Articles of Association contain no provisions regarding the calls on Shares or the forfeiture of Shares.

INSPECTION OF REGISTER OF SHAREHOLDERS

The Company shall create a register of Shareholders, which shall be sufficient evidence to prove that the shareholdings in the Company of Shareholders. A Shareholder shall enjoy rights and assume obligations according to the class of Shares held by him; Shareholders who holds Shares of the same class shall enjoy the same rights and assume the same obligations. Our Company shall keep a copy of the register of the holders of the overseas listed foreign Shares at our residential address. The overseas entrusted agency shall at all times maintain consistency between the original and copy of the register of the holders of the overseas listed foreign Shares. Any Shareholder who is registered in the, or any person who requests to have his/her name added into the register of Shareholders, may (if his/her share certificates (the "**original certificates**") are lost) apply to the Company for replacement of share certificates in respect of such shares (the "**relevant shares**"). If a holder of overseas listed foreign shares loses his/her share certificates and applies for replacement, it may be dealt with in accordance with governing laws, the rules of the stock exchange or other relevant regulations of the place where the original register of holders of overseas listed foreign shares is deposited.

RIGHTS OF THE MINORITIES IN RELATION TO FRAUD OR OPPRESSION THEREOF

The Controlling Shareholder(s) and de facto controller(s) of the Company shall not exploit their connected relationships to damage the interest of the Company. If violations cause losses to the Company, they shall bear liability for compensation.

The Controlling Shareholder(s) and de facto controller(s) of the Company shall perform fiduciary duty to the Company and other Shareholders thereof. The Controlling Shareholder(s) shall exercise the rights in the capacity of capital contributors in strict accordance with laws, shall not damage the legitimate rights and interests of the Company and other Shareholders by such means as profit distribution, asset restructuring, external investment, fund appropriation, loan and guarantee and shall not abuse their controlling status to damage the interests of the Company and other Shareholders.

QUORUM FOR SHAREHOLDERS' MEETINGS

The Articles of Association contains no provision regarding a quorum for shareholders' meetings.

PROCEDURES ON LIQUIDATION

The Company may be dissolved for the following reasons:

(1) the term of operation stipulated in the Articles of Association has expired or circumstances for dissolution specified in the Articles of Association arises;

(2) a resolution for dissolution is passed at a Shareholders' meeting;

(3) merger or division of the Company entails dissolution;

(4) the business license is revoked or the Company is ordered to close down or be deregistered according to the law;

(5) Where the Company encounters severe operational difficulties and its continued existence would cause substantial losses to shareholders' interests, and such difficulties cannot be resolved through other means, Shareholders holding more than 10% of the total voting rights of the Company may petition the People's Court for the dissolution of the Company.

Where the Company has any cause for dissolution specified in the preceding paragraphs, it shall make public the cause of dissolution through the National Enterprise Credit Information Publicity System within 10 days.

The liquidation committee shall notify creditors within 10 days after its establishment and within 60 days make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. The creditors shall declare their rights to the liquidation committee within 30 days after receipt of the notice or within 45 days after the announcement if the creditors have not received the notice.

When declaring the claims, the creditors shall explain matters relating to their rights and provide relevant evidential documents. The liquidation committee shall register the creditor's rights.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

After the liquidation committee has sorted out the assets of the Company and prepared a balance sheet and an inventory of property, it shall formulate a liquidation plan and submit the same to the Shareholders' meeting or the people's court for confirmation.

The Company shall, according to the proportion of the Shares held by the Shareholders, distribute the properties of the Company remaining after payment of the liquidation expenses, employees' salaries, social insurance expenses and statutory compensations, outstanding taxes, and the Company's debts.

The Company shall subsist in the course of liquidation but shall not conduct any business operations unrelated to liquidation. Before liquidation as specified in the preceding paragraphs, the properties of the Company shall not be distributed to Shareholders.

Upon liquidation of the Company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation committee becomes aware that the Company does not have sufficient assets to meet its liabilities, it shall apply to the people's court for a declaration for bankruptcy according to laws.

After the people's court accepts the petition for bankruptcy, the liquidation committee shall refer the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report submit it to the Shareholders' meeting or the people's court for confirmation, and shall, submit it to the company registration authority, and apply for deregistration of the Company.

OTHER PROVISIONS MATERIAL TO THE COMPANY OR ITS SHAREHOLDERS

General Provisions

The Company is a joint stock limited company with perpetual existence.

The Shareholders are responsible for the Company to the extent of the Shares subscribed by them, and the Company is responsible for the debts of the Company with all its assets.

