
BUSINESS

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 base 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 the intelligent transformation of the global pool cleaning and maintenance industry with AI-powered robotic products.

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.

BUSINESS

ON-SALE CORDLESS ROBOTIC POOL CLEANERS

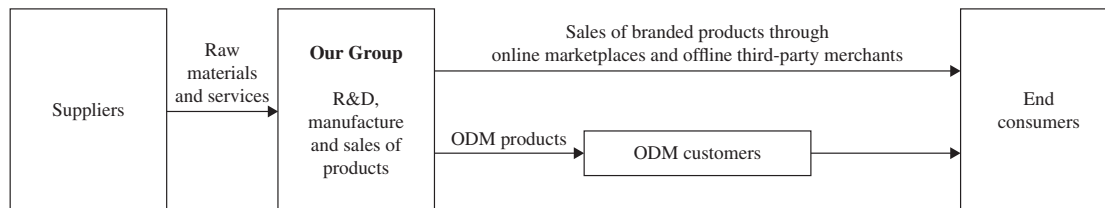
Pioneer	3D Mapping			
				
	WYBOT S3			
	Underwater Docking	AI Vision		
Flagship				
	WYBOT S2 Pro	WYBOT S2 Solar/S2 Solar Vision	WYBOT M2	
	WYBOT S (flagship level)		WYBOT M (flagship level)	
				
Premium	WYBOT C Series		WYBOT F Series	Osprey 700 Series
				
	WYBOT C1/C1 Pro/C1 Max	WYBOT C2/C2 Vision/ C2 Pro/C2 Pro Vision	WYBOT F1	Osprey 700/700 Pro/700 Max
Entry	WYBOT A Series	Osprey 300 Series	Osprey 200 Series	Frisbee Series
				
	WYBOT A1	Osprey 300/300 Pro/300II	Osprey 200/200 Max	HJ1101JS/HJ1101S

BUSINESS

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 *Winnys 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. 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. As we have been focusing on developing our business in branded products in recent years, the related revenue contribution skyrocketed to RMB393.3 million in 2024, accounting for 72.4% of our total revenue in the same year, as compared to the revenue contribution from the sale of ODM products of RMB133.5 million in 2024, accounting for 24.6% of our total revenue in the same year. See “—Our Business—Shift in Business Model.”

The following diagram illustrates our business model.



Robust R&D capability

Robust R&D capability is instrumental to our market position. We have established a advanced R&D center with a strong R&D team. We have achieved various breakthroughs in core technologies, including among others, precise underwater acoustic positioning, underwater AI vision, underwater 3D mapping, autonomous navigation and autonomous waste collection. As the inaugurator of cordless products which have become a clear trend in pool cleaning and maintenance, we have contributed to the development of the industry, showcased by the largest global market share of cordless robotic pool cleaners in terms of shipment volume of self-manufactured products in 2024, according to the CIC Report.

Our R&D team continuously explores the innovative application of intelligent hardware and AI algorithms in robotic pool cleaners. We are developing AI algorithms to equip robotic pool cleaners with simultaneous localization and 3D mapping technology to chart out unfamiliar underwater environment while keeping track of their locations for enhanced 3D mapping and AI path planning. In addition, we are also developing AI algorithms for sensors with ultrasonic radar to automatically perceive underwater environment, which will allow our products to have enhanced underwater AI vision for improved efficiency, precision and safety in complex cleaning tasks.

As of the Latest Practicable Date, we owned 151 and 21 patents, including 17 and 10 invention patents, registered in China and overseas, respectively. We are recognized by competent government authorities in China as a national-level specialized and new “little giant” enterprise (專精特新“小巨人”企業), a “high and new technology” enterprise (高新技術企業), and a “leading nurturing” enterprise (領軍培育企業). Our R&D capability is also evidenced in our sufficient R&D initiatives. In 2023, 2024 and 2025, our research and development expenses was RMB19.3 million, RMB22.1 million and RMB30.4 million, respectively, accounting for 5.1%, 4.1% and 3.7% of our total revenue in the same periods, respectively.

BUSINESS

Flexible manufacturing

We in-house develop and manufacture substantially all the key components in both our branded and ODM products and assemble them at our self-owned production base. We have a production base with three workshops at Tianjin, China, with a gross floor area of more than 10,000 square meters and designed annual production volume of approximately 650,000 product units in 2024. We are one of robotic pool cleaner companies in China with self-owned production bases to customize production based on specific customer needs, according to the CIC Report, which is a significant advantage compared to companies with an outsourcing model in manufacture. We implement a flexible manufacturing process for customized production to accommodate the manufacture of a comprehensive product portfolio of 48 major models of robotic pool cleaners. Specifically, we dynamically schedule production based on the orders received and timely adjust production lines according to production needs of the different models of robotic pool cleaners to achieve economies of scale. For our branded products, we also schedule production in advance based on our annual sales forecasts formulated through informed analytics into the market demands.

We have passed the ISO9001 certification for our production facilities and have obtained the major certifications for our products, including primarily the CE certification and the RoHS certification for the European Union, the CETL certification for the United States and Canada, the FCC certification for the United States, the SAA certification for Australia, which represents formidable qualification barrier and competitive advantage.

Global omni-channel sales network

We have cultivated an extensive global customer network for our branded and ODM products across 60 countries and regions primarily in North America, Europe, Asia and Oceania as of the Latest Practicable Date. 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, such as Amazon, our E-commerce independent websites on Shopify, Woot, Walmart, Best Buy, Lowe’s, Target, and Home Depot. Boasting a network comprising thousands of retail stores, such online marketplaces serve as direct channels for end consumers to conveniently place orders and purchase our products. In addition, leveraging our experience accumulated through our ODM business, since late 2023, we have also been expanding offline sales of our branded products to third-party merchants, which include primarily pool equipment specialty retail chain stores, shopping malls, and supermarkets.

We have established long-term and stable relationships with world-renowned pool equipment brands, such as Bestway, CASH and Productos QP, on an ODM basis to sell commissioned products to global customers primarily through offline channels. Our in-depth collaborations with blue-chip brands have demonstrated our market position in the global robotic pool cleaner industry, which allows us to forge our own brand influence. In 2024, our revenue generated from online and offline channels for our products was RMB355.5 million and RMB188.0 million, respectively, accounting for 65.4% and 34.6% of our total revenue in the same year, respectively.

Our 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.

BUSINESS

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.

Our Financial Performance

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.

COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiated us from our competitors.

Growing Technology Company in the Robotic Pool Cleaner Industry

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. We are also China’s largest provider of robotic pool cleaners, as measured by production capacity in 2024, according to the CIC report. We have contributed 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. We are now the world’s largest provider of cordless robotic pool cleaners, as measured by shipment volume of self-manufactured products in 2024, according to the CIC Report. Our product portfolio ensures full coverage of pool cleaning scenarios at residential, commercial, and public facilities, with 48 major models as of the Latest Practicable Date.

BUSINESS

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We are one of robotic pool cleaner companies in China with self-owned production bases to customize production based on specific customer needs, according to the CIC Report, which is a significant advantage compared to companies with an outsourcing model in manufacture. Pool equipment brand owners cooperate with us on ODM basis for our ability to consistently fulfill their diverse requirements across various product categories, models, appearance, designs, performance, and other customized options with technology advanced products, ensuring reliable partnership. We have gained clear competitive edges in various other key aspects of our business, including competitive market position, robust R&D capability, deep product portfolio, and global omni-channel sales network, which we believe have enabled us to capture the significant growth opportunity in the global robotic pool cleaner market.

Robust R&D Capability for Relentless Product Innovation

Robust R&D capability is instrumental to our market position, serving as the foundation for preserving customer trust, securing sales orders, enhancing production efficiency, and ensuring long-term growth. We have in-house developed all the core technologies pertinent to robotic pool cleaners across the entire process from concept to product delivery, ranging from the underlying hardware design, the middle-layer software development, to the top-level AI algorithms.

The formidable challenges in developing robotic pool cleaners mainly revolve around the distinct technological requirements for robotic cleaners to operate in an underwater three-dimensional environment, as compared to conventional robotic cleaners which execute cleaning tasks with two-dimensional motion only on land. The sensors for conventional robotic cleaners are suited to functioning on land only and are not usable in an underwater environment which typically features fewer objects of reference and faces interference of waves. These challenges make it difficult for conventional robotic cleaner providers to migrate their on-land products to the underwater environment. We have accumulated extensive expertise and know-how since our inception two decades ago, uniquely pertinent to the core structural and functional design for the underwater operation of robotic pool cleaners, wireless power supply with lithium-ion batteries, and more recently, AI-powered automation and intelligence. Specifically, we have achieved various breakthroughs in core technologies, including among others, precise underwater acoustic positioning, underwater AI vision, underwater 3D mapping, autonomous navigation and autonomous waste collection.

Our strong R&D capability is evidenced by a strong in-house R&D team, which consisted of 74 personnel, of which 69 personnel hold bachelor’s degrees and above, as of the Latest Practicable Date. Our R&D personnel have accumulated in-depth foundational knowledge and practical experience in the relevant fields, such as mechanical engineering, computer sciences, automation, and AI technology, with an average of more than 10 years of relevant professional experience. Our R&D capability is also evidenced in our sufficient R&D initiatives. In 2023, 2024 and 2025, our research and development expenses was RMB19.3 million, RMB22.1 million and RMB30.4 million, respectively, accounting for

BUSINESS

5.1%, 4.1% and 3.7% of our total revenue in the same periods, respectively. As of the Latest Practicable Date, we owned 151 and 21 patents, including 17 and 10 invention patents, registered in China and overseas, respectively. We are recognized by competent government authorities in China as a national-level specialized and new “little giant” enterprise (專精特新“小巨人”企業), a “high and new technology” enterprise (高新技術企業), and a “leading nurturing” enterprise (領軍培育企業). Our R&D projects and products have been included in several technology SME innovation fund projects at national and provincial level. We have obtained the major certifications for our products, including primarily the CE certification and the RoHS certification for the European Union, the CETL certification for the United States and Canada, the FCC certification for the United States, the SAA certification for Australia, which represents formidable qualification barrier and competitive advantage.

Comprehensive Product Portfolio with AI-powered Capabilities

We have developed and introduced robotic pool cleaners with lightweight, cordless and intelligent features to accommodate various pool cleaning scenarios at residential, commercial, and public facilities. We now offer a full suite of robotic pool cleaners, with cordless, corded and handheld models to perform cleaning underwater primarily at the bottom, on the wall, or on the water surface of a pool.

Intelligent robotic pool cleaners are those equipped with various AI-powered functionalities, 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, according to the CIC Report. Recognizing consumer need for effortless, hands-free experience for pool cleaning, we have strategically focused on the research and development of cordless robotic pool cleaners. 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, with the representative models of *WYBOT A1*, *WYBOT C1*, *WYBOT S2*, and *WYBOT S3*, respectively. Our entry level robotic pool cleaners are designed for pools above the ground with strong cleaning capability for the pool bottom. Except for entry level series that can only be used for pool floor cleaning and the *WYBOT F1* that can only be used for the pool water surface cleaning, all other cordless models are capable of cleaning floors, walls, steps, and waterlines in various modes. Specifically, our premium level products are usually lightweight and flexible, designed for small in-ground residential pools; our flagship level products, equipped with ultrasonic sensors for communication and localization, wireless charging, and remote control technologies, are designed for medium and large in-ground residential pools; and our pioneer level products equipped with high computing power AI processors and cameras for targeted and efficient cleaning with powerful system, designed for medium and large in-ground residential or commercial pools, or pools at public facilities. Our comprehensive product portfolio of robotic pool cleaners meets the evolving demands of global customers for intelligent and customized pool cleaning and maintenance.

We have empowered our robotic pool cleaners with AI perception and decision-making capabilities. Our latest generation of robotic pool cleaners are equipped with high-precision sensors and AI algorithms, capable of autonomously recognizing the pool environment, intelligently planning the optimal cleaning path, effectively avoiding obstacles in underwater terrains, and achieving efficient and precise cleaning operation. Equipped with ultrasonic sensors and charging stations, our robotic pool cleaners are capable for real-time underwater positioning and communication. With high computing power AI processors and cameras, our robotic pool cleaners can utilize visual signals and deep learning algorithms to identify different types of stains and automatically adjust the cleaning modes for targeted cleaning. Our R&D team continuously explores the innovative application of intelligent hardware and AI algorithms in robotic pool cleaners. We are developing AI algorithms to equip robotic pool cleaners with simultaneous localization and 3D mapping technology to chart out unfamiliar underwater environment while keeping track of their

BUSINESS

locations for enhanced 3D mapping and AI path planning. In addition, we are also developing AI algorithms for sensors with ultrasonic radar to automatically perceive underwater environment, which will allow our products to have enhanced underwater AI vision for improved efficiency, precision and safety in complex cleaning tasks.

We are committed to relentless technological innovation to enhance the efficiency and convenience of pool cleaning, allowing end users to enjoy a superior pool cleaning experience. We have pioneered a new era in intelligent pool lifestyle, setting the standard and becoming the top-of-mind choice within the industry.

Omni-channel Sales Network with Global Customer Outreach

We sell our branded products under the brands of *WYBOT* and *Winny Pool Cleaner* to end consumers primarily in North America, Europe, Asia and Oceania. We also conduct offline sales of our branded products to third-party merchants to expand our market reach. Since 2023, our own brands’ online channel sales have developed rapidly, primarily through online E-commerce marketplaces, such as Amazon, our E-commerce independent websites on Shopify, Woot, Walmart, Best Buy, Lowe’s, Target, and Home Depot. Boasting a network comprising thousands of retail stores, such online marketplaces serve as direct channels for end consumers to conveniently place orders and purchase our products. We have fully leveraged Amazon’s influence to showcase our products to end consumers and have actively engaged in marketing and promotional campaigns on Amazon, leading to a rapid surge in sales through Amazon. Our brands of *WYBOT* and *Winny Pool Cleaner* considered together, ranked top three among all robotic pool cleaners on Amazon in the United States in terms of sales volume in 2024. We have also established E-commerce independent websites on Shopify for our *WYBOT* brand, enabling direct purchases of our branded products for end consumers. In addition, we employ Google’s search engine, Facebook advertisement, and other promotional tactics to raise our brand awareness, driving traffic and sales growth for our E-commerce independent websites. In 2024, our advertising and promotion expenses was RMB91.6 million, accounting for 16.9% of our revenue generated from online sales of our branded products in the same year. In addition, leveraging our experience accumulated through our ODM business, since late 2023, we have also been expanding offline sales of our branded products to third-party merchants, which include primarily pool equipment specialty retail chain stores, shopping malls, and supermarkets.

We also sell commissioned products on an ODM basis primarily to world-renowned pool equipment brands, such as Bestway, CASH and Productos QP, which on-sell them to end consumers primarily through offline channels. We have built an extensive global customer network, covering 60 countries and regions in Europe, North America, Oceania, Asia, South America and Africa as of the Latest Practicable Date. During the Track Record Period, the number of our ODM customers was 31, 39 and 34 in 2023, 2024 and 2025, respectively. We are responsible for the research, design, and manufacture of the products, offering customized solutions to meet specific demands of brand owners regarding product features and appearance. Leveraging our strong technological and manufacturing capabilities, we have achieved economies of scale for our ODM business segment. Our long-term in-depth collaborations with ODM customers, including primarily high-profile brands, have enabled us in broadening our product reach, accumulating valuable industry insights, enhancing R&D capabilities, and reinforcing our market position, which allows us to forge our own brand influence and reputation.

Our global outreach and broad customer base have expanded our sales channels, promoted our technology and product innovation, and earned us a stellar reputation and a momentum for sustainable growth. The solid customer network combined with extensive market coverage has built us a global business platform that enables us to withstand risks and seize opportunities, effectively promoting our international expansion and reinforcing our market position.

BUSINESS

Visionary Management Team and Seasoned Talents

Deeply rooted in the robotic pool cleaner industry, our management team possesses extensive industry knowledge, innovative mindsets, strategic foresight, and global vision. Our founder, chairman and chief executive officer, Ms. Fu Guilan, has nearly 20 years of industry and management experience in the robotic pool cleaner industry. Under her leadership and with her keen industry insight, we have grown into a enterprise in the robotic pool cleaner industry with integrated R&D, manufacture and sales capabilities. Our vice chairman and chief technology officer, Mr. Yu Qian, received his PhD degree in condensed matter physics from the Université Paris VI of France. Mr. Yu has been involved in the robotic pool cleaner industry for nearly 20 years, mainly responsible for our R&D and strategic planning. With a robust background in physics and university teaching and research experience, Mr. Yu’s extensive experience in robotics research and product development has been pivotal to our development. Under his guidance, we have achieved various breakthroughs in core technologies, such as intelligent sensing, path planning, and efficient cleaning, to develop a suite of robotic pool cleaners with significant market acceptance. As of December 31, 2025, our management personnel, with an average working experience of over 16 years, had on average worked with us for over seven years.

We value talent reserve and training to support our sustainable growth. We recruit professionals with extensive experiences in R&D, manufacture, sales and management through lateral and on-campus recruitment. We attract and retain talents by offering optimal working environment, competitive salaries and incentives. By linking incentives with performance, our employee equity ownership plans, primarily covering key R&D, sales and marketing, and management personnel whom we attribute our success to, help us tap in the maximum potential of our employees. We are dedicated to the ongoing professional development of our employees. With comprehensive training programs, we have assembled a group of R&D experts and professionals in manufacturing, sales and management with solid theoretical knowledge, rich practical experience and stellar innovation capability, as well as a pool of sales talents, which lays a solid foundation for our secular development.

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.

Continue to Increase Our R&D Investment to Strengthen Our Market Position

We believe the continuous elevation of our R&D capability and product performance is essential for our future success. To this end, we will continue to strengthen our R&D for the cutting-edge technologies and their applications to meet evolving market demands.

Leveraging our significant first-mover advantage and differentiated competitive edge in the cordless robotic pool cleaners, we plan to continue to enhance our product performance by investing in the R&D for the relevant technologies, such as underwater communication, positioning, mapping and path planning, lithium-ion battery management, solar charging, motor control, and robotic structural design. For instance, utilizing fluid mechanics simulation, we plan to enhance dirt adsorption efficiency of our products by designing more efficient impellers following principles of fluid mechanics. Our R&D investments aim to further enhance the waterproof feature of lithium-ion batteries with improved protective seals and coatings, reduce the weight of our products, and improve their cleaning efficiency with reduced energy consumption. We believe these efforts will help us maintain our competitive edge in the cordless product sector and solidify our market position in the global robotic pool cleaner industry.

BUSINESS

We believe there are still significant improvement potentials for the intelligence level of robotic pool cleaners. We will continue to lead the industry to produce more AI-powered products. Specifically, we intend to elevate the intelligence level of our products by further investing in the R&D of the hardware and software to be incorporated in our products, including primarily the high-precision laser range measuring modules, multi-sensor motion control modules, AI navigation algorithm and software architecture for accessing multiple IoT platforms with enhanced sensing and scalability. We also plan to establish overseas test centers to conduct R&D activities, primarily including product testing in local swimming pools, to improve product quality.

Enrich Our Product Portfolio and its Application Scenarios to Enhance Brand Equity

We will continue to diversify our product portfolio and develop our own brands to offer customers a wider range of choices. We plan to further develop robotic pool cleaners under our own brands of *WYBOT* and *Winny Pool Cleaner* with more advanced AI-powered features and designs to meet the evolving market demands of products with different types, shapes, and materials.

We also plan to further develop our products under *WYBOT* and *Winny Pool Cleaner* for expanded application scenarios. Specifically, we plan to develop products for (1) large commercial pools, aimed at high-end markets such as hotels and resorts, (2) ship cleaning, especially the ship bottom and waterline, (3) landscape pools and fountains and other public facilities, and (4) breeding ponds in the aquaculture industry. By tackling these various underwater cleaning spaces, we will further enhance our competitiveness and brand value by providing customers with more comprehensive and efficient solutions. We also plan to further enhance brand recognition by expanding our brand promotion team, actively participating in industry exhibitions, hosting brand events, and strengthening promotions on social media platforms.

In addition, we plan to gradually evolve from serving the pool to provide one-stop solutions for a comprehensive smart outdoor living space through the extended application of both our products and our core AI technologies in various back yard maintenance scenarios. We will continue to launch independent or joint product research projects for back yard maintenance, mainly involving water quality cleaning and monitoring, dirt adsorption and recycle, lawn cleaning and maintenance, intelligent early warning, IoT technology, and intelligent analysis system. We aim to create a back yard cleaning ecosystem, with pool cleaning and maintenance at the core. Specifically, we intend to integrate all aspects of back yard management, including pool cleaning and maintenance, lawn care, and snow removal, by expanding the application of our core technologies in other underwater and back yard use cases, such as robotic pool cleaners for full surface cleaning, intelligent robotic lawn mover, and intelligent snow removal robots.

Expand Our Global Omni-channel Sales Network to Augment Our Market Share

Leveraging our global sales network established through our ODM business, we plan to further enhance our presence through offline channels in other regions in the world, primarily including China, Southeast Asia, Oceania, South America and Africa, many of which have relatively low adoption rate of robotic pool cleaners. We will continue to expand and optimize our offline sales network by expanding our global sales team, establishing local sales and after-sales service centers in major markets, hosting brand promotion events and implementing tailored sales strategies for each market. In addition, we plan to sell our branded products at more pool equipment specialty retail chain stores, shopping malls and supermarkets, further increasing our market share.

