This summary aims to give you an overview of the information contained in this document and should be read in conjunction with the full text of this document. Since this is a summary, it does not contain all the information that may be important to you. You should read the whole document, including our financial statements and the accompanying notes, before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the particular risks of* [**REDACTED**] *in the* [**REDACTED**] *are set forth in the section headed "Risk Factors." You should read that carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

We are a growing global participant focused on the research, design, manufacture and marketing of robotic pool cleaners. We are the world's top three and China's top one provider of robotic pool cleaners, as measured by both shipment volume and GMV of self-manufactured products in 2024, with a comprehensive product portfolio equipped with advanced pool cleaning technology, according to the CIC Report. We are also the inaugurator and the world's largest provider of cordless robotic pool cleaners, as measured by shipment volume of self-manufactured products in 2024, according to the same source.

Tracing our history back to two decades ago, we played an active role in the development China's robotic pool cleaner industry with accumulated expertise in the research, design, manufacture and marketing of robotic pool cleaners which span a wide range of market demands at residential, commercial and public facilities. We have contributed to the development of robotic pool cleaners by inaugurating the earliest lightweight products in 2009, the earliest cordless products in 2014, and the earliest AI-powered products in 2023. We began the development of cordless products and the application of the relevant patents in 2009. At present, the adoption of cordless robotic pool cleaners has become a clear trend in pool cleaning and maintenance, according to the CIC Report. We leverage our advanced R&D center and production bases to ensure product performance and consistent quality in our products and operate an expansive sales network across the continents to provide comprehensive support and services to our global clientele. Aligned with our commitment to technological innovation, we are participating in the intelligent transformation of the global pool cleaning and maintenance industry with AI-powered robotic products.

We achieved growth during the Track Record Period. Our revenue increased at a CAGR of 46.6% from RMB378.0 million in 2023 to RMB812.2 million in 2025. Our net profit increased at a CAGR of 28.5% from RMB60.8 million in 2023 to RMB100.4 million in 2025.

Our Robotic Products

We research, design, manufacture and market robotic pool cleaners and collaborate with world-renowned pool equipment brands to meet the evolving pool cleaning and maintenance needs of consumers worldwide. Our full suite of robotic pool cleaners consists of cordless, corded and handheld models to perform cleaning underwater primarily at the bottom, on the wall, or on the water surface of a pool. We boast a comprehensive product portfolio of robotic pool cleaners with 48 major models as of the Latest Practicable Date. Leveraging our innovative, AI-powered technology, we have launched intelligent robotic products featuring precise underwater acoustic positioning, underwater AI vision, underwater 3D mapping, autonomous navigation, and autonomous waste collection, capable of executing complex pool cleaning tasks with high efficiency and precision at the cost of minimal human intervention. As of the Latest Practicable Date, our robotic pool cleaners had been shipped to 60 countries and regions worldwide.

Based on the automation and intelligence level and the sophistication of the application scenarios, we divide our cordless robotic pool cleaners into entry, premium, flagship and pioneer levels, represented by series models in *WYBOT A1*, *WYBOT C2*, *WYBOT S2*, and *WYBOT S3*, respectively, suitable for all the major pool types in environments ranging from residential back yards to commercial complexes and public facilities. The following diagram illustrates certain information related to our prominent product models—cordless robotic pool cleaners.

ON-SALE CORDLESS ROBOTIC POOL CLEANERS

The following table sets forth the sales volume and average selling price of our branded products and ODM products for the periods indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	(Units in thousands, RMB in yuan)					
Branded products	167.5	1,515	263.2	1,494	370.4	1,830
ODM products	203.0	579	167.8	796	130.7	972
Total robotic pool cleaners	**370.5**	**1,002**	**431.0**	**1,222**	**501.1**	**1,606**

During the Track Record Period, the retail price of our branded products and ODM products typically ranged from US$89 to US$2,499, and from US$79 to US$879, respectively.

The following table sets forth a breakdown of our revenue and gross profit margin by sales model for the periods indicated.