The Articles of Association shall, from the date on which they take effect, be the legally binding document that governs the organization and activities of the Company and the rights and obligations between the Company and its Shareholders and among the Shareholders, and shall be legally binding on the Company, the Shareholders, the Directors, the Supervisors and senior management personnel. Pursuant to the Articles of Association, a Shareholder may bring a lawsuit against other Shareholders, the Directors, Supervisors or senior management personnel of the Company; a Shareholder may bring a lawsuit against the Company, and the Company may bring a lawsuit against its Shareholders, Directors, Supervisors or senior management personnel.

Reserve funds

When distributing the after-tax profits of the current year, the Company shall set aside 10% of the profits for its statutory reserve fund. If the aggregate balance of the statutory reserve fund of the Company has already accounted for over 50% of the registered capital of the Company, further appropriation may not be necessary.

If the statutory reserve fund of the Company is insufficient to make up for the losses of previous years, the profits of the current year shall be used to make up for the losses before making allocations to the statutory reserve fund in accordance with the provisions of the preceding paragraph.

After the Company has made allocations to the statutory reserve fund from its after-tax profits, it may also make allocations to the discretionary reserve fund from the after-tax profits upon a resolution of the Shareholders' meeting.

The after-tax profits of the Company remaining after losses have been covered and allocations to the statutory reserve funds have been made shall be distributed to the Shareholders in proportion to their respective shareholdings.

Compliance adviser

The Company shall appoint a compliance adviser on a permanent basis starting from the date on which H shares are [**REDACTED**] on the Hong Kong Stock Exchange. The Directors shall promptly and continuously consult with and, if necessary, seek advice from the compliance adviser in the following circumstances:

(1) before publication of any regulatory announcement, circular or financial report by the Company;

(2) where a transaction, which may be a notifiable or connected transaction (as defined in the Listing Rules), is contemplated by the Company, including share issuances and share repurchases;

(3) where the Company proposes to use the [**REDACTED**] of its [**REDACTED**] in a manner different from that detailed in the [**REDACTED**] document in respect of such [**REDACTED**], or where the business activities, developments or results of the Company deviate from any forecast, estimate or other information set out in such [**REDACTED**] document;

(4) where the Hong Kong Stock Exchange makes an inquiry to the Company pursuant to the Listing Rules; and

(5) other matters for which compliance consultants are required to be consulted under the Listing Rules.

The Company and the Directors shall also consult with, and if necessary, seek advice from the Compliance Adviser, on a timely and on-going basis regarding the circumstances set out in Rule 3A.23 of the Listing Rules and any of the following related matters:

(1) the weighted voting rights structure of the Company;

(2) transactions in which holders of Class A Ordinary Shares have an interest;

(3) where a potential conflict of interest may exist between the Company, its subsidiaries and/or the Shareholders (taken as a group) as one party, and any holder of Class A Ordinary Shares as the other party; and

(4) other matters where the Listing Rules require consultation with the compliance advisor.

Communication with Shareholders

The Company shall comply with the provisions of Appendix Cl to the Listing Rules regarding engagement with the Shareholders of the Company.

The Company shall include the phrase "a company controlled through weighted voting rights" or such language as prescribed by the Hong Kong Stock Exchange from time to time on the front page of all of its [**REDACTED**] documents, periodic financial reports, circulars, notices and announcements as required by the Listing Rules, and prominently describe its weighted voting rights structure, the rationale of adopting such structure and the associated risks for the Shareholders in its [**REDACTED**] documents and periodic financial reports. Such statement shall inform prospective [**REDACTED**] of the potential risks of [**REDACTED**] in the Company and advise that they should make [**REDACTED**] decision only after due and careful consideration.

The Company shall, in its [**REDACTED**] documents and its interim and annual reports:

(1) identify the holders of Class A Shares (and, where the holder is a founder holding company, the founder who holds and controls such company);

(2) disclose the impact of a potential conversion of Class A Shares into Class B Shares on its share capital; and

(3) disclose all circumstances in which the weighted voting rights attached to the Class A Shares will cease.

FURTHER INFORMATION ABOUT OUR COMPANY

Establishment of our Company

Our Company is a limited liability company established under the laws of the PRC on December 1, 2016 which was converted into a joint stock company with limited liability on November 13, 2025. As of the Latest Practicable Date, the registered share capital of our Company is RMB51,675,769.

Our Company has established a place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong and has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on February 11, 2026. Ms. Ho Wing Nga has been appointed as the Authorized Representative of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Appendix III — Summary of Articles of Association."

Changes in Share Capital of Our Company

The initial registered capital of our predecessor company was RMB1,000,000 as of the date of its incorporation.

The changes in the share capital of our Company within the two years immediately preceding the date of this document are as follows: (1) On December 6, 2024, our registered capital was increased from RMB4,783,187 to RMB4,881,025; (2) On April 15, 2025, our registered capital was increased from RMB4,881,025 to RMB4,939,509; (3) On August 22, 2025, our registered capital was increased from RMB4,939,509 to RMB5,012,758; (4) On November 13, 2025, our Company was converted to a joint stock company with limited liability. Our total issued share capital was RMB25,063,790 divided into 25,063,790 Shares with a nominal value of RMB1.00 each; (5) On November 14, 2025, our registered capital was increased from RMB25,063,790 to RMB27,919,502; (6) On December 19, 2025, our registered capital was increased from RMB27,919,502 to RMB28,156,108; and (7) On January 15, 2026, our registered capital was increased from RMB28,156,108 to RMB51,675,769.

Save as disclosed above, there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Document.

Changes in Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants' Report in Appendix I to this Document.

Details of the changes in the share capital of the Company's subsidiaries within the two years immediately preceding the date of this Document are set out below:

(a) On December 19, 2024, Hubei Hairou Innovation Technology Co., Ltd. (湖北海柔創新科技有限公司) was established in the PRC as a wholly-owned subsidiary of our Company with an issued and paid-up capital of RMB50,000,000; and

(b) On February 13, 2026, the registered capital of Wuxi HAI Robotics Co., Ltd. (無錫市海柔創新科技有限公司) was decreased from RMB100,000,000 to RMB1,000,000.

Save as set out above, there had been no other alterations of share capital of our subsidiaries within the two years preceding the date of this Document.

Resolutions of our Shareholders

Pursuant to the Shareholders' meeting held on January 22, 2026, the following resolutions, among other things, were (subject to the relevant regulatory approval, filing and registration) duly passed:

(a) the number of H Shares to be [**REDACTED**] shall not be more than [**REDACTED**]% of the total issued share capital of our Company as enlarged by the [**REDACTED**], and the grant to the [**REDACTED**] (or their representatives) of the [**REDACTED**] of not more than [**REDACTED**]% of the number of H Shares [**REDACTED**] pursuant to the [**REDACTED**];

(b) upon completion of the [**REDACTED**], [**REDACTED**] Unlisted Shares in aggregate will be converted into H Shares on a one-for-one basis;

(c) authorization of the Board and its authorized persons to handle matters relating to, among other things, the [**REDACTED**], the [**REDACTED**] and [**REDACTED**] of the H Shares; and

(d) subject to the completion of the [**REDACTED**], the conditional adoption of the Articles of Association, which shall become effective on the [**REDACTED**] and the authorization of the Board to amend the Articles of Association in accordance with relevant laws and regulations and upon the request from the Stock Exchange and relevant PRC regulatory authorities.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Document that is or may be material:

(a) [**REDACTED**].

Intellectual Property Rights

As of the Latest Practicable Date, our Group has registered the following intellectual property rights which we consider to be material to our Group's business.

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registration Number	Owner	Date of Registration	Place of Registration
1. . . .	HAIROBOTICS	306263893	HAI Robotics Co., Ltd.	June 7, 2023	Hong Kong
2. . . .	HAIPICK	306263866	HAI Robotics Co., Ltd.	June 7, 2023	Hong Kong
3. . . .	HAIROBOTICS	97871708/7327405	HAI Robotics Co., Ltd.	March 12, 2024	United States
4. . . .	HAIPICK CLIMB SYSTEM	98916459/7944502	HAI Robotics Co., Ltd.	September 16, 2025	United States
5. . . .	海柔创新	65769483	HAI Robotics Co., Ltd.	December 21, 2022	China
6. . . .	HAICLIMBER	80215824	HAI Robotics Co., Ltd.	January 28, 2025	China

Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be material to our business:

No.	Patent Description	Registered Owner	Patent Number	Place of Registration
1. .	HANDLING ROBOT	HAI Robotics Co., Ltd.	US11396424B2	United States
2. .	HANDLING ROBOT	HAI Robotics Co., Ltd.	US11465840B2	United States
3. .	HANDLING ROBOT	HAI Robotics Co., Ltd.	US11794995B2	United States
4. .	HANDLING ROBOT	HAI Robotics Co., Ltd.	US12103771B2	United States
5. .	Method and apparatus for determining position and rotational orientation of an object	HAI Robotics Co., Ltd.	US7845560C2	United States
6. .	FORK AND CARRYING ROBOT	HAI Robotics Co., Ltd.	US11548770B2	United States
7. .	FORK AND CARRYING ROBOT	HAI Robotics Co., Ltd.	US11807451B2	United States
8. .	A handling robot and a picking method based on the handling robot	HAI Robotics Co., Ltd.	CN114021680B	China

Copyrights

As of the Latest Practicable Date, we have the following copyrights which we consider to be or may be material to our business:

No.	Copyright Name	Registered Owner	Registration Number	Place of Registration
1. .	Order processing and robot scheduling system	HAI Robotics Co., Ltd.	2019SR0233644	China
2. .	HAIQ system for handling bins	Shenzhen Kubo Software Co., Ltd.	2021SR0537474	China

Domain Names

As of the Latest Practicable Date, we have the following registered internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Registration Date	Expiry Date
1. . . .	www.hairobotics.com	HAI Robotics Co., Ltd.	July 9, 2019	July 9, 2030
2. . .	www.hairobotics.cn	HAI Robotics Co., Ltd.	August 3, 2019	August 3, 2030

Save as the above, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

Interests and short positions of our Directors, Supervisors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Save as disclosed in the section headed "Substantial Shareholders" and below, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), so far as our Directors are aware, none of our Directors, Supervisors and chief executives has any interests and short positions in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules:

Name	Position	Capacity/Nature of Interest	Number and class of Shares held	Approximate percentage of shareholder in the relevant class of Shares[(1)]	Approximate percentage of shareholding in the total issued share capital of our Company[(2)]
Ms. Zeng Hongni[(3)] . .	Executive Director and chief financial officer	Beneficial owner	[**REDACTED**] Class B Ordinary Shares	[**REDACTED**]%	[**REDACTED**]%
Ms. Li Wen[(4)]. . . .	Supervisor	Beneficial owner	[**REDACTED**] Class B Ordinary Shares	[**REDACTED**]%	[**REDACTED**]%
Mr. Liu Jianhua[(5)] . .	Supervisor	Beneficial owner	[**REDACTED**] Class B Ordinary Shares	[**REDACTED**]%	[**REDACTED**]%
Mr. Zhang Guangyu[(6)] .	Supervisor	Beneficial owner	[**REDACTED**] Class B Ordinary Shares	[**REDACTED**]%	[**REDACTED**]%

Notes:

(1) The calculation is based on the total number of [**REDACTED**] Class A Ordinary Shares and [**REDACTED**] Class B Ordinary Shares in issue immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and without taking into account any H Shares which may be issued under the Employee Incentive Plan).

(2) The calculation is based on the total number of [**REDACTED**] Shares in issue immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and without taking into account any H Shares which may be issued under the Employee Incentive Plan).

(3) Ms. Zeng beneficially owns [**REDACTED**] H Shares, which represent the maximum number of H Shares which she is entitled to receive pursuant to the exercise of options granted to her under the Employee Incentive Plan, subject to the terms and conditions of these options.

(4) Ms. Li beneficially owns [**REDACTED**] H Shares, which represent the maximum number of H Shares which she is entitled to receive pursuant to the exercise of options granted to her under the Employee Incentive Plan, subject to the terms and conditions of these options.

(5) Mr. Liu beneficially owns [**REDACTED**] H Shares, which represent the maximum number of H Shares which he is entitled to receive pursuant to the exercise of options granted to him under the Employee Incentive Plan, subject to the terms and conditions of these options.

(6) Mr. Zhang beneficially owns [**REDACTED**] H Shares, which represent the maximum number of H Shares which he is entitled to receive pursuant to the exercise of options granted to him under the Employee Incentive Plan, subject to the terms and conditions of these options.

Interests of the substantial shareholders in other members of our Group

As of the Latest Practicable Date, our Directors are not aware of any persons who would, immediately following the completion of the [**REDACTED**], be directly or indirectly interested in 10% or more of the issued voting shares of the other members of our Group (other than our Company).

Particulars of Directors' and Supervisors' Service Contracts and Appointment Letters

We have entered into a service contract or a letter of appointment with each of our Directors and Supervisors in respect of, among other things, compliance with the relevant laws and regulations, the Articles of Association and applicable provisions on arbitration.

Save as disclosed above, we have not entered, and do not propose to enter, into any service contracts with any of our Directors or Supervisors in their respective capacities as Directors or Supervisors (other than contracts expiring or determinable by the employer within one year without any payment of compensation (other than statutory compensation)).

Remuneration of Directors and Supervisors

Save as disclosed in "Directors, Supervisors and Senior Management" and Note 8 to the Accountants' Report set out in Appendix I to this Document, none of our Directors or Supervisors received other remunerations of benefits in kind from us for the financial years ended 2023, 2024 and 2025 and the six months ended June 30, 2026.

Under the arrangement currently in force, we estimate that the aggregate remuneration payable to, any benefits in kind receivable by, our Directors and Supervisors by any member of our Group in respect of the year ending December 31, 2026 is approximately RMB52.9 million.

Save as disclosed above, there is no arrangement under which any Director or Supervisor has waived or agreed to waive any remuneration or benefits in kind during the Track Record Period.

Disclaimers

(a) Save as disclosed in "History, Development and Corporate Structure," none of our Directors or Supervisors has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this Document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(b) none of our Directors or Supervisors is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to the business of our Group taken as a whole; and

(c) without taking into account any Shares which may be taken up under the [**REDACTED**], none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [**REDACTED**], be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at Shareholders' meetings of any member of our Group in the Shares or underlying Shares of our Company.

EMPLOYEE INCENTIVE PLAN

In recognition of the contributions of our employees, and to incentivize them to further promote our development, our Company adopted and approved an Employee Incentive Plan on March 10, 2020 and amended on January 15, 2026. The Employee Incentive Plan is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of options to subscribe for Shares or other types of awards by our Company after the [**REDACTED**].

The following is the summary of the principal terms of the Employee Incentive Plan.

Purpose

The purpose of the Employee Incentive Plan is to enhance our Company's corporate governance, to implement a long-term incentive, to attract, motivate and retain core management personnel and key technical staff, and to support our Company's strategic development, strengthen our competitiveness and promote our sustainable growth, by aligning interests between our Company, Shareholders and key employees.

Duration

The Employee Incentive Plan shall be valid and effective for the period commencing on the date on which all options have been granted and ending on the date on which all granted options have been exercised or canceled, subject to a maximum term of 15 years.

Administration

The Board is responsible for reviewing and approving the implementation, amendment and termination of the Employee Incentive Plan, including but not limited to the scope of incentive recipients, the granting, exercise and lock-up of share options, interpretation of the Employee Incentive Plan and other relevant matters.

Eligibility

Our Company's core management personnel, head of departments, key employees and such other core employees as may be determined by the Board as authorized under the Shareholders' meeting are eligible. The eligible participants must be employees of our Company or its wholly-owned or controlled subsidiaries or branches.

Maximum Number of Shares

The maximum number of shares which will be issued pursuant to the exercise of options granted under the Employee Incentive Plan is 46,363,500 shares, subject to any adjustments approved by the Company.

Type of Awards

The awards granted under the Employee Incentive Plan comprise share options, which entitle eligible participants, subject to the satisfaction of vesting and exercise conditions, to subscribe for newly issued H Shares of our Company at a pre-determined price.

Vesting Period

Subject to the provisions of the Employee Incentive Plan and the share option agreements entered into by the grantees, the vesting of options varies depending on the timing of grant and the category of the eligible participants. The grant date is the date on which our Company enters into the option grant agreements with the grantee (the "**Grant Date**").

Exercise Period

Pursuant to the Employee Incentive Plan, the vested options may be exercised during five exercise periods commencing at different time intervals after the [**REDACTED**] of our Company, i.e. (i) first anniversary, (ii) second anniversary, (iii) third anniversary, (iv) fourth anniversary, and (v) fifth anniversary of the date of [**REDACTED**]. Each exercise period has a duration of 48 months, during which grantees may, at their discretion, exercise the vested options, subject to the terms of the Employee Incentive Plan and applicable laws and regulations, and any blackout period stipulated there in and in accordance with applicable laws and regulations.

Exercise Price

The exercise price of the options shall be ten times the exercise price of the original share option agreement, which was set at a price of 10% of our Company's most recent post-money valuation at the time of grant, as specified in the relevant share option agreement entered into between our Company and the grantee.

Outstanding options

As of the Latest Practicable Date, options to subscribe for an aggregate of [**REDACTED**] H Shares (representing approximately [**REDACTED**]% of the total issued share capital of our Company immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and without taking into account any Shares which may be issued under the Employee Incentive Plan) have been conditionally granted to 994 eligible participants under the Employee Incentive Plan. Subject to the terms and conditions of the Employee Incentive Plan, our Company may further grant awards to eligible participants under the Employee Incentive Plan prior to the [**REDACTED**]. No options under the Employee Incentive Plan will be further granted after the [**REDACTED**]. As of the Latest Practicable Date, all of such outstanding options had not been exercised.