Since 2023, we have vigorously developed our online sales channels, which become the main source of our revenue growth. Leveraging our experience accumulated through cooperation with online E-commerce marketplaces, we plan to (1) consolidate our market position on online E-commerce

BUSINESS

marketplaces, such as Amazon, by increasing placement of customized advertisements and enhancing cooperation under the Amazon Vendor Central and Amazon Seller Central models, so as to cover more end consumers, (2) further develop and promote our E-commerce independent websites on Shopify, enabling more direct purchases of our branded products for end consumers in Europe and worldwide, and (3) cooperate with more online E-commerce marketplaces and social media platforms to increase coverage of more end consumers.

Continue to Expand Production Capacity and Enhance Production Efficiency

Based on our current production capacity and utilization rate, industry outlook and our business forecast, we plan to further improve our production capacity and efficiency to meet the increasing customer demand with new manufacturing facilities and enhanced production efficiency.

We plan to establish a new production base with adjacent warehouses in Tianjin, China. Specifically, the new production base has a proposed total site area of approximately 31,000 square meters, which is expected to increase our annual production capacity of robotic pool cleaners by more than 600,000 units. We currently expect to complete the construction and commence operation for this production base by 2027, and our total annual production capacity is expected to reach more than 1.2 million units. We plan to install automated production equipment and intelligent production related hardware and software at this base. By enhancing production automation and digitalization, we aim to reduce reliance on manual labor in production process and quality control. We have obtained requisite regulatory approval for our new production base. We also plan to further increase our annual production capacity to more than 2.0 million units with total site area of more than 60,000 square meters for our production base in the future.

For the new production base, we also plan to construct multi-level warehouses to expand our existing storage facilities, and introduce automated storage and retrieval equipment, warehouse management system, and other intelligent software and hardware at our storage facilities to enhance our warehousing operation efficiency, reduce storage costs, and improve profitability.

Attract, Retain and Cultivate Talents to Propel Future Growth

We believe that seasoned and committed professionals are crucial for bolstering our R&D, refining our management, increasing manufacturing efficiency, and ensuring sustainable development in the future. To this end, we plan to continue to attract, retain, and inspire our employees. Specifically, we plan to recruit and train (1) more R&D talents that specialize in AI algorithm, machine vision and IoT technologies, (2) more production personnel, including primarily workshop management personnel and workers, quality inspection personnel and warehousing personnel, and (3) more sales and marketing personnel to expand our global sales team. We will offer competitive compensation packages and continuous training and learning opportunities for professional growth to retain and attract talents. We will also strengthen the incentives for core management and R&D talents.

We are dedicated to investing in employee professional development to enhance their skills and prepare them for future challenges. We plan to offer training programs, workshops, and seminars to keep our employees updated with the latest industry trends and technologies. Recognizing the importance of external partnerships, we also aim to initiate collaborative R&D projects with renowned academic institutions. This joint effort in talent cultivation will be pivotal in propelling our future growth.

BUSINESS

OUR BUSINESS

We are a growing global participant focused on the research, design, manufacture and marketing of robotic pool cleaners. We sell our branded robotic pool cleaners primarily through online and offline sales primarily in North America, Europe, Asia and Oceania under two brands, *WYBOT* and *Winny Pool Cleaner*. 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.

In 2023, 2024 and 2025, we sold approximately 167.5 thousand, 263.2 thousand and 370.4 thousand branded products, respectively, with revenue contribution of RMB253.8 million, RMB393.3 million and RMB677.9 million, respectively, accounting for 67.1%, 72.4% and 83.5% of our total revenue in the same periods, respectively. In 2023, 2024 and 2025, we sold approximately 203.0 thousand, 167.8 thousand and 130.7 thousand ODM products, respectively, with revenue contribution of RMB117.6 million, RMB133.5 million and RMB127.1 million, respectively, accounting for 31.1%, 24.6% and 15.6% of our total revenue in the same periods, 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.

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.

BUSINESS

We research, design, manufacture and market our robotic pool cleaners. We receive orders of ODM products from ODM customers, including brand customers and trade customers, and orders of branded products from end consumers and third-party merchants. We plan and devise manufacturing schedule and raw material procurement based on orders placed by customers and estimated market demands. After securing requisite raw materials, we commence manufacturing and closely follow the manufacturing schedule. Upon satisfactory quality check, the products are ready to be shipped to or picked up by our customers.

Shift in Business Model

Background and Reasons

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 in complement with our online sales channel and to third-party merchants to further expand our market reach. This strategic shift in business model was driven by our thorough evaluation of several key factors, including primarily:

- *Enhancing profitability.* Under the ODM-based model, we operate in the midstream of the value chain, and our profitability is largely subject to the pricing and margin bargaining power from our ODM customers. In contrast, by selling our branded products directly to end consumers, we are able to retain greater pricing flexibility. As a result, the gross profit margin for our branded products is significantly higher than that for ODM products, thereby enhancing our long-term profitability.
- *Reducing customer concentration risk.* Under the ODM-based model, our sales were primarily derived from a limited number of ODM customers. The shift in our business model has enabled us to transition to a healthier customer structure that is relatively more diversified, with sales driven by end consumers and our omni-sales channels.
- *Establishing long-term brand value and customer relationships.* Through the development and promotion of our own brands, *WYBOT* and *Winny Pool Cleaner*, we are able to engage directly with end consumers. This direct interaction allows us to build brand loyalty, strengthen customer relationships, and enhance user experience. Going forward, we expect the shift in business model would support the establishment of long-term brand equity and contribute to sustainable business growth.

BUSINESS

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-margin initiatives for our branded products. Specifically, the decision was primarily driven by the following key considerations:

- *Strategic repositioning for higher margin.* The shift to focus on branded products demonstrates our long-term commitment to sustainable value creation. By moving up the value chain, we enhance our ability to capture stronger economic returns, build lasting consumer loyalty, and diversify our customer base. This shift enables focused pursuit of higher-margin segment, optimizing our portfolio for superior long-term performance.
- *Focused resource allocation.* Given finite production capacity and operational resources, maintaining full-scale ODM operations alongside branded products line would have diluted our essential investments in brand development, product innovation, and customer relationships. The deliberate reduction of ODM operations allows us to concentrate resources on initiatives that maximize long-term brand value and competitive positioning.
- *Enhanced operational efficiency.* Streamlining our product portfolio toward branded products sales has significantly improved operational efficiency. This focus has simplified production planning and enabled better alignment of internal teams with core strategic priorities, resulting in leaner and more effective operations.

Impact on Our Operational and Financial Performance

The shift in business model has exerted impact on our operational and financial performance, primarily including:

- *Customer mix.* The shift in business model has enabled us to transition to a healthier and more diversified customer structure and reducing our customer concentration risk. Revenue generated from our top five customers decreased from 27.0% in 2023 to 23.4% in 2024, and further to 22.0% in 2025, of our total revenue in the same periods, respectively. See “—Our Customers.”
- *Revenue mix.* Revenue contribution from sales of branded products, as a percentage of our total revenue, increased from 67.1% in 2023 to 72.4% in 2024, and further to 83.5% in 2025, while our revenue generated from sales under ODM model, as a percentage of our total revenue, decreased from 31.1% in 2023 to 24.6% in 2024, and further to 15.6% in 2025.
- *Operating expense structure.* Our selling and marketing expenses increased significantly during the Track Record Period. In 2023, 2024 and 2025, we incurred selling and marketing expenses of RMB97.2 million, RMB173.8 million and RMB302.5 million, respectively, accounting for 25.7%, 32.0% and 37.2% of our total revenue for the same periods, respectively. Such significant increase was primarily due to (1) the increase in advertisement and promotion expenses for enhancing the brand awareness of our brands, including the business promotion expense and the advertisement fees on E-commerce marketplaces and (2) the increase in sales service, after-sales service and consultation service expenses, mainly as a result of the various types of E-commerce marketplace platform fees since our establishment of our online E-commerce marketplaces in 2023.

BUSINESS

- Gross profit margin.* We have gained greater pricing flexibility. Since the shift in business model in 2023, the average selling price of our branded products is two to three times higher than the average selling price of our ODM products. In 2023, 2024 and 2025, the average selling price of our branded products was approximately RMB1,515, RMB1,494 and RMB1,830, respectively, while the average selling price of our ODM products was approximately RMB579, RMB796 and RMB972 in the same periods, respectively. Our stronger pricing power to the branded products lead to its higher gross profit margin. In 2023, 2024 and 2025, the gross profit margin for our branded products was 63.4%, 60.4% and 65.2%, respectively, higher than the gross profit margin for our ODM products at 44.4%, 50.7% and 49.9% in the same periods, respectively. Consequently, our business model transformation has driven a sustained improvement in our overall gross profit margin throughout the Track Record Period. Specifically, our gross profit margin increased from 57.5% in 2023 to 58.0% in 2024, and further to 62.9% in 2025.
- Net profit margin.* Despite the continuous growth in our gross profit margin, our net profit margin fluctuated during the Track Record Period. Our net profit margin decreased from 16.1% in 2023 to 13.0% in 2024, and further to 12.4% in 2025, primarily due to the shift in business model, which resulted in a significant increase in our selling and marketing expenses, including the business promotion expense and the advertisement fees on E-commerce marketplaces. As our operational efficiency in relation to branded products improved, we anticipate our net profit margin will improve, as (1) we have gradually built brand awareness and expect further margin enhancement driven by the continued growth of our branded products sales, and (2) 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.

For detailed analysis of our financial performance during the Track Record Period, see “Financial Information—Period to Period Comparison of Results of Operations.”

OUR PRODUCTS

We have curated a comprehensive product portfolio of robotic pool cleaners, with 48 major models as of the Latest Practicable Date. We categorize our commercialized robotic pool cleaners into cordless, corded and handheld pool cleaners. Based on different automation and intelligence levels and the sophistication of the application scenarios, we further divide our cordless models into entry, premium, flagship and pioneer models. In 2023, 2024 and 2025, we sold approximately 370.5 thousand, 431.0 thousand and 501.1 thousand robotic pool cleaners, respectively. The following table sets forth the sales volume and revenue of our cordless, corded, and handheld models, in absolute number and as a percentage of our total revenue for robotic pool cleaners, during the Track Record Period.

	Year ended December 31,								
	2023			2024			2025		
	Sales volume	Revenue	% of revenue	Sales volume	Revenue	% of revenue	Sales volume	Revenue	% of revenue
<i>(Units in thousands and RMB in thousands except for percentages)</i>									
Cordless robotic pool cleaners . . .	329.8	310,549	83.6	394.3	483,522	91.8	484.3	785,215	97.5
Corded robotic pool cleaners	27.1	50,016	13.5	17.6	32,185	6.1	9.2	16,532	2.1
Handheld pool cleaners	13.6	10,751	2.9	19.1	11,141	2.1	7.6	3,289	0.4
Total sales volume/revenue for robotic pool cleaners	370.5	371,316	100.0	431.0	526,848	100.0	501.1	805,036	100.0

BUSINESS

The sales volume of our robotic pool cleaners increased from approximately 370.5 thousand units in 2023 to approximately 431.0 thousand units in 2024, primarily due to the increase in the sales volume of our cordless models from approximately 329.8 thousand units in 2023 to approximately 394.3 thousand units in 2024, as a result of our launch of several new cordless models, partially offset by a decrease in the sales volume of our corded robotic pool cleaners from approximately 27.1 thousand units in 2023 to approximately 17.6 thousand units in 2024, as we strategically focused on promoting our cordless models in 2024. The sales volume of our robotic pool cleaners further increased to approximately 501.1 thousand units in 2025, primarily due to our continuing strategic focus on promoting our cordless models, which further increased to 484.3 thousand units in 2025.

Cordless Models

Recognizing consumer need for effortless, hands-free experience for pool cleaning, we have strategically focused on the research and development of cordless robotic pool cleaners. In 2023, 2024 and 2025, we generated revenue of RMB310.5 million, RMB483.5 million and RMB785.2 million from our cordless models, respectively, accounting for 83.6%, 91.8% and 97.5% of our total revenue for robotic pool cleaners in the same periods, respectively. Our cordless robotic pool cleaners are available in a variety of series, each with distinct features and price ranges. Based on the automation and intelligence level and the sophistication of the application scenarios, we divide our cordless robotic pool cleaners into (1) entry level, primarily including *WYBOT A1*, *Osprey 200 Series*, *Osprey 300 Series* and *Frisbee Series* (2) premium level, primarily including *WYBOT C Series*, *WYBOT F1* and *Osprey 700 Series*, (3) flagship level, primarily including *WYBOT S1*, *WYBOT S2*, and *WYBOT M1*, and (4) pioneer level, primarily including *WYBOT S3*, *WYBOT S2 Solar Series*, *WYBOT S2 Pro* and *WYBOT M2*. Our cordless models boast the following product features:

- *Comprehensive cleaning capability.* Our cordless models clean above-ground and in-ground pools of all shapes and surfaces including PVC, concrete, vinyl liner, and mosaic. Except for entry level series that can only be used for pool floor cleaning and the *WYBOT F1* that can only be used for the pool water surface cleaning, all other cordless models are capable of cleaning floors, walls, steps, and waterlines in various modes.
- *Filter system.* Equipped with a 180μm filter chamber with a high suction rate, our cordless models can effectively remove hair, stones, leaves, sand and other debris from pools. An optional secondary filter system may be included to further enhance filtration performance.
- *Advanced WYBOT App.* Some of our premium and higher-level cordless models can be paired with our *WYBOT App*, allowing for convenient remote controlling and mode selection on mobile phones.
- *Smart path planning system.* Our cordless models are equipped with infrared sensors for obstacle detection, depth sensors for accurate pool depth detection, a six-axis gyroscope for intelligent navigation, and/or a path planning algorithm to enhance cleaning efficiency.
- *High degree of intelligence.* Our cordless robotic pool cleaners are equipped with various sensors, capable of environment perception, autonomous navigation and path planning, thereby efficiently and precisely executing pool cleaning tasks without human intervention. Specifically, our flagship level products are equipped with high computing power AI processors and cameras for targeted and efficient cleaning with high-power system, as well as ultrasonic sensors for communication and localization, wireless charging, and remote control technologies. Our pioneer level products incorporate solar charging technology.

BUSINESS

Entry Level Cordless Models

Our entry level products primarily include *WYBOT A1*, *Osprey 200 Series*, *Osprey 300 Series* and *Frisbee Series*, which are designed for above-ground pools with slopes less than 15 degrees, and in particular our *Osprey 300 Series* can support cleaning for slopes up to 30 degrees. The lightweight and compact design makes them suitable for cleaning small-to-medium pools. The retail price of our entry level cordless models typically ranges from US\$99.99 to US\$299.99. The following table sets forth our major entry level cordless models and their key features.

Series	Charging time (hours)	Run time (minutes)	Maximum cleaning surface (square meters)	Maximum water depth (meters)	Moving speed (meters per minute)	Key features	Representative Product image
<i>WYBOT A1</i>	2.5	120	100	2.7	16	• Upgraded filtration capabilities; and • Enhanced edge cleaning technology, which enables it to pause for targeted edge cleaning when hitting the wall. • Integrated filtration and adsorption system, which enables high-precision filtering while effectively mitigates the risk of rapid filter clogging, thereby preventing disruptions to machine operation.	 <i>WYBOT A1</i>
<i>Osprey 300 Series</i>	5-7	90-120	100	2.5	16	• Enhanced power capability; and • Suitable for small pools and medium pools	 <i>Osprey 300/300 Pro/300II</i>

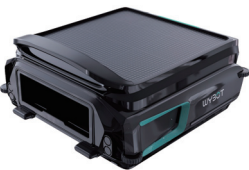
BUSINESS

Series	Charging time (hours)	Run time (minutes)	Maximum cleaning surface (square meters)	Maximum water depth (meters)	Moving speed (meters per minute)	Key features	Representative Product image
<i>Osprey 200 Series</i>	3-4	60-100	80	2.5	16	• Implemented the patented Touch & Reverse technology (achieving wall-contact reversing) through a Hall sensor and a resistance plate; • Simple product structure; • Reliable performance; and • Excellent adaptability to underwater environments.	 <i>Osprey 200/200 Max</i>
<i>Frisbee Series</i>	4-5	50-100	50	2	16	• Implemented the patented Touch & Reverse technology (achieving wall-contact reversing) through a fully mechanical structure; • Simple product structure; • Reliable performance; • Flexible operation; and • Excellent path coverage capability.	 <i>HJ1101JS/HJ1101S</i>

Premium Level Cordless Models

Our premium level products primarily include *WYBOT C Series*, *WYBOT F1* and *Osprey 700 Series*. Our premium level products generally have enhanced battery capacity that is suitable for the cleaning of small in-ground residential pools. The retail price of our premium level cordless models typically ranges from US\$399.99 to US\$999.99. The following table sets forth our major premium level cordless models and their key features.

BUSINESS

Series	Charging time (hours)	Run time (minutes)	Maximum cleaning surface (square meters)	Maximum water depth (meters)	Moving speed (meters per minute)	Key features	Representative Product image
WYBOT C Series	2.5-3.5	120-240	200	4	11-16	• Five cleaning modes, including full pool cleaning, floor only cleaning, wall only cleaning, wall-then-floor cleaning and eco floor cleaning; • Cutting-edge functions, such as intelligent obstacle surmounting and unique autonomous path planning; and • Infrared sensor, scheduled cleaning function and improved user interface design.	 WYBOT C1/C1 Pro/C1 Max  WYBOT C2/C2 Vision/ C2 Pro/C2 Pro Vision
WYBOT F1	5-6	420-480	No pool size limitation	No maximum pool depth limitation	7	• Pump suction cleaning technology; • Green energy supply, charged with solar power in real time; and • Intelligent path planning for high cleaning coverage.	 WYBOT F1
Osprey 700 Series	2-4.5	110-165	300	3	11	• One of the first commercialized wall-climbing robotic cleaner powered by lithium batteries; • Four cleaning modes, including full pool cleaning, floor only cleaning, wall only cleaning and wall-then-floor cleaning; • Single-side wall-climbing technology; and • Gear-synchronized belt transmission technology to enhance the reliability and stability of the transmission system without taking up substantial space.	 Osprey 700/700 Pro/700 Max

BUSINESS

Flagship Level Cordless Models

Our flagship level products primarily include *WYBOT S1*, *WYBOT S2* and *WYBOT M1*, suitable for small-to-medium residential pool cleaning. The retail price of our flagship level cordless models typically ranges from US\$899.99 to US\$1,119.99. The following table sets forth our major flagship level cordless models and their key features.

Products	Charging time (hours)	Run time (minutes)	Maximum cleaning surface (square meters)	Maximum water depth (meters)	Moving speed (meters per minute)	Key features	Representative Product image
<i>WYBOT S1</i> and <i>WYBOT S2</i> models	2.5-3	150-210	300	3	10	- Seven cleaning modes, including full pool cleaning, floor only cleaning, wall only cleaning, waterline cleaning, wall-then-floor cleaning, eco floor cleaning and turbo floor cleaning; and - Cutting-edge functions including intelligent obstacle surmounting, scheduled cleaning and real-time data upload.	 <i>WYBOT S1</i>  <i>WYBOT S2</i>
<i>WYBOT M1</i>	3.5	300	400	3	10	- Seven cleaning modes, including full pool cleaning, floor only cleaning, wall only cleaning, waterline cleaning, wall-then-floor cleaning, eco floor cleaning and turbo floor cleaning; and - IoT operation, connection with our <i>WYBOT APP</i> through Bluetooth or WiFi and synchronization on our app to set up our robotic pool cleaners, and over-the-air product upgrades.	 <i>WYBOT M1</i>

Pioneer Level Cordless Models

To spearhead product innovation, we have developed robotic pool cleaners that utilize solar energy as power sources, showcasing our dedication to revolutionary and forward-thinking design. Our pioneer level products primarily include *WYBOT S3*, *WYBOT S2 Solar Series*, *WYBOT S2 Pro* and *WYBOT M2*, suitable for small-to-medium residential and commercial pool cleaning. The retail price of our pioneer level cordless models typically range from US\$1,199.99 to US\$2,999.99. The following table sets forth our major flagship level cordless models and their key features.

BUSINESS

Products	Charging time (hours)	Run time (minutes)	Maximum cleaning surface (square meters)	Maximum water depth (meters)	Moving speed (meters per minute)	Key features	Representative Product image
WYBOT S3	3	180	300	3	10	- World’s first robotic pool cleaner that integrates both underwater 3D mapping and waste recycling capability, according to CIC; - Solar charging - Underwater AI vision with real-time underwater communication.	 WYBOT S3
WYBOT S2 Pro	3	210	300	3	10	- World’s first robotic pool cleaner to adopt underwater ultrasonic communication technology to achieve underwater docking, according to CIC; - Underwater wireless charging technology and low-battery automatic docking and charging function; - Extra-large brushless water pump, which provides strong suction power for dirt removal; - Double-layer filtration for fine dust and algae; and - Seven cleaning modes, including full pool cleaning, floor only cleaning, wall only cleaning, waterline cleaning, wall-then-floor cleaning, eco floor cleaning and turbo floor cleaning.	 WYBOT S2 Pro
WYBOT S2 Solar, WYBOT S2 Solar Vision	3	150	300	3	10	- World’s first robotic pool cleaner with automatic return-to-dock and wireless solar charging design with real-time underwater communication, according to the CIC Report; - Precise underwater acoustic positioning and autonomous navigation; and - AI vision (only applicable to WYBOT S2 Solar Vision)	 WYBOT S2 Solar/S2 Solar Vision

BUSINESS

Products	Charging time (hours)	Run time (minutes)	Maximum cleaning surface (square meters)	Maximum water depth (meters)	Moving speed (meters per minute)	Key features	Representative Product image
WYBOT M2	3.5	300	400	3	10	- Intelligent algorithms for visual-based dirt identification and targeted cleaning, efficient underwater energy management and application technologies, underwater AI vision and environmental adaption cleaning technologies; and - IoT operation similar to WYBOT M1.	 WYBOT M2

Corded Models

We have also commercialized several models of traditional robotic pool cleaners with cables. Our corded robotic pool cleaners primarily consist of wall-climbing *WYBOT L1* and floor cleaning *Grampus 400* models. In 2023, 2024 and 2025, we generated revenue of RMB50.0 million, RMB32.2 million and RMB16.5 million from our corded models, respectively, accounting for 13.5%, 6.1% and 2.1% of our total revenue for robotic pool cleaners in the same periods, respectively. The retail price of our corded models typically ranges from 299.99 euros to 1,369.99 euros. Although a stable power supply is ensured for in-ground swimming pools, the operation of corded robotic pool cleaners is relatively inconvenient due to the need to manage lengthy cables of nine to 18 meters long. Similar to cordless models, our corded models feature 180µm filter basket and smart path planning system. Additionally, our corded models boast the following product features:

- *Cable anti-tangle technology.* Our corded models can be operated hassle-free, and the robots can move in all directions, and the integrated cable anti-tangle design further reduces the risk of entanglement.
- *Control panel for quick mode switch.* A control panel with indicator instruction is used for quick mode selection and switch.
- *Smart path planning system.* Similar to our cordless models, our corded models are equipped with infrared sensors, depth sensors, a six-axis gyroscope, and/or a path planning algorithm.

Wall-climbing WYBOT L1

The wall-climbing *WYBOT L1* has a runtime of up to 180 minutes, with the maximum cleaning surface of 130 square meters and maximum water depth of three meters. With a cable length of 18 meters, *WYBOT L1* can move at a speed of 10 meters per minute. The following image illustrates *WYBOT L1* cleaner.

BUSINESS



WYBOT L1

Floor cleaning Grampus 400

Grampus 400 is a floor cleaning robot, suitable for pool floors with a maximum slope of 30 degrees and featuring pre-programmed cycle times of one hour, two hours and three hours for ease of use. The floor cleaning *Grampus 400* has the maximum cleaning surface of 40 square meters and maximum water depth of 2.5 meters. With a cable length of 10 meters, *Grampus 400* can move at a speed of 10 meters per minute and feature touch and reverse technology for effective cleaning. The following image illustrates *Grampus 400* cleaner.



Grampus 400

Handheld Models

Hyson 100P is our handheld pool cleaner model. Our handheld model is equipped with a 250-micron filter system. Its pole design is ideal for spot cleaning, and the detachable 59-inch extension pole offers flexible operability. These features make it well-suited for use in spas, hot tubs and both small in-ground and above-ground pools. Our *Hyson 100P* can be charged to full within three to four hours, and with a battery capacity range of 2,600mAh, when fully charged, *Hyson 100P* can work for a maximum of 60 minutes. The retail price of *Hyson 100P* typically ranges from US\$99.99 to US\$199.99. The following image illustrates *Hyson 100P* cleaner.



Hyson 100P

BUSINESS

RESEARCH AND DEVELOPMENT

R&D Strategies

We believe that our strong R&D capability is at the heart of our business and has been instrumental to our market position, continued success and business growth. According to the CIC Report, strong R&D capability and high-caliber talents are among the major entry barriers for the robotic pool cleaner industry. We have established an effective R&D system to expand the available functionalities of our products, accommodating specific needs of various different scenarios. In the future, we aim to spearhead the development of cordless robotic pool cleaners as well as innovation in robotic pool cleaning technologies to extend the frontier of the industry understanding and market acceptance of robotic pool cleaners. In 2023, 2024 and 2025, our research and development expenses was RMB19.3 million, RMB22.1 million and RMB30.4 million, respectively, accounting for 5.1%, 4.1% and 3.7% of our total revenue in the same periods, respectively.

R&D Technologies

Leveraging our strong R&D capability, perceptive insight into market trends and customer demands, and steadfast dedication to product quality, we have achieved substantial accomplishments in various robotic pool cleaner model designs with technology breakthroughs in robotic and pool cleaning technologies. We have launched intelligent robotic products with our innovative, AI-powered technology, featuring environmental adaption and efficient cleaning, efficient underwater energy management and application, underwater 3D mapping, precise underwater acoustic positioning, autonomous navigation, and underwater AI vision.

We have curated a comprehensive technology portfolio to accommodate various customer demands, which comprises primarily (1) environmental adaption and efficient cleaning technology, including primarily cable anti-tangle technology, multi-environment adaptivity technology and out-of-water detection technology; (2) efficient underwater energy management and application technology, including primarily lithium-ion battery power supply technology, waterproof sealing technology, and smart emerging and submerging technology; (3) underwater 3D mapping, precise underwater acoustic positioning and autonomous navigation technologies, including primarily navigation and traversal technology, remote-controlled sequential cleaning technology, touch and reverse technology, and smart docking technology; (4) underwater AI vision technology, including primarily machine vision technology; and (5) autonomous waste collection.

Environmental Adaption and Efficient Cleaning

Cable anti-tangle technology

Our cable anti-tangle technology addresses cable entanglement issues for our corded models by improving the cables and path algorithm of the cleaners. We select material of proper sturdiness and toughness for the cables to reduce entanglement. We also implant path algorithm to minimize the cable intertwining by implementing alternate steering. Application of this technology not only reduces cable entanglement during operation, but also helps to ensure full coverage of the cleaning path of the cleaners.

BUSINESS

Multi-environment Adaptivity Technology

Robotic pool cleaners need to have strong adaptivity to properly function in various pool conditions. We have carefully designed and repeatedly verified the dynamic and static modes of each of our products to ensure robots’ stable function when they are in various positions and performing in different pool conditions. We have also developed a framework for the cleaning and filtering design that enables effective cleaning for common stain spots in a pool environment. In addition, we are developing AI algorithms for sensors with ultrasonic radar to automatically perceive underwater environment, enhancing the underwater AI vision capabilities of our products to improve cleaning efficiency and safety.

Out-of-water Detection Technology

Our out-of-water detection technology allows our cleaners to determine whether they have gone out of water and ensures that our cleaners stay below the waterline when performing wall-cleaning function, by detecting various variables.

Efficient Underwater Energy Management and Application

Lithium-ion battery power supply technology

Combining waterproof sealing technology, we developed our lithium-ion battery power supply technologies, such as floating battery and built-in battery, to achieve a flexible and compact design for our robotic pool cleaners. Traditional robotic pool cleaners rely on cables and stationary power source, which restricts the movement of the robots and is susceptible to cable entanglement and obstructive to the smart transformation of robotic pool cleaners. The application of lithium-ion battery power supply technology eliminates the entanglement problem, as well as the restrictions on movement and control, associated with traditional cable-powered cleaners.

Waterproof sealing technology

Our waterproof sealing technologies, comprising dynamic sealing and static sealing technology, guarantees reliable underwater operation, and is applied to all of our robotic pool cleaners. During underwater operation, motors of robotic pool cleaners maintain a high-power output for a long period of time, and are fully immersed in water, which requires proper sealing of the motors for sustained and reliable operation. We adopt a unique dynamic sealing design and process and a static sealing structure that safeguards other electronic parts such as batteries and main control boards. We maintain a high standard for the selection of sealing material and craft to ensure the reliability of the overall sealing box.

Smart emerging and submerging technology

Developed specifically for our solar charging models, the smart emerging and submerging technology enables the cleaner to automatically move upward in water on low battery to recharge, and submerge to resume cleaning once finished charging. The movement of the cleaner is controlled by an adjustable floating compartment inside the cleaner. Combined with our mechanical design, this technology allows the cleaner to maintain the right pose during its recharging and cleaning.

BUSINESS

Underwater 3D Mapping, Precise Underwater Acoustic Positioning and Autonomous Navigation

Navigation and traversal technology

Robotic pool cleaners need to traverse all surfaces when cleaning the pool. We have developed different traversal technologies for different models. For floor cleaning modes, we adopt random collision method, which enables our cleaners to cover dead-zone spots that may occur in convergence graph method. For the wall-climbing models, we design algorithms based on the inertial navigation system that employs electronic accelerometers and gyroscopes to perform pose estimation. In addition, we utilize multi-sensor fusion technology to integrate sensors, including infrared, ultrasound, and depth sensors, significantly enhancing the robot’s reaction to various pool conditions. We are currently developing a new generation of products, expected to be commercialized in 2025, that achieves underwater simultaneous localization and mapping through a combination of sonar and underwater camera to design smarter cleaning routes, and keep track of their locations for enhanced 3D mapping and AI path planning.

Remote-controlled sequential cleaning technology

We adopt different cleaning strategies for different shapes of swimming pools, and users can manually choose the strategies via our mobile app. For example, rectangular pools are best cleaned with straight line cleaning, and the robot moves from one end of the pool to the other end and automatically adjusting the direction when it arrives at the wall-touching point. For non-rectangular pools, we improved the sequential cleaning method and adopted gyroscope-calculated path planning to prevent omission while maintaining efficiency.

Touch and reverse technology

Our touch and reverse technology prevents cleaners from getting stuck on the wall of the pool or obstacles. It enables the robots to accurately determine whether it is stationary or in motion, and to change direction smoothly, either by means of a magnetic switch or a fully mechanical method. Utilizing hydrodynamic tooth clutch impeller combination, we successfully achieve suction, movement, changing direction and all other functions with a single motor, which significantly reduces costs and size of the cleaners.

Smart docking technology

We have developed ultrasonic smart docking technology and wireless charging technology for our cordless models. These technologies allow the cleaners to send and receive signals from the charging docks mounted on the wall of the pool through ultrasonic waves, to locate and automatically return to the dock and charge wirelessly. During this process, the cleaner automatically controls its movement and adjust its pose according to its real-time measurement and detection.

Underwater AI Vision

Machine vision technology

Machine vision technology enables the robotic cleaners to perceive and understand the condition of the pool through high performance computing and professional AI processors with a series of image processing and analyzing algorithms. Compared to traditional sequential robotic cleaning mode that disregards the sanitary condition of the pools, our camera-based machine vision application program enables the cleaners to actively identify garbage and dirt in the swimming pool through the camera and perform targeted cleaning.

BUSINESS

Autonomous Waste Collection

We have further developed an automatic waste collection technology for robotic pool cleaners equipped with intelligent docking functionality. After the robot docks with the station/base, the high-power water pump generates strong and concentrated suction to actively and thoroughly extract dust, hair, and even larger particles from the robotic pool cleaner’s filter. The waste is then transferred through a dedicated channel into a large-capacity, easy-to-replace dust bag inside the station/base, reducing frequent manual cleaning to a centralized process only once every few weeks. This represents a key leap from automatic cleaning to automatic waste disposal, creating a complete “robot-to-station” collaborative ecosystem that addresses the final stage of user intervention and achieves fully automated pool maintenance.

The following table sets forth information of certain of our selected registered patents and patent applications for our key technologies.

Patent Name	Patent Type	Patent Number
<i>For environmental adaption and efficient cleaning technology</i>		
An automatic pool cleaner with full gear transmission (一種全齒輪傳動的泳池自動清潔機)	Utility model patent	2020208103562
A filtration device and a pool cleaner installed with the filtration device (一種過濾裝置及含有該過濾裝置的泳池清潔機)	Utility model patent	202222123551X
A transmission mechanism and an underwater cleaning device (一種傳動機構及水下清潔裝置)	Utility model patent	2022223883945
Flow channel structure and cleaning robot (一種流道結構以及清潔機器人)	Utility model patent	2024213264539
Sealing structure of sealing box of swimming pool sewage suction machine and swimming pool sewage suction machine (一種泳池吸污機密封盒的密封結構及泳池吸污機)	Utility model patent	2024200790644
Swimming pool robot system (一種泳池機器人系統)	Utility model patent	2023229691799
Water surface cleaning robot (水面清潔機器人)	Utility model patent	202323211681X
A filtration device and suction pool cleaner (一種過濾裝置及泳池吸污機)	Utility model patent	2023220470606
Sealing box for pool cleaning device and pool cleaning device (用於泳池清潔設備的密封盒及泳池清潔設備)	Invention patent	2025116717489 (patent application under review)
<i>For efficient underwater energy management and application technology</i>		
A quick charging structure for pool cleaner (一種泳池清潔機快速充電的結構)	Utility model patent	2022213678427
A structure to prevent corrosion of charging ports of pool cleaners and pool cleaners (一種預防泳池清潔機充電口腐蝕的結構及泳池清潔機)	Utility model patent	2022214129677
Underwater cleaning device (一種水下清潔裝置)	Utility model patent	2023229747987
Waterproof protection circuit and underwater cleaning equipment (防水保護電路和水下清潔設備)	Utility model patent	2023234079656
Battery box, battery and electric equipment (電池盒、電池及用電設備)	Utility model patent	2023230730671
A battery protection circuit and battery (一種電池保護電路及電池)	Utility model patent	2025224114440 (patent application under review)
<i>For underwater 3D mapping, precise underwater acoustic positioning and autonomous navigation technologies</i>		
Obstacle detection device for swimming pool cleaning machine	Invention patent	EP3626912

BUSINESS

Patent Name	Patent Type	Patent Number
Mechanism for detecting obstacles and mechanically reversing a direction of a pool cleaner	Invention patent	US11761225
Obstacle touching detecting device of swimming pool cleaner	Invention patent	CA3096929
Mechanism for detecting obstacles and mechanically reversing a direction of a pool cleaner	Invention patent	EP3835515
POOL CLEANER HAVING OBSTACLE DETECTING DEVICE	Invention patent	US12099367
Pool cleaning device (水池清潔設備)	Utility model patent	2023231210585
Obstacle contact detection device for swimming pool cleaning machine (泳池清潔機的觸壁檢測裝置)	Invention patent	2018103979182
Mechanical reversing contact obstacle detection mechanism of pool cleaning machine (一種水池清潔機械換向觸壁檢測機構)	Invention patent	2019103686970
Pool mapping methods, devices and pool cleaning robot (泳池地圖的構建方法、裝置以及泳池清潔機器人)	Invention patent	2025113643144 (patent application under review)
<i>For underwater AI vision technology</i>		
Method and device of controlling underwater cleaners, and underwater cleaner (水下清潔機器人的控制方法、裝置以及水下清潔機器人)	Invention patent	2023113123649 (patent application under review)
Pool cleaner and pool cleaning systems with such cleaners (水池清潔機器人和具有其的水池清潔系統)	Invention patent	2023115266007 (patent application under review)
Underwater cleaner mapping methods, devices and underwater cleaner (水下清潔機器人建圖方法、裝置及水下清潔機器人)	Invention patent	2023115890630 (patent application under review)
Method and device of controlling underwater cleaners, and underwater cleaner (水下清潔機器人的控制方法、裝置及水下清潔機器人)	Invention patent	2023115785808 (patent application under review)
Method and device of controlling underwater cleaners, and underwater cleaner (水下清潔機器人的控制方法、裝置以及水下清潔機器人)	Invention patent	2024100781283 (patent application under review)
Target cleaning methods, devices, cleaning equipment, and storage medium (目標清理方法、裝置、清潔設備和存儲介質)	Invention patent	2025107860242 (patent application under review)
A pool cleaning robot system (一種泳池清潔機器人系統)	Utility model patent	2025116219360 (patent application under review)
<i>For autonomous waste collection</i>		
Pool cleaning system (水池清潔系統)	Invention patent	202411522053X (patent application under review)
Filtration device and pool cleaning robot system (過濾裝置及水池清潔機器人系統)	Utility model patent	202520760932X (patent application under review)
Pool cleaning system (水池清潔系統)	Utility model patent	2024209972154
Station and pool cleaning system (基站及水池清潔系統)	Utility model patent	202522423009X (patent application under review)

BUSINESS

R&D Team

Our R&D team has in-depth academic and practical background in a wide range of related fields, including industrial design, material science, physics, computer science, network, automation, mechanical engineering, fluid mechanics and electrical engineering. As of the Latest Practicable Date, our R&D team consisted of 77 members, of which 69 members hold bachelor’s degrees and 29 members hold master’s degrees or above. On average, our R&D team had work experiences of over 10 years in pertinent areas as of the same date. We have entered into legally binding confidentiality agreements with our key employees and employees involved in our R&D activities.

For our R&D talent recruitment, we primarily rely on online recruitment and focus on candidates majoring in fields such as physics, mechanical engineering, fluid mechanics and electrical engineering and AI technologies and algorithm at top-tier universities, including those who studied or received trainings in equivalent fields overseas. We assess, among others, their academic performance, professional qualifications, years of relevant experience, moral character, and fitness within our corporate culture. We also recruit R&D personnel from diverse talent recruiting channels, including from other companies specializing in robotic technologies. When evaluating such candidates, our key criteria include sound technical skills and successful achievement of a certain degree of academic standing or expertise in the robotic technology field.

We review the performance of our R&D personnel regularly with reference to performance targets set primarily based on their positions and their respective departments. The results of such reviews will later be used in salary determinations, bonus awards and promotion appraisals.

We provide competitive employment packages, including base salaries, bonuses and benefits. Benefits generally include paid vacation leave, which includes holiday leave, sick leave, personal leave, maternity leave and family visitation, as well as social insurance as mandated by relevant PRC laws and regulations. See “—Employees.”

We have implemented an internal training system well-designed for our R&D personnel’s career development.

R&D Process

We divide the product development process into the conceptual stage, the planning stage, the development stage, the verification stage, and the mass production stage. Our R&D concepts are typically originated from our strategic planning or customer demand, based on which we conduct market demand analysis and technology feasibility analysis. Once the concepts are approved by our evaluation committee, we enter the planning stage and produce a model product, on which we continue to perform tests and evaluation. Upon approval by our evaluation committee, we initiate the first phase of the development stage by formulating the overall plan of product development, followed by designing and developing a proof-of-concept prototype product, on which we primarily conduct functionality tests and failure effect analysis. In the second phase, we build an assembled prototype product, on which we conduct full-function tests, reliability tests, mechanical strength tests, environment adaptivity tests and duration tests. At the same time, we conduct international certification and packaging design and verification, as well as production tooling preparation.

BUSINESS

Upon satisfactory review of the R&D result at the end of development stage, we will proceed to the verification stage, during which we commence trial production. We will conduct functionality tests on the samples and evaluate relevant production data. Projects that pass our internal review at the end of verification stage will enter the mass production stage. We commence the first batch of mass production and subsequently conduct final review.

MANUFACTURING

We implement our manufacturing philosophy of scientific management and lean production. Our production process adopts ISO9001 quality management system and advanced production facility. We formulate our manufacturing plans based on purchase orders from our customers, production capacity, current production schedule and our sales projections, pursuant to which we determine our procurement budgets and adjust production schedules. For our long term customers with stable annual purchase volume, including some of our third- party merchants for branded products and some ODM customers, we typically maintain an inventory level based on their typical annual purchase volume. For other third-party merchants for branded products and other ODM customers, we typically commence manufacturing upon receiving their purchase orders. For our branded products to be sold to end consumers through online sales, we typically prepare the inventory three to six months in advance, based on the historical sales performance and our sales projection, and we will ship the finished goods to our warehouses for timely delivery to end consumers upon receiving their purchase orders. Our sales department will send approved manufacturing instructions to manufacturing department, which then categorizes product types, reviews production feasibility and makes raw material checklists and production schedules. Our procurement department will also formulate procurement budgets based on the raw material checklists and the then-current inventory level. We believe that such manufacturing arrangements have allowed us to maintain reasonable inventory, ensure production efficiency and capture customer demand in an agile and flexible manner.

Manufacturing Facilities

We manufacture substantially all of our products at our owned production facilities. As of December 31, 2025, our manufacturing facilities had a gross floor area of over 10,000 square meters, all of which were put into use. All of our manufacturing facilities are located in Tianjin, proximate to our R&D center for coordinated management. Our facilities’ designed annual production volume was approximately 650,000 product units in 2024. The table below sets forth relevant information of our manufacturing facilities.

	Location	Gross floor area <i>(square meters)</i>	In operation since	Product manufactured
Plastic injection workshop	Tianjin	4,356.0	2021	Plastic components used in our robotic pool cleaners
Assembly workshop 1	Tianjin	3,024.0	2014	Assembly of small robotic pool cleaners
Assembly workshop 2	Tianjin	3,024.0	2014	Assembly of large robotic pool cleaners

BUSINESS

Our plastic injection workshop is equipped with injection molding machine, molds, automatic feeding system and overhead crane. Our assembly workshops are equipped with assembly lines, dispensing machine, automatic machines, function testing machines, sealing chamber testing equipment, testing pool, drying and packaging equipment. The manufacturing cycle of our products is approximately seven to 30 days from receiving the manufacturing instructions from our sales department, depending on the sufficiency of our raw material and component inventory. As of the Latest Practicable Date, we owned all the machinery and equipment used in the manufacturing of our marketed products. We perform routine and preventive maintenance on our manufacturing machinery and equipment to ensure their proper functioning and compliance with relevant laws and regulations. Specifically, we require relevant manufacturing personnel to fill out an inspection form for our manufacturing facilities on a daily basis, and upon identifying any irregularity, they shall timely contact equipment engineers for repairment. During the Track Record Period, we had not experienced any material or prolonged stoppage of production due to equipment failure, or any material accidents during our manufacturing process.

Manufacturing Process

Our manufacturing process primarily includes the following steps: (1) semi-finished product assembly, (2) full machine assembly and testing, during which step we assemble chassis, watertight compartments, upper casings for cordless models, and also power boxes for corded models, and (3) finished product packaging. We have designed and implemented a series of quality control and assurance policies to ensure high product quality throughout our manufacturing process. See “—Quality Control—Quality Management System—Manufacturing” for details.

BUSINESS

Production Capacity and Utilization Rate

The following table sets forth our production capacity and utilization rate by product types for the periods indicated.

Year ended December 31,								
	2023			2024			2025	
	Production capacity ⁽¹⁾	Production volume ⁽²⁾	Utilization rate ⁽³⁾	Production capacity ⁽¹⁾	Production volume ⁽²⁾	Utilization rate ⁽³⁾	Production capacity ⁽¹⁾	Utilization rate ⁽³⁾
(in thousand units, except for the percentages)								
Cordless models	520.0	475.5	91.4%	595.0	556.0	93.5%	610.0	605.6
Corded models	35.0	25.2	72.1%	15.0	14.5	96.7%	5.0	3.6
Handheld models	15.0	12.0	80.1%	40.0	38.5	96.3%	9.0	6.5
Total	570.0	512.8	90.0%	650.0	609.4	93.8%	624.0	615.7
								98.7%

(1) Production capacity is calculated based on the maximum capacity at the full machine assembly stage of the manufacturing process, with the machine downtime varied among different periods. In particular, the production capacity in 2023, 2024 and 2025 are calculated based on the assumptions that the production lines operated for an average of eight hours per day, 22 days per month and ten months per year.

(2) Production volume refers to the number of robotic pool cleaners produced in a given period.

(3) Utility rate is calculated by dividing the production volume of a given period by the production capacity of the same year.

Our production capacity increased from 570.0 thousand units in 2023 to 650.0 thousand units in 2024, and remained relatively stable at 624.0 thousand units in 2025, primarily because we ramped up our production capacity in response to growing market demands. Our utilization rate increased from 90.0% in 2023 to 93.8% in 2024, primarily due to further optimization and adjustments to the production lines and layout in 2024, including the addition of a new assembly line. Our utilization rate further increased to 98.7% in 2025, primarily because we optimized our workshop layout and production line configuration from June to August 2024 and increased the utilization of automated equipment in certain processes, which improved capacity utilization.

BUSINESS

The following table sets forth our production capacity and utilization rate for each of our manufacturing facilities for the periods indicated.

	Year ended December 31,					
	2023			2024		
	Production capacity ⁽¹⁾	Production volume ⁽²⁾	Utilization rate ⁽³⁾	Production capacity ⁽¹⁾	Production volume ⁽²⁾	Utilization rate ⁽³⁾
	<i>(in thousand units, except for the percentages)</i>					
Plastic injection workshop	605.0	512.8	84.7%	700.0	620.0	88.5%
Assembly workshop 1	440.0	445.7	99.0%	361.0	358.1	99.2%
Assembly workshop 2	120.0	67.1	55.9%	270.0	251.3	93.1%
Total	570.0	512.8	90.0%	650.0	609.4	93.8%
					615.7	98.7%

(1) Production capacity is calculated based on the maximum capacity at the full machine assembly stage of the manufacturing process, with the machine downtime varied among different periods. In particular, the production capacity in 2023, 2024 and 2025 are calculated based on the assumptions that the production lines operated for an average of eight hours per day, 22 days per month and ten months per year.

(2) Production volume refers to the number of robotic pool cleaners produced in a given period.

(3) Utility rate is calculated by dividing the production volume of a given period by the production capacity of the same year.

The utilization rate of our plastic injection workshop increased from 84.7% in 2023 to 88.5% in 2024, and further to 95.1% in 2025, primarily due to the improvement of our production technique and the automation level, as well as the addition of manufacturing machines. The utilization rate of our assembly workshop 1 remained relatively stable at 99.0% in 2023, 99.2% in 2024 and 98.8% in 2025. The utilization rate of our assembly workshop 2 increased from 55.9% in 2023 to 93.1% in 2024, and further to 98.6% in 2025, primarily due to the addition of production lines and the increase in the sales volume of our cordless models.

BUSINESS

Expansion Plan

The global robotic pool cleaner market, in terms of GMV, is expected to increase from US\$2,799.7 million in 2025 to US\$4,567.7 million by 2030, with a CAGR of 10.3% from 2025 to 2030, according to the CIC Report. We believe that this enormous yet underpenetrated market presents great market potential for our products. In anticipation of the increase in demand, we plan to further enhance our mass production capability by adding new production equipment and machinery, enhancing automation and efficiency for our existing equipment and machinery and expanding our manufacturing facilities.

To enhance information-based manufacturing, we plan to invest in advanced planning and scheduling system, manufacturing execution system and product traceability system, which we believe enable us to collect data on and monitor the implementation and processes of manufacturing tasks, automate manufacturing scheduling and achieve end-to-end traceability of the entire manufacturing process.

In addition, we plan to expand our manufacturing facilities. We have obtained the Investment Project Filing Certificate for establishing a new production base along with warehouses in Tianjin, China, with a proposed total site area of approximately 31,000 square meters, which is expected to increase our annual production capacity of robotic pool cleaners by more than 600,000 units. We plan to initiate the application for the property ownership certificate upon finalization of the site. We currently expect to complete the construction and commence operation for this production base by 2027, and our total annual production capacity is expected to reach more than 1.2 million units. We expect to incur total investment of approximately RMB[REDACTED] for the construction of our new production base, which will be primarily funded by the [REDACTED] from the [REDACTED], our cash reserves and operating cash flow in the future. See “Future Plans and Use of [REDACTED]—Use of [REDACTED].” We also plan to further extend our annual production capacity to more than 2.0 million units with total site area of more than 60,000 square meters for our production base in the future.

We may face a number of challenges in implementing our expansion plans, such as procurement of sales orders and raw materials and maintaining quality control. We intend to further improve the automation levels of our production process to reduce our dependence on manual labor to the largest extent. However, we may face failure or delay in implementing our expansion plan. See “Risk Factors—Risks Relating to Our Business and Industry—Failure to successfully execute our equipment upgrade and capacity expansion plans may have a material adverse effect on our business, financial conditions and results of operations.”

SALES AND MARKETING

We have established an expansive global customer network, covering 60 countries and regions, primarily including those in North America, Europe, Asia and Oceania, as of the Latest Practicable Date. We sell and market our products through our experienced sales and marketing team. As of the Latest Practicable Date, we had a sales and marketing team of 81 members. In 2023, 2024 and 2025, our selling and marketing expenses were RMB97.2 million, RMB173.8 million and RMB302.5 million, respectively, representing 25.7%, 32.0% and 37.2% of our total revenue in the same periods, respectively.

BUSINESS

Geographic Coverage

We have established a global customer network, offering a broad spectrum of products to 60 countries and regions, primarily including those in North America, Europe, Asia and Oceania, as of the Latest Practicable Date. The table below sets forth our revenue breakdown by geographic location, based on the location at which our products are delivered, each expressed as an absolute amount and as a percentage of our total revenue, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
<i>(RMB in thousands except for percentages)</i>						
North America ⁽¹⁾	188,180	49.8	268,673	49.4	359,197	44.2
Europe ⁽²⁾	136,194	36.0	217,737	40.1	332,377	40.9
China	38,624	10.2	19,865	3.7	56,215	6.9
Others countries and regions ⁽³⁾	14,952	4.0	37,260	6.9	64,413	7.9
Total	377,950	100.0	543,535	100.0	812,202	100.0

(1) Includes primarily the United States and Canada.

(2) Includes primarily Spain, France, Germany, Italy and Austria.

(3) Includes primarily Australia.

Sales Model

We sell our branded robotic pool cleaners primarily through online and offline sales primarily in North America, Europe, Asia and Oceania under two brands, *WYBOT* and *Winnie Pool Cleaner*. Under our *WYBOT* brand, we primarily offer high-end, high-tech products, and under our *Winnie* brand, we primarily offer products with high cost-effectiveness. 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.

Our branded products differ from commissioned ODM products in terms of design, functionality, pricing strategy, and target market positioning. To actively manage potential cannibalization risks, we have adopted a multi-dimensional approach covering the following aspects.

- *Market and customer.* We generally avoid entering the core markets and sales channels of our ODM customers. Our branded products focus on the emerging markets that are either underserved or not effectively covered by ODM customers. Meanwhile, we maintain open and regular communication with our ODM customers to ensure alignment and mutual understanding regarding market boundaries and product positioning.
- *Product and branding.* While leveraging shared technology platforms, R&D capabilities, and manufacturing processes, we ensure clear distinctions in product form, feature combinations, and user experience between our branded products and ODM offerings. Our branded products are built around distinct brand stories and value propositions, which are intentionally differentiated from those of our ODM customers. Our ODM products focus on cost efficiency and customization to meet ODM customer’s specific functional needs, whereas our branded products focus on technological innovation and premium user experience for establishing a high-end market image of our brand.

BUSINESS

- *Independent operation.* We operate separate business units for ODM and branded product lines, each with independent teams and management structures. The ODM business unit is evaluated based on customer satisfaction, order profitability, production efficiency, and delivery timeliness. In contrast, the branded product unit is assessed based on brand awareness, revenue growth, profit margin, market share, and inventory turnover.

The table below sets forth our revenue breakdown by sales model, each expressed as an absolute amount and as a percentage of our total revenue, for the periods indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands except for percentages)					
Branded Products	253,765	67.1	393,332	72.4	677,948	83.5
Online sales	222,660	58.9	354,765	65.3	530,482	65.3
– DTC	197,883	52.4	318,535	58.6	458,825	56.5
– B2B	24,776	6.6	36,230	6.7	71,657	8.8
Offline sales	31,105	8.2	38,567	7.1	147,466	18.2
– Sales to third-party merchants	28,011	7.4	29,654	5.5	130,791	16.1
– Direct sales to end consumers	3,094	0.8	8,913	1.6	16,675	2.1
ODM products	117,551	31.1	133,516	24.6	127,088	15.6
Accessories	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

Branded Products

Since 2023, we have strategically placed greater emphasis on the development and sales of our branded products, opening up online sales channels such as Amazon, and further expanding the business scale of our own branded products. We also conduct offline sales of our branded products to third-party merchants to expand our market reach. In 2023, 2024 and 2025, our revenue generated from the sales of branded products was RMB253.8 million, RMB393.3 million and RMB677.9 million, respectively, accounting for 67.1%, 72.4% and 83.5% of our total revenue in the same periods, respectively.

Online Sales

We have achieved rapid and substantial growth in online sales. Our online sales are primarily conducted on E-commerce marketplaces, such as Amazon, our E-commerce independent websites on Shopify, Woot, Walmart, Best Buy, Lowe’s, Target, and Home Depot. Boasting a network comprising thousands of retail stores, such online marketplaces serve as direct channels for end consumers to conveniently place orders and purchase our products. Our revenue attributable to online sales of our branded products was RMB222.7 million, RMB354.8 million and RMB530.5 million in 2023, 2024 and 2025, respectively, accounting for 58.9%, 65.3% and 65.3% of our total revenue in the same periods, respectively. Among such revenue, our revenue generated through Amazon was RMB211.1 million, RMB309.8 million and RMB404.1 million, respectively, accounting for 94.8%, 87.3% and 76.2% of our total revenue attributable to online sales of our branded products in the same periods, respectively.

BUSINESS

Our sales operations on online platforms are conducted primarily under two distinct models, namely the direct-to-customer, or DTC, sales model and the business-to-business, or B2B, sales model.

Under the DTC sales model, we sell directly to end consumers who place order with us through our stores on the marketplaces. The end consumers are recognized as our customers. For this model, we typically purchase operational support services from the marketplaces, including order fulfillment, storage, and customer services, among others. In general, we are required to pay a commission to the marketplaces, which is typically a certain percentage rate of our sales revenue generated through our online stores on these marketplaces.

Under the B2B sales model, we supply our products to the online marketplaces, which in turn resell them to end consumers through their own online stores or channels. In our B2B sales, the marketplaces that purchase products from us for resale are recognized as our customers, and we do not need to pay any additional fees or commissions to the marketplaces.

Sales through Amazon

Since 2023, we have utilized Amazon’s services to connect with a worldwide customer base across various key markets, including the United States, France, Germany, Spain, Italy, Canada and Australia, benefiting from Amazon’s extensive global reach, robust infrastructure, and established reputation as a trusted online marketplace. Furthermore, the streamlined sales process and efficient services provided by Amazon align well with our rapid growth across multiple geographic markets, allowing us to operate with greater efficiency, which is a crucial aspect for our operations.

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. Using the dedicated Amazon Seller Central portal, we effectively manage various aspects of our Amazon sales, including inventory management, pricing updates, buyer communication, and adding new products. To streamline order fulfillment, we leverage Amazon’s “Fulfillment By Amazon (FBA)” service, whereby we send our products to Amazon’s warehouses and Amazon handle shipping and last-mile delivery to the end consumers on our behalf. Revenue recognition for our sales occurs upon the transfer of product control to our end consumers. In 2023, 2024 and 2025, our revenue generated through Amazon’s Seller Central program was RMB186.3 million, RMB273.5 million and RMB332.4 million, respectively, accounting for 83.7%, 77.1% and 62.7% of our total revenue attributable to online sales of our branded products in the same periods, respectively.

In addition to the Seller Central program, 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. Sales on Amazon under DTC model (Seller Central program) and the sales to Amazon under the B2B sales model (Vendor Central program) are not inter-conditional or otherwise inter-related. We have no control of their pricing strategy, nor do we have any access to their inventory control system. Unless quality defects, we do not allow Amazon to return products purchased from us. Additionally, we do not impose any minimum purchase quantity requirement. According to the CIC Report, such sales model is commonly adopted by participants of Amazon’s Vendor Central program globally. In 2023, 2024 and 2025, our revenue generated through Amazon’s Vendor Central program was RMB24.8 million, RMB36.2 million and RMB71.7 million, respectively, accounting for 11.1%, 10.2% and 13.5% of our total revenue attributable to online sales of our branded products in the same periods, respectively.

BUSINESS

In 2023, 2024 and 2025, our revenue generated through Amazon was RMB211.1 million, RMB309.8 million and RMB404.1 million, respectively, accounting for 55.9%, 57.0% and 49.7% of our total revenue in the same periods, respectively. Although Amazon was our largest online sales channel, we are not contractually bound to sell our products exclusively through Amazon. We maintain flexibility in selecting and managing our sales channels and also established diversified sales channels for our branded products during the Track Record Period, including our independent websites on Shopify, sales through other E-commerce platforms, and offline third-party merchants. In 2023, 2024 and 2025, our revenue generated through other E-commerce channels and offline third-party merchants was RMB39.6 million, RMB74.6 million and RMB257.2 million, respectively, accounting for 10.5%, 13.7% and 31.7% of our total revenue in the same periods, respectively.

Considering (1) our well-established and mutually beneficial business relationship with Amazon and our proven track record of well-performing and compliant operations on Amazon; (2) Amazon’s inclusiveness as an open E-commerce marketplace; (3) our flexibility and efforts in expanding and diversifying our sales channels; (4) our growing customer base and our continuous effort to attract potential customers; (5) our strong brand image and innovative product portfolio that attracts interests from customers; and (6) our capability to maintain our business in light of the positive outlook for the market, our Directors do not consider our current reliance on Amazon possess material risks to us.

Sales through Shopify and Other Online Platforms

Our sales operations on Shopify and other online platforms are conducted through the DTC sales model. We operate independent websites on Shopify, with the major website addresses at www.wybotpool.com for the U.S. market, and www.eu.wybotpool.com for the European market. In 2023, 2024 and 2025, our revenue generated through Shopify was RMB8.4 million, RMB42.4 million and RMB121.7 million, respectively, accounting for 3.8%, 11.9% and 22.9% of our total revenue attributable to online sales of our branded products in the same periods, respectively. In 2023, 2024 and 2025, our revenue generated through other online platforms was RMB3.2 million, RMB2.6 million and RMB4.7 million, respectively, accounting for 1.4%, 0.7% and 0.9% of our total revenue attributable to online sales of our branded products in the same periods, respectively.

Offline Sales

To complement our online operations for our branded products, we also seek to expand our offline sales, aiming to further enhance our global footprint. Our offline sales for our branded products primarily include sales to third-party merchants, which include primarily pool equipment specialty retail chain stores, shopping malls, and supermarkets. To a much lesser extent, we also sell our branded products directly to end consumers.

Third-party merchants are in the business of merchandizing and generally carry a wide portfolio of robotic pool cleaner brands, which is an industry norm according to the CIC Report. Leveraging their extensive customer base and strong sales expertise, such third-party merchants effectively promote products from various manufacturers, including ours, which serves to significantly expand our market reach. Our revenue attributable to offline sales of our branded products, through third-party merchants, was RMB28.0 million, RMB29.7 million and RMB130.8 million in 2023, 2024 and 2025, respectively, accounting for 7.4%, 5.5% and 16.1% of our total revenue in the same periods, respectively.

BUSINESS

Third-party merchants are Independent Third Parties that purchase our products under a seller-buyer model by purchase orders. Accordingly, we recognize revenue upon the delivery and acceptance of products by these merchants, with returns limited to defective items. Ownership and control over the products are transferred upon acceptance, with all subsequent inventory risk borne by the merchants. We typically enter into framework agreements with such third-party merchants, with individual orders placed by purchase orders stipulating fixed prices, subject to bulk purchase discount.

The following table sets forth the key metrics of our cooperated third-party merchants for the periods indicated.

	For the year ended December 31,		
	2023	2024	2025
Number of third-party merchants at the beginning of the period	100	103	124
Number of new third-party merchants	64	85	162
Number of exiting third-party merchants	61	64	89
Number of third-party merchants at the end of the period	103	124	197

No Material Risk of Channel Stuffing

We believe that our sales reflect actual demand from our end consumers, and we have established effective mechanisms to prevent channel stuffing and ensure that our sales reflect genuine demand from our end consumers, because (1) we have implemented a strict return policy under which third-party merchants are not permitted to return products except for quality-related issues, thereby avoiding inflating sales through excessive shipments, (2) given the seasonality and rapid iteration of our branded products, third-party merchants have nearly no incentive to stockpile large quantities of our branded products, and (3) we typically require third-party merchants to place orders prudently and align their purchases with actual market demand. These arrangements enable us to maintain efficient collaboration with third-party merchants while eliminating material risk of channel stuffing.

ODM

For our ODM business, we have established long-term and stable relationships with world-renowned pool equipment brands, such as Bestway, CASH and Productos QP, and trade customers that engage in international trades. We believe that our close collaboration with top brand owners under the ODM model has allowed us to achieve quicker product iteration and wider market acceptance.

In 2023, 2024 and 2025, sales of ODM sales was RMB117.6 million, RMB133.5 million and RMB127.1 million, respectively, accounting for 31.1%, 24.6% and 15.6% of our total revenue in the same periods, respectively. Our revenue from ODM sales generally decreased during the Track Record Period in absolute amount and as a percentage of our total revenue, primarily because we strategically put more emphases on our branded product sales. During the Track Record Period, the number of our ODM customers was 31, 39 and 34 in 2023, 2024 and 2025, respectively. All of our ODM sales were conducted through offline channels.

BUSINESS

We typically enter into framework agreement with ODM customers, the salient terms of which are summarized as follows.

- *Term.* The term of the framework agreement with our ODM customers is typically one year.
- *Product, price and quantity.* The models, specifications, quantities and prices of our products to be sold to ODM customers shall be specified in the purchase orders.
- *Shipment.* Our products are shipped on a free-on-board basis, and the goods shall be delivered at the agreed place, time and to the transport agent designated by the ODM customers. Once the goods are on delivered at the agreed place, the risk of damage or loss during transit is transferred to the customer, who is responsible for costs for the rest of the journey to the destination, including paying for any transportation, insurance, tariffs and customs clearance costs.
- *Warranty.* The warranty period for printed circuit board, motor and battery is generally 24 months from the shipment date to our ODM customers or the end consumers. We also provide complimentary components with each order delivery, so that our ODM customers can fix quality issues by themselves, and we also provide complimentary components on demand within the warranty period.
- *Intellectual Property.* We retain all intellectual property rights with respect to our products. Our ODM customers shall not, without our prior written consent, use proprietary brand names, trademarks, trade names, logos and other intellectual property owned by us, or use our intellectual property rights to manufacture, sell, offer to sell or import any products for or on behalf of itself or any third parties.
- *Termination.* The framework agreement can be terminated with mutual written consent or upon contract expiration, unless renewed by both parties.