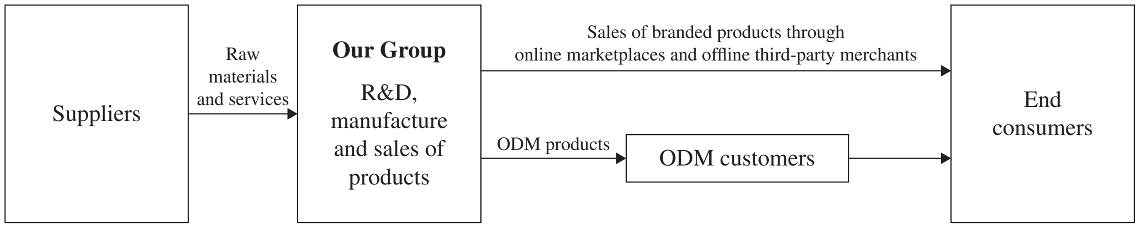
	For the year ended December 31,					
	2023		2024		2025	
	Revenue	Gross profit margin	Revenue	Gross profit margin	Revenue	Gross profit margin
	(RMB in thousands, except for percentages)					
Sales of branded products	253,765	63.4	393,332	60.4	677,948	65.2
Sales under ODM model	117,551	44.4	133,516	50.7	127,088	49.9
Sales of accessories[(1)]	6,634	63.8	16,687	60.9	7,166	75.1
Total	**377,950**	**57.5**	**543,535**	**58.0**	**812,202**	**62.9**

(1) Accessories included primarily components and semi-manufactured products.

Our Business Model

We have a robust capability in the research, design, manufacture and marketing of robotic pool cleaners. We sell branded products under two brands, *WYBOT* and *Winny Pool Cleaner*, to end consumers primarily in North America, Europe, Asia and Oceania primarily through online E-commerce marketplaces and our E-commerce independent websites. In particular, our revenue generated through Amazon was RMB211.1 million, RMB309.8 million and RMB404.1 million in 2023, 2024 and 2025, respectively, accounting for 55.9%, 57.0% and 49.7% of our total revenue in the same periods, respectively. We sell our products on Amazon primarily through the Seller Central program, a comprehensive seller services program provided by Amazon that allows us to conduct online sales directly to end consumers under a DTC sales model. In addition, we have also participated in Amazon's Vendor Central program. This program operates under a B2B sales model, where Amazon places bulk purchase orders with us on buyer-seller contractual arrangement, and subsequently fulfills its customer orders without our further involvements. We also conduct offline sales of our branded products to third-party merchants to expand our market reach. In addition, we also sell commissioned products on an ODM basis primarily to global pool equipment brands, such as Bestway, CASH and Productos QP, which on-sell them to end consumers primarily through offline channels.

The following diagram illustrates our business model.



Shift in Business Model

Since our inception and prior to 2023, our business operated predominantly under an ODM model, involving the research, design, manufacturing, and sale of commissioned products for global pool equipment brands. Through this ODM-based business model, we have built robust capabilities across the entire product lifecycle of robotic pool cleaners, enabling us to meet diverse market needs spanning residential, commercial, and public facilities.

Since 2023, we strategically transitioned our business model from a predominantly ODM-based approach to focusing on the sale of our branded products under two brands, *WYBOT* and *Winny Pool Cleaner*, to end consumers primarily in North America, Europe, Asia and Oceania primarily through E-commerce marketplaces, such as Amazon, our E-commerce independent websites on Shopify, Woot, Walmart, Best Buy, Lowe's, Target, and Home Depot. In addition, we also conduct offline sales of our branded products to third-party merchants in complement with our online sales channel and to further expand our market reach. This strategic shift in business model was driven by our thorough evaluation of several key factors, including primarily (1) enhancing profitability, (2) reducing customer concentration risk, and (3) establishing long-term brand value and customer relationships. During our business model transition, we strategically chose to scale down our ODM operations rather than maintain their existing size. This deliberate reduction enabled us to reallocate and optimize our relatively limited resources, including manufacturing capacity, working capital, labor, and management attention, toward higher-value initiatives for our branded products. Specifically, the decision was primarily driven by the following key considerations: (1) strategic repositioning for higher value, (2) focused resource allocation, and (3) enhanced operational efficiency. The shift in business model has exerted impact on our operational and financial performance, primarily including impact on our (1) customer mix, (2) revenue mix, (3) cost and operating expense structure, (4) gross profit margin, and (5) net profit margin. For details of the shift in our business model, see "Business—Shift in Business Model."