Details of the options granted to Directors, Supervisors, senior management or connected persons of our Company under the Employee Incentive Plans are set out below:

Name	Position held within our Group/ relationship with our Group	Address	Date of grant[(1)]	Number of shares under the outstanding options (After Share Subdivision)	Vesting period	Exercise period	Exercise price (After Share Subdivision) (RMB)	Approximately percentage of the total issued share capital of our Company upon completion of the [REDACTED][(2)]
Directors and senior management								
Mr. Chen	Executive Director and chief executive officer	Unit 20B02, Building 11, Qinchengda Paradise, Gongyuan Road, Bao'an District, Shenzhen, Guangdong Province, PRC	April 1, 2023	300,000	*Note (3)*	*Note (12)*	2.66	[REDACTED]%
			April 1, 2024	120,000	*Note (3)*	*Note (12)*	1.88	[REDACTED]%
			April 1, 2025	76,000	*Note (3)*	*Note (12)*	1.88	[REDACTED]%
			February 6, 2026	80,000	*Note (3)*	*Note (12)*	1.88	[REDACTED]%
Ms. Zeng Hongni	Executive Director and chief financial officer	Room 301, Tower B, Block 19, Metro Qianhai Times Square, No. 9 Guiwan 5th Road, Nanshan District, Shenzhen, Guangdong Province, PRC	July 1, 2024	2,400,000	*Note (4)*	*Note (12)*	1.88	[REDACTED]%
			April 1, 2025	45,000	*Note (3)*	*Note (12)*	1.88	[REDACTED]%
			April 1, 2025	75,000	April 1, 2025	*Note (12)*	1.88	[REDACTED]%
			December 1, 2025	600,000	*Note (5)*	*Note (12)*	1.88	[REDACTED]%
Other connected persons of our Company who are not Directors or senior management members								
Ms. Li Wen	Supervisor	Unit 18I, Jiuyue Yaxuan, Bao'an District, Shenzhen, Guangdong, Province, PRC	December 6, 2021	10,000	*Note (10)*	*Note (12)*	2.47	[REDACTED]%
			April 1, 2023	100,000	*Note (4)*	*Note (12)*	2.66	[REDACTED]%
			April 1, 2024	10,000	*Note (4)*	*Note (12)*	1.88	[REDACTED]%
			April 1, 2025	40,000	*Note (4)*	*Note (12)*	1.88	[REDACTED]%
			December 1, 2025	50,000	*Note (6)*	*Note (12)*	1.88	[REDACTED]%
Mr. Liu Jianhua	Supervisor	Unit A3D, Yangji Xintiandi, 451 Shaping North Road, Nanwan Street, Longgang District, Shenzhen, Guangdong, Province, PRC	March 11, 2022	5,000	*Note (4)*	*Note (12)*	2.66	[REDACTED]%
			April 1, 2023	7,000	*Note (4)*	*Note (12)*	2.66	[REDACTED]%
			April 1, 2024	43,000	*Note (4)*	*Note (12)*	1.88	[REDACTED]%
			April 1, 2025	20,000	*Note (4)*	*Note (12)*	1.88	[REDACTED]%
			December 1, 2025	50,000	*Note (6)*	*Note (12)*	1.88	[REDACTED]%

Name	Position held within our Group/ relationship with our Group	Address	Date of grant[1]	Number of shares under the outstanding options (After Share Subdivision)	Vesting period	Exercise period	Exercise price (After Share Subdivision) (RMB)	Approximately percentage of the total issued share capital of our Company upon completion of the [REDACTED][2]
Mr. Zhang Guangyu	Supervisor	Unit C1602, Shentie Yueshanjing, Liuxian Avenue, Nanshan District, Shenzhen, Guangdong, Province, PRC	October 27, 2022	12,000	*Note (10)*	*Note (12)*	2.66	[REDACTED]%
			February 1, 2024	3,000	February 1, 2024	*Note (12)*	1.88	[REDACTED]%
			April 1, 2024	10,000	*Note (4)*	*Note (12)*	1.88	[REDACTED]%
			April 1, 2025	15,000	*Note (4)*	*Note (12)*	1.88	[REDACTED]%
			April 1, 2025	10,000	April 1, 2025	*Note (12)*	1.88	[REDACTED]%
			December 1, 2025	13,000	*Note (8)*	*Note (12)*	1.88	[REDACTED]%
Ms. Yang Suimei	Former director	Yu'an Garden, Xin'an, No. 1 Anfu Road, Bao'an District, Shenzhen, PRC	December 1, 2025	200,000	*Note (9)*	*Note (12)*	1.88	[REDACTED]%
Mr. Kong Zhe	Former director	Unit 1504, Building 6B, Guangming No. 1, Guangming District, Shenzhen, PRC	March 11, 2022	9,000	*Note (4)*	*Note (12)*	2.66	[REDACTED]%
			April 1, 2024	8,000	*Note (4)*	*Note (12)*	1.88	[REDACTED]%
			December 1, 2025	32,000	*Note (6)*	*Note (12)*	1.88	[REDACTED]%
Mr. Li Xiaolong	Former director	No. 3, 3rd Street, Jinxiu Tianlun Garden, Xintang Town, Zengcheng District, Guangzhou, Guangdong, PRC	December 1, 2025	400,000	*Note (9)*	*Note (12)*	1.88	[REDACTED]%
Mr. Yu Guitian	Supervisor of a subsidiary	Antuoshan Garden, Futian District, Shenzhen, PRC	December 1, 2025	40,000	*Note (6)*	*Note (12)*	1.88	[REDACTED]%
			January 1, 2026	50,000	*Note (7)*	*Note (12)*	1.88	[REDACTED]%
Other grantees who are not Directors, senior management members or connected persons of our Company								
Other employees	–	–	February 24, 2020 to February 12, 2026	41,529,184	*Note (11)*	*Note (12)*	0.09-2.66	[REDACTED]%

Notes:

(1) No consideration is payable upon the grant of options.

(2) Without taking into account any H Shares which may be issued pursuant to the exercise of the [**REDACTED**] and any H Shares which may be issued under the Employee Incentive Plan.

(3) In respect of such options, subject to any other terms and conditions under the Employee Incentive Plan, the H Shares under outstanding options granted shall vest in 6 equal installments on the Grant Date and each year commencing from the Grant Date.

(4) In respect of such options, subject to any other terms and conditions under the Employee Incentive Plan, the H Shares under outstanding options granted shall vest in 4 equal installments on the Grant Date and each year commencing from the Grant Date.

(5) In respect of such options, subject to any other terms and conditions under the Employee Incentive Plan, the H Shares under outstanding options granted shall vest in 4 equal installments on April 1, 2028 and each year commencing from April 1, 2028.

(6) In respect of such options, subject to any other terms and conditions under the Employee Incentive Plan, the H Shares under outstanding options granted shall vest on the following schedule: 10%, 20% and 70% of the H Shares under outstanding options granted shall vest on April 1, 2026, April 1, 2027 and April 1, 2028, respectively.

(7) In respect of such options, subject to any other terms and conditions under the Employee Incentive Plan, 50% and 50% of the H Shares under outstanding options granted shall vest on the [**REDACTED**] and the first anniversary of the [**REDACTED**].

(8) In respect of such options, subject to any other terms and conditions under the Employee Incentive Plan, the H Shares under outstanding options granted shall vest on the following schedule: 10%, 20% and 70% of the H Shares under outstanding options granted shall vest on the April 1, 2027, April 1, 2028 and April 1, 2029, respectively.

(9) In respect of such options, subject to any other terms and conditions under the Employee Incentive Plan, the H Shares under outstanding options granted shall vest in 4 equal installments on April 1, 2026 and each year commencing from April 1, 2026. Subject to any other terms of the Employee Incentive Plan, an option may be exercised upon being vested.

(10) In respect of such options, subject to any other terms and conditions under the Employee Incentive Plan, the H Shares under outstanding options granted shall vest in 4 equal installments on the date of joining the Group and each year commencing from the date of joining our Group.

(11) In respect of such options, subject to any other terms and conditions under the Employee Incentive Plan, the H Shares under outstanding options granted shall be in 4 to 6 years from the Grant Date.

(12) Subject to vesting schedule of such options, the exercise period will be 4 years from the date of vesting, in any event no earlier than the first anniversary of the [**REDACTED**].

Dilution effect and impact on loss per Share

Subject to any adjustment as set out under the Employee Incentive Plan in the event of any capitalization of capital reserve, bonus shares issue, share subdivision, share split, rights issue or share reduction of our Company that may take place after the [**REDACTED**], the total number of H Shares to be issued under the Employee Incentive Plan shall be no more than [**REDACTED**] H Shares, representing approximately [**REDACTED**]% of the total issued share capital of our Company immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and without taking into account any H Shares which may be issued under the Employee Incentive Plan). Assuming vesting of all the share options granted under the Employee Incentive Plan, the shareholding of our Shareholders immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and the options granted under the Employee Incentive Plan are not exercised) will be diluted by approximately [**REDACTED**]%. There is no consequential impact on the loss per Share for the six months ended June 30, 2026 as the share options granted were not included in the calculation of diluted loss per Share due to anti-dilution.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to be imposed on our Company or any of our subsidiaries.

Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration, administrative proceedings or claims of material importance, and, so far as we are aware, no litigation, arbitration, administrative proceedings or claims of material importance are pending or threatened against any member of our Group.

Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

Promoter

All of the promoters of the Company are the then 34 Shareholders as at November 13, 2025 immediately before our conversion into a joint stock limited liability company. Within the two years immediately preceding the date of this Document, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the [**REDACTED**] or the related transactions described in this Document.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the seller and purchaser is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

No Material Adverse Change

Our Directors confirm that up to Latest Practicable Date, there has been no material adverse change in our financial, operational or trading positions or prospects since June 30, 2026, being the end of the period reported on as set out in the Accountants' Report included in Appendix I to this Document.

Qualifications of Experts

The qualifications of the experts who have given opinions or advice in this Document are as follows:

Name	Qualification
Goldman Sachs (Asia) L.L.C.	Licensed corporation under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) of the regulated activities as defined under the SFO
CITIC Securities (Hong Kong) Limited	Licensed corporation under the SFO to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Jingtian & Gongcheng	Legal advisor to our Company as to PRC laws
Ernst & Young	*Certified Public Accountants and Registered Public Interest Entity Auditor*
China Insights Industry Consultancy Limited	Independent industry consultant
Morgan Lewis & Bockius LLP	Legal advisor to our Company as to export control and international sanctions laws

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Consents of Experts

Each of the experts as referred to "— Qualifications of Experts" in this Appendix has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its report and/or letter and/or opinion and/or references to its name included herein the form and context in which it is respectively included.

Joint Sponsors

The Joint Sponsors have made an [**REDACTED**] on our behalf to the Listing Committee for the [**REDACTED**] of, and permission to [**REDACTED**] in, our H Shares. All necessary arrangements have been made to enable the securities to be admitted into [**REDACTED**].

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Each of the Joint Sponsors will receive a fee of US$500,000 for acting as a sponsor for the [**REDACTED**].

Restriction on Share Repurchase

For details of the restrictions on share repurchases by our Company, see "Appendix III — Summary of Articles of Association."

Binding Effect

This Document shall have the effect, if an [**REDACTED**] is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Document

The English and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as otherwise disclosed in this Document:

(a) within the two years preceding the date of this Document:

  (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued, or is proposed to be fully or partly paid either for cash or a consideration other than cash;

  (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Company or any of our subsidiaries; and

(iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company;

(b) there are no founder, management or deferred shares or any debentures in our Company or any of our subsidiaries;

(c) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;

(d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this Document;

(e) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(f) our Company has no outstanding convertible debt securities or debentures;

(g) there is no arrangement under which future dividends are waived or agreed to be waived;

(h) none of our equity and debt securities is [**REDACTED**] or [**REDACTED**] with in any other stock exchange nor is any [**REDACTED**] or permission to [**REDACTED**] being or proposed to be sought;

(i) our Company is a joint stock limited company and is subject to the PRC Company Law; and

(j) our Company has adopted a code of conduct regarding Directors' and Supervisors' securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this Document and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in "Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contracts"; and

(b) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Consents of Experts."

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website at **www.hkexnews.hk** and the Company's website at **https://www.hairobotics.cn** during a period of 14 days from the date of this Document:

(a) the Articles of Association;

(b) the consolidated financial statements of our Group for the financial years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026;

(c) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I to this Document;

(d) the report from Ernst & Young on the unaudited [**REDACTED**] financial information of our Group, the text of which is set out in Appendix II to this Document;

(e) the material contracts referred to in "Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contracts";

(f) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Consents of Experts";

(g) the service contracts and letters of appointment referred to in "Appendix IV — Statutory and General Information — Further Information about our Directors, Supervisors, Senior Management and Substantial Shareholders — Particulars of Directors' and Supervisors' Service Contracts and Appointment Letters";

(h) the legal opinions issued by Jingtian & Gongcheng, our PRC Legal Advisor, in respect of, among other things, the general corporate matters and property interests of our Group under the PRC law;

(i) the industry report issued by China Insights Industry Consultancy Limited referred to in "Industry Overview";

(j) the legal memorandum provided by Morgan Lewis & Bockius LLP, our International Sanctions Legal Advisor, in respect of export control and international sanctions;

(k) a copy of the following PRC laws, together with unofficial English translations:

(i) the PRC Company Law;

(ii) the PRC Securities Law; and

(iii) the Overseas Listing Trial Measures; and

(l) the terms of the Employee Incentive Plan.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a full list of all the grantees under the Employee Incentive Plan will be made available for public inspection at our Company's Hong Kong legal adviser's office in Hong Kong at 10/F, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this Document.