Our Directors consider that the risk of cannibalization between DTC and B2B channels is effectively managed through clear product positioning and differentiated channel strategies. The DTC channel serves to showcase our technological leadership and brand value. Products sold through DTC are primarily our latest and most advanced models equipped with proprietary technologies such as AI-powered underwater vision, precise acoustic positioning, 3D mapping and autonomous navigation, targeting our flagship level and pioneer level models. In contrast, the B2B channel comprises ODM customers and offline third-party merchants.

For ODM customers, we provide products based on industry-standard or relatively mature technology platforms, fundamentally avoiding overlap with our branded products. For offline third-party merchants selling our branded products, we implement subtle product line differentiation through specific models or customized configurations to maintain clear segmentation. In addition, the DTC channel focuses on direct consumer engagement, building brand loyalty, capturing higher margins and collecting first-hand user insights, while the B2B channel supports capacity utilization and production stability through ODM business and enables coverage of regions and market segments that DTC channels cannot deeply penetrate. We maintain strict internal guidelines to prevent product overlap across channels, apply pricing strategies and product feature differentiation to ensure that DTC premium models do not compete directly with B2B offerings, and regularly review channel performance and third-party merchants arrangements to ensure alignment with our overall brand and market strategy.

BUSINESS

Among third-party merchants, we mitigate cannibalization risk by allocating exclusive regional distribution rights, implementing differentiated product configurations and enforcing channel discipline through contractual terms. These measures ensure that third-party merchants focus on their designated markets and avoid direct competition with other third-party merchants or our DTC channel. Our Directors believe that these measures effectively minimize cannibalization risk and allow both channels to complement each other, driving overall growth.

Marketing

We constantly seek to deepen and explore the application scenarios of our products and services through maintaining and building relationships with our existing or new customers. To achieve this, we adopt multi-faceted marketing initiatives. We visit our customers to present them with our latest technologies and products or attend sales fairs for product demonstration. Furthermore, our management regularly attend major industry events and develop contacts among existing and potential customers in the industry, which further contribute to our sales and marketing results. We also utilize the broad influence of various social media platforms to reach more end consumers. We customize contents about our robotic pool cleaners and publish on popular social media platforms, such as Facebook and YouTube, and collaborate with key opinion influencers to promote our products. In addition, we employ Google’s search engine and other promotional tactics to raise our brand awareness, driving traffic and sales growth for our E-commerce independent websites. Part of our marketing strategies is to demonstrate the capabilities of our products and share our experience and knowledge of our products with our customers. We engage with the industry through a wide variety of contents, with the goal of creating interactive exchanges with our customers, thereby promoting and sharing the information of our products. We cultivate and support the growth of our customer community through close interaction with our customers and actively gathering their feedback.

Pricing Policies

We implement a competitive and effective pricing policy which complies with the relevant laws and regulations. We adopt uniform pricing strategy for all our ODM sales and branded product sales, which determines product sales prices on a cost-plus basis and takes into consideration market prices of competitive products. We will grant discounts under certain circumstances, considering customer relationship, purchase volume, product positioning and targeted price range. During the Track Record Period and up to the Latest Practicable Date, we had been able to maintain stable selling prices for our products.

Seasonality

Our products are sold on an order-by-order basis and our sales are affected by seasonal fluctuations. Typically, since market demands and production cycles vary throughout the year, we sell more products under ODM model in the first and fourth quarters, and more branded products in the second and third quarters, of a given year. Other seasonal trends that affect us or the global robotic pool cleaner industry may develop, and current seasonal trends may become more extreme. The degree of seasonality may vary from year to year due to conditions in the industry and other factors, which makes it difficult for us to predict the level of demand with precision.

BUSINESS

Tariff

During the Track Record Period and up to the Latest Practicable Date, we exported our finished products to various overseas markets, including the United States and the European Union. For the purposes of this analysis, our legal advisers have reviewed the customs information and declarations that we provided, including the HS codes used for tariff reporting, and have relied on such information in assessing the tariff regimes applicable to our exports.

Based on the HS codes that we declared in our customs filings, exports of our PRC-origin products to the United States were subject to (i) the baseline import tariffs applicable to the relevant product category, (ii) additional duties imposed under the United States’ long-standing Section 301 trade measures and (iii) further surcharges introduced in early 2025 and subsequently adjusted in mid-2025. Tariffs applicable to exports of our products to the European Union remained broadly stable throughout the Track Record Period, and no safeguard, anti-dumping or countervailing measures applied to our products during the relevant period.

Despite changes in the U.S. tariff environment, our gross profit margin remained stable throughout the Track Record Period. The impact of overseas tariffs on our cost of sales was mitigated by reductions in prices of key raw materials, our ability to implement moderate selling-price adjustments in overseas markets, ongoing optimization of our production processes, supply chain efficiency and product mix, and increased operational efficiency and automation.

We also conducted internal sensitivity analyses. These analyses indicate that while higher tariff levels could increase overall landed cost, under the tariff environment applicable during the Track Record Period we were able to maintain stable margins through pricing discipline, cost optimization and operational improvements.

To proactively manage potential tariff risks going forward, we have implemented, and continue to adopt, the following strategies:

- *Pricing Flexibility.* We adjust overseas selling prices from time to time to reflect tariff-related cost changes while maintaining market competitiveness.
- *Procurement and Production Optimization.* We continue to diversify our supply chain, enhance sourcing efficiency and increase automation to reduce unit production cost.
- *Exploration of Overseas OEM Arrangements.* Following on-site assessments conducted in Southeast Asia in early 2025, we concluded that, should U.S. tariff levels rise significantly above existing levels, producing a portion of our products through overseas OEM partners may reduce overall landed cost. We retain flexibility to adopt such arrangements if necessary.

Based on the customs information and declared HS codes that we provided, our legal advisers have relied upon for the purposes of this analysis, and having reviewed the applicable U.S. and EU tariff regimes on that basis, our legal advisers did not identify any regulatory developments other than the regulatory developments in the United States regarding the uncertain rates of import duties that would have had a material adverse impact on us during the Track Record Period.

BUSINESS

OUR CUSTOMERS

Our customers for branded products primarily include (1) end consumers or 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. Our ability to meet and exceed our customers’ expectations has allowed us to develop relationships with and to attract and retain our customers. 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. The following table sets forth information of our top five customers during the Track Record Period.

Customer	Customer Type	Transaction amount (RMB in thousands)	Percentage of revenue contribution (%)	Commencement of collaboration (Year)	Principal business	Payment method and credit period
<i>For the year ended December 31, 2023</i>						
Customer A.	ODM customer	29,350	7.8	2017	A private company engaged in sales of inflatable and frame swimming pools and related peripheral products	Letter of credit; payment made within 90 days after the bill of lading date
Customer B.	Branded product customer (online)	26,402	7.0	2023	A public company engaged in global E-commerce platform and cloud computing services, including online retail and cloud services	Bank account transfer; payment made within 90 days
Customer C.	ODM customer	19,763	5.2	2020	A private company engaged in cross-border E-commerce	Telegraphic transfer, 5% deposit, with the remaining balance payable within a credit period of 30 to 90 days
Customer D*.	ODM customer	15,856	4.2	2010	A private company engaged in sales of swimming pool-related products with primary markets in Germany and Austria	Telegraphic transfer; payment made within 60 days after the bill of lading date
Customer E.	Branded product customer (offline)	10,839	2.9	2021	A private company engaged in cross-border E-commerce of innovative products for home and professional use, with integrated product development, digital marketing, brand building and localized fulfillment	Bank transfer; payment made within six months after shipment
Total		<u>102,210</u>	<u>27.0</u>	<u>-</u>		-

BUSINESS

Customer	Customer Type	Transaction amount (RMB in thousands)	Percentage of revenue contribution (%)	Commencement of collaboration (Year)	Principal business	Payment method and credit period
For the year ended December 31, 2024						
Customer B.	Branded product customer (online)	39,771	7.3	2023	A public company engaged in global E-commerce platform and cloud computing services, including online retail and cloud services	Bank account transfer; payment made within 90 days
Customer F.	ODM customer	30,391	5.6	2012	A private company engaged in sales of swimming pool-related products with primary markets in Spain and Portugal	Telegraphic transfer; full payment made before arrival at port or irrevocable L/C at 180 days
Customer D*.	ODM customer	22,912	4.2	2010	A private company engaged in sales of swimming pool-related products with primary markets in Germany and Austria	Letter of credit; payment made within 180 days
Customer G.	ODM customer	20,761	3.8	2019	A private company engaged in manufacturing and sales of swimming pool equipment	Bank transfer; full payment made after receiving copy of the bill of lading
Customer A.	ODM customer	13,287	2.4	2017	A private company engaged in sales of inflatable and frame swimming pools and related peripheral products	Letter of credit; payment made within 90 days after the bill of lading date
Total		<u>127,122</u>	<u>23.4</u>	<u>-</u>		<u>-</u>
For the year ended December 31, 2025						
Customer B.	Branded product customer (online)	71,657	8.8	2023	A public company engaged in global E-commerce platform and cloud computing services, including online retail and cloud services	Bank account transfer; payment made within 90 days
Customer E.	Branded product customer (offline)	39,783	4.9	2021	A private company engaged in cross-border E-commerce of innovative products for home and professional use, with integrated product development, digital marketing, brand building and localized fulfillment	Bank transfer; payment made within eight months after shipment
Customer D*.	ODM customer	35,000	4.3	2010	A private company engaged in sales of swimming pool-related products with primary markets in Germany and Austria	Letter of credit; payment made within 60 days
Customer A.	ODM customer	16,984	2.1	2017	A private company engaged in sales of inflatable and frame swimming pools and related peripheral products	Letter of credit; payment made within 90 days after the bill of lading date
Customer H.	ODM customer	15,160	1.9	2021	An Australian private company engaged in the sales of swimming pool related products	Telegraphic transfer; 70% upon the shipping; 30% within 60 days of the shipping
Total		<u>178,584</u>	<u>22.0</u>	<u>-</u>		<u>-</u>

* As of the Latest Practicable Date, Customer D remained our customer. The revenue from Customer D decreased significantly during the Track Record Period, primarily due to our strategic shift in business model from being predominantly ODM-based model to focusing on selling our branded products. See “—Our Business—Shift in Business Model.”

We do not believe that we relied on any particular customer to generate a significant portion of our revenue during the Track Record Period. As of the Latest Practicable Date, none of our Directors, their close associates or any shareholders which, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our top five customers. During the Track Record Period, our Customer F and Supplier F are the same entity that operates an E-commerce marketplace globally. See “—Overlapping of Major Customers and Suppliers” for details.

BUSINESS

SUPPLIERS AND RAW MATERIALS

Our Suppliers

Our suppliers primarily provide us with raw materials, hardware, and logistics and marketing services. We carefully select our suppliers to secure principal raw materials used in our production process and require them to satisfy certain evaluation and assessment criteria. See “—Quality Control—Quality Management System—Procurement” for details.

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. The following table sets forth information of our top five suppliers during the Track Record Period.

Supplier	Raw materials or services procured	Transaction amount (RMB in thousands)	Percentage of total purchases (%)	Commencement of collaboration (Year)	Principal business	Payment method and credit period
<i>For the year ended December 31, 2023</i>						
Supplier A	E-commerce platform services	81,896	35.7	2023	A public company engaged in global E-commerce platform and cloud computing services, including online retail and cloud services	Deduction based on transaction; payment schedule agreed by the parties
Supplier B	Battery and battery pack	9,879	4.3	2020	A private company engaged in research and development, production and sales of lithium batteries	Telegraphic transfer or acceptance; within 60 days
Supplier C	Motor and motor components	9,844	4.3	2019	A private company engaged in manufacturing and sales of micro DC motors, brushed DC motors, brushless DC motors, micro motors, shaded pole motors	Telegraphic transfer or acceptance; within 30 days
Supplier D	Mainboard and circuit board	8,869	3.9	2019	A private company engaged in research, development, production and sales of smart home and new energy products	Telegraphic transfer or acceptance; within 60 days
Supplier E	Charger, mainboard and circuit board	7,737	3.4	2019	A private company engaged in research and development, production and sales of switch power supplies, LED power supplies, power adapters, phone chargers, medical power supplies	Telegraphic transfer or acceptance; within 30 days
Total		<u>118,225</u>	<u>51.5</u>	<u>-</u>		<u>-</u>

BUSINESS

Supplier	Raw materials or services procured	Transaction amount (RMB in thousands)	Percentage of total purchases (%)	Commencement of collaboration (Year)	Principal business	Payment method and credit period
For the year ended December 31, 2024						
Supplier A	E-commerce platform services	135,392	26.6	2023	A private company engaged in global E-commerce platform and cloud computing services, including online retail and cloud services	Deduction based on transaction; payment schedule agreed by the parties
Supplier F	Mainboard and circuit board	26,542	5.2	2022	A private company engaged in research, development, production and sales of intelligent control and power supply technology for robotics, new energy, LED lighting, smart home appliances and medical devices	Telegraphic transfer or acceptance; within 30 days
Supplier C	Motor and motor components	25,671	5.0	2019	A private company engaged in manufacturing and sales of micro DC motors, brushed DC motors, brushless DC motors, micro motors, shaded pole motors	Telegraphic transfer or acceptance; within 30 days
Supplier B	Battery and battery pack	21,232	4.2	2020	A private company engaged in research and development, production and sales of lithium batteries	Telegraphic transfer or acceptance; within 60 days
Supplier G	Logistics services	19,658	3.9	2023	A private company engaged in supply chain management, international and domestic freight forwarding, loading, unloading and handling services, logistics scheme design, domestic trade	Telegraphic transfer; payment schedule agreed by the parties
Total		<u>228,495</u>	<u>44.8</u>	<u>-</u>		-
For the year ended December 31, 2025						
Supplier A	E-commerce platform services	179,524	24.3	2023	A private company engaged in global E-commerce platform and cloud computing services, including online retail and cloud services	Deduction based on transaction; payment schedule agreed by the parties
Supplier H	Advertising and promotional services	67,786	9.2	2024	A private company engaged in technology development, consulting, service and transfer in information, network and computer fields, advertising services, graphic designing and innovative services, system integration, marketing planning, business consulting, and E-commerce	Telegraphic transfer, within 15 days
Supplier F	Mainboard and circuit board	37,113	5.0	2022	A private company engaged in research, development, production and sales of intelligent control and power supply technology for robotics, new energy, LED lighting, smart home appliances and medical devices	Telegraphic transfer or acceptance; within 30 days
Supplier C	Motor and motor components	26,517	3.6	2019	A private company engaged in manufacturing and sales of micro DC motors, brushed DC motors, brushless DC motors, micro motors, shaded pole motors	Telegraphic transfer or acceptance; within 30 days
Supplier I	Logistics services	16,425	2.2	2025	A private company engaged in international logistics services, including sea freight, air freight, land transportation, chemical logistics and project logistics	Telegraphic transfer; within 90 days
Total		<u>327,365</u>	<u>44.2</u>	<u>-</u>		-

BUSINESS

We enter into framework procurement agreements with our suppliers, which contain terms and conditions consistent with customary industry practice, primarily the following:

- *Term.* The framework agreement generally has a term of three years.
- *Price, quality, quantity and delivery.* Our purchases are typically made on purchase order or purchase agreement basis, and we specify the material type, unit price, quality and quantity requirements, delivery timeline and other contract terms in each purchase order or purchase agreement we send to our suppliers. Suppliers shall be responsible for shipping costs and any damage resulting from the transportation process.
- *Warranty and return policies.* Any product that fails to meet our quality standard shall be returned to and repaired or replaced by the supplier. Sales returns and damages caused by any unqualified products shall be compensated by the supplier.
- *Payment arrangements.* Purchase prices are determined per purchase order. We are typically required to pay our suppliers within 30 days of goods acceptance.
- *Intellectual property.* All technical materials, blueprints, samples and other information relating to our products are our proprietary trade secrets, and without our consent, our suppliers shall not disclose such information to any third parties. Blueprints and technical materials developed by our suppliers based on information supplied by us shall not be used to the benefit of other third parties or for other commercial purposes.

As of the Latest Practicable Date, none of our Directors, their close associates or any shareholders which, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our top five suppliers. During the Track Record Period, our Customer F and Supplier F are the same entity that operates an E-commerce marketplace globally. See “—Overlapping of Major Customers and Suppliers” for details.

Raw Materials

The principal raw materials and hardware used in manufacturing our products include batteries, motors, chargers, circuit board assembly, metal components, injection molding materials and packaging materials. We procure our raw materials from manufacturers and suppliers in China, and have maintained stable and longstanding relationship with major raw material suppliers. We generally contract with more than one supplier for each major type of materials. During the Track Record Period and up to the Latest Practicable Date, we procured all of the raw materials from China and we had not experienced significant difficulties in maintaining sources of supplies and expect to be able to maintain adequate sources of quality supplies in the future.

All our raw materials are sourced from China and are of non-U.S. origin. While some of our development software, development tools, and computer systems are from U.S. brands, the majority are publicly available open-source solutions. According to the specific licensing policies of the relevant providers, such publicly available open-source software is not subject to export control measures. Our International Sanctions Advisors have confirmed that none of the raw materials, technologies, or software we use are subject to any licensing requirements under the EAR. This assessment is based on the fact that these items are not highly restricted products and our company does not appear on any relevant sanctions lists.

BUSINESS

The purchase price of raw materials and hardware is based on prevailing market prices of products of similar attributes and our procurement amount. We manage price fluctuations of our raw materials by (1) closely monitoring pricing fluctuation, (2) strategic increasing procurement amount in case of substantial upward price fluctuation, and (3) requiring suppliers to give advance notice for price increase of over 30%. We believe that during the Track Record Period, fluctuations in raw materials and hardware costs did not have a material impact on our results of operations or gross profit margin.

OVERLAPPING OF MAJOR CUSTOMERS AND SUPPLIERS

Our Customer B and Supplier A are the same entity that operates an E-commerce marketplace globally. Along with our B2B sales on the E-commerce marketplace operated by Customer B, Customer F places bulk purchase orders with us and subsequently fulfills its customer orders by reselling the products acquired from us. In 2023, 2024 and 2025, the revenue from Customer B was RMB26.4 million, RMB39.8 million and RMB71.7 million, respectively, accounting for 7.0%, 7.3% and 8.8%, of our total revenue in the same periods, respectively. Meanwhile, we sell our products on the same E-commerce marketplace that allows us to conduct online sales directly to end consumers under a DTC sales model, under which we purchased operational support services from Supplier A, including order fulfillment, storage, and customer services, among others. In general, we are required to pay a commission to Supplier A, which is typically a certain percentage rate of our sales revenue generated through our online stores on the same E-commerce marketplace. In 2023, 2024 and 2025, our purchase from Supplier A was RMB81.9 million, RMB135.4 million and RMB179.5 million, respectively, accounting for 35.7%, 26.6% and 24.3% of our total purchase in the same periods, respectively.

To the best knowledge of our Directors, during the Track Record Period, there were no other overlaps between our top five suppliers and customers or between our top five customers and suppliers. Our Directors confirm that all transactions with our overlapping customers and suppliers were conducted in the ordinary course of business and were based on normal commercial terms and at arm’s length, and the sales to and purchases from these entities were neither interconnected nor conditional upon each other. According to the CIC Report, the practice of selling products to the aforementioned E-commerce marketplace and purchased operational support services from the same is not uncommon in the robotic pool cleaner industry.

THIRD-PARTY PAYMENT ARRANGEMENTS

Background

During the Track Record Period, Relevant Customers settled payments with us through accounts that were not held by the contractual parties specified in the corresponding sales and purchase agreements under the Third-Party Payment Arrangements. The Relevant Customers during the Track Record Period primarily consisted of small scale companies overseas.

In 2023, 2024 and 2025, the number of the Relevant Customers was two, one and one, respectively. All the third-party payors of the Relevant Customers during the Track Record Period were independent to the respective Relevant Customers.

The aggregate amount that the Relevant Customers settled under the Third-Party Payment Arrangements was RMB0.4 million, RMB1.2 million and RMB0.6 million, respectively, accounting for 0.1%, 0.2% and 0.1% of our total revenue in the same periods, respectively. No individual Relevant Customer has made material contribution to our revenue during the Track Record Period.

BUSINESS

To the best of knowledge of our Directors, the Relevant Customers who paid us through independent payors chose to settle through Third-Party Payment Arrangements primarily for payment convenience and faster transaction times.

Termination and Implication of Third-Party Payment Arrangements

We had ceased all Third-Party Payment Arrangements by April 30, 2025 and ceased all transactions with the Relevant Customers. As of the Latest Practicable Date, none of our customers utilized the Third-Party Payment Arrangement to settle payments with us.

We consider that the termination of the Third-party Payment Arrangements did not have, nor will have, any material adverse effect on the liquidity, business operation and financial performance of the Group, primarily because the aggregate amount they settled under the Third-Party Payment Arrangements only accounted for 0.1%, 0.2% and 0.1% of our total revenue in 2023, 2024 and 2025, respectively.