MARKET OPPORTUNITY

The pool is the centerpiece of the growing outdoor living space, which is increasingly connected and smart through the proliferation of home IoT devices and the emergence of AI technology which is expected to drive the next-generation trend in the ultimate back yard experience, including hassle-free, smart pool cleaning and maintenance. Pool cleaning is an onerous undertaking for pool owners and operators. The demand for robotic pool cleaners to replace human labor is increasingly considered non-discretionary and recurring for the ongoing operation of pools because robotic pool cleaners significantly enhance the ease of pool maintenance, promotes water conservation, and/or decrease harsh chemical usage.

The global robotic pool cleaner market, in terms of GMV, increased from US$1,393.9 million in 2020 to US$2,799.7 million in 2025, at a CAGR of 15.0%. It is projected to reach US$4,567.7 million by 2030, with a CAGR of 10.3% from 2025 to 2030 according to the CIC Report. The adoption rate of robotic pool cleaners worldwide, calculated by dividing the number of pools adopting robotic pool cleaners by the total number of pools, is expected to increase from 27.8% in 2025 to 34.7% in 2030 according to the same source. The rapid growth of the global robotic pool cleaner market will continue to be driven by, among other factors, the consumer trend towards healthy outdoor living, technological advancements, and the construction of private pools in emerging markets. In China, the adoption rate of robotic pool cleaners is expected to increase from 8.7% in 2025 to 16.2% in 2030 with significant growth prospects in pools at sports centers, luxury hotels, condominiums, and hot spring or spa facilities, and other underwater environments, such as aquariums and breeding ponds.

Pool cleaners have evolved from heavy suction-side or pressure-side pool cleaners utilizing a combination of suction and manipulation of water pressure, to electric corded robotic pool cleaners, and in recent years, to lightweight and cordless robotic pool cleaners. We have contributed to the development of robotic pool cleaners by inaugurating the earliest lightweight products in 2009, the earliest cordless products in 2014, and the earliest AI-powered products in 2023. We began the development of cordless products and the application of the relevant patents in 2009. Nowadays, AI-powered robotic pool cleaners capable of executing complex pool cleaning tasks with high efficiency and precision as well as minimal human intervention are gaining increasing consumer acceptance. With the pool as the centerpiece of outdoor living space, we are well positioned to springboard from robotic pool cleaners to AI-powered "smart" outdoor living solutions, eyeing the growth prospects in the broader global smart outdoor living market.

COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiated us from our competitors: (1) growing technology company in the robotic pool cleaner industry, (2) robust R&D capability for relentless product innovation, (3) comprehensive product portfolio with AI-powered capabilities, (4) omni-channel sales network with global customer outreach, and (5) visionary management team and seasoned talents.

GROWTH STRATEGIES

We aspire to springboard from pool cleaning and maintenance to providing a comprehensive back yard management solution to make outdoor living more convenient and enjoyable. Specifically, we intend to pursue the following strategies to further grow our business: (1) continue to increase our R&D investment to strengthen our market position, (2) enrich our product portfolio and its application scenarios to enhance brand equity, (3) expand our global omni-channel sales network to augment our market share, (4) continue to expand production capacity and enhance production efficiency, and (5) attract, retain and cultivate talents to propel future growth.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers for branded products primarily include (1) end consumers or Amazon Vendor Center for Amazon Vendor Central program for online sales of our branded products, and (2) third-party merchants, such as pool equipment specialty retail chain stores, shopping malls, and supermarkets, for offline sales of our branded products. Our customers also include robotic pool cleaner companies and companies in the pool care and outdoor living industries, to whom we offer our products on ODM basis. In 2023, 2024 and 2025, revenue generated from our top five customers accounted for 27.0%, 23.4% and 22.0% of our total revenue, respectively, and revenue from our top customer accounted for 7.8%, 7.3% and 8.8% of our total revenue in the same periods, respectively. See "Business—Our Customers" for details. Our suppliers primarily provide us with raw materials, hardware, and logistics and marketing services. Purchase from our top five suppliers accounted for 51.5%, 44.8% and 44.2% of our total purchases in 2023, 2024 and 2025, respectively, and purchase from our largest supplier accounted for 35.7%, 26.6% and 24.3% of our total purchases in the same periods, respectively. See "Business—Suppliers and Raw Materials—Our Suppliers" for details.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary of our financial information for the Track Record Period, and should be read together with the consolidated financial statements in the Accountants' Report set out in Appendix I to this document, including the accompanying notes and the information set forth in "Financial Information." Our consolidated financial information was prepared in according with the IFRS Accounting Standards.

