FUTURE PLANS

For further disclosure of our business objectives and strategies, see "Business—Growth Strategies."

USE OF [REDACTED]

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

We currently intend to use the net [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts as set out below:

- Approximately [**REDACTED**]% of the net [**REDACTED**], or [**REDACTED**], will be used to further expand our production capacity and enhance production efficiency by (1) establishing our new production base and adjacent warehouses; (2) purchasing production equipment and intelligent production related hardware and software; and (3) recruiting and training production personnel. More specifically:

  (1) approximately [**REDACTED**]% of the net [**REDACTED**], or [**REDACTED**], will be used to establish our new production base and adjacent warehouses;

  - approximately [**REDACTED**]%, or [**REDACTED**], to be used for the construction of relevant buildings to establish our production base in Tianjin, China, including primarily the workshops, warehouse, guardroom and connecting corridors, and necessary project expenses incurred during the construction process, such as design, supervision, survey, feasibility and environmental assessment expenses. We have obtained the Investment Project Filing Certificate for our new production base. We plan to initiate the application for the property ownership certificate upon finalization of the site. We are not aware of any existing or potential legal impediments in connection with the planned construction. We currently expect to complete the construction of this production base in approximately two years and commence operation by 2027, and increase our annual production capacity of robotic pool cleaners by more than 600,000 units to reach more than 1.2 million units for our total annual production capacity. We also plan to further extend our production base to achieve total annual production capacity of more than 2.0 million units with total site area of more than 60,000 square meters for our production base in the future;

  - approximately [**REDACTED**]%, or [**REDACTED**], to be used to expand our warehousing capabilities and construct multi-level warehouses in Tianjin, China. Our limited self-owned warehouse space within our existing plant has been already operating at tight capacity. With order volume rising, our existing warehouse capacity is insufficient to meet our expanding production needs. This expansion is necessary to address the constrains of our current warehouse and to support our future business growth;

  ○ approximately [**REDACTED**]%, or [**REDACTED**], to be used to obtain land use rights in connection with establishing our new production base and adjacent warehouses, the total site area of which is estimated to be approximately 31,000 square meters;

(2) approximately [**REDACTED**]% of the net [**REDACTED**], or [**REDACTED**], will be used to purchase production equipment and intelligent production related hardware and software;

  ○ approximately [**REDACTED**]%, or [**REDACTED**], to be used to purchase hardware equipment required for the injection molding workshop, assembly workshops and the multi-level warehouses, including primarily assembly lines, automated machines, robotic palletizing machines and customized molds;

  ○ approximately [**REDACTED**]%, or [**REDACTED**], to be used to purchase software to enhance intelligent manufacturing, including primarily computerized management information system, computerized monitoring system, network communication system, warehouse management system and supplier sourcing management system, and upgrade existing software, such as our manufacturing execution system and product lifecycle management system; and

(3) approximately [**REDACTED**]% of the net [**REDACTED**], or [**REDACTED**], will be used to recruit and train production personnel, including primarily workshop management personnel and workers, quality inspection personnel and warehousing personnel.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or [**REDACTED**], will be used to expand our global online and offline sales and augment our market share. More specifically:

(1) approximately [**REDACTED**]% of the net [**REDACTED**], or [**REDACTED**], will be used to expand and optimize our offline sales by improving pre-sales and after-sales services and expanding the global sales team;

  ○ approximately [**REDACTED**]%, or [**REDACTED**], to be used for establishing sales and after-sales centers in France and the United States, as our regional centers for Europe and North America, respectively, to enhance our capability in curating sales strategies and after-sales services tailored to local markets and increase consumer stickiness;

  ○ approximately [**REDACTED**]%, or [**REDACTED**], to be used for (i) expanding our global sales team, (ii) further developing specialized offline sales, such as through pool equipment specialty retail chain stores, and (iii) hosting brand promotion events to reach broader consumer base;