As advised by our PRC Legal Advisor, (1) our third-party payments are grounded in lawful transactions and commercially prudent arrangements and there is no concealment, falsification, or misrepresentation of any proceeds of crime or the source and nature of income derived from such proceeds; (2) the risks were low for our Group to be found obligated to return funds to Relevant Customers or their designated third-party payors under the Third-Party Payment Arrangements; and (3) our Company has not been found to be involved in any money laundering activities, activities that could be related to money laundering or any relevant investigations, and as such, the risk of the Third-Party Payment Arrangements being deemed as constituting the crime of money laundering under Article 191 of the Criminal Law of the PRC (中華人民共和國刑法) for the purpose of covering up or concealing the source and nature of proceeds or gains is low.

Based on the foregoing, our Directors confirm that, to the best of their knowledge and based on the know-your-customer procedures and internal control measures implemented, (1) during the Track Record Period, the relevant payments were based on bona fide underlying transactions and valid contractual relationships, and (2) there were no instances of commercial bribery, money laundering, tax evasion, or existing or potential disputes with our Group related to the Third-Party Payment Arrangements.

Enhanced Internal Control Measures of Third-Party Payment Arrangements

To safeguard our interest against risks associated with Third-Party Payment Arrangements, since May 2025, we have significantly enhanced and implemented various internal control measures in order to rectify Third-Party Payment Arrangements. Our efforts to rectify the Third-Party Payment Arrangements include, among other things:

- (1) we initiated the implementation of Third-Party Payment Arrangements rectification measures and informed our employees regarding the enhanced internal control measures;
- (2) we amended our standard forms of sales and purchase agreements and required all parties who settle payments with us to enter into the amended sales and purchase agreements as contractual parties, which specify, among other things, the detailed information and payment obligation of such parties;
- (3) our finance department is required, during payment verification, to confirm whether the payor is the same as the contractual party. In cases of discrepancy, both the payor and the contractual party are required to provide written explanations specifying the identity of the payor, its

BUSINESS

relationship with the contractual party, the payment amount, together with an acknowledgment that the payment amount is not subject to any dispute. If such explanations cannot be provided, the finance department is instructed not to accept the relevant payment; and

- (4) to prevent fraud or money laundering activities and ensure the accuracy and completeness of our accounting books and records, we further strengthened our know-your-customer procedures to gain a comprehensive understanding of our customers and performing verification of payment details against our records to confirm payments are made in accordance with the agreements. If any abnormalities are detected, we will promptly liaise with such customers for verification and correction. In addition, our sales team will hold regular meetings with customers to gain insights into their business operations, thereby reducing the risk of involvement in fraudulent or money laundering activities.

QUALITY CONTROL

Product quality is vital to our business, since any potential quality defect may cause significant risks to consumers who use our products. As such, we have implemented a comprehensive and stringent quality control system, encompassing all the key aspects of our operations, including procurement, manufacture and delivery, to ensure the satisfactory supply of products with consistent quality, safety and reliability. We have thoroughly implemented our manufacturing philosophy of scientific management and lean production throughout our production process, and have adopted ISO9001 quality management system.

Quality Management Team

Our quality control and assurance department coordinates and implements our quality management initiatives. As of December 31, 2025, our quality control and assurance team had 23 members, with expertise and professional background in areas such as mechanical engineering and automation, commercial management and E-commerce. The primary responsibilities of our quality control team include formulation and execution of our quality standards and testing procedures, testing our raw materials and finished goods against customer expectation, and maintenance and inspection of our manufacturing environment.

Quality Management System

Our quality management system encompasses all the key aspects of our operations, such as procurement, manufacture, storage and after-sales services, and contributes to the quality, safety and reliability of our products.

Procurement

We only purchase raw materials from qualified suppliers who have passed our quality and reliability assessment. We conduct due diligence on new suppliers to assess their, among others, business qualification, production scale and capability, and product quality. Suppliers that pass such screening procedure will submit their sample product and basic information for us to review and examine. Upon our approval, the supplier is listed in our approved vendor list. We conduct quarterly and annual review on supplier qualification based on supply quality, pricing, delivery and service, and we also conduct onsite inspections on key material suppliers. We have devised stringent standards and processes for supplier onboarding and termination.

BUSINESS

We maintain and implement comprehensive quality control measures to ensure the safety and quality of our raw materials. Before admitting procured materials into our warehouse, we would inspect the packaging and quantity of the materials. After being admitted into our warehouse, we conduct quality inspection on the materials and store the materials in accordance with relevant storage conditions required by different materials, and we monitor the temperature and humidity of our warehouses on a daily basis to ensure proper storage conditions for the materials.

Manufacturing

We have implemented comprehensive quality control procedures for our manufacturing activities. Our quality management personnel monitor the key stages of production, special procedures, as well as the production environment. In addition, our manufacturing department implements our quality control initiative during routine manufacturing process. Our manufacturing staff separate, mark and record defective goods, remake or repair the defects and analyze and address underlying causes. We also keep detailed records for defective products and record the relevant personnel, product model, quantity and defects on a daily basis. We implement corrective and preventive measures to improve the general quality of our manufactured products.

Our quality control capability is further supported by our various reliability tests for our sample goods, finished goods and materials, including but not limited to (1) mechanical test to evaluate the durability of our goods and materials when positioned in the mechanical environment, (2) environment test to evaluate the durability of our goods and materials under various environmental conditions, such as temperatures, humidity, atmospheric pressure and salinity, and (3) voltage test to examine the impact of different voltage and static electricity on our products. We also implement management measures for our manufacturing infrastructure and operation environment. We periodically inspect, among others, our motor system, energy and electricity supply, and general and special equipment.

To ensure the safety of our products, which involve the usage of electricity under or near water, our products are powered by low-voltage direct current and do not involve the use of high voltage electricity. For cordless models, the power is supplied by lithium batteries. For corded models, alternating current from the mains is converted into low-voltage direct current through a switching power supply, with the maximum voltage not exceeding 30 volt.

Warehousing

Our warehouse management personnel maintain detailed operative policies over warehouse management, material and product management. We conduct regular inspection on our warehousing conditions to ensure that our raw materials and finished goods are properly stored. See “—Procurement” for quality control measures adopted and implemented with respect to raw materials and other procured materials. Our warehouse management personnel also collaborate with our procurement department and manufacturing department for coordinated material admission and transportation. Finished products that pass our quality inspection will be stored in warehouse for delivery.

Product Warranty and Returns

We have designed and implemented a comprehensive set of internal policies and procedures in respect of product return and warranty, including control procedures for product feedback and complaint, cause analysis procedures, defect rectification procedures and product re-evaluation procedures. We provide warranties for our products, ranging from 12 to 24 months. When a customer discovers quality defects in our products and files a complaint with us, it is required to report the details of the defective products, including the batch number, product contents, product list and the reason of defect. We typically

BUSINESS

provide repairment services to relevant customers. For branded products sold through our independent websites in particular, we provide a 30-day money-back guarantee on all undamaged products, and for products still under warranty but beyond the 30-day free return and replacement period, we offer free repair services.

On April 9, 2026, we conducted a voluntary product recall concerning certain models of our cordless robotic pool cleaners. We elected to proceed with the voluntary recall out of an abundance of caution and in close coordination with the U.S. Consumer Product Safety Commission. According to CIC, product recalls are not uncommon in the robotic pool cleaner industry. Such recall is to address potential burn and fire hazards associated with the affected units. Affected customers are advised to verify their model and serial numbers through our online recall portal, immediately discontinue use of the confirmed units, and follow our guidance for safe disposal or return to us. Eligible customers will typically receive a free replacement, a full refund, or a voucher of equal or greater value once the product is verified as affected. These recall efforts demonstrated our unwavering commitment to product safety, regulatory compliance, and responsible product lifecycle management.

During the Track Record Period and up to the Latest Practicable Date, save as disclosed in this Document, we did not, due to product quality issues, (1) receive fines, product recall orders or other penalties from the PRC government or other regulatory bodies or (2) receive any product return requests or complaints from our customers that have a material adverse effect on our business, financial conditions and results of operations. Therefore, during the Track Record Period and up to the Latest Practicable Date, we did not incur any material amount of product return or refund.

WAREHOUSING AND INVENTORY MANAGEMENT

As of Latest Practicable Date, we had two warehousing facilities located in China, including (1) one leased property with an aggregate floor areas of 15,549.7 square meters, that was used for our office and warehousing purposes, and (2) one warehousing facility as part of our owned property, which also shared spaces with our manufacturing facilities and offices. See “—Properties—Owned Properties.” Although the majority of our revenue during the Track Record Period was generated from overseas markets, we retain such large-scale warehousing facilities in China because our manufacturing facilities are located in China and sufficient warehousing area is needed to store finished goods, semi-finished products, and raw materials.

As of Latest Practicable Date, the aggregate floor areas of our 13 warehousing facilities located overseas were approximately 375,908 square meters, of which two warehousing facilities with 3,587 square meters were operated by us, and the other 11 facilities with 372,321 square meters were collaborative warehouses owned by logistics service providers and overseas warehousing service providers. Such collaborative warehouses are shared facilities, and their providers deliver supply chain management and operational services, including overseas storage, in-warehouse handling, last-mile delivery, and related supply chain data services, to us and other companies using the same warehouses.

Our warehouses are equipped with storage racks, forklifts and stackers to assist with routine warehouse operation and management. See “—Quality Control—Quality Management System—Warehousing” for our measures for warehousing management.

Our inventories consist of raw materials, packaging materials, work-in-progress and finished goods. As of December 31, 2023, 2024 and 2025, we had inventories of RMB120.0 million, RMB202.2 million and RMB281.7 million, respectively. We determine our inventory level by holistically considering the then-current inventory storage level, manufacturing plan, and projected customer demand, and we also closely monitor outgoing inventory to ensure sufficient provision of our products. We arrange material

BUSINESS

procurement and manufacturing schedule based on different types of products and customers. For our long term customers with stable annual purchase volume, including some of our third-party merchants for branded products and some ODM customers, we typically maintain an inventory level based on their typical annual purchase volume. For other third-party merchants for branded products and other ODM customers, we typically commence manufacturing upon receiving their purchase orders. For our branded products to be sold to end consumers through online sales, we typically prepare the inventory three to six months in advance, based on the historical sales performance and our sales projection, and we will ship the finished goods to our warehouses for timely delivery to end consumers upon receiving their purchase orders. Accordingly, we recorded relatively high inventory turnover days of 248 days, 258 days and 293 days in 2023, 2024 and 2025, respectively. See “Financial Information—Discussion of Major Balance Sheet Items—Inventories” for details. We manage our inventory mainly through our production and procurement plans. The departments of production and procurement are responsible for coordinating company resources, maintaining optimal inventory level.

Despite relatively high inventory turnover days during the Track Record Period, our Directors consider our inventory management policy effective based on the following factors.

- *Strategic shift in business model.* The increase in inventory turnover days was primarily attributable to strategic shift in business model from being predominantly ODM-based model to focusing on selling our branded products. Under this new model, we typically prepare inventory for branded products three to six months in advance to ensure timely delivery and capture seasonal demand.
- *Proactive inventory planning.* To accurately capture seasonal demand, we adopt a proactive inventory planning approach. ODM customers generally stock up in the first and fourth quarters, while branded product sales peak in the second and third quarters. Accordingly, inventory build-up reflects our deliberate planning to ensure operational resilience and product availability for the sales peak seasons.
- *Inventory growth aligned with revenue expansion.* The increase in the inventory level effectively supported our revenue growth, as evidenced by the correlation between inventory growth and revenue growth. Our inventory increased by 68.5% from RMB120.0 million as of December 31, 2023 to RMB202.2 million as of December 31, 2024, while our revenue increased by 43.8% from RMB378.0 million in 2023 to RMB543.5 million in 2024. Our inventory increased by 39.3% from RMB202.2 million as of December 31, 2024 to RMB281.7 million as of December 31, 2025, while our revenue increased by 49.4% from RMB543.5 million in 2024 to RMB812.2 million in 2025.

DELIVERY AND LOGISTICS

We ship our products primarily by sea, and to a lesser extent, by air, and for customers located in China, we usually ship by ground transportation. Under our ODM model, our customers generally place a purchase order with us, and when we finish preparing for the order, the carrier engaged by us will inspect and pick up the products from our warehouses. The carrier will then deliver the products to the address designated by the customer, and the carrier’s responsibility typically includes product transportation and custom declaration, and we will prepare documents required of custom declaration and cooperate with our carrier to complete the custom declaration process. For our branded robotic pool cleaners sold to domestic customers, we are responsible for arranging product delivery to address designated by the customers; and for those sold to overseas, we engage carrier for product transportation to overseas warehouses maintained by third-party merchants or our owned or leased overseas warehouses, and we are responsible for custom declaration and clearance.

BUSINESS

We collaborate with third-party logistic service providers, and in selecting our logistic service providers, we primarily consider factors such as the reliability, speed and costs of their delivery services. For our long term customers with stable annual purchase volume, including some of our third-party merchants for branded products and some ODM customers, we typically maintain an inventory level, so it typically takes two to three business days from the submission of orders from those customers with us to the delivery to its designated address, if we maintain sufficient inventory for order fulfillment. In case that we do not maintain sufficient inventory, we would negotiate with customers on delivery timeline. For our branded products sold through E-commerce marketplaces, it typically takes one to two business days for us to dispatch products from our overseas warehouses and deliver to address designated by consumers.

TRANSFER PRICING ARRANGEMENT

Our global operations are managed through subsidiaries in different jurisdictions. Our PRC subsidiaries are mainly responsible for product development, supply chain management, manufacturing, domestic sales and marketing, while our overseas subsidiaries primarily focus on sales activities and E-commerce operations in the local markets.

The Company, our major operating company in the PRC, is primarily engaged in the development, manufacturing and sales of pool cleaners. In our intra-group transactions (“Intra-group Transactions”), the Company, together with its PRC subsidiaries and branch company, sells finished products to our subsidiaries outside mainland China to fulfill sales orders from the international markets, provides logistics and custom declaration and clearance services, as well as sales and promotional services, and is responsible for providing customer services and handling customer complaints and bears market, warranty and product liability risks. During the Track Record Period, the Company sold pool cleaners to WYBOTICS HONGKONG, WYBOTICS EUROPE and Wybotics Inc. In 2023, 2024 and 2025, the total value of such intra-group transactions was RMB156.8 million, RMB176.9 million and RMB332.0 million, respectively.

Transfer Pricing Assessment

The Organization for Economic Co-operation and Development (the “OECD”), an international organization of international cooperation, promulgated the transfer pricing guidelines for multinational enterprises and tax administrations (the “OECD Transfer Pricing Guidelines”), which are generally followed by, or are consistent with the relevant tax jurisdictions involved in the Intra-group Transactions including Hong Kong, the PRC, Europe, and the United States. According to the OECD Transfer Pricing Guidelines, the Intra-group Transactions should be in compliance with arm’s length principle basis.

We have engaged an independent transfer pricing consultant (the “Transfer Pricing Advisor”) to conduct benchmarking studies on the Intra-group Transactions during the Track Record Period in accordance with the OECD Transfer Pricing Guideline. Our Transfer Pricing Advisor adopted the Transaction Net Margin Method (“TNMM”) as the most appropriate transfer pricing testing method to assess whether the transfer pricing arrangements related to the Intra-group Transactions were consistent with the arm’s length principle by testing the overall profit level of WYBOTICS HONGKONG, and Wybotics Inc, Dulwich Electronic Commerce Inc. and WYBOTICS EUROPE. Under TNMM, Operating Margin (“OM”) is selected as the profit level indicator (“PLI”) for assessment.

The Transfer Pricing Advisor follows the OECD Transfer Pricing Guidelines and TP regulations to take relevant procedure. By using Database and devising a series of selection criteria, the Transfer Pricing Advisor selected comparable companies that assume similar functions and risks to those of WYBOTICS HONGKONG, Wybotics Inc, Dulwich Electronic Commerce Inc. and WYBOTICS EUROPE for the benchmarking analysis. The Transfer Pricing Advisor calculated the comparable companies’ weighted

BUSINESS

average (“WA”) OM, constructed an inter-quartile range and compared them with the OMs of WYBOTICS HONGKONG, Wybotics Inc, Dulwich Electronic Commerce Inc. and WYBOTICS EUROPE during the Track Record Period to assess whether the transfer pricing arrangements related to the Intra-group Transactions were consistent with the arm’s length principle.

According to benchmarking analysis result, the OMs of WYBOTICS HONGKONG, Wybotics Inc, Dulwich Electronic Commerce Inc. and WYBOTICS EUROPE during the Track Record Period are fell within the three year WA OM inter-quartile range established by the comparable companies.

Therefore, according to the benchmarking analysis result, the Group’s TP policies of the Intra-group Transactions are consistent with the arm’s length principle during the Track Record Period.

Tax Implication and Compliance

Although benchmarking studies conducted in accordance with OECD Transfer Pricing guidelines would generally be followed by all tax jurisdictions involved in the Intra-group Transactions, it does not have binding effect on any local taxation authorities in the event of transfer pricing controversy. See “Risk Factors—Risks Relating to Our Business and Industry—Our international operations may be subject to transfer pricing adjustments by competent authorities.”

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we were not aware of any inquiries, audit, investigation or challenge by any relevant tax authorities in Hong Kong, the PRC, the United States, and Europe in relation to the Intra-group Transactions.

We have implemented below internal control policies and procedures relating to transfer pricing to ensure compliance with applicable regulations and guidelines, including:

- (1) Our finance team and management team regularly participate in transfer pricing training sessions organized by tax authorities or professional firms to maintain a comprehensive understanding of regulatory requirements and key tax practices;
- (2) Our management team continuously monitors the transfer pricing arrangements for the intra-group transactions and updates the comparability analysis based on market conditions to ensure compliance with applicable transfer pricing regulations in relevant jurisdictions and the arm’s length principle as outlined in OECD Transfer Pricing Guidelines;
- (3) Our management team closely monitors the scale of transfer pricing transactions to ensure timely preparation and submission of relevant transfer pricing documentation upon reaching the thresholds; and
- (4) If any transfer pricing documents are required for submission to tax authorities, such documents would be prepared by designated personnel and submitted after internal review and approval.

PROPERTIES

As of the Latest Practicable Date, we operated our business through one owned property with a total site area of 18,004.1 square meters and a gross floor area of 13,112.3 square meters, and nine leased properties with a total gross floor area of approximately 21,224.51 square meters. All such properties have been used for non-property activities as defined under Rule 5.01(2) of the Hong Kong Listing Rules and are primarily used as office premises and manufacturing and warehousing facilities for our business operations.

BUSINESS

Owned Properties

As of the Latest Practicable Date, we owned the land use rights to one parcel of land located in Tianjin, with a total site area of 18,004.1 square meters and we owned the property built on that land with a gross floor area of 13,112.3 square meters. Such property is used primarily as our manufacturing, warehousing and office facilities. As advised by our PRC legal advisors, we have obtained the land use certificates for such parcel of land and legally owned the land use rights to such parcel of land. The expiration date of the land use rights to such parcel of land is May 21, 2062.

Leased Properties

As of the Latest Practicable Date, we operated our businesses through seven leased properties in Beijing, Tianjin, Guangzhou, Shanghai and Shenzhen, with a total gross floor area of 17,637.09 square meters. Such properties primarily serve as our offices and warehousing facilities.

As of the Latest Practicable Date, we leased one property in France, with a total gross floor area of 1,250 square meters, as our office and warehousing facility. We also leased one property in the United States with a total gross floor area of approximately 2,337 square meters, as our office and warehousing facility.

Our lease agreements in respect of the abovementioned nine leased properties generally have expiration dates ranging from May 23, 2026 to April 30, 2032. We plan to renew our leases or negotiate new terms when the existing leases expire. All lessors are independent third parties. We did not experience material difficulties in negotiating renewal of our leases with our landlords during the Track Record Period and up to the Latest Practicable Date. We believe that there is sufficient supply of properties in China and overseas.

As of December 31, 2025, none of the properties leased or owned by us had a carrying amount of 15% or more of our consolidated total assets. Therefore, according to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 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 our Group's interests in land or buildings.

Non-registration

Pursuant to the applicable PRC laws and regulations, property lease agreements must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部). The registration of such leases will require the cooperation of our lessors. As of the Latest Practicable Date, we had not obtained lease registration for all of our leased properties in China with a gross floor area of approximately 17,637.09 square meters. We will take all practicable and reasonable steps to ensure that such leases are registered. As advised by our PRC Legal Advisor, the lack of registration of the lease agreements will not affect the validity of such lease agreements.

According to the relevant PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. As of the Latest Practicable Date, we had not received any such request or suffered any such fine from the relevant government authorities. We undertake to cooperate fully to facilitate the registration of lease agreements once we receive any requirements from relevant government authorities.

BUSINESS

Title Defect

The lessors of one leased properties located in Tianjin were unable to provide the title certificates of the relevant properties. One of such leased properties is used merely for business registration purposes, and the remaining of such leased properties are primarily used as warehousing facilities. We have been advised by our PRC Legal Advisers that because the properties with defective titles are leased properties, we will not bear any potential legal liability in respect of the defective titles. Moreover, the title defects will not have any material adverse impact on our operations because of the fact that such leased properties can be easily substituted by comparable premises.

LICENSES, PERMITS AND APPROVALS

Our PRC legal advisors have advised that we had obtained all licenses, permits, and certificate necessary to conduct our operations in all material respects from the relevant government authorities in China, and such licenses, permits and approvals remained in effect as of the Latest Practicable Date. The following table sets forth a list of material licenses, permits, and approvals currently held by us.

License/Permit	Holder	Grant date	Expiry date
Certificate of Registration of Customs Declaration Unit of the People’s Republic of China (Consignee and Issuer of Import and Export Goods) .	Company	February 11, 2009	July 31, 2068
Solid Pollutant Emissions Registration.	Company	December 4, 2020	November 16, 2030
High-tech Enterprise Certificate .	Company	December 3, 2024	December 3, 2027
Quality Management System Certification	Company	September 10, 2025	October 8, 2028
Registration of Foreign Trade Operators	Wangyuan Limited	February 10, 2006	—
Road Transportation Operating License	Wangyuan Manufacturing	June 2, 2022	June 1, 2026
Road Transportation Operating License	Company	November 10, 2025	November 9, 2029

INTELLECTUAL PROPERTY

Intellectual property rights are fundamental to our business, and we devote significant time and resources to their development and protection. We rely on a combination of contractual restrictions, confidentiality procedures, and intellectual property registrations to establish and protect our proprietary technologies. As of the Latest Practicable Date, we had registered 13 trademarks, 151 patents, and 14 software copyrights in China and 38 trademarks, and 21 patents overseas. As of the same date, we had 288 and 48 patent applications in China and overseas, respectively. See “Statutory and General Information—Our Material Intellectual Property Rights” in Appendix IV to this document for details.

We have used our best efforts to ensure compliance with applicable intellectual property laws. Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, except as disclosed in “—Legal Proceedings and Compliance,” we were not involved in any intellectual property infringement actions brought by third parties. Our Directors further confirm that that we were not involved in any intellectual property infringement actions that, individually or in the aggregate, would have a

BUSINESS

material and adverse effect on our business, financial condition and result of operations. See “Risk Factors—Risks Relating to Our Business and Industry—We may be subject to intellectual property infringement claims which could be time-consuming or costly to defend and may result in a diversion of our financial and management resources, and have a material adverse impact on our business, results of operations and financial condition.”

Intellectual Property Protection

We protect our intellectual property through strategic planning, such as submitting intellectual property registrations and applications, anti-counterfeiting mechanism, especially for trademarks and designs, and litigation mechanism to defend against any existing or potential intellectual property infringement. Despite our efforts, third parties may still obtain and misappropriate our intellectual property without authorization. As of the Latest Practicable Date, we did not find any of such misappropriations of our intellectual property rights. However, unauthorized use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights may adversely affect our business and results of operations. For details of related risk, see “Risk Factors—Risks Relating to Our Business and Industry—Unauthorized use of our intellectual properties by third parties may harm our brands and reputation and materially and adversely affect our business.”

Internal Control Measures Avoiding Infringing Third Party’s Intellectual Property Rights

To avoid infringing third party’s intellectual property rights, we have taken and strictly adhered to the following internal control measures:

- ***Control at the source.*** When acquiring external intellectual property, our intellectual property management team conducts rigorous reviews to confirm its legality and its compliance with relevant laws and regulations, thereby eliminating infringement risks at the source.
- ***Contractual safeguards.*** Our internal legal team conduct rigorous reviews of all contracts in relation to any cooperation or procurement involving intellectual property. Such contracts must clearly stipulate ownership, scope of authorization, duration of use, and allocation of liability for infringement in relation to the intellectual property, avoiding vague terms or verbal commitments.
- ***Searches on official database.*** For any third-party intellectual property we intend to use, our internal legal team performs intellectual property verification through official database searches to confirm its validity, ownership, and protection period, preventing use of expired or unauthorized intellectual property.
- ***Internal originality checks.*** For our internally developed technologies and designs, our R&D team conducts duplication checks through patent, trademark, and copyright searches to ensure no overlap with third-party intellectual property.
- ***Compliance in usage.*** We enforce strict boundaries for intellectual property usage. To prevent any unauthorized or excessive use of intellectual property, we strictly adheres to the scope and limitations of each intellectual property that our intellectual property management team specifies.

BUSINESS

- ***Ongoing supervision and training.*** We have established a long-term monitoring and training mechanism to address both internal and external patent infringement risks. Our R&D team oversees the use of patents both internally and externally, and our human resources team organize internal intellectual property-related training sessions.

We obtained the internal control review report prepared by the internal control consultant to understand that we have established these internal control measures regarding potential intellectual property infringement. And our Directors are of the view that such measures are effective and adequate to identify, monitor, and mitigate risks associated with potential intellectual property infringement.

DATA SECURITY AND PRIVACY

In the course of our business, we collect, store and process business data and transaction data. We have access to certain data, primarily including email address for user account registration of our *WYBOT App* and our E-commerce independent websites on Shopify, and mail addresses for delivering our products ordered on Shopify. In particular, our *WYBOT App* only collects personal data that is not sensitive, including user’s nickname and email address. Substantially all *WYBOT App* users are outside China. All data collected from our *WYBOT App* are stored locally in the United States, and there had been no cross boarder transfer of personal data during the Track Record Period and up to the Latest Practicable Date. We believe that the confidentiality, integrity and availability of data are vital to our business operations. To mitigate data security risks, we have implemented a comprehensive approach that includes stringent data encryption, secure data storage protocols and strict transmission policies to ensure the confidentiality and integrity of sensitive information. As advised by our PRC Legal Advisor, we are not required to obtain any licence or approval in relation to the operation of our *WYBOT App*.

We have established clear and detailed protocols that govern the use, storage and sharing of corporate data, ensuring that only employees with the appropriate authorization can access sensitive information on a need-to-know basis. We also conducted regular data security training for employees to strengthen their data security awareness. Our employees are required to sign confidentiality agreements as part of their employment, which strictly prohibit the unauthorized disclosure of any company-related confidential information. This policy ensures that our employees understand the critical nature of safeguarding company data and are held accountable for maintaining confidentiality. To safeguard against data loss, we have implemented a robust backup system that stores data in multiple locations. For our core business data, we have established primary and backup redundancy systems. We implement multi-tiered security backups to ensure data integrity and uninterrupted business continuity. Multiple backup copies of data are stored across different locations, ensuring that data can be quickly restored in the event of any technical issues, natural disasters, or unforeseen circumstances.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss, nor did we experience any material unauthorized use of customers’ or employee’s personal information.

INSURANCE

We consider our insurance coverage to be adequate to safeguard against risks and unexpected events. We have purchased (1) product liability insurance, (2) short-term export credit insurance, (3) motor vehicle insurance, (4) employee accident insurance and (5) traffic insurance. As of the Latest Practical Date, the maximum insured amount per claim was US\$2.0 million under our product liability insurance policy in the United States. As of the Latest Practicable Date, according to our product liability insurance

BUSINESS

policy in China, (1) the maximum insured amount per person per accident was RMB1,000, (2) the maximum aggregate insured amount was RMB20,000, (3) the maximum insured amount for property damage was RMB16,000, and (4) the maximum insured amount per accident was RMB20,000.

In particular, the product liability insurance is applicable to our products sold in various regions, primarily including those in North America, Europe, Asia and Oceania. Further, the product liability insurance covers, among other things, compensation for property damages and personal injuries caused by the use of our products. See “Risk Factors—Risks Relating to Our Business and Industry—We may not be able to fully maintain quality control over our products.”

Our Directors believe that our insurance policies are adequate and consistent with the industry practice. During the Track Record Period and up to the Latest Practicable Date, we had not received any material insurance claims against us.

EMPLOYEES

As of the Latest Practicable Date, we had 452 full-time employees, substantially all of whom were based in China. The following table sets forth the number of our full-time employees by function as of the Latest Practicable Date.

Function	As of the Latest Practicable Date	
	Number of Employees	% of Total
Manufacturing	209	46.2
Management and administrative	89	19.7
Sales and marketing	77	17.0
R&D	77	17.0
Total	452	100.0

Our success depends on our ability to attract, retain and motivate qualified personnel. We recruit new employees through lateral and campus recruiting. We evaluate each candidate based on their interview performance, relevant experience, application motives, willingness to learn, and compatibility with our company culture. As part of our human resources strategy, we offer employees competitive salaries, performance-based cash bonuses and other incentives. We have adopted a training protocol, pursuant to which we provide pre-employment training and regular continuing management and technical training to our employees.

As required under PRC labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. In compliance with PRC regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury and unemployment benefit plans.

As of the Latest Practicable Date, we have established a labor union to facilitate communications among employees and to protect their rights. We believe we maintain a good working relationship with our employees and we had not experienced any material labor dispute or any difficulty in recruiting or retaining staff for our operations during the Track Record Period and up to the Latest Practicable Date.

BUSINESS

We are required by PRC social insurance and housing provident fund laws and regulations to make contributions for mandatory social insurance and housing provident funds for our employees. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations. In accordance with article 86 of the Social Insurance Law of the PRC, employers who failed to promptly contribute social insurance in full amount shall be ordered by the social insurance collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears. Pursuant to article 38 of Regulations on the Housing Provident Fund of the PRC, in violation of the provisions of these regulations, an employer is overdue in the contribution of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the contribution within a stipulated period; where the contribution has not been made within the stipulated period, an application may be made to the people’s court for compulsory enforcement. During the Track Record Period, the shortfall of social insurance and housing provident fund contributions was approximately RMB6.0 million. The total late payment fees for social insurance premiums was approximately RMB1.3 million. As we had not received any order from the social insurance collection agency requiring us to make payment or make up the deficiency within a specified time limit, no fines had been imposed on us as of the Latest Practicable Date. We believe such instance would not have a material adverse effect on our business. Moreover, considering that (1) we have obtained confirmations from the relevant competent government authorities, confirming that no administrative penalty was imposed on us in relation to our social insurance and housing provident fund contributions during the Track Record Period; (2) during the Track Record Period and up to the Latest Practicable Date, we had not received any administrative penalty in relation to social insurance and housing provident fund contributions, and we had not received any notice from relevant competent government authorities regarding any claim for inadequate contributions of our current and former employees, nor any notifications from the relevant competent government authorities requiring us to pay the shortfalls; (3) we were not aware of any material employee complaints or claims with respect to inadequate social insurance and/or housing provident fund contributions; and (4) we undertake that, in the event that competent government authorities require us to make contributions within a stipulated time period or make supplementary contributions and late fees, we will duly comply in a timely manner; our PRC Legal Advisor is of the view that the likelihood is remote that we would be required by the relevant competent government authorities, on an overall basis, to pay the entire shortfall for social insurance and housing provident fund contributions or that we would be subject to material administrative penalties due to our failure to make full payment of the social insurance and housing provident funds during the Track Record Period, assuming no significant changes in current applicable laws, regulations and policies, as well as the implementation and supervision requirements of local governments. Based on the foregoing view of our PRC Legal Advisor, we did not make any provisions in connection with the foregoing incident during the Track Record Period. See “Risk Factors—Risks Relating to Our Business and Industry—We may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations.”

To monitor our compliance with relevant laws and regulations in respect of social insurance and housing provident fund contributions, we have taken the following internal control measures:

- we have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident funds; and
- we will consult our PRC legal advisors on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant PRC laws and regulatory developments, including but not limited to PRC laws and regulations in relation to social insurance and housing provident funds, and will provide relevant employees with legal compliance trainings relating to the same.

BUSINESS

AWARDS AND RECOGNITION

During the Track Record Period, we have received recognition for the quality and popularity of our products. The following table sets forth some significant awards and recognition we have received.

Awarding Year	Award/Certificate	Issuing Organization
2022 and 2025	Specialized and New “Little Giant” Enterprise	Ministry of Industry and Information Technology of the People’s Republic of China
2023	Science and Technology Leading Enterprise	Tianjin Science and Technology Bureau
2023	Leading Incubating Enterprise	TTEN.cn
2024	Manufacturing Single Champion Enterprise	Tianjin Industrial and Information Technology Bureau
2024	High and New Technology Enterprise	Tianjin Science and Technology Bureau Tianjin Municipal Finance Bureau Tianjin Municipal Taxation Bureau Bureau of the State Administration of Taxation

COMPETITION

The global robotic pool cleaner industry is highly concentrated, according to the CIC Report. We compete against other robotic pool cleaner manufacturers under ODM model, and pool product companies and robotic pool cleaner companies for the market share of our branded robotic pool cleaners. We also face competition from product and service providers for alternative pool cleaning solutions. In addition, we may also face competition from new market entrants in the future. As a professional robotic pool cleaner provider, we believe that our strong R&D capabilities, diverse and advanced technologies, scalable production capabilities, consistent provisions of high-quality products, established relationships with worldwide top brand owners, experienced management team and talent pool provide us with a competitive advantage over existing and potential competitors. We believe that we are well-positioned to compete effectively based on the foregoing factors. See “—Competitive Strengths” for details. However, some of our current or potential competitors may be able to develop products better accepted by consumers and robotic pool cleaner companies or may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, regulations or market demands. See “Risk Factors—Risks Relating to Our Business and Industry—If we fail to compete effectively, our business, results of operations and financial condition may be materially and adversely affected.” For more information of the competitive landscape of our industries, see “Industry Overview.”

LEGAL PROCEEDINGS AND COMPLIANCE

We are subject to legal proceedings, investigations and claims arising in the ordinary course of our business from time to time.

BUSINESS

Concluded Legal Proceedings

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, the “Aiper”) infringed 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. Zodiac filed a motion to terminate the investigation with respect to Aiper based on the settlement agreement and corresponding consent order on February 17, 2023, and the motion was granted on February 21, 2023. The settlement agreement and the consent order were entered into between Zodiac and Aiper. Our Company was not a party to such settlement agreement and consent order. The consent order applied to Aiper and addressed Aiper’s importation and sale of the products identified in the ITC Investigation. To the extent any such products corresponded to models sourced from us, including products supplied by us to Aiper, the consent order would have related to Aiper’s sale/importation of those products; however, the consent order did not impose any obligations on us because we were not a party to the settlement agreement or consent order.

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, on December 15, 2022, Zodiac Europe initiated patent infringement proceedings against our Company and WYBOTICS EUROPE, our French subsidiary, before the Paris Judicial Court. In the French Proceeding, Zodiac Europe alleged infringement of claims 1, 2, 8, 9, and 12 to 15 of the French part of its European patent No. 2 240 653 (the “Zodiac French Patent”). Zodiac French Patent entitled “Apparatus for cleaning a submerged surface including a brushing device driven by members for driving the apparatus on the submerged surface,” relates to a device for cleaning the submerged surfaces of a swimming pool. Zodiac Europe accused our Company and WYBOTICS EUROPE of offering, using, marketing, importing, and possessing for the purpose of marketing certain robotic pool cleaners, comprising our HJ3172, HJ3172 Plus, HJ3182, WY3312 and WY3342.

BUSINESS

Zodiac Europe requested (1) EUR2,544,000 as provisional damages to be confirmed once financial documents have been provided, (2) EUR200,000 as contribution of its legal costs, (3) a right to information for accessing to accounting documents, (4) measures to publish the judicial decision, and (5) an injunctive remedy to discontinue marketing and to recall from commercial circuit of infringing products.

As a counterclaim, our Company and WYBOTICS EUROPE sought the invalidity of claims 1, 2, 8, 9, and 12 to 15 of Zodiac French Patent on the basis that such claims did not involve an inventive step considering the prior art. As advised by our Independent French Litigation Advisor, the current propensity of French courts to invalidate patents gives a 55% to 60% chance of success of obtaining Zodiac French Patent's nullity, despite the apparent strength of Zodiac French Patent that did not encounter any major obstacles during the granting process. If the Paris Judicial Court does not invalidate Zodiac French Patent, it may proceed to determine on the merits of Zodiac Europe's claims.

Our Company and WYBOTICS EUROPE are challenging the validity of Zodiac French Patent with a 55% to 60% chance of success of obtaining Zodiac French Patent's nullity, 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.

If the Paris Judicial Court does not invalidate Zodiac French Patent, it may proceed to determine on the merits of Zodiac Europe's claims. If the Paris Judicial Court considers our HJ3172, HJ3172 Plus, HJ3182, WY3312 and WY3342 to be infringing claims 1, 2, 8, 9, and 12 to 15 of Zodiac French Patent, the Paris Judicial Court may order to (1) discontinue marketing the models in France for the future, (2) to pay a provision on definitive damages to be determined, that could realistically be under EUR1,000,000, and (3) grant the access of accounting documents to Zodiac Europe.

Our Directors, having considered (among other things) that our Independent French Litigation Advisor is of the opinion that there is 55% to 60% chance of success of obtaining Zodiac French Patent's nullity, and therefore chances of not being condemned for infringement higher than 50%, believe that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and therefore no financial provision is required. As such, the contingent liabilities arising from the French Proceeding are not recognized as liabilities in accordance with IAS37.13(b). For the disclosure made in accordance with IAS37.86, see note 28 to the Accountants' Report in Appendix I to this document.

On May 22, 2025, the judge in charge of the case pronounced the closure of the instruction of the case, and accordingly the parties can no longer file new submissions nor adduce new exhibits. The oral hearing took place on April 9, 2026 and the Paris Judicial Court's decision on the merits of the case is expected to be known on July 1st, 2026. Due to inherent uncertainty associated with any legal proceedings, the outcome of the French Proceeding and the decision of the Paris Judicial Court cannot be accurately predicted. In the event of an unfavorable decision at first instance, our Company and WYBOTICS EUROPE may appeal before the Court of Appeal of Paris, without the need for prior authorization by any Court. The Court of Appeal proceedings usually last between 18 and 24 months.

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) HJ3172, HJ3172 Plus, HJ3182, WY3312 and WY3342 are 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.

BUSINESS

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 United States Patent Nos. 8,393,029; 8,393,031; 11,880,207; 11,262,766; and 11,003,191 (“Zodiac U.S. Patents”) by making and selling certain robotic pool cleaners. The Zodiac U.S. Patents generally relate to certain features and functionality of robotic pool cleaners, including legacy gear and filter-basket component designs (U.S. Patent Nos. 8,393,029 and 8,393,031) and certain camera/vision-related functionality (U.S. Patent Nos. 11,003,191; 11,262,766; and 11,880,207). The accused models in the U.S. Complaint and the Amended U.S. Complaints comprise 14 models, comprising (1) five models, of which we have already discontinued sales, and (2) nine models of our premium, flagship, and pioneer level cordless robotic pool cleaners.

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. In the event that Zodiac is able to carry its burden to prove infringement and if the patents are not found to be invalid or unenforceable, Zodiac may request monetary damages. The amount of damages that Zodiac may request in that event has not yet been determined and will not be determined until a later stage of the proceeding. Further, if Zodiac can show that balance of the equities weighs in favor of granting an injunctive remedy, it may be able to request for enjoining future sales of accused products found to infringe a valid patent in the U.S.

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 October 30, 2025, we and Zodiac resolved the dispute over the proper service of process of the U.S. Complaint and agreed that we would answer or otherwise respond to the U.S. Complaint on December 15, 2025.

On September 9, 2025, we also filed a declaratory judgment complaint before another United States court (the “U.S. DJ Complaint”) against Zodiac, requesting the court to declare non-infringement of all Zodiac U.S. Patents and to declare that certain Zodiac U.S. Patents (U.S. Patent Nos. 8,393,029 and 8,393,031) 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 (U.S. Patent Nos. 11,003,191; 11,262,766; and 11,880,207) (“IPR Proceeding”). The U.S. DJ Complaint and the IPR Proceeding are parallel mechanisms under U.S. law that may proceed on different schedules; among other things, the existence of IPR Proceeding may affect the scope and timing of validity issues addressed in the court proceedings, including through potential stay or coordination requests. Based on the grounds identified in the IPR petitions and information available as of the Latest Practicable Date, our Independent U.S. Litigation Advisor is of the view that the IPR challenges present substantial questions of unpatentability; however, outcomes will depend on Patent Trial and Appeal Board determinations, and the U.S. DJ Complaint can proceed concurrently. We will also challenge the validity of all Zodiac U.S. Patents in response to the U.S. Complaint.

Considering that (1) it is more likely than not that each of the Zodiac U.S. Patents will be held invalid based on prior art through either the U.S. DJ Complaint or the IPR Proceeding, (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.

BUSINESS

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. On the same basis, our Directors believe that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of economic outflow cannot be made, so no financial provision is required. As such, the contingent liabilities arising from the U.S. Complaint are not recognized as liabilities in accordance with IAS37.13(b). For the disclosure made in accordance with IAS37.86, see note 28 to the Accountants’ Report in Appendix I to this document.

Zodiac’s allegations in the French Proceeding, the ITC Investigation, the U.S. Complaint and the Amended U.S. Complaint primarily concern certain legacy versions of our robotic pool cleaner products incorporating (1) a prior gear configuration, (2) a prior filter-basket configuration, and (3) certain camera/vision-related functionality. Considering that (1) we have implemented redesigns for the relevant gear and filter-basket components and have also developed a redesigned camera-related product configuration, (2) we are in the process of transitioning inventories and shipments so that products offered for sale in France and the United States reflect the redesigned configurations, and as advised by our Independent French Litigation Advisor and our Independent U.S. Litigation Advisor, our Directors are of the view that our current product offerings do not infringe Zodiac French Patents or Zodiac U.S. Patents, and we have not continued to use, directly and indirectly, the technology alleged to be infringed in the French Proceeding, the U.S. Complaint, the Amended U.S. Complaint and the ITC Investigation in our current products.

To identify any potential infringement against any third party’s intellectual property rights, we engage an independent third-party institution to identify any third party’s intellectual property rights similar to our products (“Relevant Target Patents”) through a systematic patent search across commonly used global patent databases by utilizing the search strategies around the core technical features and functional modules of our products. Based on the search results of the Relevant Target Patents, the independent third-party institution does not identify any of our products our technologies fall within the protection scope of any identified Relevant Target Patents, and is of the view that there is no risk of direct infringement or infringement under the doctrine of equivalents. Based on the foregoing, our Directors are of the view that our current products do not infringe any third party’s intellectual property rights.

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.

BUSINESS

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. The Suzhou Proceeding Plaintiff alleged that the charging port of certain our robotic pool cleaners (WY200 (SW800) and WY300 (SW1200)) had safety risk (the “Allegation”), and requested the court for the termination of the two contracts and claimed damages and the return of the pre-payment of approximately RMB1.7 million in aggregate. We have lodged a counter-claim against the Suzhou Proceeding Plaintiff in August 2024 for their breach of the two contracts on the basis of their non-payment with respect to one contract and undue termination of the co-operation under the other contract. We claimed damages of approximately RMB7.3 million.

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, primarily due to the following factors:

- ***Misinterpretation of the standard.*** The court’s expert opinion incorrectly interpreted the relevant safety standard.
- ***The original appraisal institution lacking qualifications and independent judgment.*** The original appraisal institution lacked the specific qualification to evaluate the relevant safety standard and simply acted as a “conduit” for a third-party lab’s conclusions without providing its own analysis or showing the third party’s reasoning.
- ***Major procedural flaws.*** (1) The appraisal institution was not properly qualified for the task, leading to an improper sub-contracting of the core work; (2) the assigned expert’s registered specialty was mismatched with the electromechanical safety nature of the standard, and (3) the sampling was defective, as it did not cover all product models in dispute.
- ***Ignored Safety Design.*** The appraisal experts overlooked the product’s built-in dual protection circuit (PCB auto-cutoff and a battery fuse), which prevents fires/explosions even if misuse occurs. This demonstrates a fundamental failure to understand the safety logic of the standard.
- ***The ignorance of contradictory evidence.*** The court relied on the flawed expert opinion despite contrary evidence from the official certification body, which confirmed the product’s charging port was compliant and that abnormal charging tests did not cause fires.

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

BUSINESS

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.

Despite this pending PRC legal proceeding, as advised by our PRC litigation counsel and our PRC Legal Advisor, our products are complied with the Product Quality Law of the PRC. In particular, prior to market entry in key regions, the Company’s products are required to obtain quality certifications such as Electrical Testing Laboratories (ETL) and Underwriters Laboratories (UL), and both the WY200 (SW800) and WY300 (SW1200) models had obtained ETL certification, including ETL certificates. Regarding the false allegations made by the Suzhou Proceeding Plaintiff, we received an email from an independent quality assessment institute reiterating its opinion that the models subject to this proceeding are compliant with the requirements of the relevant safety standards pertaining to the battery safety standard.

Moreover, to our best knowledge, our Directors confirm that our products have obtained all necessary certification before being sold in our major markets.

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.

As of the Latest Practicable Date, we were not involved in any litigation or arbitration proceedings pending or, to our knowledge, threatened against us or any of our Directors that could have a material and adverse effect on our business, financial condition or results of operations.

Compliance

We are subject to various regulatory requirements and guidelines issued by regulatory authorities in China, the U.S., Hong Kong and France. See “Regulatory Overview” for details. During the Track Record Period and up to the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, and we did not experience any non-compliance incident, which taken as a whole, in the opinion of our Directors, is likely to have a material and adverse effect on our business, financial condition or results of operations. As advised by our PRC legal advisors, during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant laws and regulations in all material respect.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are well aware that environmental, social and governance (ESG) is closely related to corporate sustainability and requires compliance with all ESG laws and regulations, and our operations are subject to regular inspections by local government departments. See “Regulatory Overview” for details. We are highly concerned about the potential impact of factors such as ESG and climate change on our business

BUSINESS

operations, proactively identify and assess ESG-related matters, and are committed to taking comprehensive and effective measures to manage and mitigate ESG-related risks. We have implemented company-wide health, safety, social and environmental protection policies and standard operating procedures, such as waste treatment and disposal, workplace safety and environment management.

We commit to complying with ESG reporting requirements upon [REDACTED] and proactively communicating with stakeholders on our ESG practices and performance.

ESG Governance

Our Board is responsible for overseeing and managing key environmental, social, and governance (“ESG”) risks. The implementation of our ESG strategies is handled by a dedicated ESG working group, which operates under the Board and collaborates with relevant departments. We plan to hold regular ESG working group meetings to promote ESG initiatives. The ESG working group ensures the effectiveness of ESG management by regularly reporting to the Board and senior management on ESG risks, objectives, and progress. It coordinates ESG-related activities, develops and reviews policies, and oversees their implementation while ensuring timely and accurate reporting and continuous improvement of ESG strategies. We have formulated the following ESG-related measures and working mechanisms:

- arranging internal training on ESG-related risks, ESG-related laws and regulations, and ESG responsibilities to raise the awareness of ESG among our management and employees; and
- regularly communicating with industry peers on ESG-related risks and experiences of improving the ESG monitoring mechanism to manage such risks.

We integrate the above measures and working mechanisms into our daily operations to take our corporate social responsibility and reduce the environmental impact of our business operations.

Environmental Protection

We place a strong emphasis on environmental protection and have taken proactive measures to control the negative environmental impact of our business. We have implemented a systematic environmental protection and risk prevention policy to improve the energy efficiency and environmental friendliness of our operations and to ensure effective compliance with relevant Chinese standards, laws and regulations.

Our directors confirm that we have obtained all the permits and licenses that are material to our operations under the environmental laws and regulations of China. As informed by our Chinese legal counsel, during the track record period, there has been no violation of Chinese environmental laws and regulations applicable to our business operations that has had a material adverse impact on our business, financial condition or overall operating results.

Energy Usage and Greenhouse Gas Emissions

We strictly abide by the Energy Conservation Law of the People’s Republic of China, continuously promote the construction of the energy management system, actively optimize energy conservation measures, and constantly improve energy use efficiency.

Our energy conservation and emission reduction measures mainly include the following:

BUSINESS

- We conduct energy consumption statistics and energy diagnostic analysis: We regularly assess the energy usage of each production process and high-energy-consuming equipment, identify problems in a timely manner, and formulate optimization plans.
- Equipment renewal and energy substitution: We use electric forklifts instead of diesel ones to reduce diesel consumption, lower energy consumption per unit of operation, and reduce greenhouse gas emissions.
- Energy conservation culture construction: We cultivate employees’ awareness of energy conservation, regularly organize energy conservation training, and advocate that employees implement various energy conservation measures in their daily work.

BUSINESS

Details of our principal energy consumption during the Track Record Period are as follows:

	For the year ended December 31,		
	2023	2024	2025
Purchased Electricity (GWh)	2.6	2.9	3.4
Gasoline consumption (kiloliters)	97.8	95.8	90.5
Diesel oil consumption (kiloliters)	228.7	187.3	156.1
Purchased heat consumption (GJ)	1,517.0	1,364.0	1,367.0
Total Comprehensive Energy Consumption (tons of standard coal)	726.6	711.7	735.7
Energy Consumption Intensity (tons of standard coal/RMB million revenue)	1.9	1.3	0.9
Direct Greenhouse Gas Emissions (Scope 1) (kilotons of CO ₂ equivalent)	0.8	0.7	0.6
Indirect Greenhouse Gas Emissions (Scope 2) (kilotons of CO ₂ equivalent)	1.6	1.7	2.0
Total Greenhouse Gas Emissions (Scope 1 and Scope 2) (kilotons of CO ₂ equivalent)	2.4	2.4	2.6
Greenhouse Gas Emission Intensity (tons of CO ₂ e/RMB million revenue)	6.4	4.5	3.2

Note:

(1) The above data cover our office area and production base.

According to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the Greenhouse Gas Protocol, we are also subject to “Scope 3 — Other Indirect Greenhouse Gas Emissions” arising from activities such as business travel, employee commuting, upstream and downstream transportation and distribution. These emissions result from upstream and downstream value chain activities that are controlled by other operating entities. In the future, we plan to gradually establish corresponding statistical mechanisms based on categories such as business travel, upstream and downstream transportation and distribution.

Water Resource Management

We attach great importance to water resources management, strictly abide by relevant laws and regulations, formulate multiple water resources management-related measures, and regularly monitor indicators related to water resources utilization. We use water-saving facilities such as water-saving faucets in the office area and guide employees to develop water-saving habits by posting water-saving signs.

BUSINESS

During the track record period, our water resource consumption details are as follows:

	For the year ended December 31,		
	2023	2024	2025
Total Water Consumption (thousand cubic meters)	9.8	11.1	7.9
Water Intensity (cubic meters/RMB million revenue)	26.0	20.4	9.7

Note: The above data cover our office area and production base.

Pollutant and Waste Management

Our business operations, including the manufacturing process of our robotic pool cleaners, may generate solid waste and hazardous waste. We adopt advanced environmentally friendly manufacturing equipment, install environmental protection facilities for the treatment of exhaust gases and regular testing, and optimize our manufacturing process to reduce the generation of pollutants and other negative impacts during the manufacturing process. With respect to certain of our manufacturing facilities located in Tianjin, we have maintained relevant environmental registration and filings with the competent government authorities.

We have implemented systematic environmental protection and risk prevention policies to make our operations more energy efficient and environmentally friendly and to ensure effective compliance with the relevant standards, laws and regulations in China. We have established internal protocols for waste and pollution generated from our manufacturing activities, which is primarily solid waste. Waste generated from our operations comprises general solid waste, including packaging materials and plastics and hazardous waste, including UV lamp, activated carbon and used machine oil, which are disposed of by qualified third parties. We dispose of our solid waste in compliance with the Law of Prevention and Control of Environmental Pollution by Solid Waste of the People’s Republic of China (中華人民共和國固體廢物污染環境防治法). Specifically, we categorize solid waste into recyclable general solid waste, non-recyclable general solid waste, recyclable hazardous solid waste and non-recyclable hazardous solid waste, and accord different treatment. Recyclable general solid waste is collected periodically by administrative department and is generally sold to waste recycling companies. Non-recyclable general solid waste is handed over to factory administrator for centralized processing. Recyclable hazardous solid waste, such as waste batteries and empty chemical barrels, is stored in special compartments in our warehouses, and we coordinate with our suppliers for recycling or exchange. Non-recyclable hazardous solid waste is handed over to qualified third parties for proper disposal and decontamination treatment.

During the track record period, the details of our pollutants and waste are as follows:

	For the year ended December 31,		
	2023	2024	2025
Total wastewater discharge (kilotons)	5.9	6.7	3.2
Total harmless waste (tons)	103.0	100.4	86.0
Total hazardous waste (tons)	0.8	0.9	0.6
VOCs (tons)	0.4	0.4	0.3

BUSINESS

Raw Material Procurement

We focus on the environmental and social impact of the raw materials we purchase and insist on conducting procurement activities in a responsible manner. Moreover, we take measures to limit the negative environmental impact of our materials used. Raw materials used in the manufacture of our products primarily include batteries, printed circuit board assembly, metal components, injection molding materials and packaging materials. We procure such materials from qualified supplier who are required to comply with relevant laws, regulations and environmental standards. Besides, we have added environmental control practices to our supplier review checklist. This checklist explicitly evaluates suppliers’ compliance with environmental laws and regulations, as well as their environmental management systems, solid waste disposal procedures, and hazardous chemical controls.

Indicators and Goals

Aligned with our business development plan and management framework, we have established a suite of relevant environmental indicators and goals and continuously monitor the progress of these goals.

- Our energy and greenhouse gas emissions management targets are: We plan to reduce energy consumption intensity (tons of standard coal/RMB million revenue) and greenhouse gas emissions intensity (tons of CO₂e/RMB million revenue) by 3% between 2024 and 2028. We will continue to improve our energy management system and implement measures for energy conservation and emissions reduction, and anticipate that these efforts will lead to the successful achievement of our goals.
- Our water resource management target is to reduce our water intensity (cubic meters per million yuan of revenue) by 5% by 2028 with 2024 as the base year. In the future, we will continue to optimize water conservation measures and enhance the awareness of water conservation among our employees in an effort to achieve this goal.

Addressing Climate Change

Under the impact of climate change, our business faces physical risks, transition risks, etc., which may affect our production operations and financial performance in the short, medium and long term. We are actively responding to climate change, identifying climate-related risks and opportunities, and taking measures to mitigate the impact of climate risks.

- Physical risks (short- and medium-term): We are exposed to physical risks such as typhoons, floods, rising average temperatures, rising sea levels, which can cause damage or failure of infrastructure and equipment, resulting in production disruptions, reduced productivity, and additional costs. It also affects the normal operation of logistics and supply chains, resulting in shortages of inventory or failure to deliver orders on time, causing losses. We have established and improved environmental management systems, developed contingency plans for sudden environmental incidents, and regularly organized employees to conduct relevant training and emergency drills. When choosing locations, fully assess local climate risks and geographical locations to avoid risks that may be caused by natural disasters. Strengthen supply chain management, assess supplier risks, and work with suppliers from multiple origins to avoid the risk of supply disruptions caused by disasters in a single region.
- Transition risks (medium- and long-term): As policies and requirements related to greenhouse gas emissions become increasingly strict, we may increase our investment in purchasing green electricity, promoting green procurement, green renovations of our office premises, and

BUSINESS

improving energy efficiency, resulting in higher operating costs for us. We have implemented the concept of low-carbon operation, strengthened the management of energy and water resources, and continuously monitored national and local climate and environmental policies to ensure that our operations comply with relevant policy requirements.

- Climate-related opportunities (medium- and long-term): More efficient production and sales processes and the use of resources and energy will help reduce operating costs and increase revenue. We are working to improve energy and resource efficiency by actively promoting the clean energy transition, technological transformation and equipment upgrading.

Social Responsibility

Occupational Health and Safety

We have obtained all necessary licenses in relation to workplace safety and established workplace safety policies and procedures to ensure that all parts of our operations are compliant with applicable laws and regulations in all material respects. Specifically, we established safety inspection team to execute and implement our workplace safety policies. Our safety inspection team is responsible for identifying potential safety risks and devising corresponding treatment, including those relating to electrical devices, manufacturing equipment, hazardous materials and building structures. Upon identifying any such safety hazards, our safety inspection team maintains written records of hazard description and underlying causes and reports to relevant responsible department for timely correction.

In addition, we adopted a series of preventive measures to further ensure workplace and occupational safety. For instance, we periodically organize safety training and safe production meetings to enhance employees’ workplace safety awareness. In 2023, 2024 and 2025, our health and safety expenditures amounted to RMB274,400, RMB227,300, and RMB280,000, respectively. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant workplace accident or encounter any material non-compliance issues with respect to any applicable laws and regulations on occupational safety.

Labour Rights Protection and Talent Development

We commit to promoting fairness and equality in the workplace and adhere to a policy of transparency and fairness in recruitment and promotion, ensuring that all employees are provided with equal opportunities in matters including recruitment, promotion, welfare protection, and career development.

We strictly adhere to international Labour standards and local Labour laws and regulations, and prohibit the use of child labor or any form of forced labor. We do not tolerate any form of discrimination, including gender, sexual orientation, disability, age, race, nationality, family status, or any other legally protected factors and do focus on embracing diversity within our organization and equal and respectful treatment of all of our employees in their hiring, training, wellness and professional and personal development. This approach applies to all employee activities and human resources matters, including recruitment, promotion, transfer, rewards, and training, among others.

We have established a human resources system based on the principles of “openness, equality, competition, and merit selection,” and we have formulated the “Human Resources Management Policy.” We implement a comprehensive labor contract system and sign employment agreements with all employees. These agreements clarify mutual rights and obligations, and establish fair, equal, and lawful labor relations. Our contracts include provisions covering the duration of the contract, working hours and

BUSINESS

rest periods, compensation, social insurance, labor protection, working conditions, and the prevention of occupational hazards. All employees enjoy statutory benefits, including national holidays, annual leave, sick leave, marriage leave, and maternity leave.

The company fully respects and safeguards employees’ rights to participation and oversight, and is committed to building a diverse and equitable workforce. We have established reporting and grievance mechanisms to provide channels for employee feedback. Employees who believe that violations of laws or regulations have occurred or whose rights have been infringed upon may report them through a 24-hour hotline, a dedicated reporting email address, or an anonymous reporting mailbox. While maximizing equal career opportunity for everyone, we will also continue to promote work-life balance and create a pleasant workplace for all of our employees.

With the aim of further supporting professional development, we engage in various kinds of training programs and procure training resources relevant to specific job roles. This includes inviting external instructors, which is considered one of the company’s welfare benefits. The company offers a wide range of training programs for its employees, including new employee orientation, safety production training, professional technical training, general skills training and management training, covering all employees and ensuring that different groups receive the appropriate training. By providing opportunities for continuous learning and growth to our employees, we aim to enhance their skills and knowledge, promoting their professional advancement within our Group.

Our staff composition during the Track Record Period is set out below:

Indicators	Category	For the year ended December 31,		
		2023	2024	2025
Total number of employees	/	312	383	448
	Male	177	218	261
Number of employees by gender.	Female	135	165	187
Number of minority employees.	/	4	4	4
Number of disabled employees	/	3	3	3

Responsible Supply Chain

The company promotes the development of a sustainable supply chain through measures such as controlling supplier access and implementing green procurement. We incorporate environmental factors into our assessment of suppliers, give priority to environmentally certified green products, and reduce the environmental impact of our procurement activities.

We have established a procurement management system to ensure that inquiries, pricing and negotiations are conducted based on reasonable market prices, to guarantee procurement efficiency and transparency, and to prevent commercial bribery and corruption. We have made public the reporting channels, accepted relevant inquiries and complaints, and encouraged suppliers, agents and customers to cooperate with the company in anti-corruption management, abide by the company’s relevant anti-corruption policies and rules, and create a positive and healthy cooperative environment.

During the track record period, no supplier terminated cooperation with us due to major environmental and social negative events.

BUSINESS

Product Quality

We comply with the Product Quality Law of the People’s Republic of China, the Law of the People’s Republic of China on Protection of Consumer Rights and Interests, and other laws and regulations, and continuously enhance our quality management capabilities. We have obtained ISO 9001 quality management system certification, which is valid until October 8, 2028. We have established a sound quality management system in accordance with international standards, and we have established corresponding quality inspection standards in all aspects of product design and development, testing, factory inspection, and after-sales management to ensure product quality.

Integrity and Anti-corruption

The company attaches great importance to anti-commercial bribery and anti-corruption management and continuously improves relevant management policies and systems. The company strictly adheres to laws and regulations such as the Anti-Unfair Competition Law of the People’s Republic of China. The company has established internal systems such as the Anti-Fraud Work Management Measures, which prohibit all kinds of corrupt practices for the purpose of obtaining improper benefits and stipulate corresponding penalties for such corrupt practices.

The company actively strengthens the construction of professional ethics among its internal staff and regularly conducts integrity propaganda and education for all employees to reduce the probability of corruption incidents from the source. We set up email, telephone and other reporting channels, regulate the investigation authority of anti-fraud work, strictly keep any reports confidential and only share them with those who need such information to ensure that the information of the reporters is not leaked and to prevent all retaliatory acts.

During the reporting period, there were no incidents of penalties imposed by the competent authorities for violations of laws and regulations related to corruption and bribery.

INTERNAL CONTROL AND RISK MANAGEMENT

Our Board is responsible for the overall effectiveness of our risk management and establishing our internal control system and reviewing its effectiveness. We have established and we maintain risk management and internal control systems consisting of policies and procedures that are appropriate for our business operations, and we are dedicated to continuously improving and implementing these systems to ensure our policies and implementation are effective and sufficient.

In preparation for the [REDACTED], we engaged an independent internal control consultant to review our internal control system during July to September 2024 and during May to June 2025, based on an agreed scope covering controls and procedures in the following aspects: (1) sales, accounts receivable and collection, (2) procurement, accounts payable and payment, (3) inventory management, (4) production and costing, (5) research and development, (6) human resource and payroll, (7) fixed assets and construction management, (8) cash and treasury management, (9) insurance, (10) financial reporting and disclosure controls, (11) taxes, (12) intangible assets and intellectual properties, (13) IT general controls, (14) contract management and other general control measures.

Our internal control consultant recommended various rectification and improvement measures in our internal control system based on its findings. Accordingly, we have commenced implementation of rectification and improvement measures in response to these findings and recommendations.

BUSINESS

Our internal control consultant has also performed a follow up visit in June 2025 to review the implementation of measures we adopted in relation to our internal control system, and we did not receive any additional recommendations from the internal control consultant as of the Latest Practicable Date. Taking into consideration of the above and the internal policies when adopted effectively and implemented, our Directors’ view is that our enhanced internal control measures are adequate and effective for our current business environment.