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth selected data from our consolidated statements of profit or loss and other comprehensive income for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands except for percentages)					
Revenue	377,950	100.0	543,535	100.0	812,202	100.00
Cost of sales	(160,735)	(42.5)	(228,272)	(42.0)	(301,079)	(37.1)
Gross profit	**217,215**	**57.5**	**315,263**	**58.0**	**511,123**	**62.9**
Profit before taxation	67,626	17.9	83,160	15.3	116,517	14.3
Income tax	(6,777)	(1.8)	(12,650)	(2.3)	(16,106)	(2.0)
Profit for the year/period	**60,849**	**16.1**	**70,510**	**13.0**	**100,411**	**12.4**

Revenue

During the Track Record Period, we generated revenue primarily from the sales of robotic pool cleaners. We sold our branded robotic pool cleaners, and also sold commissioned products on ODM basis. We also generated de minimis revenue from the sales of accessories during the Track Record Period. Our revenue was RMB378.0 million, RMB543.5 million and RMB812.2 million in 2023, 2024 and 2025, respectively. The following table sets forth a breakdown of our revenue by sales model, both in absolute amount and as a percentage of our total revenue, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands except for percentages)					
Sales of branded products	253,765	67.1	393,332	72.4	677,948	83.5
Sales under ODM model	117,551	31.1	133,516	24.6	127,088	15.6
Sales of accessories[(1)]	6,634	1.8	16,687	3.1	7,166	0.9
Total	**377,950**	**100.0**	**543,535**	**100.0**	**812,202**	**100.0**

(1) Accessories included primarily components and semi-manufactured products.

Gross Profit and Gross Profit Margin

Our gross profit was RMB217.2 million, RMB315.3 million and RMB511.1 million in 2023, 2024 and 2025, respectively, representing a gross profit margin of 57.5%, 58.0% and 62.9% for the same periods, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by sales model for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	*Gross profit margin (%)*	*Gross profit*	*Gross profit margin (%)*	*Gross profit*	*Gross profit margin (%)*
	(RMB in thousands except for percentages)					
Sales of branded products	160,787	63.4	237,383	60.4	442,282	65.2
Sales under ODM model	52,194	44.4	67,724	50.7	63,462	49.9
Sales of accessories	4,234	63.8	10,156	60.9	5,379	75.1
Total	**217,215**	**57.5**	**315,263**	**58.0**	**511,123**	**62.9**

During the Track Record Period, we strategically transitioned our business model from a predominantly ODM-based approach to focusing on our branded products under *WYBOT* and *Winny Pool Cleaner*. The business model transition drove a substantial increase in branded product revenue, which grew from 67.1% of our total revenue in 2023 to 72.4% in 2024, and further to 83.5% in 2025. The transition also strengthened our pricing power and increased the gross profit margin of our branded products. See "Business—Our Business—Shift in Business Model."

Summary of Consolidated Statements of Financial Positions

The following table sets forth summary of our consolidated statements of financial position as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	85,120	90,554	92,435
Total current assets	455,707	593,522	826,597
Total current liabilities	79,147	150,248	634,844
Total assets less current liabilities	461,680	533,828	284,188
Net assets	**454,792**	**527,459**	**267,811**

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow data from our consolidated statements of cash flows for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash generated from operating activities	40,308	6,501	34,825
Net cash generated from/(used in) investing activities	88,044	(3,661)	1,360
Net cash (used in)/generated from financing activities	(587)	(3,967)	71,327
Net increase/(decrease) in cash and cash equivalents	127,765	(1,127)	107,512
Cash and cash equivalents at beginning of the period	124,714	254,150	253,568
Effect of foreign exchange rate changes	1,671	545	(543)
Cash and cash equivalents at end of the period	254,150	253,568	360,537

NON-IFRS MEASURE

To supplement our consolidated financial statements which are prepared and presented in accordance with the IFRS Accounting Standards, we use adjusted net profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, the IFRS Accounting Standards. We believe that such non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating the potential impact of items that our management does not consider to be indicative of our operating performance. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for, analysis of, or superior to, our results of operations or financial condition as reported under the IFRS Accounting Standards. In addition, such non-IFRS financial measure may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measure used by other companies. Our presentation of such non-IFRS measure should not be construed as an implication that our future results will be unaffected by unusual or non-recurring items.

We define adjusted net profit (non-IFRS measure) as profit for the year adjusted for equity-settled share-based payment expenses, expenses related to previous A-share listing attempt, [**REDACTED**] and changes in the carrying amount of redemption liabilities. Equity-settled share-based payment expenses is non-cash expenses arising from granting restricted share units and options to senior management and employees. Expenses related to previous A-share listing attempt represent professional service fees in connection with the previous A-share listing attempt. [**REDACTED**] arise from activities relating to the [**REDACTED**]. Our redemption liabilities to investors during the Track Record Period was primarily attributable to the redemption rights of the Pre-[**REDACTED**] Investors included in our financing arrangements, which were recorded as financial liabilities. Upon the [**REDACTED**], the redemption rights will be automatically terminated, and the redemption liabilities will be reclassified from liabilities to equity. See "History, Development and Corporate Structure—Pre-[**REDACTED**] Investments—Special Rights of the Pre-[**REDACTED**] Investors." The following table sets forth a reconciliation of our adjusted net profit (non-IFRS measure) to the most directly comparable financial measure calculated and presented in accordance with the IFRS Accounting Standards.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Profit for the year	**60,849**	**70,510**	**100,411**
Add:			
Equity-settled share-based payment expenses	4,629	397	11,083
Expenses related to previous A-share listing attempt	7,393	–	–
[**REDACTED**]	–	[REDACTED]	[REDACTED]
Changes in the carrying amount of redemption liabilities	–	–	6,488
Adjusted net profit (non-IFRS measure)	**72,871**	**77,502**	**124,247**

KEY FINANCIAL RATIOS

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

	For the year ended December 31,		
	2023	2024	2025
Gross profit margin	57.5%	58.0%	62.9%
Net profit margin	16.1%	13.0%	12.4%
Adjusted net profit margin (non-IFRS measure)	19.3%	14.3%	15.3%
Revenue growth rate	19.0%	43.8%	49.4%
Gross profit growth rate	28.0%	45.1%	62.1%

See "Financial Information—Key Financial Ratios."

OUR CONTROLLING SHAREHOLDERS AND SHAREHOLDING STRUCTURE

During the Track Record Period and up to the Latest Practicable Date, our Company was controlled by the Controlling Shareholders, namely (i) Ms. Fu as to 10.88%, (ii) Mr. Yu as to 0.93%, (iii) Tianjin Zhuhui as to 21.55%, which is owned as to 57.50% and 42.50% by Ms. Fu and Mr. Yu, respectively, (iv) Tianjin Wangyuan as to 32.75%, which is owned as to 60.00% and 40.00% by Ms. Fu and Mr. Yu, respectively, and (v) Tianjin Kanfang LP and Tianjin Wangyuan LP as to 1.24% and 4.23%, respectively, with Ms. Fu being their respective sole general partner and entitled to exercise the voting rights attaching to the Shares held by them. As of the Latest Practicable Date, the Controlling Shareholders have been able to control 71.58% of the voting rights in shareholders' meetings of our Company. See "Relationship with Our Controlling Shareholders" and "Directors and Senior Management" for more information about their relationship and biographical details.

PRE-[REDACTED] INVESTMENTS

Since 2021, with confidence in our business development and management, many investors invested in our Company. For further details of the background of the Pre-[**REDACTED**] Investors and the principal terms of the Pre-[**REDACTED**] Investments, see "History, Development and Corporate Structure—Pre-[**REDACTED**] Investments" in this document.

[REDACTED]

We expect to incur a total of approximately [**REDACTED**] ([**REDACTED**]) of [**REDACTED**] in connection with the [**REDACTED**], representing approximately [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**] (assuming an [**REDACTED**] of [**REDACTED**], being the [**REDACTED**] of the indicative [**REDACTED**] between [**REDACTED**] and [**REDACTED**], and assuming that the [**REDACTED**] is not exercised), including (1) [**REDACTED**] and [**REDACTED**], SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all [**REDACTED**] of approximately [**REDACTED**] ([**REDACTED**]), and (2) [**REDACTED**] of approximately [**REDACTED**] ([**REDACTED**]), which consist of (i) fees and expenses of legal advisors and reporting accountants of approximately [**REDACTED**] ([**REDACTED**]), and (ii) other fees and expenses of approximately [**REDACTED**] ([**REDACTED**]). Approximately [**REDACTED**] is expected to be charged to our profit or loss, and approximately [**REDACTED**] is expected to be deducted from equity. The [**REDACTED**] above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

[REDACTED] STATISTICS

All statistics in this table are based on the assumption that (1) the [**REDACTED**] has been completed and [**REDACTED**] are [**REDACTED**] pursuant to the [**REDACTED**], and (2) the [**REDACTED**] is not exercised.

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	**Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]**
[**REDACTED**] of our Shares[1]	[**REDACTED**]	[**REDACTED**]
Unaudited [**REDACTED**] adjusted net tangible assets per Share as of December 31, 2025[2]	[**REDACTED**]	[**REDACTED**]

(1) The calculation of [**REDACTED**] is based on [**REDACTED**] total [**REDACTED**] Shares immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

(2) The unaudited [**REDACTED**] adjusted net tangible assets per Share as of December 31, 2025 is calculated after making the adjustments referred to in Appendix II and on the basis that [**REDACTED**] Shares were in [**REDACTED**] immediately following the completion of the [**REDACTED**], but does not take into account any H Shares which may be [**REDACTED**] upon the exercise of the [**REDACTED**]. No adjustment has been made to reflect any trading result or other transactions of our Group entered into subsequent to December 31, 2025.

DIVIDENDS

During the Track Record Period, we declared dividends of RMB62.0 million in 2025. We have adopted a dividend policy of declaring and paying dividends, without a predetermined dividend payout ratio. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be determined by our Shareholders. For details, see "Financial Information—Dividends."

CSRC FILING

We submitted a filing to the CSRC for application of the [**REDACTED**] and the [**REDACTED**] on [●] and received notice of completion of filing issued by the CSRC on [●].

FUTURE PLANS AND USE OF [REDACTED]

We estimate that the net [**REDACTED**] of the [**REDACTED**], after deducting the estimated [**REDACTED**] commissions and other fees and expenses payable by us in connection with the [**REDACTED**], will be approximately [**REDACTED**], assuming an [**REDACTED**] of [**REDACTED**] per Share (being the [**REDACTED**] of the indicative range of the [**REDACTED**] of [**REDACTED**] to [**REDACTED**] per Share), without the exercise of the [**REDACTED**].

We currently intend to use the net [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts that: (1) approximately [**REDACTED**]% of the net [**REDACTED**], or [**REDACTED**], will be used to further expand our production capacity and enhance production efficiency by (i) establishing our new production base and adjacent warehouses; (ii) purchasing production equipment and intelligent production related hardware and software; and (iii) recruiting and training production personnel; (2) approximately [**REDACTED**]% of the net [**REDACTED**], or [**REDACTED**], will be used to expand our global online and offline sales and augment our market share; (3) approximately [**REDACTED**]% of the net [**REDACTED**], or [**REDACTED**], will be used to elevate our R&D capabilities and enrich our product portfolio with expanded application scenarios; and (4) approximately [**REDACTED**]% of the net [**REDACTED**], or [**REDACTED**], for working capital and other general corporate purposes. See "Future Plans and Use of [**REDACTED**]" for further information relating to our future plans and use of [**REDACTED**] from the [**REDACTED**], including the adjustment on the [**REDACTED**] of the [**REDACTED**] in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the midpoint of the estimated [**REDACTED**].

LEGAL PROCEEDINGS

We were involved in certain legal proceedings regarding alleged patent infringement. See "Business—Legal Proceedings and Compliance" for details.

Concluded Legal Proceeding

On July 29, 2022, Zodiac Pool Systems LLC ("Zodiac LLC") and Zodiac Pool Care Europe ("Zodiac Europe", collectively with Zodiac LLC, "Zodiac") commenced a Section 337 investigation at the United States International Trade Commission ("ITC") alleging that Shenzhen Aiper Intelligent Co., Ltd., Aiper Intelligent, LLC and Aiper, Inc. (collectively, "Aiper") infringed certain U.S. patents of Zodiac United States Patent Nos. 8,393,029 and 8,393,031 in connection with the importation and sale of certain robotic pool cleaners ("ITC Investigation"). The ITC Investigation did not proceed to a final merits determination against our Group on infringement or validity of Zodiac's asserted patents, as it was voluntarily dismissed by Zodiac in February 2023 after Aiper entered into a settlement agreement on its own with Zodiac in February 2023. Based on information available to us as of the Latest Practicable Date, and as advised by our Independent U.S. Litigation Advisor, we believe the ITC Investigation does not indicate that our current products infringe Zodiac's asserted patents in the ITC Investigation.

Pending Overseas Legal Proceedings

We are currently involved in a pending patent infringement litigation in front of the Tribunal Judiciaire de Paris ("Paris Judicial Court") (the "French Proceeding") initiated by Zodiac Europe on December 15, 2022 and a complaint was recently filed before a United States court (the "U.S. Complaint") initiated by Zodiac on May 23, 2025, for alleged infringement of certain patents held by the Zodiac registered in Europe and the United States. Meanwhile, we are also currently involved in an insurance claim litigation in front of Superior Court of Arizona in the United States ("Arizona Proceeding").

French Proceeding

In the French Proceeding, Zodiac Europe alleged infringement of some of its European patents and requested, among other things, EUR2,544,000 as provisional damages to be confirmed once financial documents have been provided, and an injunctive remedy to discontinue marketing and to recall from commercial circuit of infringing products. Our Company and WYBOTICS EUROPE are challenging the validity of the asserted patents of Zodiac with a 55% to 60% chance of success of obtaining nullity of the asserted patents of Zodiac, as advised by our Independent French Litigation Advisor. Should Zodiac French Patent be found invalid, the French Proceeding will be dismissed in accordance with the laws of France. Consequently, the chance of not being condemned for infringement should be more than 50%, as advised by our Independent French Litigation Advisor.

Considering that (1) our Independent French Litigation Advisor is of the opinion that the chance of not being condemned for infringement should be more than 50%, and (2) the accused models were outdated models or not marketed as of the Latest Practicable Date,our Directors are of the view that the French Proceeding will not have any material adverse effect on our business, results of operations and financial condition. For details of the French Proceeding, see "Business—Legal Proceedings and Compliance—Pending Overseas Legal Proceedings—French Proceeding."

U.S. Complaint

Based on information available to us as of the Latest Practicable Date, Zodiac filed the U.S. Complaint on May 23, 2025, and amended its complaint on September 22, 2025 ("Amended U.S. Complaint") to assert certain additional patents. Zodiac claimed that certain our robotic pool cleaner models infringed some of its U.S. patents. Zodiac sought both monetary damages and injunctive relief. However, Zodiac has not specified the amount of damages sought in the U.S. Complaint or Amended U.S. Complaint. As of the Latest Practicable Date, the case schedule for the U.S. Complaint and any eventual trial date have not been determined and remained at a very early litigation stage. On September 9, 2025, we also filed a declaratory judgment complaint before another United States court against Zodiac, requesting the court to declare non-infringement of all the asserted patents of Zodiac and to declare that certain the asserted patents of Zodiac are invalid. On November 25, 2025, we also filed inter partes review petitions with the U.S. Patent and Trademark Office challenging the validity of the camera/vision-related patents asserted by Zodiac.

Considering that (1) it is more likely than not that each of the asserted patents of Zodiac will be held invalid based on prior art, (2) Zodiac's allegations also face substantive challenges on infringement and validity that are expected to be tested through claim construction, dispositive motions, and/or other merits determinations in the U.S. Complaint, and (3) we have implemented new product designs and transitions such that the products currently offered for sale in the U.S. are not accused, or are being transitioned away from, the legacy designs alleged by Zodiac, our Independent U.S. Litigation Advisor is of the view that it is more likely than not that the Group will be able to defend the U.S. Complaint successfully.

Considering that (1) our Independent U.S. Litigation Advisor's view that it is more likely than not that our Group will be able to defend the U.S. Complaint successfully, (2) the procedural posture of the U.S. Complaint, and (3) our Independent U.S. Litigation Advisor's view that the new designs and product transition reduce the likelihood that Zodiac could obtain any remedy that would materially affect our ongoing U.S. sales, our Directors are of the view that the U.S. Complaint and the Amended U.S. Complaint will not have any material adverse effect on our business, results of operations and financial condition. For details of the French Proceeding, see "Business—Legal Proceedings and Compliance—Pending Overseas Legal Proceedings—U.S. Complaint."

Arizona Proceeding

On February 23, 2026, Nationwide General Insurance Company, as subrogee of certain homeowners, filed a lawsuit against Wybotics Inc in the Superior Court of Arizona, Maricopa County, alleging product liability claims in connection with an alleged defect in a battery-operated pool cleaner that purportedly caused a residential fire. Such complaint seeks recovery of approximately US$38,000 in damages. The Arizona Proceeding is at an early stage. Our Directors confirm that this matter is an isolated claim. Considering the monetary value of the claim brought by such complaint is relatively modest, our Directors are of the view that this proceeding will not have any material adverse effect on our business, results of operations and financial condition.

Pending PRC Legal Proceeding

Pending Suzhou Legal Proceeding

We are also currently involved in one pending contract dispute litigation in front of a PRC court in Suzhou filed by one of our domestic customers ("Suzhou Proceeding Plaintiff") in January 2024 for alleged breach of two contracts on the alleged basis that our subject matter products were subject to material safety risk that the charging port of certain robotic pool cleaners of the Company had safety risk (the "Allegation"). On July 8, 2025, the Suzhou court held, as the first instance judgment, that subject matter products were subject to safety risks and ordered that (1) the two contracts were validly terminated, (2) we shall return Suzhou Proceeding Plaintiff the pre-payment of the two contracts of approximately RMB0.5 million, (3) we shall pay Suzhou Proceeding Plaintiff damages of approximately RMB0.5 million, and (4) our counterclaim be dismissed ("First Instance Judgement"). We have appealed the First Instance Judgement and the appellate procedure was still pending as of the Latest Practicable Date.

As advised by our PRC litigation counsel, (1) the alleged safety risk of the charging port does not exist because the charging port concerned is compliant with the relevant standards, as supported by the certification body which had certified the alleged products, and (2) the Allegation is not accurate and the First Instance Judgement is erroneous. Considering (1) the monetary value of the claim brought by the Suzhou Proceeding Plaintiff is relatively modest, as can be demonstrated the First Instance Judgment that we are ordered to pay the Suzhou Proceeding Plaintiff an aggregated amount of approximately RMB1.0 million, (2) as advised by our PRC litigation counsel, the Allegation is not accurate and the First Instance Judgement is erroneous, and (3) the alleged charging port have been replaced in our current and future models, our Directors are of the view that this proceeding will not have any material adverse effect on our business, results of operations and financial condition.

Pending Tianjin Legal Proceeding

We are also currently involved in one pending contract dispute litigation in front of a PRC court in Tianjin filed by one of our domestic suppliers of batteries ("Tianjin Proceeding Plaintiff"). The Tianjin Proceeding Plaintiff claimed for RMB1.3 million from us, consisting of our unpaid contract amount of RMB1.2 million, the interests thereupon and the relevant legal costs. In January 2026, we counterclaimed that the quality of the batteries supplied by the Tianjin Proceeding Plaintiff did not meet the stipulated standards and claimed for RMB5.8 million from them. The first instance hearings for this dispute were conducted on January 22 and March 18, 2026, and the first instance judgment is still pending. Considering the monetary value of the claim brought by the Tianjin Proceeding Plaintiff is relatively modest, our Directors are of the view that this proceeding will not have any material adverse effect on our business, results of operations and financial condition.

RECENT DEVELOPMENT 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 since December 31, 2025 (being the date on which the latest audited consolidated financial information of our Group was prepared) and there is no event since December 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report set out in Appendix I to this document.