  ○ approximately [**REDACTED**]%, or [**REDACTED**], to be used for (i) expanding application of our products in commercial and residential pools in China, and (ii) further penetrating markets in Southeast Asia, Oceania, South America and Africa to discover new growth factors by analyzing pain points and development trends of such local markets and enhancing offline promotion in these local markets;

(2) approximately [**REDACTED**]% of the net [**REDACTED**], or [**REDACTED**], will be used to expand our online sales channels by enhancing our marketing capability and covering more end consumers;

- ○ approximately [**REDACTED**]%, or [**REDACTED**], to be used for strengthening operation on existing online E-commerce 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;

- ○ approximately [**REDACTED**]%, or [**REDACTED**], to be used for (i) further develop and promote our E-commerce independent websites on Shopify for our self-operated sales channels, (ii) expanding the investment in social media platform promotion, such as advertising on Youtube and Facebook, and (iii) enhancing cooperation with key opinion leaders to expand end consumer coverage of our products;

- ○ approximately [**REDACTED**]%, or [**REDACTED**], to be used for expanding our cooperation with more online E-commerce marketplaces, such as Temu and Shein, as well as online platforms operated by supermarkets, such as Walmart and Costco, to expand end consumer coverage of our products;

• Approximately [**REDACTED**]% of the net [**REDACTED**], or [**REDACTED**], will be used to elevate our R&D capabilities and enrich our product portfolio with expanded application scenarios. More specifically:

(1) approximately [**REDACTED**]% of the net [**REDACTED**], or [**REDACTED**], will be used to improve the AI and intelligence level of our products and enrich application scenarios of our core technologies;

- ○ approximately [**REDACTED**]%, or [**REDACTED**], to be used for 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;

- ○ approximately [**REDACTED**]%, or [**REDACTED**], to be used for recruiting and retaining talents. We plan to recruit talents that specialize in AI algorithm, machine vision and IoT technologies, and provide them with competitive compensation packages. In addition, we plan to incentivize our existing R&D talents by similarly providing competitive compensation package to them;

- ○ approximately [**REDACTED**]%, or [**REDACTED**], to be used for developing comprehensive smart outdoor living solutions and expanding the application scenarios 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;

(2) approximately [**REDACTED**]% of the net [**REDACTED**], or [**REDACTED**], will be used to further strengthen the competitive advantages of our cordless products and improve product functionalities;

  ○ approximately [**REDACTED**]%, or [**REDACTED**], to be used to (i) optimize and upgrade the power supply capabilities of our cordless models, including primarily *WYBOT A1*, *WYBOT C2*, *WYBOT S2* and *WYBOT M2* models, (ii) enhance the waterproof feature of lithium-ion batteries with improved protective seals and coatings, and (iii) invest in the new-generation of lithium-ion battery management system, solar charging system, and motor control system;

  ○ approximately [**REDACTED**]%, or [**REDACTED**], to be used for further reducing the weight and enhancing the structural design of our products, and new material studies, to further improve the overall product functionality of our products with reduced energy consumption;

- Approximately [**REDACTED**]% of the net [**REDACTED**], or [**REDACTED**], for working capital and other general corporate purposes.

The above allocation of the [**REDACTED**] will be adjusted on a pro rata basis in the event that the [**REDACTED**] is fixed below or above the [**REDACTED**] of the indicative [**REDACTED**]. Any additional [**REDACTED**] received from the exercise of the [**REDACTED**] will also be allocated to the above purposes on a pro rata basis. In the event that the [**REDACTED**] is exercised in full, we will receive net [**REDACTED**] of [**REDACTED**] (after deducting the estimated [**REDACTED**] and other fees and expenses payable by us in connection with the [**REDACTED**] and assuming an [**REDACTED**] of [**REDACTED**] per Share, being the [**REDACTED**] of our indicative [**REDACTED**]).

To the extent that the net [**REDACTED**] are not immediately used in accordance with the specified plans, we intend to deposit such [**REDACTED**] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions).