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Application Proof of



WYBOTICS Co.,LTD
天津望圓智能科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

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IMPORTANT

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WYBOTICS Co.,LTD
天津望圓智能科技股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation)**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] and subject to refund)**
Nominal value	**:**	**RMB[1.00] per H Share**
[REDACTED]	**:**	**[REDACTED]**

***Sole Sponsor* [REDACTED]**

中信建投國際
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[REDACTED]

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EXPECTED TIMETABLE

[**REDACTED**]

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[**REDACTED**]

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

OUR MISSION

With our mantra in "wonderful life, wise technology, with WYBOTICS (美好生活,科技智造,儘在望圓)," we aspire to redefine outdoor living space with innovative, AI-powered technology.

OVERVIEW

We are a fast-growing global leader with strong brand equity in 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 shipment volume of self-manufactured products in 2024, with the most comprehensive product portfolio equipped with the most 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 have spearheaded China's robotic pool cleaner industry with accumulated full-stack 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 led the revolutionary innovation 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 state-of-the-art R&D center and production bases to ensure the excellent performance and unwavering 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 unswerving commitment to technological innovation, we are leading the intelligent transformation of the global pool cleaning and maintenance industry with AI-powered robotic products.

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We achieved significant growth during the Track Record Period. Our revenue increased at a CAGR of 19.6% from RMB317.7 million in 2022 to RMB543.5 million in 2024, and increased by 41.6% from RMB267.7 million in the six months ended June 30, 2024 to RMB379.2 million in the six months ended June 30, 2025. Our net profit increased by 15.9% from RMB60.8 million in 2023 to RMB70.5 million in 2024, and increased by 24.9% from RMB48.9 million in the six months ended June 30, 2024 to RMB61.1 million in the six months ended June 30, 2025.

Our Robotic Products

We research, design, manufacture and market robotic pool cleaners and collaborate with world-renowned pool equipment brands to meet the evolving pool cleaning and maintenance needs of consumers worldwide. Our full suite of robotic pool cleaners consists of cordless, corded and handheld models to perform cleaning underwater primarily at the bottom, on the wall, or on the water surface of a pool. We boast the world's most comprehensive product portfolio of robotic pool cleaners, according to the CIC Report, 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.

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SUMMARY

ON-SALE CORDLESS ROBOTIC POOL CLEANERS

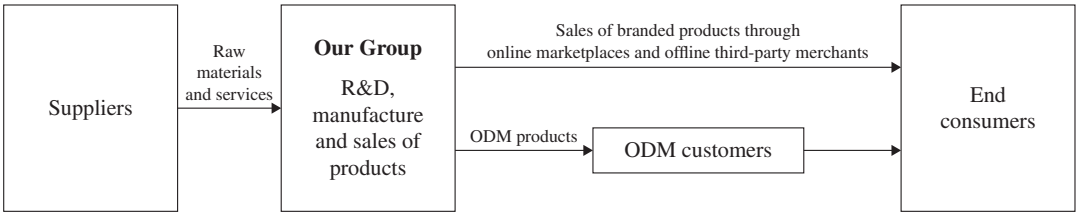


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Our Business Model

We have a full-stack capability in the research, design, manufacture and marketing of robotic pool cleaners. We sell branded products under two brands, *WYBOT* and *Winny Pool Cleaner*, to end consumers primarily in North America, Europe, Asia and Oceania primarily through online E-commerce marketplaces and our E-commerce independent websites. We also conduct offline sales of our branded products to third-party merchants to expand our market reach. In addition, we also sell commissioned products on an ODM basis primarily to global pool equipment brands, such as Bestway, CASH and Productos QP, which on-sell them to end consumers primarily through offline channels.

The following diagram illustrates our business model.



MARKET OPPORTUNITY

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

The global robotic pool cleaner market, in terms of retail value, increased from US$1,199.7 million in 2019 to US$2,482.4 million in 2024 at a CAGR of 15.7% and is expected to reach US$4,211.1 million in 2029 at a CAGR of 11.1% from 2024 to 2029, 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 26.2% in 2024 to 34.2% in 2029, 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 7.9% in 2024 to 14.0% in 2029, 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.

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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 led the revolutionary innovation of robotic pool cleaners by inaugurating the earliest lightweight products in 2009, the earliest cordless products in 2014, and the earliest AI-powered products in 2023. We began the development of cordless products and the application of the relevant patents in 2009. Nowadays, AI-powered robotic pool cleaners capable of executing complex pool cleaning tasks with high efficiency and precision as well as minimal human intervention are gaining increasing consumer acceptance. With the pool as the centerpiece of outdoor living space, we are well positioned to springboard from robotic pool cleaners to AI-powered "smart" outdoor living solutions, eyeing the growth prospects in the broader global smart outdoor living market.

COMPETITIVE STRENGTHS

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

GROWTH STRATEGIES

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

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers for branded products primarily include (1) end consumers or Amazon Vendor Center for Amazon Vendor Central program for online sales of our branded products, and (2) third-party merchants, such as pool equipment specialty retail chain stores, shopping malls, and supermarkets, for offline sales of our branded products. Our customers also include robotic pool cleaner companies and companies in the pool care and outdoor living industries, to whom we offer our products on ODM basis. In 2022, 2023, 2024 and the six months ended June 30, 2025, revenue generated from our top five customers accounted for 80.0%, 27.0%, 23.4% and 21.1% of our total revenue, respectively, and revenue from our top customer accounted for 46.4%, 7.8%, 7.3% and 10.0% of our total revenue in the same periods, respectively. See "Business—Our Customers" for details.

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Our suppliers primarily provide us with raw materials, hardware, and logistics and marketing services. Purchase from our top five suppliers accounted for 25.0%, 51.5%, 44.8% and 43.8% of our total purchases in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, and purchase from our largest supplier accounted for 7.6%, 35.7%, 26.6% and 22.6% of our total purchases in the same periods, respectively. See "Business—Suppliers and Raw Materials—Our Suppliers" for details.

SUMMARY HISTORICAL FINANCIAL INFORMATION

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

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

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

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands except for percentages)									
							(Unaudited)			
Revenue	317,694	100.0	377,950	100.0	543,535	100.0	267,713	100.0	379,167	100.00
Cost of sales	(148,003)	(46.6)	(160,735)	(42.5)	(228,272)	(42.0)	(109,526)	(40.9)	(132,040)	(34.8)
Gross profit	**169,691**	**53.4**	**217,215**	**57.5**	**315,263**	**58.0**	**158,187**	**59.1**	**247,127**	**65.2**
Profit before taxation	113,753	35.8	67,626	17.9	83,160	15.3	56,038	20.9	73,498	19.4
Income tax	(15,838)	(5.0)	(6,777)	(1.8)	(12,650)	(2.3)	(7,135)	(2.7)	(12,415)	(3.3)
Profit for the year/period	97,915	30.8	60,849	16.1	70,510	13.0	48,903	18.3	61,083	16.1

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Revenue

During the Track Record Period, we generated revenue primarily from the sales of robotic pool cleaners. We sold our branded robotic pool cleaners, and also sold commissioned products on ODM basis. We also generated de minimis revenue from the sales of accessories during the Track Record Period. Our revenue was RMB317.7 million, RMB378.0 million, RMB543.5 million, RMB267.7 million and RMB379.2 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our revenue by sales model, both in absolute amount and as a percentage of our total revenue, for the periods indicated.

	Year ended December 31,						Six Months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands except for percentages)									
							(Unaudited)			
Sales of branded products	19,091	6.0	253,765	67.1	393,332	72.4	193,192	72.2	327,614	86.4
Sales under ODM model	288,816	90.9	117,551	31.1	133,516	24.6	69,372	25.9	49,630	13.1
Sales of accessories[(1)]	9,787	3.1	6,634	1.8	16,687	3.1	5,149	1.9	1,923	0.5
Total	**317,694**	**100.0**	**377,950**	**100.0**	**543,535**	**100.0**	**267,713**	**100.0**	**379,167**	**100.0**

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

Gross Profit and Gross Profit Margin

Our gross profit was RMB169.7 million, RMB217.2 million, RMB315.3 million, RMB158.2 million and RMB247.1 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, representing a gross profit margin of 53.4%, 57.5%, 58.0%, 59.1% and 65.2% for the same periods, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by sales model for the periods indicated.

	Year ended December 31,						Six Months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross profit	*Gross profit margin (%)*	*Gross profit*	*Gross profit margin (%)*	*Gross profit*	*Gross profit margin (%)*	*Gross profit*	*Gross profit margin (%)*	*Gross profit*	*Gross profit margin (%)*
	(RMB in thousands except for percentages)									
							(Unaudited)			
Sales of branded products	11,153	58.4	160,787	63.4	237,383	60.4	121,885	63.1	223,376	68.2
Sales under ODM model	152,280	52.7	52,194	44.4	67,724	50.7	33,601	48.4	22,094	44.5
Sales of accessories	6,258	63.9	4,234	63.8	10,156	60.9	2,701	52.5	1,657	86.2
Total	**169,691**	**53.4**	**217,215**	**57.5**	**315,263**	**58.0**	**158,187**	**59.1**	**247,127**	**65.2**

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Summary of Consolidated Statements of Financial Positions

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

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Total non-current assets	66,555	85,120	90,554	81,270
Total current assets	373,268	455,707	593,522	644,390
Total current liabilities	43,936	79,147	150,248	182,949
Total assets less current liabilities	395,887	461,680	533,828	542,711
Net assets	**393,201**	**454,792**	**527,459**	**536,332**

Summary of Consolidated Statements of Cash Flows

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

	Year ended December 31,			Six Months ended June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Net cash generated from/ (used in) operating activities	126,409	40,308	6,501	(15,382)
Net cash (used in)/generated from investing activities	(39,085)	88,044	(3,661)	(9,583)
Net cash generated from/(used in) financing activities	3,895	(587)	(3,967)	(64,032)
Net increase/(decrease) in cash and cash equivalents	91,219	127,765	(1,127)	(88,997)
Cash and cash equivalents at beginning of the period	31,207	124,714	254,150	253,568
Effect of foreign exchange rate changes	2,288	1,671	545	(3,361)
Cash and cash equivalents at end of the period	124,714	254,150	253,568	161,210

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NON-IFRS MEASURE

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

We define adjusted net profit (non-IFRS measure) as profit for the year adjusted for equity-settled share-based payment expenses and [**REDACTED**]. Equity-settled share-based payment expenses is non-cash expenses arising from granting restricted share units and options to senior management and employees. Expenses related to previous A-share listing attempt represent professional service fees in connection with the previous A-share listing attempt. [**REDACTED**] arise from activities relating to the [**REDACTED**]. The following table sets forth a reconciliation of our adjusted net profit (non-IFRS measure) to the most directly comparable financial measure calculated and presented in accordance with the IFRS Accounting Standards.

	Year ended December 31,			Six Months ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	(RMB in thousands)				
Profit for the year	97,915	60,849	70,510	48,903	61,083
Add:					
Equity-settled share-based payment expenses	5,450	4,629	397	(1,430)	8,053
Expenses related to previous A-share listing attempt	3,582	7,393	–	–	–
[**REDACTED**]	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net profit (non-IFRS measure)	106,947	72,871	77,502	47,473	71,305

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KEY FINANCIAL RATIOS

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

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
				(Unaudited)	
Gross profit margin[(1)]	53.4%	57.5%	58.0%	59.1%	65.2%
Net profit margin[(2)]	30.8%	16.1%	13.0%	18.3%	16.1%
Adjusted net profit margin (non-IFRS measure)[(3)]	33.7%	19.3%	14.3%	17.7%	18.8%
Revenue growth rate[(4)]	N/A	19.0%	43.8%	N/A	41.6%
Gross profit growth rate[(5)]	N/A	28.0%	45.1%	N/A	56.2%

(1) The calculation of gross profit margin is based on gross profit for the period divided by revenue for the respective period and multiplied by 100.0%.

(2) The calculation of net profit margin is based on profit for the period divided by revenue for the respective period and multiplied by 100.0%.

(3) The calculation of adjusted net profit margin (non-IFRS measure) is based on adjusted net profit (non-IFRS measure) divided by revenue for the respective period and multiplied by 100.0%.

(4) The calculation of revenue growth rate is based on revenue for the year/period divided by revenue for the previous year/period minus one and multiplied by 100.0%.

(5) The calculation of gross profit growth rate is based on gross profit for the year/period divided by gross profit for the previous year/period minus one and multiplied by 100.0%.

OUR CONTROLLING SHAREHOLDERS AND SHAREHOLDING STRUCTURE

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

PRE-[REDACTED] INVESTMENTS

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

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[**REDACTED**]

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

[**REDACTED**] STATISTICS

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

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED] Share	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED] Share
[**REDACTED**] of our Shares[(1)]	HK$[**REDACTED**]	HK$[**REDACTED**]
Unaudited [**REDACTED**] adjusted net tangible assets per Share as of June 30, 2025[(2)]	HK$[**REDACTED**]	HK$[**REDACTED**]

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

(2) The unaudited [**REDACTED**] adjusted net tangible assets per Share as of June 30, 2025 is calculated after making the adjustments referred to in Appendix IIA and on the basis that [**REDACTED**] Shares (being the outstanding [**REDACTED**] shares as at June 30, 2025 and [**REDACTED**] H Shares to be issued pursuant to the [**REDACTED**]) were in [**REDACTED**] immediately following the completion of the [**REDACTED**], and does not take into account 5,523,409 Shares [**REDACTED**] in September 2025 nor any H Shares which may be [**REDACTED**] upon the exercise of the [**REDACTED**].

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DIVIDENDS

During the Track Record Period, we declared dividends of RMB62.0 million in the six months ended June 30, 2025. PRC laws require that dividends be paid only out of net profits calculated according to PRC GAAP. PRC laws also require enterprises to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiaries may also be restricted if they incur debt or losses, or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

Although the calculation of our distributable profits is in accordance with the PRC GAAP or the IFRS Accounting Standards, whichever is lower, we do not expect such difference between distributable profits calculated under the PRC GAAP and the IFRS Accounting Standards to be material or have any substantive impact on any dividend to be declared. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. The declaration, payment and amount of dividends will be subject to the discretion of the Board in accordance with our Articles of Association, pursuant to which an annual profit distribution proposal shall be proposed and approved by the Board and then be submitted to the Shareholders' general meeting for consideration. We may distribute profits by cash, Shares or a combination of cash and Shares. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be determined by our Shareholders.

CSRC FILING

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

FUTURE PLANS AND USE OF [REDACTED]

We estimate that the net [**REDACTED**] of the [**REDACTED**], after deducting the estimated [**REDACTED**] and expenses payable by us in connection with the [**REDACTED**], will be approximately HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the [**REDACTED**] of the indicative range of the [**REDACTED**] of HK$[**REDACTED**] to HK$[**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:

(1) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, 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;

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(2) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used to expand our global online and offline sales and augment our market share;

(3) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to elevate our R&D capabilities and enrich our product portfolio with expanded application scenarios;

(4) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], for working capital and other general corporate purposes.

See "Future Plans and Use of [**REDACTED**]" for further information relating to our future plans and use of [**REDACTED**] from the [**REDACTED**], including the adjustment on the [**REDACTED**] of the [**REDACTED**] in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the midpoint of the estimated [**REDACTED**] range.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position since June 30, 2025 (being the date on which the latest audited consolidated financial information of our Group was prepared) and there is no event since June 30, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report set out in Appendix I to this document.

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In this document, unless the context otherwise requires, the following terms shall have the following meanings. Certain technical terms are explained in the section headed "Glossary" in this document.

"Accountants' report"	the accountants' report of our Company for the Track Record Period, the text of which is set out in Appendix I to this document
"affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles" or "Articles of Association"	the articles of association of our Company, as amended, which shall become effective on the [**REDACTED**], a summary of which is set out in Appendix V to this document
"Audit Committee"	the audit committee of the Board
"Aviation Industry Integration"	Qingdao Aviation Industry Integration Development Equity Investment Fund Partnership (L.P.) (航空產業融合發展(青島)股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on January 27, 2021, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"Baoding Jiahe"	Baoding High Tech Zone Jiahe Equity Investment Fund Partnership Enterprise (Limited Partnership) (保定高新區嘉合股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on December 30, 2024, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"Board" or "Board of Directors"	the board of Directors of our Company
"business day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

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"CAC"	the Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室)
"CAGR"	compound annual growth rate
	[**REDACTED**]
"China" or "PRC"	the People's Republic of China excluding, for the purpose of this document, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Chizhou Dongsheng Yingda"	Chizhou Dongsheng Yingda Enterprise Management Consulting Partnership (Limited Partnership) (池州東晟英達企業管理諮詢合夥企業(有限合夥)), a limited partnership established in PRC on October 15, 2021, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"CIC"	China Insights Industry Consultancy Limited, an independent professional market research and consulting company
"CIC Report"	a commissioned industry report prepared by CIC
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

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"Company," "our Company," or "the Company"	WYBOTICS Co.,LTD (天津望圓智能科技股份有限公司), a joint stock company established in the PRC with limited liability on December 31, 2021, or, where the context requires (as the case may be), its predecessor, Tianjin Wangyuan Environmental Protection & Technology Co., Ltd. (天津望圓環保科技有限公司), a company established in the PRC with limited liability on December 23, 2005
"Company Law" or "PRC Company Law"	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"Controlling Shareholders"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Ms. Fu, Mr. Yu, Tianjin Zhuhui, Tianjin Wangyuan, Tianjin Kanfang LP and Tianjin Wangyuan LP
"Conversion of [**REDACTED**] Shares into H Shares"	the conversion of [**REDACTED**] Shares in aggregate held by [**REDACTED**] existing Shareholders into H Shares upon the completion of the [**REDACTED**]. Such conversion of Unlisted Shares into H Shares has been filed with the CSRC on [●], 2025 and an [**REDACTED**] for H Shares to be listed on the Stock Exchange [has been] made to the [**REDACTED**]
"CSDCC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"Dulwich Electronic"	Dulwich Electronic Commerce Inc, a limited liability company established in the U.S. on February 1, 2024, one of our subsidiaries
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong

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"Filing Measures"	the Notice on Filing Management Arrangements for Overseas Listing of Domestic Enterprises (關於境內企業境外發行上市備案管理安排的通知), promulgated by the CSRC on February 17, 2023
	[**REDACTED**]
"Group," "our Group," "the Group," "we," or "us"	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"Guosen Capital"	Guosen Capital Co., Ltd. (國信資本有限責任公司), a company established in the PRC with limited liability on June 18, 2019, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"H Share(s)"	overseas listed foreign share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be [**REDACTED**] and [**REDACTED**] in HK dollars and to be [**REDACTED**] on the Stock Exchange
	[**REDACTED**]
"Hainan Haisheng"	Hainan Haisheng Jinlian Technology Investment Partnership (Limited Partnership) (海南海盛金聯科技投資合夥企業(有限合夥)), a limited partnership established in PRC on February 24, 2021, the details of which are set out in "History, Development and Corporate Structure"
	[**REDACTED**]

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[**REDACTED**]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars," "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

[**REDACTED**]

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited

[**REDACTED**]

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"iFlytek Haihe"	iFlytek Haihe (Tianjin) AI Venture Capital Fund Partnership (Limited Partnership) (訊飛海河(天津)人工智能創業投資基金合夥企業(有限合夥)), a limited partnership established in PRC on April 27, 2020, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"IFRS Accounting Standards"	IFRS Accounting Standards as issued by the International Accounting Standards Board
"Independent Third Party(ies)"	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules

[**REDACTED**]

"Jiangsu Zijin"	Jiangsu Zijin Cultural Industry Phase II Venture Capital Fund (Limited Partnership) (江蘇紫金文化產業二期創業投資基金(有限合夥)), a limited partnership established in PRC on September 16, 2014, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"

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"Jiashan Runxin"	Runxin (Jiashan) Equity Investment Partnership (Limited Partnership) (潤信(嘉善)股權投資合夥企業(有限合夥)), a limited partnership established in PRC on January 25, 2021, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"Latest Practicable Date"	September 22, 2025, being the latest practicable date for ascertaining certain information in this document before its publication
	[**REDACTED**]
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Mr. Yu"	Mr. Yu Qian (余淺), our vice chairman of the Board of Directors, executive Director and product director and one of our Controlling Shareholders
"Ms. Fu"	Ms. Fu Guilan (付桂蘭), our chairman of the Board of Directors, executive Director and one of our Controlling Shareholders

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"Nanjing Runxin"	Nanjing Runxin Collaborative Small and Medium Enterprise Development Fund Partnership (Limited Partnership) (南京潤信協同中小企業發展基金合夥企業(有限合夥)) (formerly known as Small and Medium Enterprise Development Fund (Nanjing) Collaborative Partnership (Limited Partnership) (中小企業發展基金(南京)協同合夥企業(有限合夥))), a limited partnership established in PRC on April 22, 2021, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

[**REDACTED**]

"PRC Legal Advisor"	Allbright Law Offices, being the legal advisor to the Company as to the PRC laws

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"Pre-[**REDACTED**] Investor(s)"	the investor(s) from whom our Company obtained several investments, details of which are set out in the section headed "History, Development and Corporate Structure—Pre-[**REDACTED**] Investments" in this document
	[**REDACTED**]
"Qingdao Honghua"	Qingdao Honghua Qianyuan Land Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (青島弘華乾元陸號私募股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on August 21, 2025, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"Regulation S"	Regulation S under the U.S. Securities Act
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SAT"	the State Administration of Taxation (國家税務總局)
"SCNPC"	Standing Committee of the National People's Congress, the permanent body of the National People's Congress of the PRC
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)

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"Shinna Technology"	Shinna Technology Inc, a limited liability company established in the U.S. on February 1, 2024, one of our subsidiaries
	[**REDACTED**]
"Sole Sponsor"	China Securities (International) Corporate Finance Company Limited
	[**REDACTED**]
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Strategy Committee"	the strategy committee of the Board
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Suzhou Shenqilina"	Suzhou Shenqilina Green Equity Investment Partnership (Limited Partnership) (蘇州申祺利納綠色股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 29, 2022, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Tianjin Kanfang LP"	Tianjin Kanfang Enterprise Management Partnership (Limited Partnership) (天津瞰方企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 31, 2021

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"Tianjin Dongwang"	Tianjin Dongwang Enterprise Management Partnership Enterprise (Limited Partnership) (天津東望企業管理合夥企業(有限合夥)) (formerly known as Tianjin Liwang Venture Capital Fund Partnership Enterprise (Limited Partnership) (天津麗望創業投資基金合夥企業(有限合夥))), a limited partnership established in the PRC on August 29, 2025, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"Tianjin Shenglin"	Tianjin Shenglin Enterprise Management Partnership (Limited Partnership) (天津盛霖企業管理合夥企業(有限合夥)), a limited partnership established in PRC on October 8, 2021, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"Tianjin Teda"	Tianjin Teda Haihe Intelligent Manufacturing Industry Development Fund Partnership Enterprise (Limited Partnership) (天津泰達海河智能製造產業發展基金合夥企業(有限合夥)), a limited partnership established in the PRC on April 22, 2020, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"Tianjin Wangyuan"	Tianjin Wangyuan Industry and Trade Co., Ltd (天津望圓工貿有限責任公司), a limited liability company established in the PRC on July 1, 2004, and one of our Controlling Shareholders
"Tianjin Wangyuan LP"	Tianjin Wangyuan Enterprise Management Partnership (Limited Partnership) (天津望圓企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 31, 2021
"Tianjin Zhuhui"	Tianjin Zhuhui Commercial Co., Ltd. (天津市竹輝商貿有限責任公司), a limited liability company established in the PRC on May 26, 1998, and one of our Controlling Shareholders
"Track Record Period"	the period consisting of the three years ended December 31, 2024 and the six months ended June 30, 2025

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"Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (境內企業境外發行證券和上市管理試行辦法), promulgated by the CSRC on February 17, 2023
	[REDACTED]
"United States" or the "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Unlisted Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi
"U.S. Securities Act"	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"US$," "US dollars" or "USD"	United States dollars, the lawful currency of the United States
"WYBOTICS EUROPE"	WYBOTICS EUROPE, a limited liability company established in the France on September 8, 2022, one of our subsidiaries
"WYBOTICS HONGKONG"	WYBOTICS HONGKONG COMPANY LIMITED (望圓科技(香港)有限公司), a limited liability company established in the Hong Kong on September 28, 2022, one of our subsidiaries
"Wybotics Inc"	Wybotics Inc, a limited liability company established in the U.S. on September 12, 2022, one of our subsidiaries

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"Yida No. 2"	Jiangsu Gaotou Yida Small and Medium Enterprise No. 2 Venture Capital Partnership (Limited Partnership) (江蘇高投毅達中小貳號創業投資合夥企業(有限合夥)) (formerly previously known as Small and Medium Enterprise Development Fund (Jiangsu Limited Partnership No. 2) (中小企業發展基金(江蘇有限合夥貳號))), a limited partnership established in PRC on September 18, 2021, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"Yida Xinhai"	Jiangsu Yida Xinhai Venture Capital Fund (Limited Partnership) (江蘇毅達鑫海創業投資基金(有限合夥)), a limited partnership established in PRC on June 28, 2017, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"Yiyi Hygiene"	Tianjin Yiyi Hygiene Products Co., Ltd. (天津市依依衛生用品股份有限公司), a limited liability company established in PRC on May 10, 1990, one of our Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"%"	Percent

In this document, the terms "associate," "close associate," "connected person," "core connected person," "connected transaction," "controlling shareholder" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or entities have been included in this document in both the Chinese and English languages; the English versions are for identification purposes only and in the event of any inconsistency, the Chinese versions shall prevail.

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GLOSSARY

This glossary contains definitions of certain terms used in this document in connection with our Company and our business. Some of these may not correspond to standard industry definitions.

"3D mapping"	a technology that uses sensors, algorithms, and computer vision to collect environmental data and construct a digital three-dimensional model of physical space, specifically enabling robotic pool cleaners to map and navigate the three-dimensional structure of swimming pools
"AI"	artificial intelligence
"Bluetooth"	a short-range wireless technology standard for data exchange between fixed and mobiles devices over short distances
"branded products"	products designed, manufactured and sold under the Company's own brand
"cordless models"	robotic pool cleaners powered by built-in rechargeable batteries, allowing greater mobility without cables; some models support wall-climbing functions
"corded models"	robotic pool cleaners powered via electric cords, typically featuring high suction power and stable cleaning performance, but may be limited by cable tangling risks
"handheld models"	compact and portable pool cleaning devices operated manually by users, typically used for spot cleaning or smaller pool areas
"IoT"	internet-of-things
"ISO9001"	an internationally recognized standard for a quality management system. It aims at the effectiveness of the quality management system in meeting consumer requirements. It prescribes requirements for ongoing improvement of quality assurance in design, development, production, installation and servicing

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"large pools"	larger residential pools equal to or more than 18×36 feet (or equal to or more than 5×11 m), with volumes from 20,000 to 35,000 gallon (or 76 to 133 m^3)
"m^3"	cubic meter
"medium pools"	standard family pools around 14×28 feet to 16×32 feet (or 4×8 meters), with volumes from 10,000 to 20,000 gallon (or 38–76 m^3)
"OBM"	Original Brand Manufacturer
"ODM"	Original Design Manufacturer
"ODM models"	products designed and manufactured by the Company based on specifications provided by third-party brand owners, and typically sold under their brands
"OEM"	Original Equipment Manufacturer
"R&D"	research and development
"small pools"	residential pools up to 10×20 feet (or 3×6 meters), typically with volumes equal to or less than 10,000 gallon (or equal to or less than 38 m^3)
"underwater AI vision"	a technology that integrates artificial intelligence, particularly deep learning and computer vision, with underwater imaging techniques to overcome the inherent challenges of underwater environments, enabling efficient, automated, and intelligent processing and analysis of underwater images and video data for tasks such as object detection, recognition, tracking, scene understanding, 3D reconstruction, and navigation decision-making, specifically aimed at enhancing the perception, cognition, and operational capabilities of robotic pool cleaners in swimming pools

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FORWARD-LOOKING STATEMENTS

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

This document contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties, including the risk factors described in this document. Forward-looking statements can be identified by words such as "may," "will," "should," "would," "could," "believe," "expect," "anticipate," "intend," "plan," "continue," "seek," "estimate" or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, statements we make regarding our projections, business strategy and development activities as well as other capital spending, financing sources, the effects of regulation, expectations concerning future operations, margins, profitability and competition. The foregoing is not an exclusive list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. We give no assurance that these expectations and assumptions will prove to have been correct. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. We caution you therefore against placing undue reliance on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- our business prospects;
- our business strategies and plans to achieve these strategies;
- future developments, trends and conditions in and competitive environment for the industries and markets in which we operate;
- general economic, political and business conditions in locations where we operate;
- our financial condition and performance;
- our capital expenditure plans;
- changes to the regulatory environment, policies, operating conditions of and general outlook in the industries and markets in which we operate;

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- our expectations with respect to our ability to acquire and maintain regulatory licenses or permits;
- the amount and nature of, and potential for, future development of our business;
- the actions of and developments affecting our competitors;
- the actions of and developments affecting our major customers and suppliers; and
- certain statements in the sections headed "Risk Factors," "Industry Overview," "Regulatory Overview," "Business," "Financial Information," "Relationship with Our Controlling Shareholders" and "Future Plans and Use of [**REDACTED**]" with respect to trends in interest rates, foreign exchange rates, prices, volumes, operations, margins, risk management and overall market trends.

Any forward-looking statement made by us in this document speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Subject to the requirements of applicable laws, rules and regulations, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

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[**REDACTED**] *in our H Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before deciding to* [**REDACTED**] *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, results of operations, financial condition and growth prospects. In any such case, the market price of our H Shares could decline, and you may lose all or part of your investment.*

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business and results of operations.

Our business and operations involve certain risks and uncertainties, many of which are beyond our control. These risks can be broadly categorized into (1) risks relating to our business and industry, (2) risks relating to our financial performance, (3) risks relating to conducting business in China, and (4) risks relating to the [**REDACTED**].

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

The industries that we operate in are characterized by constant changes. If we fail to stay abreast of technology innovation and continuously advance our robotic pool cleaner products to meet the expectations and needs of our customers and end users, our business, results of operations and financial condition may be materially and adversely affected.

The industries that we operate in are characterized by constant changes, including rapid technological evolution, frequent introductions of new products, continual shifts in customer demands, and the constant emergence of new industry standards and practices. As such, our success will depend, in part, on our ability to respond to these changes in a cost-effective and timely manner. We have led the revolutionary innovation 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. 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. We need to constantly anticipate the emergence of new technologies and assess their market acceptance. To remain competitive, we must continue to stay abreast of the evolving industry trends and rapid technological development. Our business growth also relies on our ability to identify and anticipate the evolving expectations and needs of customers and end users in a timely manner, and develop and provide satisfying products accordingly.

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We have invested, and will continue to invest, significant resources to enhance our robotic pool cleaner products. Nevertheless, given the fast pace with which the technology has been and will continue to be developed, we may not be able to timely upgrade our technologies in an efficient and cost-effective manner, or at all. We also may not be able to leverage new technologies effectively or adapt our offerings to meet customer needs or emerging industry standards, and our technology approach might not align with our future development plans or even become obsolete if we are unable to adapt in a cost-effective and timely manner to changing market conditions, whether for technical, legal, financial or other reasons. Any of the circumstances would render our existing technologies or products obsolete or unattractive. Our failure to keep up with the technological development in the robotic pool cleaner industry and deliver effective results by our products would result in user dissatisfaction, which will materially and adversely affect our business, results of operations, financial condition and prospects.

Our addressable markets and the demand for robotic pool cleaners may not increase as rapidly as we anticipate due to a variety of factors, which would materially and adversely affect our business, results of operations and financial condition.

During the Track Record Period, substantially all of our revenue was generated from sales of robotic pool cleaners. Our business largely relies on consumers' demands for swimming pools and recreational activities, which may vary based on the social and economic conditions in the countries in which our robotic pool cleaners are sold. If there is any material and adverse change in the social and economic conditions of the relevant markets, including changes in local government policies, rules or regulations, riots, natural disasters or other acts of God, or sudden downturns in the economy or consumer demands, the demand for robotic pool cleaners may be adversely affected.

The global robotic pool cleaner industry has been developing rapidly, according to the CIC Report. The future demand for robotic pool cleaner products may, however, be difficult to anticipate since it depends on a number of variables, most of which are beyond our control. For instance, the market expansion may depend on the growth in the application of robotic pool cleaner products in various use cases, the prevalence of commercial and residential pools, as well as the benefits and cost-efficiency of these products. If the robotic pool cleaner products do not achieve widespread acceptance, or there is a reduction in customer demand caused by weakening economic conditions, technical challenges, enhanced regulations, alternative technologies or products, our business, results of operations and financial condition will be materially and adversely affected.

In addition, the market acceptance of robotic pool cleaner products may vary across different industry sectors. Whether potential customers accept robotic pool cleaner products depends, to a large extent, on their level of awareness of such products and the widespread use of similar offerings. We cannot assure you that the trend of adopting and utilizing robotic pool cleaner products by potential customers will develop or continue in the future, which in turn would hinder our ability to achieve the desired level of adoption of our products.

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If we fail to retain existing customers, attract new customers or increase the spending by our customers, our business, results of operations and financial condition may be materially and adversely affected.

Our ability to retain existing customers, attract new customers and increase the spending by our customers depends on a number of factors, including our ability to offer more intelligent products that address the needs of our customers at competitive prices, the strength of our technologies and the effectiveness of our sales and marketing efforts. If we fail to retain existing customers, attract new customers or increase the spending by our customers, we may not be able to grow our revenue as quickly as we anticipate, or at all. Specifically, if our branded products achieve substantial market success, they could compete directly with the products we manufacture for our ODM customers. This potential competition could lead to the decline of purchases from our ODM customers, negatively impacting our future revenue streams.

As we have been and will continue expanding our customer base, the demands of our customers may differ from each other and evolve over time. As such, we need to upgrade, expand and modify our products to satisfy their requirements. We cannot assure you that we can always provide products that meet our customers' requirements, or improve and enhance, to our customers' anticipations, the functionality, performance, reliability, design and cost-effectiveness of our products. Such failures could result in customer dissatisfaction and decrease in the overall demand for our products, which would materially and adversely affect our business, results of operations, financial condition and prospects.

Our business may be adversely affected if we fail to innovate and introduce new products and services on a timely basis to adapt to rapidly evolving customer needs and advancements in technology.

We compete in highly competitive global robotic pool cleaner markets characterized by iterative technologies, evolving industry standards and continual improvements in performance characteristics and product features. To be able to compete effectively, we must continually introduce new products, services and technologies, enhance existing products and services, and effectively stimulate customer demand for new and upgraded products and services. New examples of such new products include the cordless robotic pool cleaners with enhanced automation and intelligence level and more sophisticated application scenarios. The success of new product introductions and innovation depends on a number of factors, such as timely and successful completion of development efforts, successful production ramp-ups and market acceptance of the products.

Consumer demands, preferences and lifestyle trends in relation to outdoor living may change from time to time and depend upon various factors, including, among other things, global lifestyle trends, consumption patterns, disposable income, consumer confidence and other factors beyond our control. Our success in turn also depends on our ability to anticipate, identify and respond in a timely manner to these trends.

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Advancements in technology, the introduction of new products and changing consumer demands, preferences and lifestyle trends in relation to outdoor living typically lead to rapid declines in retail volumes for products made with older technologies and their loss of competitiveness or even obsolescence. If we are unable to compete successfully by introducing competitive new products that meet the demands and preferences of customers, our business, results of operations and financial condition would be adversely affected.

We have been continuously investing in our R&D efforts, which may not generate the results we expect to achieve.

Our R&D capabilities and infrastructure are critical to our success. We have been continuously investing in our R&D efforts. See "—Risks Relating to Our Financial Performance—We have been continuously investing in our R&D efforts, which may negatively impact our profitability in the short term" for details.

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. Aiming to further enhance the automation and intelligence level and the sophistication of the application scenarios of robotic pool cleaners, our R&D team is continuously exploring 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.

Our investments in R&D require significant management time and a high level of financial and other commitments, and we may need to increase expenditure on R&D in response to changes in consumer demand. Our business, results of operations and financial condition may be adversely affected if we fail to successfully anticipate and react in a timely manner to changes in customer preferences. Furthermore, R&D activities are inherently uncertain, and we might encounter practical difficulties in applying and commercializing our R&D results. As such, our significant R&D expenditures may not generate desirable benefits, which could materially and adversely affect our business, results of operations and financial condition.

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The growth of AI technologies or the usage of AI technologies in the global robotic pool cleaner industry may not meet expectation, and our business, growth and prospects may be significantly affected as a result.

We may face challenges brought by the uncertain demand for the applications of AI technologies in the global robotic pool cleaner industry. Whether potential customers accept our products depends, to a large extent, on their level of awareness of our products offerings and the widespread use of similar products. We cannot assure you that the trend of adopting and utilizing AI technologies by potential customers will continue in the future. In addition, with the continuous development of AI technologies and commercialization of the relevant robotic pool cleaners with AI and intelligence features, any potential future decrease in growth of the global robotic pool cleaner industry in general or the price and profit margin of our robotic pool cleaners could result in material and adverse change to our business, growth and prospects.

Moreover, the development of robotic pool cleaners with AI and intelligence features depends on a number of factors, including the development of AI technologies that applicable for robotic pool cleaners and the growth in such application, the prevalence of such products, and the performance and perceived value associated with such products. If AI technologies that applicable for robotic pool cleaners do not develop as expected, or robotic pool cleaners with AI and intelligence features do not achieve widespread acceptance, or there is a reduction in demand for such products caused by weakening economic conditions, decreases in corporate spending, technical challenges, data security or privacy concerns, governmental regulation, competing technologies and products or services or otherwise, our business, growth prospects and results of operations may be materially and adversely affected.

We conduct operations worldwide and are exposed to legal, regulatory, political, economic, commercial and other risks in each country in which we operate.

During the Track Record Period, we generated a substantial portion of our revenue from sales of robotic pool cleaner products to overseas customers, primarily including those in North America, Europe, Asia and Oceania. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our revenue generated from overseas customers outside of mainland China was RMB156.9 million, RMB339.3 million, RMB523.7 million, RMB261.9 million and RMB347.5 million accounting for 49.4%, 89.8%, 96.3%, 97.8% and 91.6% of our total revenue in the same periods, respectively. As a result of our global footprint, we are subject to legal, regulatory, political, economic, commercial and other risks associated with cross-border business, including:

- fluctuations in foreign currency exchange rates;

- increased costs associated with maintaining the ability to understand local markets and follow their trends, as well as develop and maintain an effective marketing and sales presence;

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- difficulty in providing efficient customer service and support in markets abroad;
- consumer preferences for local products, and laws and business practices favoring local companies;
- risks associated with dealing with regulatory regimes, regulatory bodies and government policies with which we might be unfamiliar, in order to obtain overseas permits, licenses and approvals necessary to manufacture or import, market and sell products in or to overseas jurisdictions;
- high costs relating to compliance with the commercial and legal requirements of overseas markets, including those relating to labor, environmental and industry-specific regulations;
- risks associated with local unions and employment disputes, including allegations of discrimination, harassment, violation of collective bargaining agreements, wrongful termination, among others;
- difficulty in obtaining or enforcing intellectual property rights;
- strict foreign exchange controls and cash repatriation restrictions;
- unanticipated changes in prevailing economic conditions and regulatory requirements;
- political instability and civil unrest, cultural and religious conflicts, and acts of terrorism;
- potential for violations of anti-corruption laws and regulations, including those related to bribery and fraud;
- risks associated with compliance with local tax laws and regulations including but not limited to timely filing of tax returns, tax payment, and disputes or disagreements with local tax authorities with respect to matters including but not limited to calculation of tax liabilities and preferential tax treatments;
- risks associated with disputes with local tax authorities on the judgment of transfer prcing arising out of our intragroup transactions, which may result in reallocation or adjustment of our taxable income and a different tax amount payable;
- difficulties in enforcing agreements and collecting overdue receivables through local legal systems; and
- trade barriers such as export requirements, sanctions, tariffs and other restrictions and expenses.

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Our overall success as a global business depends, in part, on our ability to succeed in managing such risks. The risks and their potential impact on us or our business partners vary from country to country and are difficult to predict with any degree of accuracy. We may not be able to develop and implement policies and strategies that address these risks effectively in each location in which we conduct business, and there can be no assurance that our exposure to such risks, which may become greater as we expand our international operations, will not adversely affect our reputation, business, results of operations and financial condition or otherwise divert our resources in handling any lawsuits, legal preceedings or complaints.

We are subject to applicable antitrust and competition laws in the jurisdictions in which we operate, and we may be subject to certain regulatory scrutiny procedures and investigations, from time to time, by antitrust or competition regulatory authorities relating to claims of infringement of antitrust or competition laws, or civil lawsuits and criminal preceedings with respect to anticompetitive behaviors, in certain of these jurisdictions. Such regulatory scrutiny procedures and investigations may be carried out by the relevant antitrust or competition regulatory authorities on an individual entity or a group of entities within an industry or a segment of an industry and may relate to a range of activities including acquisitions, pricing and other behaviors. These investigations and scrutiny procedures may be carried out by antitrust or competition regulatory authorities in confidence and we may not become aware of the details of such scrutiny procedures or investigations until we are formally notified of the outcome. In addition, our competitors may resort to making allegations or complaints against us to regulators without our knowledge which may give rise to further scrutiny and investigations. Such scrutiny procedures, investigations, lawsuits and preceedings may result in fines, civil liability or criminal liabilities or may result in a change in the way we operate. Further, there can be no assurance that our business, results of operations and financial condition will not be adversely affected by the introduction of new antitrust or competition laws in the jurisdictions in which we operate, the interpretation of existing antitrust or competition laws, or the enforcement of existing antitrust or competition laws by competent regulatory authorities or civil antitrust litigation by private parties against us or our subsidiaries. Our business can also be subject to rules and regulations under economic sanctions programs. See "—Export control and economic or trade restrictions that were imposed on a number of entities may affect our business, financial conditions and results of operations" for details.

In addition, if relations between China and the countries and regions where our products are sold worsen, our business and results and operations may be adversely impacted. Specifically, the United States government has previously made statements and taken actions that led to significant changes to United States and international trade policies, including recently-imposed tariffs affecting certain products manufactured in China. For example, the trade war and imposition of tariffs between the United States and China have caused uncertainties to the global market, and have adversely affected our operation and profitability, as our products have been subject to an additional 30.0% tariff since May 2025 for all products being exported to the United States during the Track Record Period. Between February and April 2025, the United States and China engaged in a rapid escalation of trade tensions, with both countries imposing increasingly severe tariffs on each other's goods. The United States

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raised tariffs on Chinese imports multiple times, reaching as high as 245%, while China responded with equivalent retaliatory measures. Despite a provisional agreement reached between the United States and China on May 12, 2025, the international trade environment remains highly uncertain. We do not engage in direct procurement of raw materials from the United States. Our revenue generated from North America was RMB16.0 million, RMB188.2 million, RMB268.7 million, RMB139.3 million and RMB176.6 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, accounting for 5.0%, 49.8%, 49.4%, 52.0% and 46.6% of our total revenue in the same periods, respectively. Furthermore, if the United States implement substantially more favorable tariff policies for other regions compared to those applied to China, our overseas customers might make strategic global supply chain adjustments, which impact the competitive position of our products or prevent us from being able to sell products overseas, which could have an adverse effect on our business, financial condition and results of operations.

We utilize E-commerce marketplaces to sell our branded products. If we fail to maintain our business relationship with these platforms or if they lose their market influence or popularity, our product sales volume may decline, and our business, results of operations and financial condition may be materially and adversely affected.

During the Track Record Period, we utilized E-commerce marketplaces, such as Amazon, Shopify, Woot, Walmart, Best Buy, Lowe's, Target, and Home Depot, to sell our branded products. Leveraging the end consumer reach of these E-commerce marketplaces and their overall popularity, we are able to reach more end consumers through these platforms. We have benefited significantly from such cooperation with the E-commerce marketplaces and expect to maintain our cooperation with them so that their massive end consumer base and strong brand could lend us credibility and a broad marketing reach. If we fail to maintain our business relationships with these platforms, we may have to source new platforms to sell our products, which could lead to decline in our sales volume and materially and adversely affect our business, results of operations and financial condition. During the Track Record Period and up to the Latest Practicable Date, we had not had any material dispute with E-commerce marketplaces on which we sold our products.

If these E-commerce marketplaces lose their market influence, or becomes less attractive to end consumers, it may lead to a significant decrease in their end consumer base and, in turn, affect the reach and popularity of our products and affect the attractiveness of our products to end consumers. If we are unable to find other E-commerce marketplaces with comparable end consumer base to market and sell our products, our business, results of operations and financial condition may be materially and adversely affected. Additionally, any negative publicity associated with these E-commerce marketplaces, or any negative development with respect to their market position, market influence, financial condition, maintenance of its platform infrastructure or compliance with legal or regulatory requirements, would have an adverse impact on the attractiveness of the E-commerce marketplaces and, consequently, the market outreach of our products, which in turn would materially and adversely affect our reputation, business and results of operations.

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If we fail to obtain and maintain the requisite licenses and approvals required in any jurisdictions where we operate, our business, results of operations and financial condition may be materially and adversely affected.

We are required to obtain and maintain the requisite licenses and approvals for our business in China and other jurisdictions where we operate our business. We cannot assure you that we can successfully update or renew the licenses required for our business in a timely manner or that these licenses are sufficient to conduct all of our present or future businesses. Any failure to obtain or renew any approvals, licenses, permits or certificates necessary for our operations and construction of our facilities, such as construction work commencement permit, environmental protection inspection and fire safety approvals, may result in enforcement actions thereunder, including orders issued by the relevant regulatory authorities ceasing our operations, and may include corrective measures requiring capital expenditure or remedial actions. Uncertainties exist regarding the interpretation and implementation of existing and future laws, regulations and policies governing our business activities. We cannot assure you that we will not be found in violation of any of the laws, regulations and policies currently in effect or any future laws, regulations and policies. If we fail to complete, obtain or maintain any of the required licenses or approvals or make the necessary filings in any of the jurisdictions where we operate our business, we may be subject to various penalties, such as the imposition of fines and the discontinuation or restriction of our operations. Any such penalties may disrupt our business operations and materially and adversely affect our business, results of operations and financial condition.

If we fail to compete effectively, our business, results of operations and financial condition may be materially and adversely affected.

The global robotic pool cleaner industry is highly competitive. Our competitors may have longer corporate operating history and broader established customer base than us. They may also have, or in the future gain, more financial resources and sophisticated technological capabilities than us. In addition, as we develop additional robotic pool cleaner products catering to more diversified use cases or expand into other industry sections in the global smart outdoor living industry, the basis for the competition will become different, and we are likely to face additional competitors. As a result, our competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, regulatory requirements or user demand than us.

We may also face competition from new entrants who may offer lower prices or new technologies and products, and thus increase the level of competition in the future. Intensified competition could result in lower sales, price reductions, declined profit margins or loss of market share. Furthermore, we may be required to make substantial additional investments in R&D, marketing and sales, recruiting and retaining scientists and innovative talents, and acquiring technologies complementary to, or necessary for, our current and future products in response to such competitive threats, and we cannot assure you that these measures will be effective. If we are unable to compete successfully, our business, results of operations and financial condition may be materially and adversely affected.

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Our brand is integral to our success. If we fail to maintain and enhance our brand recognition and reputation effectively, our business and results of operations may be harmed.

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. In addition, we also sell commissioned products on an ODM basis primarily to world-renowned pool equipment brands, such as Bestway, CASH and Productos QP. We believe that the market recognition of our brand by our end consumers and ODM customers has significantly contributed to the success of our business, and that maintaining and enhancing our brand is critical to sustaining our competitive advantage.

Our brand image depends largely on our ability to continue to provide quality, well-designed, useful, reliable and innovative robotic pool cleaner products. Any loss of trust in our products could harm the value of our brand. In addition, from time to time, we participate in offline events, such as industry conferences and exhibitions, and industry research reports in collaboration with third parties to associate our brand image and reputation with advanced technology and raise our profile. We cannot assure you, however, that these activities will be successful or will enable us to achieve increases in revenue and customer base, or that such increases in revenue are sufficient to offset the expenses. As such, if we are unable to maintain our reputation, enhance our brand recognition or promote our offerings, or if we incur excessive expenses in this effort, our business, results of operations and financial condition may be materially and adversely affected.

Our sales are affected by seasonal fluctuations.

Our sales are affected by seasonal fluctuations, which is consistent with industry norm, according to the CIC Report. Our sales under the ODM model typically peak in the first and fourth quarters of each year, as our ODM customers tend to stock up on pool cleaners ahead of the summer season in the Northern Hemisphere to accommodate the heightened demand from end consumers. Correspondingly, our branded product sales also increase between in the second and third quarters of each year for the same seasonal reason. There is no assurance that our customers' purchase orders and delivery will be consistent with our expectations over each season. Accordingly, our results of operations may vary from period to period. If we cannot effectively plan our production and delivery schedules and secure purchase orders from our customers during non-peak seasons, our business, financial condition and results of operations may be adversely affected.

Furthermore, if seasonal demand is lower than our expectation, we could be left with excess inventory, higher working capital and liquidity requirements, as well as the risk of impairment losses on our inventory. As a result, historical patterns of our results of operations may not be indicative of our future performance, and period-to-period comparisons of our results of operations may not be meaningful, especially given our limited operating history with respect to our branded product sales.

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Disruption in production could interrupt the supply of our products to customers, and cause our sales to drop, which will materially and adversely affect our business, financial conditions and results of operations.

As of the Latest Practicable Date, we operated three manufacturing workshops in China and have depended on these manufacturing facilities for the continuous operation of our business. Natural disasters or other unanticipated catastrophic events, including storms, fires, explosions, earthquakes, terrorist attacks and wars, as well as changes in governmental planning for the land where our manufacturing facilities are located, could significantly impair our ability to manufacture our products and operate our business. Catastrophic events could also destroy the inventories stored in our manufacturing facilities. The occurrence of aforementioned events could result in the temporary or long-term closure of our manufacturing facilities and severely disrupt our business operations, which may materially and adversely affect our business, financial condition and results of operations.

Failure to successfully execute our equipment upgrade and capacity expansion plans may have a material adverse effect on our business, results of operations and financial condition.

Our future success will depend, to a large extent, on our ability to increase our production output and enhance our production efficiency. We have continued to upgrade our current manufacturing equipment, install additional manufacturing equipment and seek additional manufacturing facilities, such as our new production site, to expand our production capacity and enhance our production efficiency. See "Business—Manufacturing—Expansion Plan." If we fail to achieve these objectives, we may not be able to attain the desired level of economies of scale in our operations or reduce our marginal manufacturing costs to the level necessary to maintain our pricing and other competitive advantages and achieve our business expansion plan.

Our equipment upgrade and capacity expansion require and will continue to require substantial capital investment, significant engineering efforts, timely delivery of manufacturing equipment and substantial management attention, and are subject to the following risks and uncertainties:

- negative effect on the working capital available to us;
- the need to finance our equipment upgrade and capacity expansion through bank or other borrowings, which may not be available on commercially reasonable terms or at all;
- delay in or denial of government approvals, permits or documents of similar nature necessary and required for our expansion;
- increase in depreciation charges associated with our new equipment and interest expenses associated with our future borrowings for planned upgrade or expansion;

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- cost overruns, construction delays, manufacturing equipment problems, including delays in equipment delivery or delivery of equipment that does not meet our specifications, and other operating difficulties;

- failure to improve our operational and financial systems and risk monitoring and management system in line with our upgrade or expansion;

- decrease in the prices of our products, which fail to cover our increased production cost;

- failure to maintain or establish relationships with our existing or prospective customers and suppliers to match our increased production output;

- the failure of our new equipment to perform as expected and lower our manufacturing cost; and

- insufficient management resources to properly oversee and manage our planned capacity expansion.

Any of the abovementioned or similar risks or uncertainties could significantly delay or constrain our ability to execute our equipment upgrade and capacity expansion as planned, which may in turn hinder our ability to achieve economies of scale and satisfactory utilization rates. As a result, our business, financial conditions and results of operations may be materially and adversely affected.

We may not be able to fully maintain quality control over our products.

The quality of our products depends on the effectiveness of our quality control and quality assurance, which in turn depends on factors such as the quality and reliability of parts and components used, including those manufactured by ourselves and our outsourced service providers, the quality of our staff and relevant training programs and our ability to ensure that our employees adhere to our quality control and quality assurance protocols. However, we cannot assure you that our quality control and quality assurance procedures will be effective in consistently preventing and resolving deviations from our quality standards. Any significant failure or deterioration of our quality control and quality assurance protocols could render our products unable to perform its regular functions, cause safety concerns that may result in physical injuries to individuals, or harm our market reputation and relationship with business partners.

In addition, the quality of parts, components and/or products manufactured by our suppliers that we incorporate into our robotic pool cleaners is beyond our control. We cannot assure you that the parts, components and/or products we procure from them are safe and free of defects or can meet the relevant quality standards. We depend on the quality control procedures of our suppliers. In the event of any quality issues, we could be subject to complaints and product liability claims and we may not be able to seek indemnification from them. If we engage in legal proceedings against our suppliers, such proceedings may be time-consuming and costly regardless of the outcomes. Any of the foregoing incidents may materially and adversely affect our business, results of operations and financial condition.

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We may be subject to product liability claims if our products contain defects, and we could incur significant expenses to remediate such defects. As a result, our reputation could be damaged and we could lose market shares, and our business, results of operations and financial condition may be adversely affected.

Robotic pool cleaner products may contain errors, defects, security vulnerabilities or software issues that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, our products may contain serious errors or defects, security vulnerabilities or software issues, which we are unable to successfully correct in a timely manner or at all. Some errors or defects in our products may only be discovered after they have been commercialized and deployed by our customers and we may incur costs relating to product recall, repair or replacement. Furthermore, these issues could potentially lead to lawsuits filed against us by our customers or other parties, exposing us to potential liabilities and damages. We may also experience revenue loss, significant capital expenditures, delay or loss in market acceptance and damage to our reputation and brand, any of which could adversely affect our reputation, business, results of operations and financial condition.

We are exposed to risks associated with cost fluctuation and supply shortage of key raw materials and hardware procured from our suppliers.

The principal raw materials and hardware used to produce our products include batteries, motors, chargers, circuit board assembly, metal components, injection molding materials and packaging materials. Mass production of our products requires timely and adequate supply of various raw materials and hardware. We rely on third-party suppliers to source raw materials and hardware for production of our products, and certain of these key raw materials and components are sourced from a limited number of suppliers. Therefore, we are subject to risks of shortages or discontinuation in supply, cost increases and quality control issues with our suppliers. In addition, some of our suppliers may have more established relationships with our competitors and may choose to limit or terminate their relationships with us or prioritize our competitors' orders in the case of supply shortages.

Our cost of raw materials amounted to RMB109.8 million, RMB100.4 million, RMB142.8 million, RMB65.3 million and RMB78.8 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, representing 34.6%, 26.6%, 26.3%, 24.4% and 20.8% of our total revenue in the same periods, respectively. While we monitor the price of raw materials and hardware and adjust our price quotations accordingly, we may not be able to directly pass on any increase in costs to our customers in time or at all. Furthermore, shortage of or any defect in raw materials and hardware will affect our production output and product quality. In line with our continuous business growth, we expect that our cost of raw materials and hardware will increase in an absolute amount and as a percentage of our total revenue. In addition, as our product pricing is based on our estimated cost plus a markup margin, any fluctuation in the cost of raw materials and hardware will also affect our profitability. All of these events may have a material and adverse effect on our business, financial conditions and results of operations.

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We do not have long-term purchase commitments from most of our ODM customers and third-party merchants, which may subject us to uncertainty and revenue volatility from period to period.

We do not have long-term purchase commitments from most of our ODM customers and third-party merchants. Purchases from our ODM customers and third-party merchants are made on a purchase order basis, and it is difficult to forecast quantities of future purchase orders. Our ODM customers and third-party merchants typically place order forecast two to three months in advance. We cannot assure you that the production volume or purchase orders from our ODM customers and third-party merchants will be consistent with our expectation when we plan for our expenditures. Cancellations, reductions or postponements of purchase orders by a major customer or by a group of customers could adversely affect our business, financial condition and results of operations.

In addition, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, raw material procurement commitments, personnel needs and other resource requirements, based on our estimates of customer demands. The short-term nature of our customers' commitments and the possibility of rapid changes in their demands reduce our ability to accurately estimate future customer requirements. On occasion, customers may require rapid increases in production, which can strain our resources. We may not be able to increase our production capacity at any given time to meet our customers' demands. On the other hand, a reduction in customer demand may negatively impact our business, financial condition and results of operations.

Our international operations may be subject to transfer pricing adjustment by competent authorities.

During the Track Record Period, we engaged in intra-group transactions involving transfer pricing arrangement. These transactions primarily involved the purchase and sale of tangible goods and provision of operational services among our subsidiaries and us. See "Business—Transfer Pricing Arrangement." In 2022, 2023, 2024 and the six months ended June 30, 2025, the total value of such intra-group transactions amounted to nil, RMB156.8 million, RMB176.9 million and RMB211.6 million respectively.

During the Track Record Period, we did not receive any demands or challenges from relevant authorities in any jurisdiction for additional tax payment. We believe that our transfer pricing arrangement aligns with arm's length principle and that we have complied with the relevant laws and regulations on transfer pricing. Further, we expect that the transfer pricing arrangement will continue in the foreseeable future and we will conduct transfer pricing arrangement in accordance with arm's length principle basis.

However, there is no assurance that the relevant authorities will not challenge our transfer pricing arrangement in the future, or that the relevant regulations or standards governing such arrangement will remain unchanged. If the relevant authorities later find that the transfer prices and terms that we have applied are not in line with arm's length negotiations, they may require

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us to re-assess the transfer prices, re-allocate the income, or adjust the taxable income. Any such re-allocation or adjustment could result in higher tax liabilities for us and may adversely affect our business, results of operations, and financial condition. Furthermore, failure to rectify any incidents within the limited timeframe required by the relevant authorities may result in late payment interest, surcharge, or other penalties for any unpaid taxes. Additionally, if relevant authorities challenge the transfer pricing arrangement, it could give rise to tax recoverable in certain jurisdictions due to adjustments in taxable income. However, there is no assurance that we would successfully recover such taxes from the relevant authorities, which could have a material adverse effect on our business, results of operations, and financial condition.

Unauthorized use of our intellectual properties by third parties may harm our brands and reputation and materially and adversely affect our business.

We regard our patents, copyrights, trademarks and other intellectual properties as critical to our success. We rely on a combination of patent, trademark and copyright laws, trade secrets protection, restrictions on disclosure and other agreements that restrict the use of our intellectual properties to protect these rights. For details, see "Business—Intellectual Property."

Our business partners may not always comply with our contract terms prohibiting the unauthorized use of our brands, images, characters and other intellectual property rights. The agreements may not effectively prevent the disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, third parties may independently discover trade secrets and proprietary information, limiting our ability to assert any trade secret rights against such parties.

In addition, our competitors and other third parties may register trademarks or apply for patents that are similar to ours and may divert potential customers from us to them. Preventing such unfair competition activities is inherently difficult. If we are unable to prevent such activities, competitors and other third parties may drive potential customers away from our products, which could harm our reputation and materially and adversely affect our results of operations.

Implementation of intellectual property laws in China has been developing. Policing unauthorized use of our proprietary technology, trademarks and other intellectual property is difficult and expensive, and litigation may be necessary to enforce our intellectual property rights. Future litigation could result in substantial costs and a diversion of our resources, which in turn would materially and adversely affect our business, results of operations and financial condition.

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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.

We cannot assure you that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, copyrights or other intellectual property rights held by third parties. From time to time, we may be subject to intellectual property disputes or litigation based on allegations of infringement, misappropriation, or other violations of intellectual property rights or other rights. We have been, and currently are involved in intellectual property disputes. See "Business—Legal Proceedings and Compliance" for details. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. Defending against such infringement or licensing allegations and claims is costly and time-consuming and may divert management's time and other resources from our business and operations, and the outcome of many of these claims and proceedings cannot be predicted. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief was issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, and our business, financial position and results of operations could be materially and adversely affected.

Moreover, our agreements with customers and other third parties generally include indemnification provisions, under which we agree to indemnify them for losses incurred as a result of claims of intellectual property infringement arising from our products. Indemnity payments could harm our business, results of operations and financial condition. Although we normally contractually limit our liability with respect to such indemnity obligations, in some cases, those limitations may not cover all situations. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other customers and may harm our business and results of operations.

Our success depends heavily on the continuing efforts of our senior management and other key personnel. If we are unable to retain, attract and train such personnel, our business may be materially and adversely affected.

We rely on the expertise, experience and vision of our senior management. If any member of our senior management becomes unable or unwilling to continue their services, we may not be able to replace them in a timely manner, or at all. As a result, our business may be severely disrupted, and our results of operations and financial condition may be materially and adversely affected.

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Our future success also depends on our ability to retain existing key personnel, including the members of our R&D team and sales and marketing team to further our R&D and marketing initiatives, and attract and train a large pool of other qualified employees. In order to compete for talents, we may need to offer higher compensation, better training and more attractive career opportunities and other employee benefits, which may be costly and burdensome. We cannot assure you that we will be able to attract or retain the qualified workforce necessary to support our future growth. Furthermore, any disputes between our employees and us or any labor-related regulatory or legal proceedings may divert management and financial resources, negatively impact staff morale, reduce our productivity, or harm our reputation and future recruiting efforts. In addition, our ability to train and integrate new employees into our operations may not meet the demands of our growing business. Any of the above circumstances may materially and adversely affect our business operations and future growth.

We have been involved, and may continue to be involved, in litigations, legal or contractual disputes, governmental investigations or administrative proceedings, which may divert our management's attention and adversely affect our business, results of operations and financial condition.

We have been, and may continue to be, subject to claims, disputes and various legal and administrative proceedings in the ordinary course of our business. These may concern issues relating to, among others, intellectual property disputes, labor disputes, licenses and permits relating to our daily business operations, and contract disputes. We are currently involved in a pending patent infringement litigation in front of a French court, and a complaint was recently filed before a United States court by certain third-party pool product companies within the same group for alleged infringement of certain patents held by it. The pool product companies claim damages of approximately EUR€2.5 million in the French court, while the damages that may be sought in the United States court have not been quantified as of the Latest Practicable Date. We are also currently involved in one pending contract dispute litigation in front of a PRC court filed by one of our domestic customers, who claimed the repayment of their pre-payment of approximately RMB1.7 million and we counterclaimed and claimed damages of approximately RMB7.3 million. See "Business—Legal Proceedings and Compliance—Legal Proceedings" for details. In addition, agreements we entered into sometimes include indemnification provisions which may subject us to costs and damages in the event of a claim against an indemnified third party. Any such claims or proceedings against us, with or without merit, may be expensive, time-consuming and disruptive to our operations and distracting to management.

Our Directors have confirmed that, as of the Latest Practicable Date, there had been no legal or administrative proceedings pending or threatened against us or any of our Directors that could, individually or in the aggregate, have a material effect on our business, results of operations and financial condition. However, new legal or administrative proceedings and claims may arise in the future, and the current legal or administrative proceedings and claims we face are subject to inherent uncertainties. If one or more legal or administrative matters were resolved against us or an indemnified third party for amounts in excess of our management's expectations, or certain injunctions are granted to prevent us from using certain

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technologies in our robotic pool cleaner products, our business, results of operations and financial condition could be materially and adversely affected. Furthermore, unfavorable outcomes could result in significant compensatory or punitive monetary damages, disgorgement of revenue or profits, corporate remedial measures, injunctive relief or specific performance against us that could materially and adversely affect our results of operations and financial condition.

We are subject to risks in relation to our product transportation and custom clearance.

Transportation disruptions may occur due to various reasons that are beyond our control, including transportation bottlenecks, legislation, typhoon, flood, earthquakes and other natural disasters and labor strikes, which could lead to delayed or lost deliveries. In addition, our products may face the risk of theft or damage due to any poor handling by us or the logistics companies. Furthermore, the custom clearance procedures for our products could be lengthy and may involve unexpected complexity. If our products are not delivered on time or are damaged or lost during delivery, we may have to pay compensation to the relevant parties and could lose certain customers as well as suffer harm to our reputation, business, financial conditions and results of operations.

Negative publicity involving us, our product offerings, management, business partners or shareholders or the industries we operate in may materially and adversely affect our reputation and business.

We may, from time to time, receive negative publicity about us, our product offerings, management, business partners or shareholders. Certain of such negative publicity may be the result of malicious harassment or unfair competition acts by third parties. Any such negative coverage in the media, with or without merit, may threaten the perception of our brand. In addition, other companies operating in the global robotic pool cleaner and similar industries may a high degree of negative media coverage or citation concerning their products, services, customers and business practices, which may also harm the perception of us and our brand.

However, we cannot preclude media reports of similar nature from being made in the future, nor can we assure you that we will be able to defuse such negative publicity or citation to the satisfaction of our investors, customers and business partners or prevent related misconceptions and other damages caused by such reports. Preventing and mitigating the impact of such negative publicity could also incur significant resources and management attention. As a result, our brand may suffer, and our reputation may be materially and adversely affected, which in turn may cause us to lose market share, customers and business partners.

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Any failure to offer quality maintenance and support services for our customers may harm our relationships with them and, consequently, our business.

Our policy allows products with defects to be repaired for free within the warranty period. As we continue to grow our operations and support our customer base, we need to be able to continue to provide efficient customer support that meets our customers' needs at scale. We may not be able to recruit or retain sufficient qualified support personnel with experiences in supporting customers of our products. As a result, we may be unable to respond quickly enough to accommodate spikes in customer demand for technical support or maintenance assistance. We may also be unable to modify the future scope and the delivery of our maintenance services and technical support to compete with changes in the technical services provided by our competitors. If we experience increased customer demand for support and maintenance, we may face increased costs that may affect our results of operations. If we are unable to provide efficient customer maintenance and support, our business may be harmed. Our ability to attract new customers is highly dependent on our business reputation. Any failure to maintain quality maintenance and support services, or a market perception that we do not maintain quality maintenance and support services for our customers, would harm our business.

We cannot guarantee that our growth strategies will be successfully implemented or bring about outcomes as we expected.

We continue to execute a number of strategies to expand our business. See "Business—Growth Strategies" and "Future Plans and Use of [**REDACTED**]" for details. However, expanding our business involves risks and challenges. These business initiatives are new and evolving, some of which may prove unsuccessful. It may also take a longer time than expected for us to develop the technologies and build market acceptance of our products, and we may not have sufficient experience in executing these new business initiatives effectively. We cannot assure you that any of these new business initiatives will achieve our expected market acceptance and generate desired outcome. If our efforts fail to enhance our monetization abilities, we may not be able to maintain or increase our revenues or recover any associated costs, and our business, results of operations and financial condition may be materially and adversely affected.

Our technology infrastructure may experience unexpected system failure, interruption, inadequacy, security breaches or cyber-attacks. Our reputation and business may be harmed by service disruptions or by our failure to timely and effectively scale up and adapt our existing technology and infrastructure.

Our technology infrastructure may encounter disruptions or other outages caused by problems or defects in our own technologies and systems, such as malfunctions in software or network overload, and by damages from fires, floods, earthquakes and other natural disasters, telecommunication failures, power loss, human error or other accidents. Our infrastructure and systems may be breached if any vulnerabilities therein are exploited by unauthorized third parties. We cannot assure you that any applicable recovery system, security protocol, network

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protection mechanisms or other defense procedures are, or will be, adequate to prevent such network or service interruptions, system failures or data losses. Despite any precautionary measures we may take, the occurrence of unanticipated problems that affect our technology infrastructure could result in interruptions in the availability of our products. It may be difficult for us to respond to such interruptions in a timely manner, or at all.

Any such disruption or inadequacy that causes interruptions to our operations, or failure to maintain the network and server or solve such problems in a timely manner, could affect our ability to timely deliver customer orders or harm user experience. An actual or perceived attack or security breach may damage our reputation and brand, expose us to risks of potential litigation and liabilities, and require us to expend significant capital and other resources to alleviate problems caused by such attacks or security breaches. As a result, our reputation, business, results of operations and financial condition could be adversely affected.

We are subject to various risks relating to the Third-Party Payment Arrangements.

During the Track Record Period, certain of our customers (the "Relevant Customers") settled payments with us through bank accounts that were not held by the contractual parties specified in the corresponding sales and purchase agreements (the "Third-Party Payment Arrangements"). In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, the number of the Relevant Customers was two, two, one, nil and one, respectively. The aggregate amount they settled under the Third-Party Payment Arrangements was RMB1.0 million, RMB0.4 million, RMB1.2 million, nil and RMB0.6 million, accounting for 0.3%, 0.1%, 0.2%, nil and 0.2% 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. See "Business—Third-Party Payment Arrangements."

We were exposed to several risks related to these Third-Party Payment Arrangements during the Track Record Period, including (1) the designated third party payers who are not contractually obligated debtors may seek reimbursement of funds from us; and (2) potential money laundering risks as we have limited knowledge about the source and purpose of the funds utilized by the third-party payors. If any claims are made by third-party payers, or if any legal proceedings are initiated or brought against us regarding any third-party payments, we may need to allocate additional financial and management resources to address these claims or legal proceedings, which could adversely affect our business and financial performance.

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We could be adversely affected as a result of any transactions with persons in countries that are, or become, subject to sanctions administered by the relevant sanctions authorities.

Through executive orders, passing of legislation or other governmental means, the certain authorities of the United Nations, the United States, the European Union, the United Kingdom, and Australia, have implemented measures that impose economic sanctions against certain countries or targeted industry sectors, groups of companies, persons or organizations.

During the Track Record Period, we sold our products to customers located in certain countries that are subject to certain forms of international sanctions programs administered by the relevant sanctions authorities. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our revenue from these countries was RMB0.2 million, RMB1.1 million, RMB2.3 million, RMB1.0 million and RMB0.8 million, respectively, accounting for 0.1%, 0.3%, 0.4%, 0.4% and 0.2% of our total revenue in the same periods, respectively. As of the Latest Practicable Date, we are not subject to any inquiry, investigation or penalty in relation to sales to these countries. We do not expect to further expand our sales efforts in these countries in the future. We obtained and reviewed the internal control report prepared by the internal control consultant to understand that we have established internal control policies relating to measure sales to these countries and sanction laws and regulations, and the internal control consultant did not report any material deficiencies after its follow-up review.

Sanctions laws and regulations are constantly evolving, and new targeted industry sectors, groups of companies, persons or organizations are regularly added to the list of international sanctions programs. Further, new laws or restrictions could increase the obstacles for us to conduct our business internationally, and some or all of our products may be deemed subject to sanctions restrictions in the future.

Furthermore, if we fail to keep ourselves updated with the latest developments of the international sanctions or other laws and regulations, we may be involved in sanctions risk exposures. If the relevant authorities of the relevant jurisdictions determine that any of our future activities as a violation of the sanctions imposed by these authorities or designate us, any of our Directors and/or substantial shareholders as a sanctioned company, person or organization, our business and reputation will be materially and adversely affected.

In addition, any association with customers, suppliers and service providers in countries that are subject to any form of sanctions programs could subject us to reputational harm, which may lead to the loss of customers, suppliers or service providers, and in turn adversely affect our business, results of operations and financial condition.

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Export control and economic or trade restrictions that were imposed on a number of entities may affect our business, financial conditions and results of operations.

In recent years, the U.S. government imposed targeted export control and trade restrictions on China and a number of Chinese companies and institutions, including by adding them onto the Bureau of Industry and Security list (the "Entity List") which limit their access to certain U.S.-origin goods, software and technologies, as well as items that contain a significant portion of or are a direct product of certain U.S.-origin goods, software and technologies.

U.S. export controls and trade laws, policies and regulations are complex and subject to frequent changes, which could have an impact on our business operations. In addition, the interpretation and enforcement of the relevant regulations involve substantial uncertainties, which may be driven by geo-political, geo-economic and/or other factors that are not within our control or that might be heightened by international and national security concerns. Any potential restrictions, associated inquiries or investigations, or other government actions may be difficult or costly to comply with and may, among other things, delay or impede the development of our technology and robotic pool cleaner products and hinder the stability of our supply chain. These changes could also result in negative publicity, require significant time and attention of the management, subject us to fines, penalties or orders, and mandate us to cease or modify our existing business practices. Any of these events may have a material and adverse effect on our business, financial conditions and results of operations.

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.

Companies operating in China are required to participate in various employee benefit plans, including social insurance fund and housing provident fund and contribute to the amounts equal to certain percentage of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time at locations where they operate their business. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident fund with respect to certain of our employees, as required by the relevant PRC laws and regulations. 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, 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

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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. As a result, we believe such incident would not have material adverse effect on our business, and we did not make any provisions in connection with the incident during the Track Record Period.

As advised by our PRC Legal Advisor, if the competent PRC government authority determines that the social insurance contributions we made for our employees violate the requirements under the relevant PRC laws and regulations, we may be required to pay all outstanding social insurance contributions within a stipulated period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the social insurance contributions were due. In the unlikely event that we are required to settle the shortfall of social insurance contribution, if this payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount on us. We cannot assure that the relevant local government authorities will not require us to pay the outstanding amount within a specific time limit or impose late or additional fees or fines on us in the future, nor can we assure you that there are no, or will not be any, employee complaints regarding payment of the outstanding amount of the social insurance and housing provident fund contributions against us, or that we will not receive any claims in respect of the outstanding amount of the social insurance and housing provident fund contributions under national laws and regulations. In addition, we may incur additional expenses to comply with such laws and regulations promulgated by the PRC government or relevant local authorities.

Future acquisitions of businesses, technologies or know-how could materially and adversely affect our business, financial condition and results of operation if we fail to integrate the acquired businesses or technologies successfully into our existing operations or if we discover previously undisclosed liabilities.

To enhance our growth, we may acquire businesses, technologies or know-how that we believe would benefit us in terms of product development, technology advancement or customer acquisition. Our ability to grow through acquisitions depends upon our ability to identify, negotiate, complete and integrate suitable acquisitions and to obtain any necessary financing. Even if we complete acquisitions, as we have limited experience with significant acquisitions, we may experience:

- difficulties in integrating any acquired companies, technologies or personnel into our existing business;

- delays or failure in realizing the benefits of the acquired companies, technologies or know-how;

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- the diversion of our management's time and attention from other business concerns;
- higher costs of integration than we anticipated;
- difficulties in retaining key employees of the acquired business who are necessary to manage these acquisitions;
- difficulties in obtaining managerial and operational control of the acquired business, which may prevent us from achieving our investment objectives; or
- loss of existing customers of the businesses we acquired.

If we invest in businesses that operate outside of China, these risks may increase because of our limited experience in operating overseas.

An acquisition could also materially impair our results of operations by causing us to incur debt or requiring us to amortize acquired intangible assets. We may also discover deficiencies in internal controls, data adequacy and integrity, and regulatory compliance, as well as legal or contractual liabilities in businesses we acquire which we did not uncover prior to such acquisition. Therefore, we may become subject to penalties, lawsuits or other liabilities. Any difficulties in the integration of acquired businesses or technologies or unexpected penalties, lawsuits or liabilities in connection with such businesses or technologies could have a material adverse effect on our business, results of operations and financial condition.

We may need additional capital, and we may be unable to obtain such capital in a timely manner or on acceptable terms, or at all.

We may require additional capital beyond those generated by the [**REDACTED**] from time to time to grow our business, better serve our customers, develop and enhance our offerings, and improve our operating infrastructure. Accordingly, we may need to sell additional equity or debt securities or obtain a credit facility. Future issuances of equity or equity-linked securities could significantly dilute our existing shareholders, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our ordinary shares. The incurrence of debt financing would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operation or our ability to pay dividends to our shareholders.

Our ability to obtain additional capital is subject to a variety of uncertainties, including:

- our market position and competitiveness in the robotic pool cleaner industry;
- our future profitability, overall financial condition, and results of operations;

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- the general market condition for capital raising activities by companies in our industry, which in turn depends on the prospect of such industry; and

- economic, political and other conditions in China and globally.

We may be unable to obtain additional capital in a timely manner or on acceptable terms, or at all. If we are unable to obtain adequate financing on terms satisfactory to us when we require it, our ability to continue to support our business growth could be significantly impaired, and our business and prospects could be adversely affected.

Confidentiality agreements and non-compete covenants with employees and other third parties may not adequately prevent the disclosure of trade secrets and other proprietary information.

We have devoted substantial resources to the development of our technology and know-how. Although we enter into employment agreements with confidentiality provisions with our employees, we cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach in a timely manner or at all, or that our proprietary technology, know-how or other intellectual property will not otherwise become known to third parties. In addition, third parties may independently discover trade secrets and proprietary information, limiting our ability to assert any proprietary rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position.

Our risk management and internal control systems may not be adequate or effective.

We have implemented risk management and internal control systems for our business operations. While we seek to improve our risk management and internal control systems on a continuous basis, we cannot assure you that these systems are sufficiently effective in ensuring, among other things, accurate reporting of our financial results and the prevention of fraud. See "Business—Internal Control and Risk Management" for details. The proper function of our risk management and internal control systems depends on implementation by our employees. We cannot assure you that our employees are sufficiently or fully trained to implement these systems, or that their implementation will be free from any mistakes. If we fail to timely update, implement and modify our risk management and internal control systems, or if we fail to deploy sufficient human resources to maintain our risk management and internal control policies and procedures, our business, results of operations and financial condition may be materially and adversely affected.

Failure to protect our leasehold interests could adversely affect our business operations.

As of the Latest Practicable Date, certain of our leased properties had title defects that may adversely affect our ability to continue to use them in the future. We entered into eight lease agreements as the tenant in mainland China with a gross floor area of 20,730.1 square

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meters, all of which had yet to be registered with the relevant government authorities in accordance with PRC Law. While the failure to complete the administrative filings may not affect the legality, validity or enforceability of the lease agreement, the government authorities may require that the filing be made within a stated period of time, failing which, they may impose a fine ranging from RMB1,000 to RMB10,000 for each agreement that has not been properly filed. It is not clear under PRC laws if the fine will be borne by the lessor or the lessee. According to applicable PRC laws and regulations, lessors of the related lease agreements need to provide us with certain documents (such as their business licenses or identification information) in order to complete the administrative filing. There can be no assurance that the lessors of our leased properties will be cooperative in the process of completing the filings. If we fail to complete the administrative filings for all non-registered leases within the period specified by the relevant government authorities, and the relevant authorities determine that we shall be liable for failing to complete the administrative filings of all the relevant lease agreements, we might be subject to a fine ranging from RMB8,000 to RMB80,000.

In addition, as at the Latest Practicable Date, the lessors of three leased properties located in Tianjin have not provided us with property ownership certificates or other relevant certificates regarding their legal right to lease such properties. One of such leased properties is used merely for business registration and the remaining of such leased properties are primarily used as warehouses. As a result, we may face challenges from the property owners or other third parties regarding our right to occupy the premises. Furthermore, if the landlords fail to perform its obligations under the lease agreements between the landlords and us due to any reason, including but not limited to its own non-compliance with relevant laws and regulations, government demolition or any other unforeseeable events, we may be unable to continue using such properties. As of the Latest Practicable Date, we were not aware of any challenges being made by a third party or government authority on the titles of any of these leased properties that might affect our current occupation. Although we do not expect to become subject to any fines or penalties if any of these leases are terminated as a result of challenges by third parties or government authorities for any of these title defects, we may be forced to relocate the affected business registration place and the warehouses and incur additional expenses accordingly. If we fail to find suitable replacement sites in a timely manner or on terms commercially acceptable to us, our business and results of operations could be adversely affected.

Misconduct, non-compliance and omissions by our employees or third parties could harm our business and reputation.

Misconduct and omissions by our employees could subject us to liability or negative publicity. For instance, our employees or other relevant persons may engage in fraudulent, corrupt or other unfair business practices, which may subject us to investigations and proceedings by governmental authorities for alleged infringements of anti-corruption, anti-money laundering, anti-bribery and other relevant laws and regulations in the jurisdictions where we operate. These proceedings may result in penalties, fines, sanctions or other liabilities and could have a material adverse effect on our reputation, business, results of operations and financial condition. Although we have implemented internal rules and

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guidelines to govern our commercial practices, work ethics, fraud prevention mechanisms and regulatory compliance, we cannot assure you that our employees will not engage in misconduct or omissions that could materially and adversely affect our business, results of operations and financial condition.

In addition, misconduct and omissions by our business partners, including our various suppliers, service providers and customers, as well as other third parties who have entered business relationships with us, could subject us to liability or negative publicity. These third parties may be subject to regulatory penalties or punishments because of their regulatory compliance failures, which may, directly or indirectly, affect our business. We cannot be certain whether such third party has infringed or will infringe any other parties' legal rights or violate any regulatory requirements. We cannot rule out the possibility of incurring liabilities or suffering losses due to any non-compliance by third parties. We cannot assure you that we will be able to identify irregularities or non-compliances in the business practices of our business partners or other third parties, or that such irregularities or non-compliance will be corrected in a prompt and proper manner. The legal liabilities and regulatory actions on our business partners or other third parties involved in our business may affect our business activities and reputation, which may, in turn, affect our results of operations.

Our limited insurance coverage could expose us to considerable costs and business disruption.

We believe we maintain insurance policies in line with industry standards. We do not maintain business interruption insurance, key-man life insurance or litigation insurance. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our results of operations. Our current insurance coverage may not be sufficient to prevent us from any loss, and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, results of operations and financial condition could be materially and adversely affected. If such risk materializes, we may also suffer substantial losses as we do not have insurance coverage.

Changes in global and regional macroeconomic conditions and any future occurrence of force majeure events, natural disasters or outbreaks of contagious diseases may materially and adversely affect our business, results of operations and financial condition.

Uncertainties about global economic conditions and regulatory changes and other factors including fluctuation of interest rates, inflation level, unemployment, labor and healthcare costs, access to credit, consumer confidence and other macroeconomic factors may pose risks and materially and adversely affect demand for our products. In addition, natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic or any severe epidemic disease such as SARS, Ebola, Zika or the COVID-19, acts of war, terrorism or other force majeure events beyond our control may disrupt our R&D,

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manufacturing and commercialization activities and business operations, all of which could adversely affect our business, results of operations, financial condition and prospects. In particular, COVID-19 has materially and adversely affected the Chinese and global economy. We cannot assure you that any future occurrence of natural disasters or outbreaks of epidemics and contagious diseases, including COVID-19, avian influenza, severe acute respiratory syndrome, H1N1 influenza or other epidemics, or the measures taken by the PRC government or other countries in response to such contagious diseases, will not seriously disrupt our operations or those of our customers, which may materially and adversely affect our business, results of operations and financial condition.

RISKS RELATING TO OUR FINANCIAL PERFORMANCE

We may not be able to sustain the gross profit margins at the levels recorded during the Track Record Period.

We have experienced fluctuations in gross profit margins during the Track Record Period. Our gross profit margin was 53.4%, 57.5%, 58.0%, 59.1% and 65.2% in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. There can be no assurance that we will be able to maintain and secure the gross profit margins at the levels recorded during the Track Record Period. In the future, our gross profit margin may decline if the increase in our unit cost of goods sold outpaced the increase in our average selling prices or if the decrease in our average selling prices outpaced the decrease in our unit cost of goods sold. If there is any decline in our gross profit margin in the future or if we fail to sustain the gross profit margins recorded during the Track Record Period, our profitability and financial condition may be adversely affected.

We derive a significant portion of our revenue from our top five customers during the Track Record Period, and the loss of, or a significant reduction in, sales to any of these customers could materially and adversely affect our business, financial conditions and results of operations.

A significant portion of our revenue was derived from our top five customers. In 2022, 2023, 2024 and the six months ended June 30, 2025, revenue from our top five customers was RMB254.1 million, RMB102.2 million, RMB127.1 million and RMB80.1 million, respectively, accounting for 80.0%, 27.0%, 23.4% and 21.1% of our total revenue in the same periods, respectively. Revenue generated from our largest customer in 2022, 2023, 2024 and the six months ended June 30, 2025 was RMB147.4 million, RMB29.4 million, RMB39.8 million and RMB38.1 million, respectively, accounting for 46.4%, 7.8%, 7.3% and 10.0% of our total revenue in the same periods, respectively.

Despite our long-term business relationships with our major customers, we cannot assure you that we will be able to continue to collaborate with them in the future, or accurately forecast their actual demands. We form our business and future expansion plans based on our estimation of the demands from the market and our customers, in particular from these major customers. However, the actual demands may fall short of our estimation, due to, among

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others, changes in our customers' business models, strategies or financial conditions, changes in local policies regarding the robotic pool cleaner industry and specific products, or changes in the local market conditions and economic development. Although our reliance on our top five customers, in terms of revenue contribution from such customers as a percentage of our total revenue, generally declined during the Track Record Period, any adverse changes in our relationships with our major customers or in the key commercial arrangements with them, such as purchase price, could materially and adversely affect our business, financial conditions and results of operations. Our major customers may also choose our competitors over us in the future.

If any of our top five customers or major customers significantly reduces its purchase volume or ceases to place orders with us, or if we misjudge or predict demands from such customers, or if we are unable to identify new customers in a timely manner and conduct our sales on comparable terms or seek alternative ways to make up for the decrease in our sales, our business, financial conditions, results of operations and prospects will be materially and adversely affected.

If we are not able to control our staff costs in an effective way, our business, financial condition and results of operations may be adversely affected.

The manufacturing of robotic pool cleaners is labor intensive. As of the Latest Practicable Date, we had 205 members of manufacturing staff. Our staff costs were primarily incurred in China and were RMB52.8 million, RMB62.8 million, RMB71.5 million, RMB31.2 million and RMB59.4 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, representing 16.6%, 16.6%, 13.2%, 11.6% and 15.7% of our total revenue in the same periods, respectively.

The economy of China has been experiencing significant growth, leading to inflation and increased staff costs, particularly in large cities. In addition, we are required by PRC laws and regulations to pay various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. Any labor shortage or attrition at our production base may significantly disrupt our business operations or delay our expansion plan. We may have difficulties in hiring or retaining sufficient and qualified employees. In addition, average wages in China are expected to continue to rise, which we anticipate will have an upward pressure on our staff costs and employees' salaries and benefits, which in turn will negatively affect our profit margins. Any failure to attract qualified employees at reasonable cost and in a timely manner, and any future disputes with our employees may materially and adversely affect our business, financial conditions and results of operations.

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Our success depends on our ability to maintain and expand our online and offline sales. We incurred substantial selling and marketing expenses during the Track Record Period, and we cannot assure you that such investment could bring comparable increase in our product sales volume.

We have been investing heavily in our sales and marketing efforts. Our selling and marketing expenses was RMB10.1 million, RMB97.2 million, RMB173.8 million, RMB80.4 million, RMB137.7 million in 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, representing 3.2%, 25.7%, 32.0%, 30.0% and 36.3% of our revenue in the same periods, respectively. Our sales network comprise primarily online E-commerce marketplaces, our E-commerce independent sites and offline third-party merchants, which include primarily pool equipment specialty retail chain stores, shopping malls and supermarkets. Going forward, we plan to continue to invest in our sales and marketing initiatives and further expand our omni-channel sales efforts. We cannot assure you that such investment will bring about positive impact on our customer development and product sales volume that is sufficient to recoup such investment. If our sales and marketing initiatives do not achieve the desired results, our business, results of operations and financial condition may be adversely affected.

To maintain and increase our market share, we actively evaluate the operational performance of our sales network and we may enter into new collaboration arrangements with our business partners. We may not be successful in any of these respects. Our ability to maintain and expand our offline and online sales depend on a number of factors, including among others, our ability to maintain relationships with the large national and overseas retailors, regional chain store retailors, and major E-commerce marketplaces on terms that are commercially acceptable to us and our ability to respond to changes in their needs, including providing network infrastructure and logistics support. If we are unable to effectively maintain or expand our sales network, our results of operations, growth potential and profitability could be materially and adversely affected.

We have been continuously investing in our R&D efforts, which may negatively impact our profitability in the short term.

We have been continuously investing in our R&D efforts. Our research and development expenses was RMB15.1 million, RMB19.3 million, RMB22.1 million, RMB9.6 million and RMB16.1 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, representing 4.8%, 5.1%, 4.1%, 3.6% and 4.2% of our revenue in the same periods, respectively. The industries in which we operate are subject to continuous technological changes and are evolving rapidly in terms of technological innovation. We need to invest significant resources, including financial, human and managerial resources, in technological advancement to ensure that our offerings will remain innovative and competitive in the market. As a result, we expect that our research and development expenses will continue to increase in absolute amount, which may adversely affect our short-term profitability.

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Failure to manage inventory at optimal levels could adversely affect our business, financial conditions and results of operations.

Maintaining an optimal level of inventory is critical to the success of our business. As of December 31, 2022, 2023, 2024 and June 30, 2025, we had inventory of RMB98.4 million, RMB120.0 million, RMB202.2 million and RMB266.0 million, respectively. Our inventory mainly consists of raw material, work-in-progress, semi-finished goods and finished goods. Our inventory turnover days were 298 days, 248 days, 258 days and 324 days in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. We recorded inventory write-down of RMB2.4 million, RMB2.5 million, RMB4.2 million and RMB7.3 million in 2022, 2023, 2024 and the six months ended June 30, 2025.

We plan our inventory levels based on our forecasts of market demands. However, our internal assessment and forecasts are subject to a variety of factors, some of which are beyond our control, such as fluctuating market demands and changes in customer preferences. We cannot assure you that we can accurately predict the demands for our products to avoid the under-stocking or over-stocking of our inventory. Further, we cannot assure you that we will be able to manage our inventory level effectively. If we fail to manage our inventory at an optimal level, our business, financial conditions and results of operations may be adversely affected.

Our exchange, return and warranty policies may adversely affect our results of operations.

Our policy generally allows products with defects to be returned and exchanged by our customers, and we typically offer a limited warranty for our products and services. We may be required by law to adopt new or amend existing return, exchange and warranty policies from time to time. While these policies improve user experience of our products and services and help to acquire and retain customers and end-users, we will incur higher costs associated with return, exchange and warranties if we experience any deterioration in the quality of our products and services, and we may be subject to additional costs and expenses which we may not recoup. We cannot assure you that our return, exchange and warranty policies will not be misused by our customers and end-users, which may significantly increase our costs and may adversely impact our business and results of operations. If we revise these policies to reduce our costs and expenses, our customers and end-users may be dissatisfied, which may result in loss of existing customers and end-users or failure to acquire new customers and end-users at a desirable pace, which may materially and adversely affect our results of operations.

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We are subject to credit risks relating to delay in payment and defaults of certain customers, and we incurred impairment losses in the past. Any significant delay in payment or default on our receivables could materially and adversely affect our liquidity, results of operations and financial condition.

We are exposed to credit risk relating to delay in payment and defaults of certain customers. As of December 31, 2022, 2023, 2024 and June 30, 2025, our trade receivables were RMB20.3 million, RMB63.7 million, RMB105.8 million and RMB152.4 million, respectively, and our allowance for credit losses of trade receivables was RMB1.6 million, RMB4.4 million, RMB6.1 million and RMB8.0 million as of the same dates, respectively. We may not be able to collect all such receivables in a timely manner, or at all, due to a variety of factors that are beyond our control, such as long payment cycles and adverse financial situation of certain customers. In addition, we experienced longer payment cycles from certain customers due to the impact of the Russia-Ukraine conflict in 2022. See "Financial Information—Discussion of Major Statements of Financial Position Items—Trade and Other Receivables." If any of our customers experience financial difficulties in settling trade receivables with us, or if the relationship between us and any of our customers is terminated or deteriorated, our corresponding receivables might be adversely affected in terms of recoverability.

The increase in the amount of provisions made on our trade receivables will be recorded as expenses on our results of operations. As such, if we are unable to manage the credit risk associated with our trade receivables effectively, our results of operations may be materially and adversely affected. Furthermore, substantial defaults or delays by our customers could materially and adversely affect our cash flow, and we may have to terminate our relationships with such customers.

Fluctuations in exchange rates may result in foreign exchange losses and adversely impact our profitability.

We develop and maintain a global customer base and transact business with global suppliers, customers and partners. Fluctuations in exchange rates between the Renminbi and the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in the global geopolitical and economic conditions and the foreign exchange policies. Our foreign currency exposure is mainly with respect to Euro and U.S. dollars. During the Track Record Period, a majority of our revenue was generated from sales denominated in U.S. dollars, Euro and Renminbi. However, a majority of our cost of sales and operating expenses are denominated in Renminbi, and our financial information is presented in Renminbi. As a result, when the Renminbi appreciates against the foreign currencies, our margins are pressured. We incurred net foreign exchange loss of RMB33.0 thousand in 2024, and we had net foreign exchange gain of RMB3.6 million, RMB6.2 million, RMB0.6 million and RMB6.0 million in 2022, 2023 and the six months ended June 30, 2024 and 2025, respectively. During the Track Record Period, we did not utilize derivative contracts to hedge against our exposure to currency risk.

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The discontinuation of any favorable government policies and government subsidies and economic incentives currently available to us could adversely affect our business, results of operations and financial condition.

We have received government subsidies and economic incentives in support of our growth. We recognized government grants of RMB2.1 million, RMB2.2 million, RMB2.6 million, RMB1.3 million and RMB73.0 thousand in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. However, these policies may be subject to changes that are beyond our control. We cannot assure you that favorable government policies will continue. In addition, the timing, amount and conditions of government incentives and subsidies are within the sole discretion of the governmental authorities. Governmental authorities may require us to perform certain contractual obligations before we could receive such grants, and we cannot assure you that we could always fully satisfy these conditions or perform the obligations. In such cases, the governmental authorities may cease providing subsidies to us or require us to repay part or all of the government subsidies we previously received. Any reduction, elimination, repayment or other negative trends in government subsidies or incentives could adversely affect our business, results of operations and financial condition.

RISKS RELATING TO CONDUCTING BUSINESS IN CHINA

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities, and, if required, we cannot predict whether we will be able to obtain such approval or complete such filing.

On July 6, 2021, the General Office of the State Council, together with another regulatory authority, jointly promulgated the July 6 Opinion, which calls for, among others, enhanced administration and supervision of overseas-listed China-based companies, proposes to revise the relevant regulation governing the overseas issuance and listing of shares by such companies, and clarifies the responsibilities of competent domestic industry regulators and government authorities.

On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and five supporting guidelines (together, "Trial Measures"), which came into effect on March 31, 2023. Pursuant to the Trial Measures, domestic companies that seek to list overseas, both directly and indirectly, should fulfill the filing procedure and report relevant information to the CSRC. The filing is required to be conducted within three business days after the submission of the application for initial public offering and listing overseas to the overseas regulators. The CSRC will review the filing application and may have queries and may consult with other relevant regulators. Filings granted by the CSRC will have a valid term of one year during which the issuer should complete the offering. Further follow-up offerings after overseas listings also require a filing within three business days after the completion of the offering, and the listed companies will need to report to the CSRC upon the occurrence and public disclosure of certain significant matters such as a change in control, penalty received

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from overseas securities regulators or relevant regulators, a switch of listing status and a termination of listing. If a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as orders to rectify, warnings, fines, and the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines, and its controlling shareholders and actual controllers that organize or instruct the aforementioned violations may also be subject to administrative penalties, such as fines.

As advised by our PRC Legal Advisor, we are required to go through the filing procedures with the CSRC under the Trial Measures. We will file with the CSRC within the specific time limit as required by the Trial Measures and seek guidance from the relevant regulator and/or legal advisors to ensure our compliance in all respects. However, we cannot assure you that we will be able to obtain such approval, filing or meet such requirements in a timely manner or at all, or completion could be rescinded. Any failure to obtain or delay in obtaining such approval, filing or completing such procedures for the [**REDACTED**], or a rescission of any such approval or filing obtained by us, would subject us to sanctions by the CSRC or other PRC regulatory authorities, and such failure may adversely affect our ability to finance the development of our business and could have a material adverse effect on our business and financial condition. Furthermore, if the filing procedure with the CSRC under the Trial Measures is required for any future offerings, listing or any other capital raising activities, it is uncertain whether we could complete the filing procedure in relation to any further capital raising activities in a timely manner, or at all.

On February 24, 2023, the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection, and the National Archives Administration of China published the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定) ("Archives Rules") which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic companies, either in direct or indirect form, such domestic companies, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. According to the Archives Rules, during an overseas offering and listing, if a domestic company needs to provide or publicly disclose to securities companies, securities service providers and overseas regulators, any materials that contain relevant state secrets or that have an adverse impact on the national security or public interests, the domestic company should complete the relevant approval/filing and other regulatory procedures.

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The CSRC or other PRC regulatory authorities may also take actions requiring us, or making it advisable for us, to halt this offering or future capital raising activities before settlement and delivery of the H Shares offered hereby. Consequently, if you engage in market trading or other activities in anticipation of and prior to settlement and delivery, you do so at the risk that settlement and delivery may not occur. In addition, if the CSRC or other regulatory authorities later promulgate new rules or explanations requiring that we obtain their approvals or accomplish the required filing or other regulatory procedures in addition to those prescribed under the Trial Measures for this offering or future capital raising activities, we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Such procedures for obtaining the waiver remain unclear. Any uncertainties or negative publicity regarding such approval, filing or other requirements could materially and adversely affect our business, prospects, financial condition, reputation, and trading price of the H Shares.

However, given that the Trial Measures and Archives Rules were recently promulgated, there remain uncertainties as to their interpretation, application, and enforcement and how they will affect our operations and our future financing.

Changes in China's economic, political and social conditions or global economic environment could affect our business, results of operations, financial condition, cash flows and prospects.

A substantial portion of our business operations is conducted in China. Our business, results of operations and financial condition are affected to a significant degree by the economic, political and social conditions in China. The Chinese economy has its unique characteristics in many respects, including the amount of government involvement, level of development, control of foreign exchange and allocation of resources. The PRC government has implemented various measures to encourage, but also to control, economic growth and to guide the allocation of resources. Some of these measures benefit the overall Chinese economy but may have a negative effect on us. We cannot predict the changes in China's economic, political and social conditions in the future and the impact of the new government policies on our business and prospects. Any actions and policies taken by the Chinese government, or the long-term slowdown of Chinese economy, especially the slowdown of the growth of China's robotic pool cleaner industry, may have a negative impact on our business, operating performance and financial situation in many ways.

Moreover, the global macroeconomic environment has been facing challenges and uncertainties recently. The Chinese economy has shown slower growth compared to the previous years and the trend may continue. There is also considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States, as well as the problems that may arise from the unwinding of such policies, such as the rise in interest rates. There have also been concerns over the relationship between China and other countries, including the United States and the surrounding Asian countries. In particular, there is significant uncertainty about the future relationship between the United States and China

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with respect to economic or trade policies, export controls, tariffs, and foreign investment filings and approvals. Moreover, there have been heightened tensions in international relations globally, such as the recent Russia-Ukraine conflict. Unrest, terrorist threats and the potential for war in the Middle East and elsewhere may also increase market volatility globally. Economic conditions in China are sensitive to global economic and geopolitical conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Any severe or prolonged slowdown in the global or Chinese economy may materially and adversely affect our business, results of operations, financial condition and prospects.

The development of the PRC legal system and changes in the interpretation and enforcement of PRC laws, regulations and policies in China could materially and adversely affect us.

Our Company is incorporated under the laws of the PRC. The PRC legal system is based on written statutes. Since the late 1970s, the PRC government has promulgated laws and regulations dealing with economic matters, such as foreign investment, corporate organization and governance, commerce, taxation and trade, with a view towards developing a comprehensive system of commercial law. However, as many of these laws and regulations are relatively new and continue to evolve, these laws and regulations maybe subject to different interpretation. As other civil law countries, there is a limited volume of published court decisions, which may be cited for reference but are not binding on subsequent cases and have limited precedential value unless the Supreme People's Court otherwise provides. As these laws and regulations are continually evolving in response to changing economic and other conditions, these uncertainties relating to the interpretation and implementation of PRC laws and regulations may adversely affect the legal protections and remedies that are available to investors and us.

Governmental control of currency conversion, and restrictions on the remittance of Renminbi into and out of China, could have a material adverse impact on our financial condition and results of operations, and may reduce the value of, and dividends payable on, our H Shares in foreign currency terms.

The remittance of currency in and out of China is subject to various laws and regulations. Our revenues and expenses are substantially denominated in Renminbi, and the net [**REDACTED**] from the [**REDACTED**] and any dividends we pay on our H Shares will be in Hong Kong dollars. Under China's existing foreign exchange regulations, following the completion of the [**REDACTED**], we will be able to make current account foreign exchange transactions, including paying dividends in foreign currencies without prior approval from SAFE.

However, in the future, the PRC government may take measures to restrict access to foreign currencies for capital account and current account transactions under certain circumstances. If such measures are implemented, we may not be able to pay dividends in

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foreign currencies to holders of our H Shares. Foreign exchange transactions under our capital account are subject to significant foreign exchange controls and require SAFE's approval. These limitations could affect our ability to obtain foreign exchange through offshore financing.

Furthermore, the net [**REDACTED**] from the [**REDACTED**] are expected to be deposited in currencies other than Renminbi until we obtain necessary approvals from relevant PRC regulatory authorities to convert these [**REDACTED**] into onshore Renminbi. If the net [**REDACTED**] cannot be converted into onshore Renminbi in a timely manner, our ability to deploy these [**REDACTED**] efficiently may be affected as we will not be able to invest these [**REDACTED**] on Renminbi-denominated assets onshore or deploy them in uses onshore where Renminbi is required. All of these factors could materially and adversely affect our business, financial condition and results of operations.

The PRC government policy on foreign investment in the PRC may affect our business and results of operations.

The investment activities of foreign investors in the PRC are subject to certain regulations regarding the industry participated and imposed to additional verification procedures by certain authorities. The Special Management Measures (Negative List) for the Access of Foreign Investment (2024) (外商投資准入特別管理措施(負面清單)(2024年版)) (the "Negative List") issued by the NDRC and MOFCOM, which sets out in a unified manner the restrictive measures for the access of foreign investments such as the requirements for equity and senior management, and the industries that are prohibited for foreign investment. The Negative List covers 11 industries, and any field not covered by the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment. As of the Latest Practicable Date, our main business in China had not fallen within the Negative List. However, certain industries are specifically prohibited for foreign investment, which may restrict us from entering into these industries afterwards. Also, as the Negative List could be updated in the future, we cannot assure you that the PRC government will not change its policies in a manner that would render part of our business in China within the Negative List. If we cannot obtain approval from relevant approval authorities to engage in a business in China that becomes prohibited or restricted for foreign investors, we may be forced to sell or restructure our business which has become restricted or prohibited for foreign investment. If we are forced to adjust our corporate structure or business line as a result of changes in government policy on foreign investment, our business, results of operations and financial condition may be adversely affected.

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If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax liability is successfully challenged by the PRC tax authorities, we may be required to pay tax, interest and penalties in excess of our tax provisions, and our results of operations could be materially and adversely affected.

We enjoy various types of preferential tax treatment according to the prevailing mainland Chinese tax laws. Our mainland Chinese entities may, if they meet the relevant requirements, qualify for preferential tax treatments. We were qualified as "high and new technology" enterprise (高新技術企業) in 2021 and 2024, and was entitled to a preferential income tax rate of 15% during the Track Record Period. We shall, in accordance with the requirements of the tax authority and other relevant authorities, retain and submit our financial statements together with details of our R&D activities and other technological innovation activities for future reference to enjoy the preferential tax treatment. Furthermore, we were entitled to claim research and development expenses incurred as tax deductible expenses and one-time pre-tax deduction for equipment and apparatus when determining our assessable profits during the Track Record Period.

If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax liability is successfully challenged by the PRC tax authorities, the discontinuation of any of the various types of preferential tax treatment we enjoy could materially and adversely affect our results of operations.

Our operations are subject to and may be affected by changes in PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. Although we believe that in the past, we have acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material aspects and established effective internal control measures in relation to accounting regularities, we cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or action that could adversely affect our reputation, business, results of operations and financial condition. Furthermore, the PRC government from time to time adjusts or changes its tax laws and regulations. For instance, under the Individual Income Tax Law of the People's Republic of China (the "IIT Law") (中華人民共和國個人所得税法), which was amended on August 31, 2018 and came into effect on January 1, 2019, foreign nationals who have domiciles in the PRC, or have no domicile in China but have resided in the PRC for 183 days or more cumulatively within a tax year, would be subject to PRC individual income tax at progressive rates on their income gained within or outside the PRC. Foreign nationals who have no domicile in China and have not resided in China, or who do not have a domicile in China but have resided in China for less than 183 days cumulatively within a tax year would be subject to PRC individual income tax on their income gained within the PRC. Should this rule be strictly enforced, our ability to attract and retain highly skilled foreign scientists and research personnel to work in China may be materially

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affected. Further adjustments or changes to PRC tax laws are regulations, together with any uncertainty resulting therefrom, could also have an adverse effect on our business, results of operations and financial condition.

Holders of our H Shares may be subject to PRC income tax obligations.

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

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the IIT Law and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (財政部、國家税務總局關於個人所得税若干政策問題的通知) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprise with foreign investment are exempted from individual income tax for the time being. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H shares. However, pursuant to Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (關於個人轉讓股票所得繼續暫免徵收個人所得税的通知) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions had expressly provided that individual income tax shall be levied non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, the PRC tax authorities may change these practices, which could result in levying income tax on non-PRC resident individual holders on gains from the sale of H shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those have establishments or premises in China but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding

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tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [**REDACTED**]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval. For more information, see "Appendix III—Taxation and Foreign Exchange—The PRC Taxation."

Despite the arrangements mentioned above, there remain significant uncertainties as to the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities and the PRC tax laws and regulations may also change, which may adversely affect the value of your investment in our H Shares.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing original actions in China against us and our Directors and management.

We are a company incorporated under the PRC laws, and the vast majority of our assets and subsidiaries are currently located in China. The majority of our Directors and senior management reside within China. The assets of these Directors and senior management also may be located within China. As a result, it may not be possible to effect service of process upon most of our Directors and senior management outside China. Moreover, China does not have treaties providing for reciprocal recognition and enforcement of court judgments in the United States or most other countries. In addition, Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. As a result, in the PRC or Hong Kong, recognition and enforcement of court judgments from other jurisdictions may be difficult or impossible.

On July 14, 2006, the Supreme People's Court of the PRC and the Government of the Hong Kong Special Administrative Region signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the "2006 Arrangement"). Under the 2006 Arrangement, where any designated PRC court or Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in China if the parties in dispute have not agreed to enter into such a choice of court agreement in writing. Although this arrangement became effective on August 1, 2008, the outcome and effectiveness of any action brought under the arrangement remain uncertain.

On January 18, 2019, the Supreme People's Court of the PRC and the government of Hong Kong signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special

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Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "2019 Arrangement"). The 2019 Arrangement superseded the 2006 Arrangement and any party concerned may apply to the relevant PRC court or Hong Kong High Court for recognition, and enforcement of the effective judgments in civil and commercial cases under the 2019 Arrangement. We cannot assure you that an effective judgment that complies with the 2019 Arrangement can be recognized and enforced in a PRC court. Although we will be subject to the Hong Kong Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong upon the [**REDACTED**] of our H Shares on the Hong Kong Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Hong Kong Listing Rules and must rely on the Hong Kong Stock Exchange to enforce its rules.

Payment of dividends is subject to restrictions under PRC law.

Under PRC laws, dividends may be paid only out of distributable profits. Distributable profits are defined as our profits after taxes as determined under PRC GAAP less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient, if any, distributable profits to enable our company to make dividend distributions to its shareholders in the future, including periods for which our company's financial statements indicate that our operations have been profitable. Any distributable profits not distributed in a given year are retained and available for distribution in subsequent years.

Moreover, because the calculation of distributable profits under PRC GAAP is different from the calculation under IFRS Accounting Standards in certain respects, our Company may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under IFRS Accounting Standards, or vice versa. Accordingly, we may not receive sufficient distributions from our PRC subsidiaries. Restrictions on dividend payment could have a negative impact on our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

We are subject to complex and evolving laws and regulations regarding data security and personal information protection. Actual or alleged failure to comply with data security and personal information protection laws and regulations could damage our reputation, deter current and potential users from using our offerings and subject us to significant legal, financial and operational consequences.

In recent years, government authorities across the world have been increasingly focusing on data security and personal information protection. In particular, the PRC government has enacted a series of laws and regulations on the protection of personally identifiable data in the past few years. We may be subject to laws and regulations regarding data security and personal information protection in China. In addition, as we expand our global operations, our

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customers may leverage our product offerings outside China and are thus required to comply with laws and regulations regarding data security and personal information protection in such jurisdictions. As a result, we may be required to upgrade or alter our offerings to fully comply with such laws and regulations.

We have adopted various measures to ensure our compliance. However, the laws and regulations regarding data security and personal information protection in China, as well as in other jurisdictions, are generally complex and evolving, with uncertainty as to the interpretation and application thereof. As such, we cannot assure you that our data security and personal information protection measures are, and will be, always considered sufficient under applicable laws and regulations. If we are unable to comply with the then-applicable laws and regulations or to address any data security and personal information protection concerns, such actual or alleged failure could damage our reputation, deter current and potential customers and users and could subject us to significant legal, financial and operational consequences.

On June 10, 2021, the Standing Committee of the National People's Congress of China promulgated the PRC Data Security Law (中華人民共和國數據安全法), which became effective on September 1, 2021. The PRC Data Security Law provides for data security obligations on entities and individuals carrying out data processing activities, introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used, and provides for a national security review procedure for those data processing activities which may affect national security and imposes export restrictions on certain data and information. On February 24, 2023, the CSRC, Ministry of Finance, State Secrecy Administration, and State Archives Bureau released the Provisions on Strengthening Confidentiality and Archives Administration in Respect of Overseas Issuance and Listing of Securities by Domestic Enterprises (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定) (the "Confidentiality Provisions"), which became effective on March 31, 2023. Pursuant to the Confidentiality Provisions, domestic joint-stock enterprises listed in overseas markets via direct offering and domestic operational entities of enterprises listed in overseas markets via indirect offering must obtain approval and complete filing or other requirements before they publicly disclose any documents and materials that contain state secrets or government work secrets or that, if divulged, will jeopardize China's national security or public interest, or before they provide such documents or materials to entities or individuals such as securities companies, securities service providers and overseas regulators.

On August 20, 2021, the Standing Committee of the National People's Congress of China promulgated the PRC Personal Information Protection Law (the "PIPL"), which came into effect in November 1, 2021. In addition to other rules and principles of personal information processing, the PIPL specifically provides rules for processing sensitive personal information. As uncertainties remain regarding the interpretation and implementation of the PIPL, we

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cannot assure you that we will comply with the PIPL in all respects. We may also become subject to fines and/or other penalties which may have material adverse effect on our business, results of operations and financial condition.

On December 28, 2021, the CAC and 12 other relevant PRC government authorities published the amended Cybersecurity Review Measures (網絡安全審查辦法), which became effective on February 15, 2022 and superseded and replaced the Cybersecurity Review Measures previously promulgated on April 13, 2020. According to Articles 5 and 7 of the Cybersecurity Review Measures, enterprises shall apply for cybersecurity review under the following circumstances: (1) critical information infrastructure operators ("CIIO") purchasing network products in a manner which affects or may affect national security; and (2) internet platform operators holding personal information of more than one million users and seeking a foreign listing. According to Article 16 of the Cybersecurity Review Measures, the competent PRC government authority may initiate cybersecurity review if the authority believes that any network product, service or data processing activity affects or is likely to affect national security. As of the Latest Practicable Date, we had not been notified by any authorities of being classified as a CIIO, nor had we been involved in any investigations on cybersecurity review made by the CAC, and we have not received any inquiry, notice, warning, or sanctions in this respect. However, we cannot assure you that we will not be required to follow the cybersecurity review procedures, and if required so, whether we would be able to complete the applicable cybersecurity review procedures in a timely manner. In addition, any failure or delay in the completion of the cybersecurity review procedures or any other non-compliance or perceived non-compliance with the PRC Cybersecurity Law or related regulations may prevent us from using or providing certain products and services, and may result in fines or other penalties such as making certain required rectification, suspending our related business, closing our website or taking down our operations and proceedings or actions against us by PRC regulatory authorities, customers or others, which may have a material adverse effect on our business, reputation, results of operations and financial condition.

On September 24, 2024, the Cyber Data Security Regulations (網絡數據安全管理條例) was promulgated by the State Council and came into effect on January 1, 2025. The Cyber Data Security Regulations reiterate the general regulations for data processing activities and rules of personal information protection, important data security protection, network data cross-border transfer management, and internet platform service providers' obligations. The Cyber Data Security Regulations do not include the content related to cybersecurity review standards for listing abroad and in Hong Kong in the Administration Governing the Cyber Data Security (Draft for Comments), published on November 14, 2021.

As of the Latest Practicable Date, we had not been subject to any inquiry, investigation, notice, inspection, action or penalty from the PRC authorities or any other relevant regulatory authorities in relation to our compliance with cybersecurity and data protection laws and regulations. However, given the evolving regulatory environment in these areas, we are subject to substantial legal and economic uncertainties for our future business operations. The legal and regulatory developments could affect the way we design and deliver our offerings, our business operations, and how we and our business partners deal with data protection. We may

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incur substantial costs to comply with these laws and regulations, to address the needs of our customers and users relating to their own compliance with applicable laws and regulations, and to establish and maintain internal compliance policies. If we fail to effectively and timely comply with these laws and regulations and respond to relevant changes, our business operations, results of operations, financial condition and prospects will be materially and adversely affected.

Moreover, different regulatory bodies in China, including among others, the MIIT, the CAC and the Ministry of Public Security have enforced laws and regulations regarding cybersecurity, information security, data security and personal information protection with various standards and applications. We may from time to time be required to rectify or further improve our measures regarding cybersecurity, information security, data security and personal information protection. Any failure or perceived failure by us to comply with all applicable laws and regulations regarding cybersecurity, information security, data security and personal information protection, or any failure or perceived failure of our business partners to do so, or any failure or perceived failure of our employees to comply with our internal control measures, may result in negative publicity and legal proceedings or regulatory actions against us, and could result in fines, revocation of licenses, suspension of relevant operations or other legal or administrative penalties, which may in turn damage our reputation, discourage our current and potential customers and subject us to fines and damages, which could have a material adverse effect on our business and results of operations. To the extent we expand our business to any overseas market, we may become subject to additional or new laws and regulations regarding cybersecurity, information security, data security and personal information protection in foreign jurisdictions, which may result in additional expenses to us and subject us to potential liability and negative publicity. We expect that these areas will receive greater attention and focus from regulators and attract continued or greater public scrutiny and attention going forward, which could increase our compliance costs and subject us to heightened risks and challenges regarding cybersecurity, information security, data security and personal information protection. If we are unable to manage these risks, we could become subject to penalties, fines, suspension of business and revocation of required licenses, and our reputation and results of operations could be materially and adversely affected.

RISKS RELATING TO THE [REDACTED]

An active trading market for our H Shares may not develop or be sustained.

Prior to the completion of the [**REDACTED**], there has been no public market for our H Shares. We cannot assure you that an active trading market for our H Shares with adequate liquidity will develop or be sustained following the completion of the [**REDACTED**]. The [**REDACTED**] is the result of negotiations between our Company and the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]), which may not be indicative of the price at which our H Shares will be traded following the completion of the [**REDACTED**]. The [**REDACTED**] of our H Shares may drop below the initial [**REDACTED**] at any time following the [**REDACTED**].

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We have applied to the Hong Kong Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**], the H Shares (including any H Shares which may be issued pursuant to the exercise of the [**REDACTED**]). A [**REDACTED**] on the Hong Kong Stock Exchange, however, does not guarantee that an active and liquid trading market for the H Shares will develop, or if it does develop, that it will be sustained following the [**REDACTED**], or that the [**REDACTED**] of the H Shares will not decline following the [**REDACTED**]. If an active public market for our H Shares does not develop following the completion of the [**REDACTED**], the [**REDACTED**] and liquidity of our H Shares could be materially and adversely affected.

The price and [REDACTED] of our H Shares may be volatile, which could lead to substantial losses to [REDACTED].

The price and [**REDACTED**] of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the [**REDACTED**] of the shares of other companies engaging in similar business may affect the price and [**REDACTED**] of our H Shares. In addition to market and industry factors, the price and [**REDACTED**] of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Hong Kong Stock Exchange with significant operations and assets in China have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

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

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

While investors subscribing shares in the [**REDACTED**] are not subject to any restrictions on the disposal of the H Shares they subscribed (except as disclosed in "Information about this Document and the [**REDACTED**]—Restrictions on [**REDACTED**] and Sales of the H Shares"), they may have existing arrangements or agreements to dispose part

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or all of the H Shares they hold immediately or within certain period upon completion of the [**REDACTED**] for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the [**REDACTED**].

Any sale of the H Shares subscribed by such [**REDACTED**] pursuant to such arrangement or agreement could adversely affect the [**REDACTED**] of our H Shares and any sizeable sale could have a material and adverse effect on the [**REDACTED**] of our H Shares and could cause substantial volatility in the [**REDACTED**] of our H Shares.

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares in the future.

The [**REDACTED**] Price of the [**REDACTED**] Shares is higher than the net tangible asset value per Share immediately prior to the [**REDACTED**]. Therefore, purchasers of the [**REDACTED**] Shares in the [**REDACTED**] will experience an immediate dilution. We cannot assure you that if we were to immediately liquidate after the [**REDACTED**], any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider [**REDACTED**] and issuing additional Shares in the future. Purchasers of the [**REDACTED**] Shares may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time.

Certain facts, forecasts and statistics contained in this document are derived from various official or third-party sources and may not be accurate, reliable, complete or up to date.

We have derived certain information and statistics in this document, particularly the section headed "Industry Overview," from the report prepared by CIC, which was commissioned by us, and from various official government publications and other publicly available publications provided by the PRC government, industry associations, independent research institutes and other third-party sources. The information from official government sources has not been independently verified by us, the Sole Sponsor, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], any of their respective directors and advisors, or any other persons or parties involved in the [**REDACTED**], and, therefore, we cannot assure you as to the accuracy and reliability of such information and statistics, which may not be consistent with other information compiled inside or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable with statistics produced for other economies, and you should not place undue reliance on them. Furthermore, we cannot assure you that they are stated or compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, you should consider carefully how much weight or importance you should attach to or place on such information or statistics.

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If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our H Shares, the [REDACTED] for H Shares and [REDACTED] could decline.

The trading market for our H Shares and will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade our H Shares, the market price for our H Shares would likely decline.

If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the [**REDACTED**] of or [**REDACTED**] for our H Shares to decline.

Fluctuations in exchange rates may result in foreign currency exchange losses and may have a material adverse effect on your investment.

During the Track Record Period, a vast majority of our revenue and expenditures were denominated in Renminbi, and a vast majority of our financial assets were also denominated in Renminbi. Any significant change in the exchange rates of the Hong Kong dollar against Renminbi may materially and adversely affect our cash flows, earnings and financial position, and the value of, and any dividends payable on, our H Shares in Hong Kong dollars. For instance, a further appreciation of Renminbi against the Hong Kong dollar would make any new Renminbi-denominated investments or expenditures more costly to us, to the extent that we need to convert Hong Kong dollars into Renminbi for such purposes. An appreciation of Renminbi against the Hong Kong dollar would also result in foreign currency translation losses for financial reporting purposes when we translate our Hong Kong dollar denominated financial assets into Renminbi, including [**REDACTED**] from the [**REDACTED**], as Renminbi is the functional currency of our subsidiaries inside China. Conversely, if we decide to convert our Renminbi into Hong Kong dollars for the purpose of making payments for dividends on our H Shares or for other business purposes, appreciation of the Hong Kong dollar against Renminbi would have a negative effect on the Hong Kong dollar amount available to us.

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You should read the entire document carefully and only rely on the information included in this document to make your [REDACTED] decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our H Shares or the [REDACTED].

There had been, prior to the publication of this document, and there may be, subsequent to the date of this document but prior to the completion of the [**REDACTED**], press and media coverage regarding us and the [**REDACTED**]. We have not authorized the disclosure of any information concerning the [**REDACTED**] in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their decisions on the basis of the information contained in this document only and should not rely on any other information.

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WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

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

WAIVER IN RELATION TO PRESENCE OF MANAGEMENT IN HONG KONG

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

Since the business operations of our Group are managed and conducted outside of Hong Kong, and all of the executive Directors of our Company ordinarily reside outside Hong Kong, our Company considers that it would be practically difficult and commercially unreasonable and undesirable for our Company to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors. Therefore, our Company does not have, and does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules, subject to the following conditions. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

- *Authorized representatives:* we have appointed Mr. Li Hui ("**Mr. Li**") and Ms. Tang Ka Yan ("**Ms. Tang**") as the authorized representatives (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange. Accordingly, the Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. The Company will also inform the Stock Exchange promptly in respect of any change in the Authorized Representatives. See "Directors and Senior Management" for more information about our Authorized Representatives;

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- *Joint company secretaries:* in addition to the appointment of the Authorized Representatives, Ms. Tang, one of our joint company secretaries and a Hong Kong resident, will, among other things, act as our Company's additional channel of communication with the Stock Exchange and be able to answer enquiries from the Stock Exchange. Ms. Tang will maintain contact with our Directors and senior management through various means, including regular meetings and telephone discussions whenever necessary;

- *Directors:* to facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details (such as mobile phone numbers, office phone numbers, facsimile number and e-mail addresses, to the extent possible) of each of our Directors such that the Authorized Representatives would have the means for contacting all our Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. In the event that any Director expects to travel or otherwise be out of office, he/she will provide the phone number of the place of his/her accommodation to the Authorized Representatives. To the best of our knowledge and information, each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange;

- *Compliance advisor:* we have appointed Halcyon Capital Limited as our compliance advisor (the "**Compliance Advisor**") upon [**REDACTED**] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [**REDACTED**] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**]. The Compliance Advisor will have access at all times to our Authorized Representatives, the Directors and other senior management and act as the additional channel of communication with the Stock Exchange and answer enquiries from the Stock Exchange. The contact details of the Compliance Advisor have been provided to the Stock Exchange. We will also inform the Stock Exchange promptly in respect of any change in the Compliance Advisor; and

- *Hong Kong legal advisor:* we will retain a Hong Kong legal advisor to advise us on the on-going compliance requirements, any amendment or supplement to and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the [**REDACTED**].

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WAIVER IN RELATION TO JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, we must appoint as our company secretary an individual, who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

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

- a Member of The Hong Kong Chartered Governance Institute;
- a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and
- a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules provides that, in assessing "relevant experience," the Stock Exchange will consider the individual's:

- length of employment with the issuer and other issuers and the roles he/she played;
- familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code and Mergers and Share Buy-backs;
- relevant training taken and/or to be taken in addition to be the minimum requirement under Rule 3.29 of the Listing Rules; and
- professional qualifications in other jurisdictions.

Pursuant to the section 3.10 of the Guide for New Listing Applicants, the waiver will be for a fixed period of time and on the following conditions: (1) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 and is appointed as a joint company secretary throughout the Waiver Period (as defined below); and (2) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer.

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We have appointed Mr. Li as our joint company secretary. He has extensive experience in accounting and finance matters but presently does not possess any of the qualification required under Rules 3.28 and 8.17 of the Listing Rules, we have appointed Ms. Tang of Tricor Services Limited as the other joint company secretary, working closely with Mr. Li. Ms. Tang is an associate of both The Hong Kong Chartered Governance Institute (香港公司治理公會) and The Chartered Governance Institute in the United Kingdom, and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules. For further information regarding the qualifications of Mr. Li and Ms. Tang, see "Directors and Senior Management."

The joint company secretaries will be jointly discharging the duties and responsibilities of a company secretary. Ms. Tang will be assisting Mr. Li in gaining the relevant experience required under Rules 3.28 and 8.17 of the Listing Rules. Also, Mr. Li will be assisted by (1) the Compliance Advisor of our Company for the first full financial year starting from the [**REDACTED**], particularly in relation to Hong Kong corporate governance practice and compliance matters; and (2) the Hong Kong legal advisor of our Company, on matters regarding our Company's ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations. In addition, Mr. Li will endeavor to attend relevant trainings and familiarize himself with the Listing Rules and duties required of a company secretary of an issuer listed on the Stock Exchange.

We have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Li may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of a three-year period (the "**Waiver Period**") on the condition that Ms. Tang, as a joint company secretary of our Company, will work closely with, and provide assistance to, Mr. Li in the discharge of his duties as a joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. The waiver will be revoked immediately if Ms. Tang ceases to provide assistance to Mr. Li as the joint company secretary or if there are material breaches of the Listing Rules by us.

Our Company will further ensure that Mr. Li has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Prior to the end of the three-year period, the qualifications and experience of Mr. Li and the need for on-going assistance of Ms. Tang will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Mr. Li, having benefited from the assistance of Ms. Tang for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the "relevant experience" within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

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WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[**REDACTED**]

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WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[**REDACTED**]

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WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[**REDACTED**]

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WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[**REDACTED**]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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DIRECTORS

Name	Address	Nationality
Executive Directors		
Fu Guilan (付桂蘭)	No. 302, Building 5, Gate 5 Cuiweiyuan, Water Park Road Nankai District, Tianjin PRC	Chinese
Yu Qian (余淺)	5-3001, Lvyin Mingdi Shuishang East Road Nankai District, Tianjin PRC	Chinese
Li Hui (李暉)	7-1-704, Hongcheng Baili Garden Hedong District, Tianjin PRC	Chinese
Cen Pu (岑璞)	No. 69, Nanhai Road Binhai New Area, Tianjin PRC	Chinese
Non-executive Directors		
Wang Shouwen (王壽文)	Room 1101, Entrance 2, Building 5 Yard 1, Siji Xinghe Zhongjie Chaoyang District, Beijing PRC	Chinese
Cai Guoqing (蔡國卿)	Room 302, No. 48, Lane 558 Fengzhuang West Road Jiading District, Shanghai PRC	Chinese
Independent Non-executive Directors		
Duan Yong (段詠)	Room 1-1504, Fuxingmen Garden Hexi District, Tianjin PRC	Chinese
Wang Lianen (王連恩)	Room 3-602, Phase II, Roma Garden Youyi Road Hexi District, Tianjin PRC	Chinese
Xu Jiayuan (許佳媛)	Room 2508, Tower 3 Harbourview Horizon 12 Hung Lok Road Hung Hom, Kowloon Hong Kong	Chinese

Further information is set out in the section headed "Directors and Senior Management" in this document.

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PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

China Securities (International) Corporate Finance Company Limited
18/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

[**REDACTED**]

Legal Advisors to the Company

As to Hong Kong law and U.S. law:

Baker & McKenzie
14/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

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	As to PRC law: **Allbright Law Offices** 11, 12/F, Shanghai Tower 501 Yincheng Middle Road Pudong New Area Shanghai PRC
Legal Advisors to the Sole Sponsor and the [REDACTED]	*As to Hong Kong law and U.S. law:* **Sidley Austin** Level 39, Two International Finance Centre 8 Finance Street Central Hong Kong *As to PRC law:* **Jingtian & Gongcheng** 34/F, Tower 3 China Central Place 77 Jianguo Road Chaoyang District Beijing, PRC
Auditors and Reporting Accountants	**KPMG** *Certified Public Accountants* 8th Floor, Prince's Building 10 Chater Road Central, Hong Kong
Industry Consultant	**China Insights Industry Consultancy Limited** 10F, Block B Jing'an International Center 88 Puji Road Jing'an District Shanghai, PRC

[REDACTED]

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CORPORATE INFORMATION

Registered Office in the PRC	No. 30, 4th Zhong Nan Street Tianjin Economic-Technological Development Area Tianjin, PRC
Headquarters and Principal Place of Business in the PRC	No. 30, 4th Zhong Nan Street Tianjin Economic-Technological Development Area Tianjin, PRC
Principal Place of Business in Hong Kong	Room 1920, 19th Floor, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Company's Website	**www.wybotics.com** *(the information contained on the website does not form part of this document)*
Joint Company Secretaries	**Li Hui (李暉)** 7-1-704, Hongcheng Baili Garden Hedong District, Tianjin PRC **Tang Ka Yan (鄧嘉欣)** *(Chartered Secretary, Chartered Governance Professional, Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* Room 1920, 19th Floor, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Authorized Representatives	**Li Hui (李暉)** 7-1-704, Hongcheng Baili Garden Hedong District, Tianjin PRC **Tang Ka Yan (鄧嘉欣)** Room 1920, 19th Floor, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong

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Audit Committee	Duan Yong (段詠) *(Chairman)* Wang Lianen (王連恩) Xu Jiayuan (許佳媛)
Remuneration Committee	Wang Lianen (王連恩) *(Chairman)* Duan Yong (段詠) Fu Guilan (付桂蘭)
Nomination Committee	Xu Jiayuan (許佳媛) *(Chairman)* Duan Yong (段詠) Cen Pu (岑璞)
Strategy Committee	Wang Lianen (王連恩) *(Chairman)* Xu Jiayuan (許佳媛) Yu Qian (余淺)
Compliance Advisor	**Halcyon Capital Limited** Room 3401, 34/F, Hopewell Centre 183 Queen's Road East, Wanchai Hong Kong

[**REDACTED**]

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Principal Banks

China Merchants Bank Co., Ltd. Tianjin Yingshui Road Branch
No. 22, Yingshui Road,
Building 3 Extension,
Nankai District, Tianjin,
PRC

Zhejiang Commercial Bank Co., Ltd. Tianjin Branch
No. 37, Youyi North Road,
Hexi District, Tianjin,
PRC

CITIC Bank Tianjin Branch
No. 162, Zhang Zizhong Road,
Building 5 Extension,
Heping District, Tianjin,
PRC

Agricultural Bank of China Limited Tianjin Tonglou Branch
1/F, No. 202 Weidi Road,
Hexi District, Tianjin,
PRC

Industrial Bank Co., Ltd. Tianjin Senmiao Branch
Ground Floor Retail Space,
Senmiao Business Plaza,
Wujiaoyao Street,
Hexi District, Tianjin,
PRC

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This section and elsewhere in this document contain certain information, statistics and data which are derived from various official government publications and other publicly available publications, and a report commissioned by us and prepared by our industry consultant, CIC. We believe that the sources of the information in this section and elsewhere in this document are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false in any material respect or misleading. The information, statistics and data from official government sources have not been independently verified by us, the Sole Sponsor, the [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**]*, any of our or their respective directors, officers, employees, advisers or agents or any other party (other than CIC) involved in the* [**REDACTED**]*, and no representation is given as to their accuracy, reliability or completeness. As such, investors are cautioned not to place any undue reliance on the information, including statistics, data and estimates, set out in this section or similar information included elsewhere in this document.*

SOURCES AND RELIABILITY OF INFORMATION

CIC was commissioned to conduct an analysis of, and to report on the global robotic pool cleaner market at a fee of approximately RMB950,000. The commissioned report was prepared by CIC independent from the influence of the Company and other interested parties. CIC's services include, among others, industry consulting, commercial due diligence, and strategic consulting. Its consulting team has been tracking the latest market trends in multiple business sectors, including the consumer goods, enterprise services, transportation, internet, entertainment, environment, industry, energy, chemicals, healthcare, agriculture, and finance, and has the relevant and insightful market intelligence in the above industries.

During the preparation of the commissioned report, CIC conducted both primary and secondary research using a variety of resources. The information and data collected by CIC have been analysed, assessed and validated using CIC's in-house analysis models and techniques.

The market projections in the commissioned report are based on the following key assumptions: (i) the overall social, economic and political environment in China is expected to remain stable during the forecast period; (ii) there is no extreme *force majeure* or unforeseen set of industry regulations in which the market may be affected in either a dramatic or fundamental way; and (iii) relevant key industry drivers including technological advancements, new opportunities in emerging markets, and the popularization of water recreation as mass entertainment are likely to drive the market during the forecast period.

DIRECTORS' CONFIRMATION

After making reasonable inquiries, our Directors confirm that, to the best of their knowledge, there has been no detrimental change in the market information demonstrated in the CIC Report since the date of the report that may qualify, contradict or have an impact on the information in this document.

OVERVIEW OF THE GLOBAL POOL CLEANING MARKET

Overview

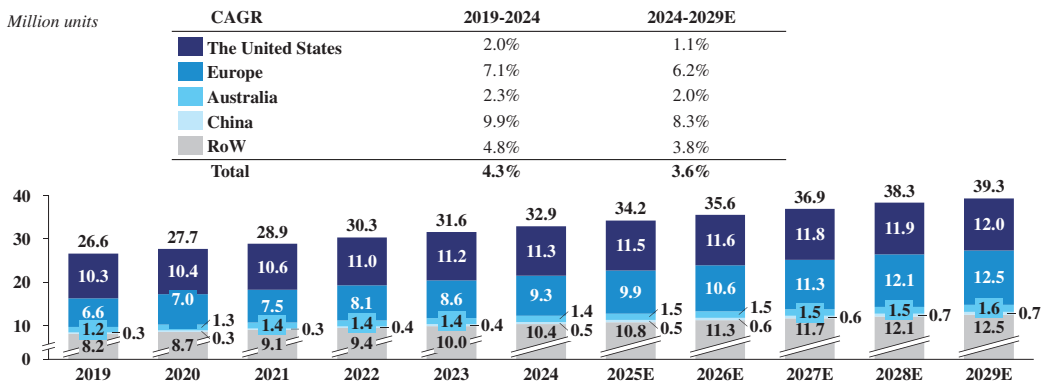
Pool cleaning involves a range of products and services designed to clean pool surface (e.g., bottom, wall, waterline, and water surface) by removing physical debris, organic matter, and contaminants. Pool cleaning can be achieved with a variety of products and services, such as robotic pool cleaners, pool vacuums, chemical products, and manual cleaning products and services. The robotic pool cleaner is an automated pool cleaning equipment, which can automatically walk in the pool to remove sand, dust, impurities, dirt, as well as large size debris on the bottom, wall, and surface of the pool. Robotic pool cleaner, with good waterproof performance, equipped with a path navigation system, can achieve underwater autonomous cleaning function. The robotic pool cleaner offers significant advancements in application scenarios, pool coverage, cost-effectiveness, cleaning efficiency, and ease of use, establishing it as a superior alternative to traditional pool cleaning methods.

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Market Size

Total number of swimming pools globally, including private and public, amounted to around 32.9 million units in 2024, and is expected to further increase to 39.3 million units by 2029, indicating a CAGR of 3.6% between 2024 and 2029. The increase is mainly driven by increasing urbanization and increased number of residential structure, hotels, schools, and other commercial units globally. The United States and Europe are two largest swimming pool market and accounted for around 34.4% and 28.2%, respectively, of the total number of swimming pools globally in 2024.

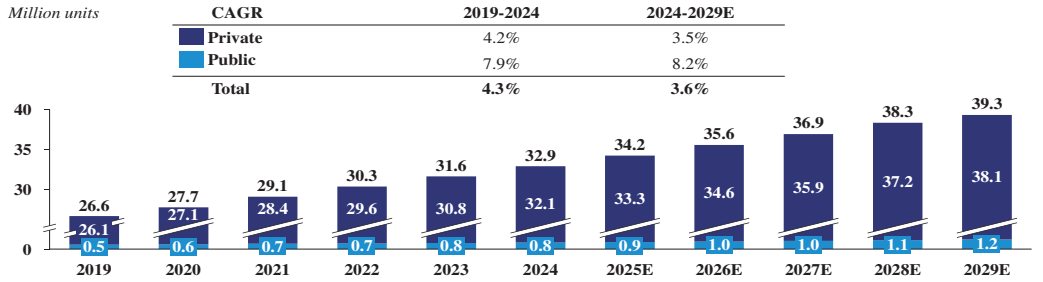
Total number of swimming pools, Global, by country and region, 2019-2029E



Source: National Bureau of Statistics, The European Union of Swimming Pool and Spa Associations (EUSA), Australian Industry and Skills committee, CIC

Swimming pools can be categorized into private swimming pools and public swimming pools. Private swimming pools refer to residential pools owned by individuals while public swimming pools refer to pools built for commercial use and at public facilities. In 2024, there are approximately 32.1 million private swimming pools and 0.8 million public swimming pools globally. Private swimming pools are typically found in residential homes, luxury estates, and private clubs. They offer owners and members exclusive access for leisure, exercise, and relaxation, often featuring personalized amenities and privacy not typically available in public facilities. Public swimming pools are commonly found in hotels, community centres, public parks, sports complexes, schools, and aquatic centres. They serve recreational, fitness, educational, and therapeutic purposes, providing accessible venues for swimming and water-based activities.

Total number of swimming pools, Global, by pool type, 2019-2029E

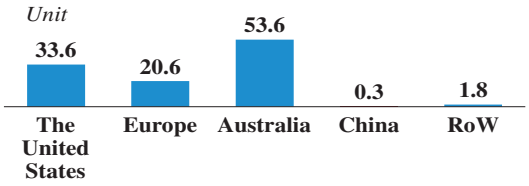


Source: CIC

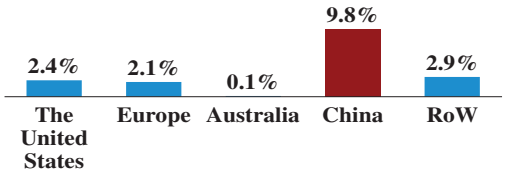
Pool ownership per thousand people varies widely across countries and regions, influenced by cultural preferences, lifestyle choices, climate, and economic factors. In 2024, the United States, Europe, and Australia exhibit significantly higher rate of pool ownership per thousand people compared to China and other regions. Additionally, proportion of public pools also varies widely. Due to higher population density, cultural and social preferences, and affordability and accessibility of public amenities, China has a much higher proportion of public pools compared to other countries and regions.

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Pool ownership per thousand people, by country and region, 2024



Proportion of public pools, by country and region, 2024



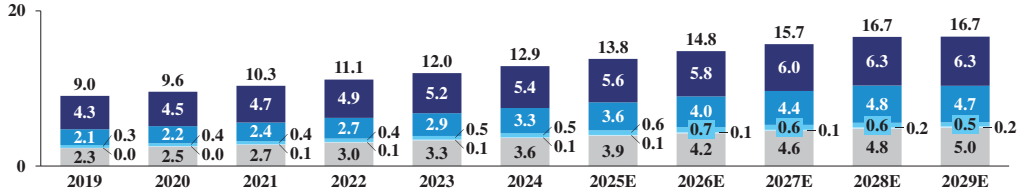
Source: World Bank, CIC

Expenditure on global swimming pool cleaning, which mainly encompasses costs for as robotic pool cleaners, pool vacuums, chemical products, and manual cleaning products and services increased from USD9.0 billion in 2019 to USD12.9 billion in 2024, indicating a CAGR of 7.3% between 2019 and 2024. It is expected to further increase to USD16.7 billion in 2029 with a CAGR of 5.3% between 2024 and 2029 owning to increasing pool ownership, rising standards regarding water quality and safety, economic development, technological advancements, etc.

Expenditure on swimming pool cleaning, Global, by country and region, 2019-2029E

USD billion

CAGR	2019-2024	2024-2029E
The United States	4.7%	3.3%
Europe	9.5%	7.8%
Australia	9.7%	-0.5%
China	16.1%	13.9%
RoW	9.4%	6.4%
Total	**7.3%**	**5.3%**



Source: CIC

OVERVIEW OF THE GLOBAL SMART OUTDOOR LIVING MARKET

Overview

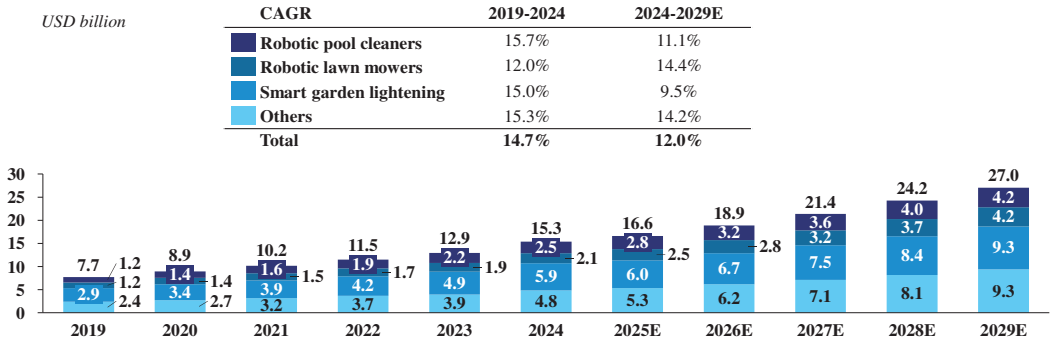
The smart outdoor living market features a range of innovative products including robotic pool cleaners, robotic lane mowers, smart garden lighting, and other advanced equipment. These technologies enhance outdoor living experiences by offering convenience and efficiency, catering to diverse preferences and demonstrating significant growth potential.

Market Size

Global smart outdoor living market size has grown from USD7.7 billion in 2019 to USD15.3 billion in 2024, and is projected to reach USD27.0 billion in 2029, with a CAGR of 12.0% between 2024 and 2029. The market's robust growth trajectory is driven by advancements in technology, increasing disposable incomes, and a growing preference for automated and smart solutions for outdoor living.

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Market size of the global smart outdoor living market, in terms of retail value, 2019-2029E



Source: CIC

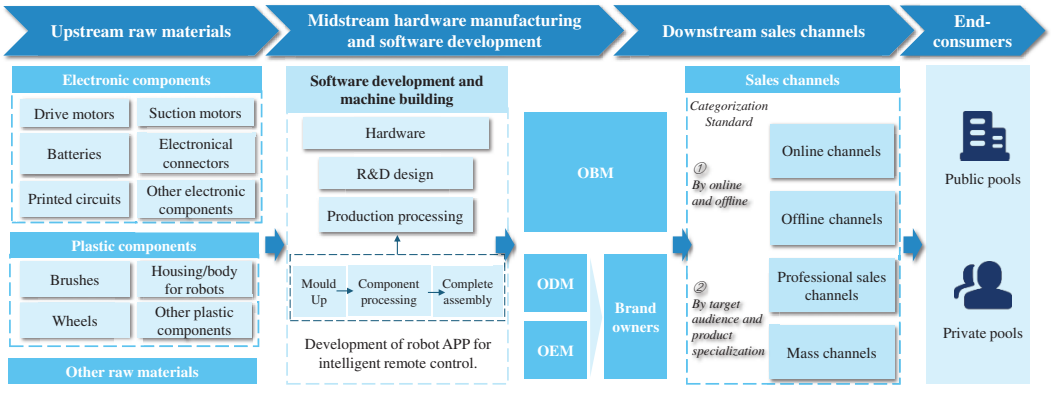
OVERVIEW OF THE GLOBAL ROBOTIC POOL CLEANER MARKET

Overview

Robotic pool cleaners are an indispensable part of both the pool cleaning market and the smart outdoor living market. They revolutionize pool cleaning by offering autonomous cleaning capabilities, reducing the need for manual labour and chemical usage. They can integrate seamlessly with modern home automation systems, allowing remote operation and scheduling via smartphones or smart home devices. Their ability to enhance both cleanliness, convenience, and health makes them a crucial and valued component in these markets.

Robotic pool cleaners are small, wheeled or tracked machines that crawl along the surface of the pool and automatically clean pool bottom, walls, and/or the waterline. Robotic pool cleaners come in various configurations, primarily distinguished by their cable presence. Based on cable presence, they can be categorized into corded robotic pool cleaners and cordless robotic pool cleaners.

Value Chain



Source: CIC

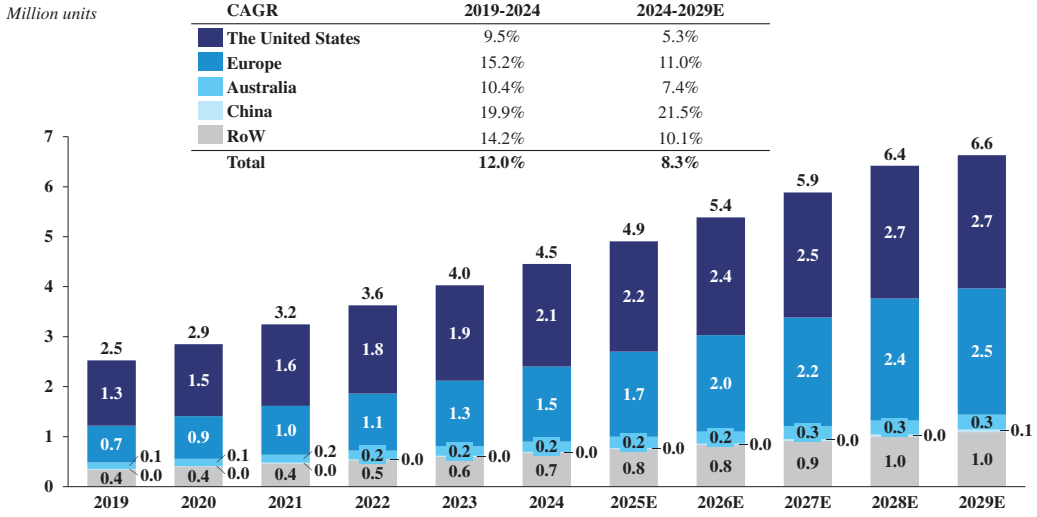
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The upstream of the robotic pool cleaner market consists of electronic components, plastic components, and other raw materials, which are generally available and accessible to purchase. The midstream of the robotic pool cleaner market includes both hardware and software development. Manufacturing companies consists of OEMs, ODMs, and OBMs. OEMs manufacture products based on client designs and ODMs handle both design and production, while OBMs manage the entire process from design to sales under their own brand. The downstream segment involves brand owners, sales channels, and end-consumers. Brand owners focus on product promotion and sales under their own brand but generally lack in-house production capabilities. Sales channels are categorized into online vs. offline, and mass vs. professional channels. In the United States and Europe, professional channels, including specialty stores, pool builders, and service providers, account for major sales. Mass channels, on the other hand, target the general public and retail chains that sell end-user products.

Market Size

The shipment volume of robotic pool cleaners globally surged from 2.5 million units in 2019 to 4.5 million units in 2024, indicating a CAGR of 12.0% between 2019 and 2024. It is expected to further increase to 6.6 million units in 2029 with a CAGR of 8.3% between 2024 and 2029. The United States and Europe dominate the market, accounting for around 46.1% and 33.6%, respectively, of total shipments in 2024. China's robotic pool cleaner market has experienced significant growth over the past five years, with its shipment volume increasing with a CAGR of 19.9% between 2019 and 2024, and is anticipated to continue expanding with a CAGR of 21.5% between 2024 and 2029.

Market size of the global robotic pool cleaner market, in terms of shipment volume, by country and region, 2019-2029E

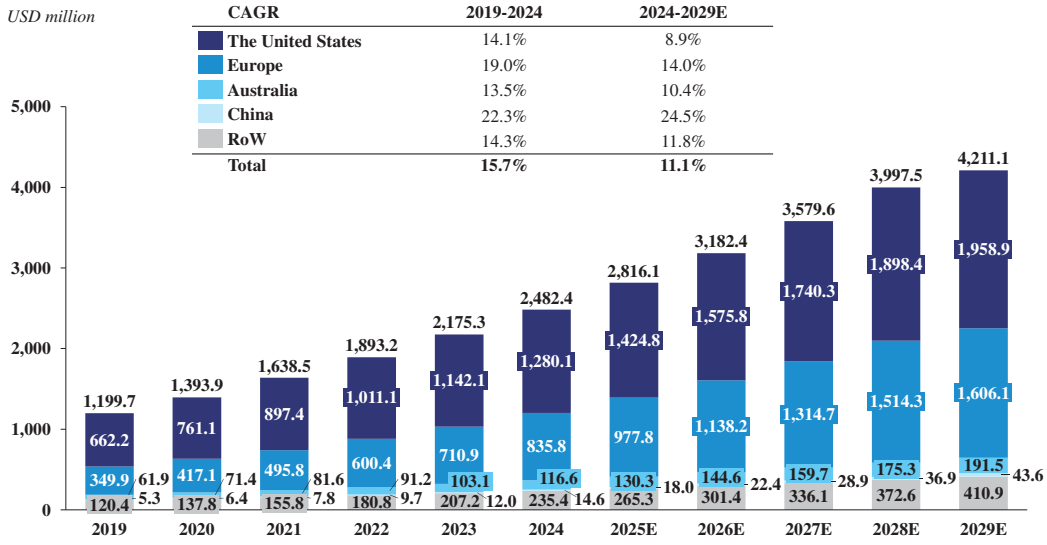


Source: CIC

The global robotic pool cleaner market has outpaced the broader pool cleaning sector, driven by enhanced product reliability and advancing technological capabilities. This has led to a higher penetration rate of robotic pool cleaners and an increase in prices, particularly in the lower to middle-class product segments. The average price of a robotic pool cleaner increased from USD474.7 in 2019 to USD557.1 in 2024. The market size of the global robotic pool cleaner market, in terms of retail value, increased from USD1,199.7 million in 2019 to USD2,482.4 million in 2024, indicating a CAGR of 15.7% between 2019 and 2024. It is expected to further increase to USD4,211.1 million in 2029 with a CAGR of 11.1% between 2024 and 2029.

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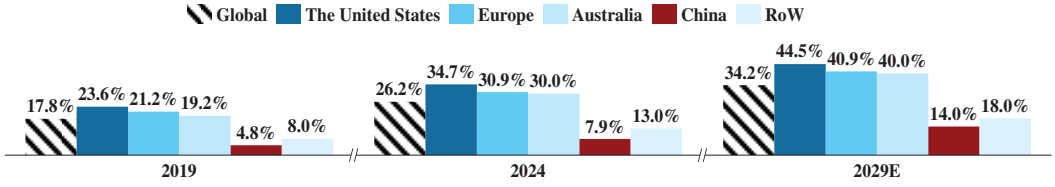
Market size of the global robotic pool cleaner market, in terms of retail value, by country and region, 2019-2029E



Source: CIC

With increasing awareness of the product reliability, superior cleaning quality, and effective market education efforts, the adoption rate of the robotic pool cleaner, in terms of number of pools serviced, has witnessed huge growth in the past five years, increasing from 17.8% in 2019 to 26.2% in 2024. The increase primarily comes at the expense of traditional cleaning solutions like pressure and suction equipment, which are known for their lower efficiency, higher maintenance requirements, increased labour involvement, and louder operational noise compared to robotic pool cleaners. China has a much lower adoption rate compared to developed countries. In 2024, the adoption rate of the robotic pool cleaner in China stands at approximately 7.9%, in contrast to rates of around 34.7% in the United States, 30.9% in Europe, and 30.0% in Australia. The robotic pool cleaner is considered to relatively expensive in China due to the comparatively low cost of manual labour, thereby preventing them from quickly becoming a financially viable alternative to manual workforce. As China's economy and public awareness of health continues to grow and the convenience and effectiveness of robots gain recognition, the adoption rate is expected to increase steadily in China.

Adoption rate of the robotic pool cleaner, in terms of number of pools serviced, by country and region, 2019-2029E



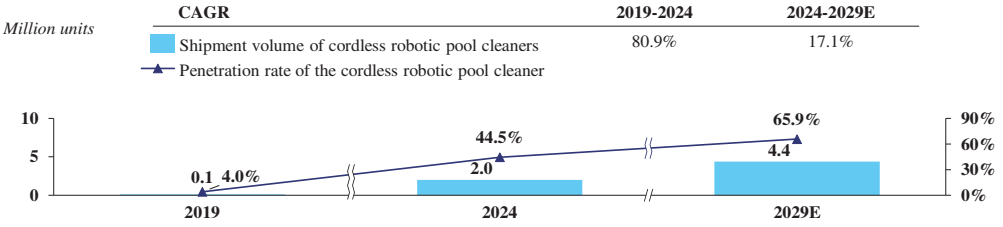
Source: CIC

The cordless robotic pool cleaner market globally has witnessed significant growth these years, increasing from 0.1 million units in 2019 to 2.0 million units in 2024, indicating a CAGR of 80.9% between 2019 and 2024. Cordless robotic pool cleaners are human-free, providing greater convenience and flexibility. They are also more energy-efficient, typically employing smart navigation systems that optimize cleaning routes and minimize power consumption. As the reliability, cost-efficiency, and technology of cordless robotic pool cleaners gradually gain consumer recognition, their sales are rapidly increasing, gradually

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replacing part of corded robotic pool cleaners. The shipment volume of cordless robotic pool cleaners is expected to increase to 4.4 million units in 2029 with a CAGR of 17.1% between 2024 and 2029. The shipment volume of corded robotic pool cleaner increased from 2.4 million units in 2019 to 2.5 million units in 2024, indicating a CAGR of 0.4%. It is expected to decline gradually due to the substitution effect, reaching 2.3 million units in 2029 with a CAGR of -1.8% between 2024 and 2029.

Market size and penetration rate of the global cordless robotic pool cleaner market, in terms of shipment volume, 2019-2029E



Source: CIC

Key Market Drivers

- ***Technological advancements:*** Over the years, technological advancements have addressed the pain points of robotic pool cleaners at the application level, including but not limited to climbing walls, footholds, and steps, wireless charging and underwater charging, human-free operation, and IoT integration. These technological improvements have made robotic pool cleaners more user-friendly, convenient, and cost-efficient, thereby encouraging more purchases.
- ***New opportunities in emerging markets:*** The United States and Europe collectively dominate the robotic pool cleaner market, comprising approximately 80% of global shipments in 2024, despite accounting for only around 10% of the world's population. However, emerging markets like China present significant growth potential. As urbanization and disposable incomes rise, demand for leisure amenities and sports facilities, including public swimming pools in Olympic venues, water parks, schools, hotels, and condominiums, is growing. Robotic pool cleaners offer efficient, cost-effective, and safe solutions that meet high hygiene and maintenance standards, making them attractive investments in China's evolving pool cleaning industry.
- ***The popularization of water recreation as mass entertainment:*** Private pools have now become more accessible and popular among the general public, trending towards mass-market products, due to the increasing interest in outdoor living spaces among different demographics, particularly retiring baby boomers and millennials The pandemic has further heightened the desire for enhanced outdoor spaces as people look for ways to enjoy their homes more fully. Modern pool owners are looking for experiences that promote health, incorporate environmentally friendly products, offer energy efficiency, and include digital features. These informed and socially aware consumers are keen on products that align with these values. Consequently, the rising number of swimming pools and the associated demand for maintenance products, like pool cleaning robots, are propelling the market forward.

Future Trends

- ***Surging technology advancement:*** The robotic pool cleaner market is witnessing significant advancements in intelligent technologies including (i) underwater AI vision, using high-resolution cameras and sensors to detect dirt, debris, and algae in the pool, thus ensuring thorough cleaning; (ii) acoustic positioning, using sound waves to pinpoint the robot's position for precise movement and better pool coverage; (iii) underwater 3D mapping, enabling optimal cleaning routes, obstacle avoidance, and complete area coverage; (iv) underwater communication and remote control, which refer to transmitting signals underwater and operating and controlling robots wirelessly; (v) more convenient and sustainable charging methods, like solar charging, making robotic cleaner maintenance easier.

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- ***Diversified application scenarios:*** Robotic pool cleaners are expanding beyond swimming pools to SPAs, water parks, and aquariums due to their safety, cost-effectiveness, and efficiency. In aquariums, they reduce the need for divers, lowering both risk and maintenance costs. In SPAs and water parks, they offer convenient cleaning solutions that improve hygiene and water quality while minimizing downtime. This versatility is driving further innovation and adoption across various aquatic environments.
- ***Shifting towards online purchasing channels:*** The purchasing behaviour of consumers is shifting, with an increasing preference for online channels, driven by consumer demand for convenience, better information, and a broader selection of products. Application of E-commerce platforms are growing. Websites such as Amazon, Alibaba, and specialized retailers offer a wide range of products, detailed descriptions, and customer reviews, helping consumers make informed decisions. Direct-to-consumer sales is another major trend. This approach allows companies to provide better customer support, build brand loyalty, and offer competitive pricing.
- ***Cordless robotic pool cleaners will become mainstream:*** Cordless robotic pool cleaners are gaining popularity due to their greater agility and ease of use compared to traditional models. Free from the limitations of power cords, they can navigate the entire pool more efficiently, avoiding entanglement and improving coverage. Equipped with advanced battery technology, they offer longer operational periods and quicker recharging times. This combination of convenience and efficiency is driving increased demand for cordless models, as consumers prefer hassle-free pool maintenance solutions.

COMPETITIVE LANDSCAPE OF THE GLOBAL ROBOTIC POOL CLEANER MARKET

Overview

The global robotic pool cleaner market is highly concentrated with the top five players with manufacturing capability accounting for around 74.9% of market share, by shipment volume of self-manufactured products in 2024. Our Company is the third largest manufacturer of robotic pool cleaners globally, accounting for a market share of around 9.2% of the market share in 2024, and the largest robotic pool cleaner manufacturer in China.

Top five robotic pool cleaner manufacturers, Global, by shipment volume of self-manufactured products in 2024

Ranking	Company	Market share	Listing status
1	Company A[(1)]	34.8%	Public
2	Company B[(2)]	18.5%	Public
3	***Our Company***	***9.2%***	***Private***
4	Company C[(3)]	6.7%	Public
5	Company D[(4)]	5.6%	Private
	Subtotal	**74.9%**	
	Total	**100.0%**	

(1) Established in 1983 and based in Israel, Company A is a public company focusing on pool cleaning products for both private and public pools.

(2) Established in 1969 and based in Spain, Company B is a public company that designs, manufactures, and distributes products and services for the construction, maintenance, refurbishment, and improvement of private and public pools.

(3) Established in 1997 and based in China, Company C is a public company specializing in designs, manufacturers, and distributes lithium-ion products, with a small business sector also producing electronic products including robotic pool cleaner.

(4) Established in 2022 and based in China, Company D is a private company that designs, manufacturers, and distributes electronical products including speakers and smart robots.

Source: CIC

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The cordless robotic pool cleaner represents the evolution in automated pool cleaning, capable of performing all cleaning tasks autonomously and powered by rechargeable batteries. Among the top players in this market segment, the leading five companies collectively held approximately 51.5% of the total market share in 2024, measured by shipment volume of self-manufactured products. We ranked first with a market share of 19.7% in 2024 as measured by the same metric.

Top five cordless robotic pool cleaner manufacturers, Global, by shipment volume of self-manufactured products in 2024

Ranking	Company	Market share	Listing status
1	***Our Company***	***19.7%***	***Private***
2	Company C	15.1%	Public
3	Company D	12.6%	Private
4	Company E[(1)]	2.5%	Private
5	Company F[(2)]	1.5%	Private
	Subtotal	**51.5%**	
	Total	**100.0%**	

(1) Established in 2023 and based in China, Company E is a private company that specializing in manufacturing robots including cordless robotic pool cleaners.

(2) Established 2015 and based in China, Company F is a private company that manufacturing sauna, pool, and spa equipment.

Source: CIC

Entry Barriers and Key Success Factors

- ***Technological capabilities:*** Developing robotic pool cleaners demands specialized expertise and in-depth industry know-how. Engineers and designers must integrate advanced electronic and mechanical systems that perform intelligent cleaning operations underwater and endure harsh conditions of pool environments over extended periods. Achieving durable, reliable performance requires rigorous testing and continuous refinement to meet stringent quality standards and customer expectations.

- ***Presence at the professional market:*** Professional sales channels account for most of the robotic pool cleaner sales. New entrants face challenges in accessing these channels due to established relationships, rigorous quality standards, and high expectations for reliability and performance.

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- ***Established online channels:*** The global shifts towards online shopping has greatly impact the robotic pool cleaner market. Online channels offer greater convenience and better price/quality ratio compared to traditional offline channels. Established online channels pose a significant barrier to new entrants in the robotic pool cleaner market due to their strong customer trust, competitive digital marketing landscape, and efficient logistics. New entrants struggle to match the visibility, brand recognition, and logistical capabilities of incumbents.

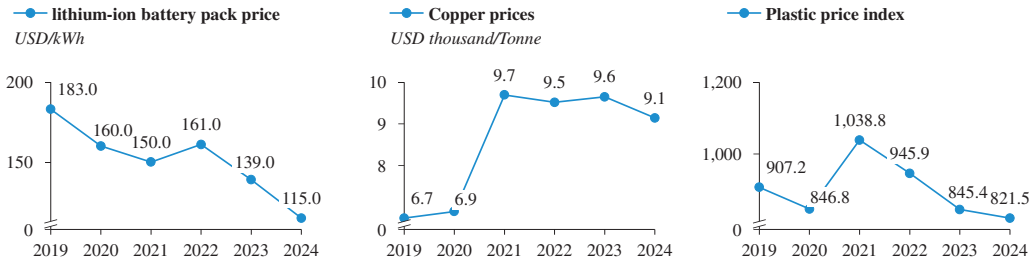
- ***Manufacturing capabilities:*** Effective and reliable manufacturing capability ensures superior product quality, consistency, cost efficiency, and streamlined supply chains. A strong manufacturing capability not only supports the production of high-quality robotic pool cleaners but also enables brand owners to innovate, scale, and maintain competitiveness in the market while meeting stringent quality standards and customer expectations.

- ***Brand awareness:*** Established brands in the robotic pool cleaning market have built strong reputations over years, focusing on quality, reliability, innovation, and service. Their track record in customer satisfaction and effective marketing has earned consumer trust. New entrants must overcome the challenge of building recognition and trust, requirement significant investments in marketing, customer education, and developing loyal customer bases.

COST ANALYSIS

The major raw materials of robotic pool cleaners included lithium-ion battery packs, plastics and copper. In 2024, lithium-ion battery prices declined further to USD115.0 per kWh. Copper prices recorded an overall increase from 2019 and stabilized at the price of USD9,142 per tonne in 2024. The plastic price index was 821.5 in 2024, reflecting moderate variations over the years. The following graphs set forth historical prices of major raw materials and components for the periods indicated:

Prices of major raw materials, 2019-2024



Note: The base year for the plastic price index is 2010 (Index = 1000).

Source: Bloomberg NEF, London Metal Exchange, China Plastic City, CIC

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This section sets forth a summary of the most significant PRC laws, rules and regulations that affect our current business activities in the PRC. This summary does not purport to be a complete description of all the PRC laws, rules and regulations which are applicable to our business and operations in the PRC. Should note that the following summary is based on relevant laws and regulations in force as of the date of the Document, which may be subject to changes in line with the amendments to such laws and regulations.

INDUSTRIAL POLICES

On March 12, 2021, the NPC approved the Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and Long-Range Objectives for 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), proposing to foster advanced manufacturing clusters and promote the innovation and development of industries such as integrated circuits, aerospace equipment, high-tech ships and ocean engineering equipment, robots, advanced railway equipment, advanced power equipment, engineering machinery, high-end CNC machine tools, medicine and medical equipment.

According to the Guiding Opinions on Accelerating the Cultivation and Development of High-quality Manufacturing Enterprises (《關於加快培育發展製造業優質企業的指導意見》) which was promulgated by the Ministry of Industry and Information Technology of the PRC (the "MIIT"), the Ministry of Science and Technology of the PRC, the Ministry of Finance of the PRC (the "MOF"), the MOFCOM, the State-owned Asset Supervision and Administration Commission and the China Securities Regulatory Commission (the "CSRC") and came into effect on June 1, 2021, the state put forward 10 guiding opinions, including relying on high-quality enterprises to set up innovation consortiums or strategic alliances for technological innovation to carry out collaborative innovation, and to increase the research and demonstration application of key core technologies, products, and equipment in the fields of basic components, basic electronics components, basic software, basic materials, basic processes, high-end instrumentation, integrated circuits, network security and other areas of key core technologies, products, equipment research and demonstration applications. Promote the opening up of national major scientific research infrastructure and large-scale scientific research instruments to high-quality enterprises, and build production and application demonstration platforms and public service platforms for industrial technology foundation.

Pursuant to the 14th Five-Year Plan for National Informatization (《"十四五"國家信息化規劃》) issued by the Office of the Central Committee Cyberspace Affairs Commission and came into effect on December 27, 2021, China's major tasks and key projects include "Building Innovative Development Systems to Liberate Digital Productive Forces", which involves: accelerate tackling of key problems in critical integrated circuit technology; promote innovation in computing chips, storage chips, etc.; accelerate research and development of critical materials such as integrated circuit design tools, prioritized equipment and high-purity targets, promote breakthroughs in specialized crafts such as insulated gate bipolar transistors (IGBTs), Micro-Electro-Mechanical Systems (MEMSs), etc.

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According to the Notice by the State Council on Promulgation of Issuing the Several Policies for Promoting the High-Quality Development of the Integrated Circuit Industry and the Software Industry in the New Era (《國務院關於印發<新時期促進集成電路產業和軟件產業高質量發展若干政策>的通知》) which was promulgated by the State Council on July 27, 2020, the state point out that the integrated circuit industry and the software industry are the core of the information industry, and they are the key forces leading the new round of scientific and technological revolution and industrial change. The State Council puts forward 37 policies and measures to support the development of integrated circuit industry and software industry in eight aspects, such as fiscal and tax incentives, support for investment and financing, and protection of intellectual property rights.

REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS

The Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) was promulgated by the SCNPC on May 12, 1994, which was most recently amended on December 30, 2022 and came into effect on the same date. Before December 30, 2022, any foreign trade business operator engaged in the import and export of goods or technologies must go through the record filing and registration formalities with the MOFCOM or the agency entrusted by the MOFCOM, however, according to the latest amendment, such record filing and registration formalities are no longer required from December 30, 2022.

According to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987 and last amended on April 29, 2021, and the last amendment of which became effective on the same date, the General Administration of Customs of the PRC (the "GACC") is the state's entry and exit customs supervision and administration authority. According to the Customs Law of the PRC and other relevant laws and administrative regulations, the Customs of PRC supervises the transport, goods, luggage, postal items and other articles entering and leaving Chinese territory, levies Customs duties and other taxes and fees, investigates and counters smuggling, compiles Customs statistics and handles other Customs affairs. The consignee or the consignor of imports or exports may complete the declaration formalities for inspection on its own or by entrusting a declaration agency enterprise to complete the declaration formalities for inspection and complete the filing formalities with the immigration inspection and quarantine authorities in accordance with relevant laws and regulations.

According to the Administrative Provisions of the Customs of the People's Republic of China on Record-filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the GACC on November 19, 2021 and came into effect on January 1, 2022, customs declaration entities mean consignees or consignors of imports and exports and customs declaration enterprises which have filed for record with the Customs pursuant to these Provisions. Consignees or consignors of imported and exported goods and customs declaration enterprises applying for filing shall obtain market entity qualification; in the case of consignees or consignors of imports and exports applying for filing, they shall also complete filing formalities for foreign trade business operators. According to the Notice by the Department of Enterprise Management and Audit-Based Control of Matters Concerning the Recordation of the

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Consignees and Consignors of Imported and Exported Goods (《企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》), promulgated by the GACC on January 3, 2023 and took effect on the same day, a consignee or consignor of imported or exported goods who applies for recordation shall be qualified as a market entity and is not required to complete such filing formalities for foreign trade business operators.

REGULATIONS ON PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993, which took effect on September 1, 1993 and was last amended on December 29, 2018 with effect on the same day, industrial products which may be hazardous to health, personal safety or the safety of property for sale must satisfy relevant safety standards and sellers shall adopt measures to maintain the quality of products for sale. Sellers shall not mix impurities or imitations into products, or pass counterfeit goods off as genuine ones, or defective products as good ones or substandard products as standard ones. For sellers, any violation of state or industrial standards for health and safety or other requirements may result in civil liabilities and administrative penalties, such as compensation for damages, fines, confiscation of products illegally manufactured or sold and the proceeds from the sales of such products illegally manufactured or sold, and even revoking business licenses; in addition, severe violations may subject the responsible individual or enterprise to criminal liabilities. Victims who suffer physical injuries or property (other than the defective product) losses due to product defects may demand compensation from either the producer or the seller. Where the liability lies with the producer, the seller shall, after settling the claim, have the right to recover such claim from the producer, and vice versa.

REGULATIONS ON PRODUCTION SAFETY

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》) promulgated by the SCNPC on June 29, 2002, last amended on June 10, 2021 with effect on September 1, 2021, business entities shall strengthen their work safety management, enhance work safety conditions, promote work safety standardization and improve work safety levels. Entities which cannot meet the safety conditions prescribed by laws, regulations and national or industry standards shall not engage in production or other business activities. To ensure work safety rules are observed in the production process, business entities shall establish and improve their work safety responsibility systems and work safety policies which specify responsible person(s) at each position, the scope of duties and evaluation criteria. Business entities shall provide their employees with labor protection equipment and work safety training. Where the primary person-in-charge of a business entity fails to perform his or her duties in respect of work safety, he or she would be subject to legal liabilities, depending on the seriousness of the relevant work safety accidents.

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REGULATIONS ON FIRE PREVENTION

The Fire Prevention Law of the PRC (《中華人民共和國消防法》) (the "Fire Prevention Law") was issued by the SCNPC on April 29, 1998, became effective on September 1, 1998 and was last amended and implemented on April 29, 2021. According to the Fire Prevention Law, for special construction projects stipulated by the housing and urban-rural development authority of the State Council, the developer shall submit the fire safety design documents to the housing and urban-rural development authority for examination, while for construction projects other than those stipulated as special development projects, the developer shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire safety design drawings and technical materials which satisfy the construction needs. Pursuant to the Fire Prevention Law, the construction project that fails to complete as-built acceptance check on fire prevention shall be ordered by the competent government authorities to close and shall be fined not less than RMB30,000 but not more than RMB300,000.

According to Interim Regulations on Administration of Examination and Acceptance of Fire Prevention Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) issued by the Ministry of Housing and Urban-Rural Development of the PRC on April 1, 2020, last amended on August 21, 2023 and effective on October 30, 2023, an examination system for fire prevention design and acceptance only applies to special construction projects, and for other projects, a record-filing and spot check system would be applied.

REGULATIONS RELATING TO LAND, PLANNING AND CONSTRUCTION PERMITS

Land Use Rights

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986, last amended on August 26, 2019 with effect from January 1, 2020, the State-owned lands use rights might be transferred or allotted to construction entities or individuals in accordance with the law. According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》), promulgated by the State Council on November 24, 2014, last amended on March 10, 2024 and brought into effect on May 1, 2024, the real estate registration shall be conducted by the real estate registration authorities of the people's government at or above the county level.

According to the Civil Code of the PRC (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and implemented on January 1, 2021 (the "**Civil Code**"), the creation, alteration, alienation, or extinguishment of a real right of the immovable property that is required by law to be registered becomes effective at the time when it is recorded in the register of immovable property. The real right certificate for immovable property is the proof of a right holder's entitlement to the real right in the immovable property.

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The Interim Regulations on Real Estate Registration and the Detailed Rules for the Implementation of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) promulgated on January 1, 2016 and last amended by the Ministry of Nature Resources of the PRC and brought into effect on May 9, 2024, provide that, among others, the State implements a uniform real estate registration system and the registration of real estate shall be strictly administered and carried out in a stable and continuous manner that provides convenience for people.

REGULATIONS RELATING TO LEASING

According to the Urban Real Estate Administration Law of the PRC (《中華人民共和國城市房地產管理法》) promulgated by the SCNPC on July 5, 1994, which last amended on August 26, 2019 and became effective on January 1, 2020, when leasing a house, the lessor and lessee shall sign a written lease contract, prescribing such provisions as the leasing term, use of the house, rental and repair liabilities, and other rights and obligations of both parties; and go through registration procedures for record with the real estate administration department.

Pursuant to the Civil Code, a lessee may, upon the lessor's consent, sublease the leased object to a third person. The lease contract between the lessee and the lessor shall continue to be valid despite the sublease by the lessee, and if the third person causes loss to the leased object, the lessee shall bear the liability for compensation. Where a lessee subleases the leased object without the consent of the lessor, the lessor may rescind the contract. Where a lessee, upon consent of the lessor, subleases the leased object to a third person, if the term of the sublease exceeds the remaining term of the lessee, the sublease in the period in excess of the original term shall not be legally binding on the lessor unless otherwise agreed by the lessor and the lessee.

According to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and became effective on February 1, 2011, the parties to the house leasing shall enter into a lease contract according to laws, and the lease contract shall be registered with the relevant construction or real estate authorities at the city or county level within 30 days from execution of the lease contract. If the contents of the house lease registration and filing are changed, the lease is renewed or the lease is terminated, the parties concerned shall complete formalities for the modification, renewal or cancelation of the house lease registration and filing with the original leasing registration and filing authorities within 30 days. A house falling within any of the following circumstances may not be leased: (i) it is an illegally built house; (ii) it fails to conform to the mandatory standards for project construction with respect to safety and disaster prevention; (iii) the original use of the house has been changed in violation of the relevant provisions; or (iv) it falls within any other circumstance under which it is prohibited by any law or regulation from being leased. If the parties involved in the house leasing fail to go through the registration and filing procedures or violate the above regulations, the parties involved in the house leasing will be ordered to make corrections, and if they fail to make corrections within the time limit, they will be fined.

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REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Environmental Protection

Pursuant to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) which was promulgated by the SCNPC on December 26, 1989 and was last amended on April 24, 2014 and brought into effect on January 1, 2015, the environmental protection administrative department of the State Council is responsible for the overall supervision and administration of the environment across the country and for setting the national environmental quality standards, pollutant discharge standards and a system for the supervision of the environment in China. Provincial governments may formulate local environment quality standards if no provisions have been made in the national standards with respect to pollutant discharge. A provincial government may formulate any local environmental quality standards stricter than the national standards in respect of any environmental items and such local environmental quality standards shall be filed with the environmental protection administrative department of the State Council for record.

Pursuant to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) (the "Environmental Impact Assessment Law") promulgated by the SCNPC on October 28, 2002 and last amended and brought into effect on December 29, 2018, and the Administrative Regulations on Environment Protection for Construction Project (《建設項目環境保護管理條例》) which was promulgated by the State Council and became effective on November 29, 1998 and was last amended on July 16, 2017 and brought into effect on October 1, 2017, the State implements classified administration over the assessment of the environmental impacts of construction projects according to the estimated level of such impact on the environment. Prior to the commencement of construction, environmental impact assessment documents of the construction project shall be reviewed and approved or recorded by the competent administrative authority of environmental protection in accordance with the following rules:

For projects with potentially serious environmental impact, an environmental impact report shall be prepared to provide a comprehensive assessment of their environmental impacts;

For projects with potentially mild environmental impact, an environmental impact statement shall be prepared to provide an analysis or specialized assessment of their environmental impacts; and

For projects with very small environmental impact so that an environmental impact assessment is not required while an environmental impact registration form shall be filled out.

A construction entity shall be punished in accordance with the Environmental Impact Assessment Law if it: (i) commences construction before submitting the environmental impact report or environmental impact statement of the construction project for approval or re-examination in accordance with the law; (ii) commences construction without authorization

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before the environmental impact report or environmental impact statement of the construction projects is approved or approved after re-examination; or (iii) fails to file the environmental impact registration form of the construction project for record in accordance with the law.

Solid Waste

According to the Law of the PRC on the Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》) promulgated by the SCNPC on October 30, 1995, last amended on April 29, 2020 and implemented on September 1, 2020, the construction of projects involving generation, storage, utilization and disposal of solid wastes shall be subject to an environmental impact assessment. The necessary supporting facilities for the prevention and control of environmental pollution caused by solid wastes as specified in the environmental impact assessment document of a construction project are required to be designed, constructed and put into use simultaneously with the main part of the construction project.

Regulations Relating to Pollutant Discharge Permits

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

REGULATIONS RELATING TO DATA, CYBER AND INFORMATION SECURITY

According to the Civil Code, natural person's personal information shall be protected by law, and the processing of personal information shall be subject to the principle of legitimacy, rightfulness and necessity, with no excessive processing.

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "Cybersecurity Law"), which became effective on June 1, 2017. According to the Cybersecurity Law, network operators must comply with applicable laws and regulations and fulfill their obligations to safeguard cybersecurity in conducting

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business and providing services. For the construction and operation of the network or the provision of services through the network, technical and other necessary measures shall be taken as required by law and the compulsory requirements of national standards to ensure the safe and stable operation of the network, respond to cybersecurity incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. Network operators shall not collect personal information irrelevant to their services. In the event of any disclosure, damage or loss of or possible disclosure, damage or loss of collected personal information, network operators shall take immediate remedial measures, notify the users and report the incidents to the relevant authorities in a timely manner.

The Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "PRC Data Security Law") was released by the SCNPC on June 10, 2021 and became effective on September 1, 2021. The PRC Data Security Law stipulates the measures to support and promote data security and development, to establish and optimize the national data security management system, and to clarify organizations' and individuals' responsibilities in data security. The PRC Data Security Law introduces a data classification and hierarchical protection system based on the materiality of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or entities when such data is tampered with, destroyed, divulged, or illegally acquired or used. It also provides a security review procedure for the data processing activities which may affect national security.

On December 28, 2021, the Cyberspace Administration of China (the "CAC") and certain other PRC regulatory authorities published the Cybersecurity Review Measures (2021) (《網絡安全審查辦法(2021)》), which became effective on February 15, 2022. Pursuant to the measures, critical information infrastructure operators (the "CIIO") that purchase network products and services and network platform operators engaging in data processing activities that affect or may affect national security must be subject to the Cybersecurity Review. However, the Cybersecurity Review Measures (2021) (《網絡安全審查辦法(2021)》) does not define what constitutes "affect or may affect national security," and the PRC government would have broad discretion over the interpretation of this term.

The Regulation on Network Data Security Management (《網絡數據安全管理條例》), which was promulgated by the State Council on September 24, 2024 and became effective on January 1, 2025, aims to regulate network data processing activities, ensure the security of network data, promote the reasonable and effective use of network data in accordance with the law, protect the legitimate rights and interests of individuals and organizations, and safeguard national security and public interests. This regulation puts forward general requirements and provisions for network data security, further specifies rules concerning personal information protection, and fine-tunes mechanisms for the management of important data.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the "PIPL") was promulgated by the SCNPC on August 20, 2021 and became effective on November 1, 2021. The PIPL stipulates the definition and type of personal information and

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the ways of processing personal information, establishes rules for processing personal information and for providing personal information to overseas recipients, and clarifies the individual's rights and the processor's obligations in the process of personal information processing. Personal information, as defined in PIPL, refers to information related to identified or identifiable natural persons and recorded by electronic or other means, but excluding anonymized information. The PIPL applies to (i) the processing within the territory of the PRC of natural persons' personal information; or (ii) the processing outside the territory of the PRC over personal information of natural persons within the PRC, provided that such information is processed (a) for the purpose of providing products or services to domestic natural persons, (b) to analyze or assess the conduct of domestic natural persons, or (c) under any other circumstances as prescribed by laws and administrative regulations.

On July 7, 2022, the CAC promulgated the Security Assessment Measures for Data Provision Abroad (《數據出境安全評估辦法》) (the "Security Assessment Measures"), which came into effect on September 1, 2022. The Security Assessment Measures specifies the circumstances where a cross-border data transfer is subject to security assessment. Specifically, according to Article 4 of the Security Assessment Measures, a data processor needs to apply for a security assessment of its cross-border data transfer activities in any of the following situations if one of the following thresholds is triggered: (i) it provides important data to a recipient outside of the PRC; (ii) it is a critical information infrastructure operator or it processes the personal information of more than one million individuals and provides personal information to a recipient outside of the PRC; (iii) it has exported the personal information of more than 100,000 individuals in aggregate or the sensitive personal information of more than 10,000 individuals in aggregate since January 1 of the previous year; or (iv) other circumstances subject to a security assessment as required by the CAC. The Security Assessment Measures also provides specific procedures for a security assessment, as well as important factors to be considered in conducting security assessments.

The Measures on the Standard Contract for Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》) which was issued by the CAC on February 22, 2023 and took effect on June 1, 2023 specifies the detailed requirements for concluding and filing the standard contract of outbound transfer of personal information, which is one of the compliance mechanism for personal information export.

On December 8, 2022, the MIIT promulgated the Administrative Measures on Data Security in the Field of Industry and Information Technology (for Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》), which became effect on January 1, 2023. The Measures applies to the data processing activities in the field of industry and information technology carried out within the territory of China, and sets out a series of data security protection obligations for data processors in such field, such as establishing a full life-cycle data security management system, appointing data security management personnel, and conducting filings for the important data and core data processed by the data processors.

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According to the Regulations on Promoting and Regulating Cross-Border Data Transfer (《促進和規範數據跨境流動規定》) (Decree No. 16 of the Cyberspace Administration of China) issued by the CAC and effective on March 22, 2024, data processors other than operators of critical information infrastructure who provide important data overseas or to who have provided personal information (excluding sensitive personal information) of more than one million people or sensitive personal information of more than 10,000 people cumulatively since January 1 of that year should declare security assessment for cross-border data transfers, except for those specified in Articles 3, 4, 5, and 6 of the regulations. According to the relevant provisions of Articles 2 and 3 of the regulations, data collected and generated in activities such as international trade and provided overseas, excluding personal information or important data, are exempt from the requirement of declaring security assessment for cross-border data transfers, establishing the standard contract for cross-border transfer of personal information, and obtaining personal information protection certification. Additionally, if such data has not been notified or publicly disclosed by relevant departments or regions as important data, data processors do not need to declare security assessment for cross-border data transfers. According to Articles 4, 5, and 6 of the regulations, the following are the main exemptions from the requirement to declare security assessment for cross-border data transfers, establish the standard contract for cross-border transfer of personal information, and obtain personal information protection certification: (i) providing personal information collected and generated overseas by data processors overseas after being processed in China without involving domestic personal information or important data; (ii) providing personal information overseas is necessary for entering into or performing contracts in which individuals are parties, such as cross-border shopping, cross-border mailing, cross-border remittances, cross-border payments, cross-border account opening, air ticket and hotel reservations, visa processing, exam services, etc.; (iii) providing employee personal information overseas is necessary for implementation of cross-border human resources management in accordance with legally formulated labor rules and regulations and legally signed collective contracts; (iv) providing personal information overseas is necessary to protect the life, health, and property safety of natural persons in emergency situations; (v) data processors other than operators of critical information infrastructure have provided personal information (excluding sensitive personal information) overseas of less than 100,000 people cumulatively since January 1 of the that year; (vi) data processors in pilot free trade zones provide data overseas outside the Negative List formulated, approved, and filed by the pilot free trade zone in accordance with the law. In case of any inconsistency between the Regulations and other regulations such as the Security Assessment Measures for Cross-border Data Transfers (《數據出境安全評估辦法》) (Decree No. 11 of the Cyberspace Administration of China) issued on July 7, 2022 and the Measures on the Standard Contract for Cross-border Transfer of Personal Information (《個人信息出境標準合同辦法》) (Decree No. 13 of the Cyberspace Administration of China) issued on February 22, 2023, the Regulations shall prevail.

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REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Patent

Patents in the PRC are principally protected under the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984, came into effect on April 1, 1985, and was last amended on October 17, 2020 with effect from June 1, 2021, as well as the Implementation Rules for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, came into effect on July 1, 2001, and was last amended on December 11, 2023 with effect from January 20, 2024. According to the PRC Patent Law and its implementation rules, the duration of a patent right for inventions, utility models and designs shall be 20 years, 10 years and 15 years, respectively, all commencing from the application date.

Copyright

The Copyright Law of the PRC (《中華人民共和國著作權法》), promulgated by the SCNPC on September 7, 1990 and last amended on November 11, 2020 and brought into effect on June 1, 2021, specifies that works of Chinese citizens, legal persons or other organizations, namely ingenious intellectual achievements in the fields of literature, art and science that can be presented in a certain form, whether published or not, shall enjoy the copyright. The copyright holder can enjoy multiple rights, including the right of publication, the right of authorship, and the right of reproduction.

The Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》) (the "Software Copyright Measures"), promulgated by the National Copyright Administration and brought into effect on February 20, 2002, and amended on June 18, 2004 and implemented on July 1, 2004 regulates the registration of software copyright, exclusive licensing contracts for software copyright and transfer contracts. The National Copyright Administration shall be the competent governmental authority for the national administration of software copyright registration and the Copyright Protection Center of China (the "CPCC") is designated as the software registration authority. The CPCC shall grant registration certificates to the Computer Software Copyrights applicants pursuant to the provisions of both the Software Copyright Measures and the Computer Software Protection Regulations (《計算機軟件保護條例》).

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》), which was promulgated by the SCNPC on August 23, 1982, came into effect on March 1, 1983, and last amended on April 23, 2019 with effect from November 1, 2019, as well as the Implementation Regulation of the PRC Trademark Law (《中華人民共和國商標法實施條例》) adopted by the State Council on August 3, 2002, came into effect on September 15, 2002, and was revised on April 29, 2014 with effect from May 1, 2014, registered trademarks are trademarks approved and registered by the Trademark Office of China National Intellectual Property Administration,

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including commodity trademarks, service trademarks, collective trademarks, and certification marks. A trademark registrant enjoys exclusive rights to use a registered trademark, which is protected by the law. The Trademark Law and its implementation regulations set forth an application for trademark registration, which shall be filled in based on the published classification of commodities and services. The description of commodities or services shall be filled in based on the class number and description in the classification of commodities and services; where the commodities or services are not listed in the classification of commodities and services, a statement on the commodities or services shall be attached.

REGULATIONS RELATING TO EMPLOYMENT, SOCIAL INSURANCE AND HOUSING PROVIDENT FUNDS

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994 and last amended and came into effect on December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on June 29, 2007 and amended on December 28, 2012, and came into effect on July 1, 2013 and the Implementation Regulations for the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was issued by the State Council on September 18, 2008 and came into effect on the same day, employers must execute written labor contracts with full-time employees. All employers must comply with local minimum wage standards. Employers must establish a system for labor safety and sanitation that strictly abide by state standards and provide relevant education to its employees. Violations of the Labor Contract Law and the Labor Law may result in the imposition of fines and other administrative and criminal liability in the case of serious violations.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010 and last amended and came into effect on December 29, 2018, an employer is required to make contributions to social insurance schemes for its employees, including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. If the employer fails to make social insurance contributions in full and on time, the social insurance authorities may demand the employer make payments or supplementary payments for the unpaid social insurance premium within a prescribed time limit together with a 0.05% surcharge of the unpaid social insurance premium from the due date. If the payment is not made within such time limit, the relevant administrative authorities will impose a fine ranging from one to three times the total outstanding amount.

According to the Reform Plan of the State Tax and Local Tax Collection Administration System (《國税地税徵管體制改革方案》), which was promulgated by the General Office of the Central Committee of the CPC and the General Office of the State Council on July 20, 2018, commencing from January 1, 2019, all the social insurance premiums, including the premiums of basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance, shall be collected by the tax authorities. According to the Notice on Conducting the Relevant Work Concerning the Administration of Collection of Social Insurance Premiums in a Steady, Orderly and Effective Manner (《關於

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穩妥有序做好社會保險費徵管有關工作的通知》) promulgated by the General Office of the State Taxation Administration (the "STA") and implemented on September 13, 2018 and the Urgent Notice on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated by the General Office of the Ministry of Human Resources and Social Security of the PRC and came into effect on September 21, 2018, all the local authorities responsible for the collection of social insurance are strictly forbidden from conducting self-collection of historical unpaid social insurance contributions from enterprises. The Notice on Implementing the Several Measures to Further Support and Serve the Development of Private Economy (《關於實施進一步支持和服務民營經濟發展若干措施的通知》), promulgated by the STA and implemented on November 16, 2018, repeats that tax authorities at all levels may not organize self-collection of arrears of taxpayers including private enterprises from the previous years. The Notice of General Office of the State Council on Promulgation of the Comprehensive Plan for the Reduction of Social Insurance Premium Rate (《國務院辦公廳關於印發降低社會保險費率綜合方案的通知》), promulgated by the General Office of the State Council on April 1, 2019 and came into effect on the same day, requires steady advancement of the reform of the system of social security fees collection. In principle, the basic pension insurance for enterprise employees and other insurance types for enterprise employees shall be collected temporarily according to the existing collection system to stabilize the payment method. It also emphasizes that the historical unpaid arrears of the enterprise shall be properly treated. In the process of reformation of the collection system, the relevant governmental body is not allowed to conduct self-collection of historical unpaid arrears from enterprises, neither is it allowed to adopt any method of increasing the actual payment burden of small and micro enterprises to avoid causing difficulties in the production and operation of the enterprises.

According to the Administrative Regulations on Housing Provident Fund (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999 and last amended and brought into effect on March 24, 2019, employers are required to make contributions to housing provident funds for their employees. Any entity fails to make payment of housing provident fund within the time limit or has shortfall in payment of housing provident fund will be ordered to make the payment or makeup the shortfall within the prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People's Court.

REGULATIONS RELATING TO TAX

Enterprise Income Tax

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), promulgated by the NPC on March 16, 2007 which became effective on January 1, 2008 and was last amended and came into effect on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》), promulgated by the State Council on December 6, 2007, and was last amended on December 6, 2024 and became effective on January 20, 2025, enterprises are classified as

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resident enterprises and non-resident enterprises. Enterprises which are incorporated in the PRC or incorporated pursuant to foreign laws with their "de facto management bodies" located in the PRC are deemed a "resident enterprise" and subject to an enterprise income tax rate of 25% on their global income. Non-resident enterprises are subject to (i) an enterprise income tax rate of 25% on their income generated by their establishments or places of business in the PRC and their income derived outside the PRC which are effectively connected with their establishments or places of business in the PRC; and (ii) an enterprise income tax rate of 10% on their income derived from the PRC but not connected with their establishments or places of business located in the PRC. Non-resident enterprises without establishment or place of business in the PRC are subject to an enterprise income tax of 10% on their income derived from the PRC. High and new technology enterprises that need the support of the country are entitled to enjoy the reduced enterprise income tax rate of 15%.

Value-added Tax ("VAT")

According to the Provisional Regulations on Value-Added Tax of the PRC (《中華人民共和國增值税暫行條例》), which was promulgated by the State Council on December 13, 1993 and last amended on November 19, 2017 with effect from the same day, together with the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例實施細則》), which was promulgated by the MOF on December 25, 1993, came into effect on the same day and was last amended on October 28, 2011 with effect from November 1, 2011, entities and individuals engaged in selling goods or labor services of processing, repair or maintenance, selling services, intangible assets or immovables within the PRC or importing goods to the PRC are subject to the payment of VAT. Pursuant to the Notice of the Ministry of Finance and the State Taxation Administration on Adjusting Value-Added Tax Rates (《財政部、税務總局關於調整增值税税率的通知》) which was promulgated by the MOF and the STA on April 4, 2018 and became effective on May 1, 2018, a taxpayer who was previously subject to a 17% tax rate on VAT-taxable sales activities shall have the applicable tax rate adjusted to 16%. According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值税改革有關政策的公告》), promulgated by the MOF and the STA and the GACC on March 20, 2019, which came into effect on April 1, 2019, for VAT-taxable sales or imported goods of a VAT general taxpayer previously subject to VAT tax rate of 16%, the tax rate shall be adjusted to 13%. For general VAT taxpayers selling services and intangible assets, the value-added tax rate is 6%.

REGULATIONS RELATING TO FOREIGN EXCHANGE

According to the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and last amended on August 5, 2008 with effect on the same day, the RMB is generally freely convertible for current account items, including the distribution of dividends, trade and service related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside the PRC, unless the prior approval of the State Administration of Foreign Exchange (the "SAFE") or its designated banks is obtained.

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According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated by the SAFE and became effective on June 9, 2016, amended and implemented on December 4, 2023, the settlement of foreign exchange receipts under the capital account (including but not limited to foreign exchange capital and external debts and funds recovered from overseas listing) may convert from foreign currency into RMB on a self-discretionary basis. The ratio of the discretionary exchange rate of foreign exchange receipts under the domestic capital account is tentatively set at 100%. The SAFE may adjust the above ratio in due course according to the balance of payment status.

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

REGULATIONS RELATED TO OUTBOUND INVESTMENTS BY ENTERPRISES

Pursuant to the Administrative Measures on Outbound Investments (《境外投資管理辦法》), which was promulgated by the MOFCOM on March 16, 2009, lastly amended on September 6, 2014 and effective on October 6, 2014, overseas investments of enterprises involving sensitive countries and regions and sensitive industries shall be subject to examination and approval by the competent department of commerce and other overseas investments of enterprises shall be subject to filing. The competent department of commerce shall carry out the administration of overseas investments of enterprises through the overseas investment administration system (境外投資管理系統), and issue to enterprises which have obtained filing or approval a Certificate of Overseas Investments of Enterprises (《企業境外投資證書》). When the domestic institution invests in an overseas enterprise through its overseas subsidiary, it shall report to the competent department of commerce after completing the overseas legal formalities of reinvestment.

Pursuant to the Administrative Measures for the Outbound Investments by Enterprises (《企業境外投資管理辦法》) (the "Enterprise Outbound Investments Measures"), which was promulgated by the NDRC on December 26, 2017 and became effective on March 1, 2018, projects subject to approval are sensitive projects to be carried out by investors either directly or through overseas enterprises controlled thereby and the approval authority is NDRC. Projects subject to filing are non-sensitive projects directly carried out by investors.

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Pursuant to the Provisions on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) promulgated by the SAFE on July 13, 2009 and implemented on August 1, 2009 and the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by the SAFE on February 13, 2015, implemented on June 1, 2015 and was partially repealed on December 30, 2019, stipulates that, upon obtaining the approval for overseas investment, the overseas direct investment of PRC enterprises shall apply for foreign exchange registration to the banks at their places of registration.

REGULATIONS RELATED TO DIVIDENDS

The Enterprise Income Tax Law of the PRC provides that since January 1, 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident enterprise investors which do not have an establishment or place of business in the PRC, or which have an establishment or place of business that is not effectively connected with the relevant income, to the extent such dividends are derived from sources within the PRC.

Pursuant to the Arrangement Between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) and other applicable PRC laws, if a Hong Kong resident enterprise self-assesses that it satisfied the conditions and requirements under such arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (《關於執行稅收協定股息條款有關問題的通知》) issued on February 20, 2009 by the State Administration of Taxation, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment.

According to the Circular on Several Questions regarding the "Beneficial Owner" in Tax Treaties (《關於稅收協定中"受益所有人"有關問題的公告》), which was issued on February 3, 2018 by the State Administration of Taxation and took effect on April 1, 2018, when determining the applicant's status as a "beneficial owner" with respect to the tax treatment of dividends, interest or royalties under certain tax treaties, several factors, including whether the applicant is obligated to pay more than 50% of his or her income over a twelve-month period to residents of a third country or region, whether the business operated by the applicant constitutes actual business activities, and whether the counterparty country or region to the tax treaty does not levy any tax, exempts the relevant income from tax or levies tax at an extremely low rate, will be taken into account and be analyzed according to the actual circumstances of specific cases. The Announcement on Issuing the Measures for the Administration of Non-Resident Taxpayers' Enjoyment of the Treatment under Treaties (《關於發佈<非居民納稅人享受協定待遇管理辦法>的公告》), which was issued on October 14, 2019 and took effect on January 1, 2020, provides that the applicant who intends to prove his or her "beneficial owner" status shall gather and retain relevant documents, and shall submit these documents to the competent tax bureau upon post-request by such tax bureau.

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REGULATIONS RELATING TO OVERSEAS LISTING AND H-SHARE FULL CIRCULATION

Overseas Listing

On February 17, 2023, the CSRC issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Trial Measures") which came into force on March 31, 2023. The Trial Measures regulates overseas securities offering and listing activities by domestic companies in direct or indirect form. The Trial Measures provides that (i) Chinese companies that seek to offer and list securities in overseas markets shall fulfill the filing procedures with the CSRC and report relevant information to the CSRC, and the filing shall be submitted within three working days after the application for an initial public offering is submitted, and (ii) in the event that Chinese companies that have directly or indirectly listed securities in overseas markets intend to conduct follow-on offerings in overseas markets, such companies shall fulfill the filing procedures with and report relevant information to the CSRC, and such filing shall be submitted within three working days after such follow-on offering is completed. Moreover, an overseas offering and listing is prohibited if (i) it is prohibited by provisions in laws, administrative regulations and relevant state rules, (ii) it may endanger national security as reviewed and determined by competent PRC authorities under the State Council in accordance with law, (iii) in recent three years, the Chinese operating entities or their controlling shareholders or actual controllers have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy, (iv) domestic companies that are suspected of committing crimes or major violations of laws and regulations are under investigation according to law, and no conclusion has yet been made thereof, or (v) there are material ownership disputes over equity held by the controlling shareholders or by other shareholders that are controlled by the controlling shareholders or actual controllers.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "Archives Rules") which came into force on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. According to the Archives Rules, during an overseas offering and listing, if a domestic company needs to provide or publicly disclose to securities companies, securities service providers and overseas regulators, any materials that contain relevant state secrets or that have an adverse impact on the national security or public interests, the domestic company should complete the relevant approval/filing and other regulatory procedures.

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H-share "Full Circulation"

"Full circulation" means listing and circulating on the Hong Kong Stock Exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC issued the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請"全流通"業務指引》) (the "Guidelines for the 'Full Circulation'"), which was partly revised on August 10, 2023 according to the Decision on Revising and Abolishing Part of Securities and Futures Policy Documents by CSRC (《中國證券監督管理委員會關於修改、廢止部分證券期貨制度文件的決定》) and came into effect on the same date.

According to the Guidelines for the "Full Circulation", shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for "Full Circulation". To apply for "Full Circulation", an H-share listed company shall file the application with the CSRC according to the administrative filing procedures necessary for the Trial Measures. After the application for "Full Circulation" has been approved by the CSRC, the H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with China Securities Depository and Clearing Corporation Limited (the "CSDC") of the shares related to the application has been completed.

On December 31, 2019, CSDC and the Shenzhen Stock Exchange ("SZSE") jointly announced the Measures for Implementation of H-share "Full Circulation" Business (《H股"全流通"業務實施細則》) (the "Measures for Implementation"), which came into effect on the same day. The businesses in relation to the H-share "Full Circulation" business, such as cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. are subject to the Measures for Implementation.

On September 20, 2024, the Shenzhen Branch of CSDC issued the Guidelines to the Program for "Full Circulation" of H-shares of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股"全流通"業務指南》) with effect from September 9, 2024, which are applicable to the business preparation, cross-border share transfer registration and overseas centralized custody, the initial maintenance of details of domestic shareholding and the maintenance of its changes, corporate actions, clearing, settlement and risk management measures. On the same day, China Securities Depository and Clearing (Hong Kong) Company Limited issued the H-Share "Full Circulation" Business Guide of China Securities Depository and Clearing (Hong Kong) Limited (《中國證券登記結算(香港)有限公司H股"全流通"業務指南》) with effect from September 9, 2024, which is applicable to businesses such as share custody and depository, agent service, arrangement for settlement and delivery, and risk management measures.

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LAWS AND REGULATIONS IN THE U.S.

Businesses operating in the United States are subject to a variety of federal, state, and local laws and regulations (the "**U.S. Regulations**"). The U.S. Regulations expected to be material to our operations are those relating to, among others, product safety, product liability, data privacy and customs and imports procedures as described below.

Product Safety and Product Liability

Product Safety Law

The law of product safety is primarily under the jurisdiction of the U.S. Consumer Product Safety Commission (the "**CPSC**"), an administrative agency of the United States federal government that regulates certain classes of products sold to the public. The CPSC was established pursuant to the 1972 Consumer Product Safety Act (as amended, the "**CPSA**"). The CPSA is the umbrella statute at the federal level with respect to product safety for consumer products.

The CPSA was amended by the U.S. Consumer Product Safety Improvement Act of 2008 (the "**CPSIA**") in 2008. The implementation of CPSIA was a significant overhaul of consumer product safety laws in the United States and was designed to enhance federal and state efforts to improve the safety of all products imported into and distributed in the United States. Products imported into the United States which fail to comply with CPSIA's requirements are subject to confiscation and the importer and/or distributor in the United States is subject to civil penalties and fines, as well as possible criminal prosecution.

Under the CPSIA, a "general conformity certification" is required for any consumer product imported into the United States that is subject to a consumer product safety rule, standard, regulation, or ban pursuant to the CPSA or issued by the CPSC. The requirement applies to all subcontractors and importers of goods. Those parties must certify that their products comply with all applicable consumer product safety rules and laws such as the CPSA, the Flammable Fabrics Act, the Federal Hazardous Substance Act, and the Poison Prevention Packaging Act. The CPSA specifies that certification must be based on a "test of each product or a reasonable testing program." The certificate must accompany the product or shipment of products, and a copy must be furnished to each distributor or retailer and U.S. Customs and Border Protection (the "**CBP**"). The CPSC may also request a copy of the certification.

The CPSA also contains several reporting requirements for subcontractors and sellers of consumer products sold in the U.S. Section 15 of the CPSA requires a manufacturer or a seller to inform the CPSC immediately in the event it obtains information that any of its products: (1) creates a substantial risk of injury to consumers; (2) creates an unreasonable risk of serious injury or death; or (3) fails to comply with an applicable consumer product safety rule or with any other rule, regulation, standard, or ban under the CPSA or any other statute enforced by the CPSC. The CPSC may require the manufacturer or the seller to cease distribution of the product, and notify each person to whom the manufacturer or the seller knows such product was sold of such noncompliance, defects or risk. In certain circumstances, the CPSC may

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require the manufacturer or the seller to bring the product into conformity with the applicable product safety rules, repair the defect in the product, replace the product with an equivalent product that complies with the applicable product safety rules, issue a product recall and/or refund the purchase price of the product.

Proposition 65

Proposition 65, officially known as the Safe Drinking Water and Toxic Enforcement Act of 1986 (the "**Prop 65**"), is a California law that requires that California consumers receive warnings regarding the presence of more than 900 chemicals that the State of California has identified as known to cause cancer and/or reproductive harm. The law is highly technical, constantly evolving, and actively enforced by the government and private enforcement action. Under Prop 65, any person in the course of doing business must provide a "clear and reasonable warning" before exposing individuals to listed carcinogens and reproductive toxins in their products. Prop 65 provides detailed requirements for the form, content, and placement of the required warning.

The probability that a company will be subject to Prop 65 regulations is high because of the broad application of the statute. If a company manufactures, imports, distributes, or sells a product that will be sold in California either through brick-and-mortar stores, catalogs, or online e-commerce sites, or if a company has a physical presence of any kind in California (retail, office, warehouse, facility, factory, plant, etc.), then that company must abide by Prop 65 requirements. Prop 65 places the primary responsibility for providing any necessary warnings regarding the presence of one or more of these listed chemicals on the manufacturer of the product. The California Office of Environmental Health Hazard Assessment (OEHHA) has set out information and regulations regarding the content of such warnings and also requirements allowing companies to provide notice of the potentially toxic chemical content of the product and need for a Prop 65 warning either to the authorized agent for the business to whom they are selling or transferring the product, i.e., the next business in line, or to the authorized agent for the retail seller. Many retail sellers, however, require that the manufacturer of the product be responsible for providing any necessary Prop 65 warnings. Paying careful attention to Prop 65 requirements and the potential chemical content of the products is encouraged. Auditing Prop 65 compliance well in advance could mean avoiding costly lawsuits, the loss of valuable business opportunities or relationships, large monetary penalties, serious financial or reputational damage, or even product recalls.

Product Liability Law

U.S. state law generally imposes liability on all subcontractors and retailers (and parties in the supply chain) for injuries that result from unsafe, defective, and dangerous products sold to consumers. Product liability claims in the United States are typically based on three theories of law: (1) strict liability, (2) negligence and (3) breach of warranty. In addition, as noted above, U.S. laws and regulations can also obligate subcontractors and retailers (and parties in the supply chain) to remedy product defects, which can include safety recall campaigns.

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Parties involved in manufacturing, distributing or selling a product may be subject to liability for harm caused by a defect in that product. There are three types of product defects, namely, design defects, manufacturing defects and defects in marketing. In a negligence claim, a defendant may be held liable for personal injury or property damage caused by the failure to use due care. Strict liability claims, however, do not depend on the defendant's level of care. Instead, a defendant is liable when it is shown that an injury (personal or to property) occurred as the result of a product's defect. Breach of warranty is also a form of strict liability in the sense that a showing of fault is not required. The plaintiff need only establish the warranty was breached, regardless of how that came about. Companies that manufacture, distribute or sell a product in a particular state may be subject to the jurisdiction of such state's product liability laws, whether the company's jurisdiction of incorporation or principal place of business is in that state, in another U.S. state or in a non-U.S. jurisdiction.

Product liability legal actions and recall campaigns in the United States could involve personal injury and property damage and could involve claims for substantial monetary damages. The results of any future litigation and claims involving product liability in the United States are inherently unpredictable. Based on our past experience, we do not anticipate that, in the aggregate, the outcome of any such litigation and claims involving us will have a material effect on our consolidated financial position or liquidity; however, such outcome could be material to our results of operations in particular period in which costs, if any are recognized by us.

Data Privacy

The U.S. federal government and various states and governmental agencies also have adopted or are considering adopting various laws, regulations, and standards regarding the collection, use, retention, security, disclosure, transfer, and other processing of sensitive and personal information, including, without limitation and in each case as amended from time to time, the Fair Credit Reporting Act, 15 U.S.C. 1681; the Federal Trade Commission Act, 15 U.S.C. § 45; the CAN-SPAM Act, 15 U.S.C. § 7701 et seq.; the Telephone Consumer Protection Act, 47 U.S.C. § 227; the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6101 et seq.; the Health Insurance Portability and Accountability Act of 1996; the Electronic Communications Privacy Act, 18 U.S.C. §§ 2510-22; and the Stored Communications Act, 18 U.S.C. § 2701-12. In addition, many states have laws that protect the privacy and security of sensitive and personal information. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information than federal, international, or other state laws, and such laws may differ from each other, which may complicate compliance efforts. For example, in 2018, California enacted the California Consumer Privacy Act, which came into effect on January 1, 2020, and has since been amended by the California Privacy Rights Act which came into effect on January 1, 2023 (collectively, the "**CCPA**"). The CCPA creates individual privacy rights for California residents, including rights to opt out of certain processing such as the transfer of personal information for the purpose of cross contextual behavioural advertising, the processing of sensitive personal information for certain purposes, as well as "sales" of personal information, and increases the privacy and security obligations of entities handling personal information of California consumers and meeting certain thresholds. The CCPA is currently

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enforceable by the California Attorney General, and provides for civil penalties for violations as well as a private right of action for certain data breaches that result in the unauthorized access to, or exfiltration, theft or disclosure of certain types of personal information. This private right of action is expected to increase the likelihood of, and risks associated with, class action data breach litigation. Though regulatory fines have been imposed, the CCPA has not been subject to significant litigation and judicial interpretation and it remains unclear how various provisions will be enforced. Additionally, the CCPA's further expansion under the California Privacy Rights Act may impact our business particularly given its establishment of a new regulatory agency dedicated to enforcing the CCPA's requirements in addition to the California Attorney General, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses, and potentially change our business practices, in an effort to comply.

In addition, many similar laws have been proposed at the federal level and in other states. For instance, the state of Nevada recently enacted a law that went into force on October 1, 2019 and requires companies to honor consumers' requests to no longer sell their data. Violators may be subject to injunctions and civil penalties of up to $5,000 per violation. New legislation proposed or enacted in Illinois, Massachusetts, New Jersey, New York, Rhode Island, Washington, and other states, and a proposed right to privacy amendment to the Vermont Constitution, imposes, or has the potential to impose, additional obligations on companies that collect, store, use, retain, disclose, transfer, and otherwise process confidential, sensitive, and personal information, and will continue to shape the data privacy environment throughout the United States. Currently, there are no United States (federal or state) privacy laws that explicitly mandate data localization, requiring businesses to store personal information locally within the United States. State laws are changing rapidly and there is discussion in the U.S. Congress of a new federal data protection and privacy.

International Trade

The summary below addresses key U.S. legal and regulatory issues associated with international trade. Our cross-border operations include the importation of goods into the United States. As a result, our business requires compliance with tariffs and other import controls laws and regulations.

Importation of Goods into the United States

Importation of goods into the customs territory of the United States is governed principally by the Tariff Act of 1930, as amended, the Customs Modernization Act of 1993, and the regulations of U.S. Customs and Border Protection ("**CBP**"). Under these laws and regulations, U.S. importers have primary legal responsibility for initially valuing, classifying, and determining the rate of duty applicable to imported merchandise. The importer is required to exercise "reasonable care" in entering merchandise into the United States. This includes when providing to CBP information and documentation necessary for it to assess duties on imported merchandise, collect accurate import statistics, and determine whether an import complies with applicable laws.

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Civil penalties may be assessed against any person who uses false or misleading statements to enter goods into the United States. In determining the applicable penalty for such a wrongdoing, CBP first determines the applicable degree of culpability of the offending party. In general, higher penalties are assigned to more egregious offenses, which are classified according to degree of culpability as due to negligence, gross negligence, or fraud. CBP considers that a violation is a result of negligence "if it results from failure to exercise reasonable care and competence: (a) to ensure that statements made and information provided in connection with the importation of merchandise are complete and accurate; or (b) to perform any material act required by statute or regulation." Gross negligence and fraud are found in more egregious cases where circumstances indicate more than a failure to exercise reasonable care. Gross negligence is assigned where CBP finds a violation done "with actual knowledge of or wanton disregard for the relevant facts and with indifference to or disregard for the offender's obligations under the statute." Fraud is assigned where the act was "committed (or omitted) knowingly, i.e. was done voluntarily and intentionally, as established by clear and convincing evidence." Where false statements affect the assessment of duties on imports, the statutory maximum civil monetary penalties vary depending on whether the violation is due to fraud, negligence, or gross negligence. In addition to regulating the process of importation into the United States, CBP is charged with enforcing nearly 500 U.S. trade laws and regulations on behalf of 47 federal agencies, facilitating legitimate trade, collecting revenue, and protecting the U.S. economy. Each such agency promulgates regulations governing importation of the products under their jurisdiction. CBP is charged with ensuring that imports (and exports) comply with those regulations and is authorized, in many cases, to effect seizures, forfeitures, and rejection of entry of non-conforming goods.

Tariffs

The United States imposes tariffs on certain goods imported from various countries. CBP is responsible for collecting tariffs on goods imported to the United States during the customs clearance process. United States customs regulations (the "**Customs Regulations**"), administered by CBP apply to any products entering the United States. Those regulations cover, among other areas, valuation of goods, classification, recordkeeping requirements, entry formalities, and laws related to duties and tariffs. Tariff rates are generally set forth in the Harmonized Tariff Schedules of the United States (the "**HTSUS**"). Note that embargoes, antidumping duties, countervailing duties, and other specific matters administered by the United States executive branch are not contained in the HTSUS and that various regulations or administrative actions could result in modification of these duties. Section 201 of the Trade Act of 1974, 19 USC §2101 et. seq. (the "**Trade Act**") permits the President of the United States to grant temporary import relief by raising import duties or imposing non-tariff barriers (e.g., quotas) on goods entering the United States that injure or threaten to injure domestic industries producing similar goods. Section 301 of the Trade Act authorizes the President of the United States to take all appropriate action, including retaliation, to obtain the removal of any act, policy, or practice of a foreign government that violates an international trade agreement or is unjustified, unreasonable, or discriminatory, and that burdens or restricts U.S. commerce. The law does not require that the U.S. government wait until it receives authorization from the World Trade Organization to take such enforcement actions.

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Within the United States, agencies involved in international trade regulation, in addition to CBP, include the U.S. International Trade Commission ("**ITC**"), and the Office of the U.S. Trade Representative ("**USTR**"). The ITC is a quasi-judicial agency that administers U.S. laws governing trade remedies and provides analysis, information, and other support concerning tariffs and other international trade matters for the President, U.S. Congress, and the USTR. The USTR is a cabinet-level position within the office of the President of the United States, and serves as the President's principal adviser, negotiator, and spokesperson regarding matters of international trade. The USTR is authorized to take certain action under Section 301 of the Trade Act of 1974 ("Section 301"), including without limitation the imposition of tariffs or other restrictions on imports, if it determines after investigation that a foreign government has engaged in unfair trade practices.

In 2018, following a USTR investigation and report, the United States imposed tariffs on certain imported goods of Chinese origin. Recently, the U.S. government has been rolling out a series of tariffs and relevant new policies, affecting various countries and regions as well as industries. On February 4, 2025, the U.S. government imposed a 10% baseline tariff on all imports from China under the IEEPA. Starting from March 4, 2025, the additional tariffs on imports from China imposed by the U.S. government has been raised to 20%. In April 2025, the U.S. announced new reciprocal tariffs on 57 countries with which the U.S. runs significant trade deficits. The new tariffs are subject to certain exceptions, including in relation to sectoral tariffs and certain listed products, including semiconductors, smartphones, laptops, computer monitors, and various other electronic equipment (the "**Consumer Product Exemption**"). These products are not exempt from the earlier 20% fentanyl-related tariffs. As of the Latest Practicable Date, under the May 12 Geneva Economic Announcement jointly issued by the U.S. and China, Chinese imports generally faced a 30% effective tariff rate down from an earlier peak of 145% in April 2025, with 24% of reciprocal tariffs suspended for 90 days, while other consumer electronics products under the Consumer Product Exemption faced a 20% effective tariff rate.

Depending on the latest development of the trade negotiations between the U.S. and China, the level and number of products subject to additional tariffs may change over time.

Corporation Income Tax

A corporation organized under the laws of the United States or any state is subject to U.S. corporate tax on its worldwide income and gains. Corporate income tax is imposed at a flat rate of 21% (plus any applicable state or local corporate tax). Taxes are based on operating earnings after expenses have been deducted.

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Transfer Pricing

The United States has an extensive system of laws and practices designed to preserve the U.S. tax base by preventing income from being shifted among related parties through the inappropriate pricing of related party transactions. The U.S. transfer pricing regime seeks to ensure that goods and services transferred between related companies are done so at an arm's length and are priced based on market conditions that permit profit to be reflected in the appropriate tax jurisdiction. Where the results of a transaction do not reflect an arm's length price, the U.S. tax authority can reallocate the income to reflect the appropriate price and in some cases, impose monetary penalties for substantial or deliberate inaccuracy.

The U.S. Congress has enacted legislation and the US Treasury Department has promulgated regulations to control transfer pricing, all of which are administered and enforced by the Internal Revenue Service. On 22 December 2017, the Tax Cuts and Jobs Act (Tax Act) became law. The Tax Act represents a comprehensive reform to the Internal Revenue Code ("**IRC**"). Among its many changes, the Tax Act lowered the federal corporate income tax rate to 21% and overhauled the international tax provisions of the IRC, which may cause many multi-national companies to reevaluate their transfer pricing arrangements. Additionally, the Tax Act amended the IRC's transfer pricing provisions, which will directly affect transfers of intangible property.

Federal tax legislation is contained in the IRC. Specifically, section 482 of the IRC governs transfer pricing and applies when two or more organizations, trades, or businesses (regardless of form and place of the organization) are owned or controlled, directly or indirectly, by the same interests. The general rule of section 482 authorizes the Internal Revenue Service ("**IRS**") to reallocate income, deductions, credits, or allowances among the members of a controlled group of entities to ensure clear reflection of income or to prevent tax avoidance.

Section 482 also provides an additional test for transfers of intangible property (IP). Income with respect to the transfer (or license) of IP must be "commensurate with the income" attributable to the IP. Under the commensurate-with-income standard, actual profit realized from the exploitation of an intangible must be considered in determining an arm's length price for the transfer of the intangible. The amount of the compensation should therefore reflect changes in the income attributable to that intangible over time.

In the United States, individual states enact their own corporate income tax rules, which include the power and authority to regulate transfer pricing. The state rules focus on the shifting of income and deductions from a high-tax state to lower-tax states. Each state is a sovereign taxing jurisdiction with the authority to disregard the conclusions reached by the IRS with respect to the appropriateness of a particular transfer pricing method.

Each of the 50 U.S. states has its own internal statutes, regulations, court cases, and other authority governing transfer pricing issues.

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LAWS AND REGULATIONS IN HONG KONG

Regulations Relating to Business Registration

Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) ("BRO")

Every person, (a company or individual), who carries on a business in Hong Kong is required under the BRO to apply for a business registration certificate from the Inland Revenue Department within one month from the date of commencement of the business, and to display a valid business registration certificate at the place of business. Business registration does not serve to regulate business activities and it is not a licence to trade. Business registration serves to notify the Inland Revenue Department of the establishment of a business in Hong Kong. Business registration certificate will be issued on submission of the necessary document(s) together with payment of the relevant fee. A business registration certificate is renewable every year or every three years (if business operators elect for issuance of business registration certificate that is valid for three years). Any person who fails to apply for business registration shall be guilty of an offence and shall be liable to a fine of HK$5,000 and to imprisonment for one year.

Regulations Relating to Sale of Goods

Sale of Goods Ordinance (Chapter 26 of the Laws of Hong Kong) ("SOGO")

The SOGO governs the formation, performance and remedies of contract for the sale of goods in Hong Kong and the transfer of title of goods sold. The ordinance also sets out certain implied terms or conditions and warranties generally relating to the safety and suitability of goods supplied under a contract of sale for goods in Hong Kong, including:

(i) where there is a sale of goods by description, the goods shall correspond with the description;

(ii) where the seller sells goods in the course of a business, the goods shall be of a merchantable quality, i.e. (a) as fit for the purpose or purposes for which the goods of that kind are commonly bought; (b) of such standard of appearance and finish; (c) as free from defects (including minor defects); (d) as safe; and (e) as durable, as it is reasonable to expect having regard to any description applied to them, the price (if relevant) and all the other relevant circumstances; and

(iii) where the seller sells goods in the course of a business and the buyer makes known to the seller (whether expressly or by implication) any particular purpose for which the goods are being bought, the goods supplied under the contract shall be reasonably fit for that purpose.

Under section 55 of the SOGO, where there is a breach of warranty by the seller, the buyer is not, by reason only of such breach of warranty, entitled to reject the goods, but he may set up against the seller the breach of warranty in diminution or extinction of the price, or maintain an action against the seller for damages for the breach of warranty.

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Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) ("TDO")

Under the TDO, (a) use of false trade descriptions; (b) false, misleading or incomplete information, (c) false marks and misstatements in respect of products, and (d) false trade descriptions in respect of services supplied are prohibited. In addition, the TDO makes certain trade practices criminal offence, namely: (a) misleading omission; (b) aggressive commercial practices; (c) bait advertising; (d) bait and switch; and (e) wrongful acceptance of payment. The TDO also provides for offences relating to forged trade mark, and falsely applying of trade mark or resembling marks.

Supply of Services (Implied Terms) Ordinance (Chapter 457 of the Laws of Hong Kong) ("SSITO")

Under the SSITO, certain terms are implied in the contracts with customers for the supply of services, including: (a) that the supplier will carry out the service with reasonable care and skill; (b) that the supplier will carry out the service within a reasonable time (if the time of service is not fixed or fixed in a manner agreed); (c) that the party contracting with the supplier will pay a reasonable charge (if the consideration is not determined by the contract or left to be determined in a manner agreed or by course of dealing between the parties).

Unconscionable Contracts Ordinance (Chapter 458 of the Laws of Hong Kong) ("UCO")

Under the UCO, if the Hong Kong court finds that a contract for sale of goods or supply of services (in which one of the parties deals as consumer) to have been unconscionable in the circumstances relating to the contract at the time it was made, the court may: (a) refuse to enforce the contract; (b) enforce the remainder of the contract without the unconscionable part; (c) limit the application of, or revise or alter, any unconscionable part to avoid unconscionable result.

Control of Exemption Clauses Ordinance (Chapter 71 of the Laws of Hong Kong) ("CECO")

The CECO limits the extent to which civil liability for breach of contract, or for negligence or other breach of duty, can be avoided by means of contract terms and otherwise.

Under section 7 of the CECO, a person cannot by reference to any contract term or to a notice given to persons generally or to particular persons exclude or restrict his liability for death or personal injury resulting from negligence. Further, in the case of other loss or damage, a person cannot so exclude or restrict his liability for negligence except in so far as the term or notice satisfies the requirement of reasonableness.

Under section 8 of the CECO, as between contracting parties where one of them deals as consumer or on the other's written standard terms of business, as against that party, the other cannot by reference to any contract term (i) when himself in breach of contract, exclude or restrict any liability of his in respect of the breach; (ii) claim to be entitled to render a

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contractual performance substantially different from that which was reasonably expected of him; or (iii) claim to be entitled in respect of the whole or any part of his contractual obligation, to render no performance at all, except in so far as the contract term satisfies the requirement of reasonableness.

Under section 9 of the CECO, a person dealing as consumer cannot by reference to any contract term be made to indemnify another person (whether a party to the contract or not) in respect of liability that may be incurred by the other for negligence or breach of contract, except in so far as the contract term satisfies the requirement of reasonableness.

In relation to a contract term, the requirement of reasonableness for the purposes of the CECO is satisfied only if the court or arbitrator determines that the term was a fair and reasonable one to be included having regard to the circumstances which were, or ought reasonably to have been, known to or in the contemplation of the parties when the contract was made.

Misrepresentation Ordinance (Chapter 284 of the Laws of Hong Kong) ("MO")

The MO imposes a statutory liability for misrepresentation and controls the use of provisions excluding liability for misrepresentation in contracts. Liability may arise under the MO where a party to a contract is induced to enter into that contract by a misrepresentation of a material fact made by the other party. If the action is successful, the party who relied on the misrepresentation will be entitled to rescind the contract. Damages may also be granted if the misrepresentation was made fraudulently or negligently.

Regulations Relating to Importation and Exportation of Goods

The Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong) (the "**Import and Export Ordinance**") provides for the regulation and control of the import of articles into Hong Kong, the export of articles from Hong Kong, the handling and carriage of articles within Hong Kong which have been imported into Hong Kong or which may be exported from Hong Kong, and any matter incidental to or connected with the foregoing.

The import and export of certain articles are prohibited unless with the relevant licences issued by the Director-General of Trade and Industry. If the goods to be imported or exported are "prohibited articles" or "reserved commodities" under the Import and Export Ordinance and the Reserved Commodities (Control of Imports, Exports and Reserve Stocks) Regulations (Chapter 296A of the Laws of Hong Kong), shipping companies, airlines and transportation companies are required to deliver within 14 days to the Director-General of Trade and Industry the import/export licences together with the relevant manifests of the vessel, aircraft or vehicle.

Pursuant to the Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong), every person who imports/exports any article other than an exempted article shall lodge with the Commissioner an accurate and complete import/export declaration relating

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to such article using services provided by a specified body, in accordance with the requirements that the Commissioner of Customs and Excise may specify. Every declaration required to be lodged shall be lodged within 14 days after the importation/exportation of the article to which it relates.

Hong Kong is a free port and does not levy any customs tariff on imports and exports.

Regulations Relating to Employment

Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) ("OSHO")

The OSHO provides for the safety and health protection to employees in workplace, both industrial and non-industrial. Under section 6 of the OSHO, every employer must, so far as reasonably practicable, ensure the safety and health at work of all the employer's employees by:

- providing and maintaining plant and systems of work that are safe and without risks to health;
- making arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage or transport of plant and substances;
- providing information, instruction, training and supervision as may be necessary to ensure the safety and health at work of the employees;
- as regards any workplace under the employer's control, maintaining the workplace in a condition that is safe and without risks to health or providing or maintaining means of access to and egress from the workplace that are safe and without any such risks; and
- providing or maintaining a working environment for the employees that is safe and without risks to health.

Failure to comply with the above provisions constitutes an offence and the employer is liable on conviction to a fine of HK$200,000. An employer who fails to do so intentionally, knowingly or recklessly commits an offence and is liable on conviction to a fine of HK$200,000 and to imprisonment for six months.

The Commissioner for Labour may serve an improvement notice on an employer against contravention of the OSHO or the FIUO, or a suspension notice against activity or condition or use of workplace or of any plant or substance located on the workplace which may create an imminent risk of death or serious bodily injury to the employees. Failure to comply with a requirement of an improvement notice or contravenes a suspension notice without reasonable excuse constitutes an offence and the employer is liable on conviction to a fine of HK$200,000 and HK$500,000, respectively, and to imprisonment for 12 months.

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Occupiers Liability Ordinance (Chapter 314 of the Laws of Hong Kong) ("OLO")

The OLO regulates the obligations of a person occupying or having control of premises on injury resulting to persons or damage caused to goods or other property lawfully on the land. The Occupiers Liability Ordinance imposes a common duty of care on an occupier of premises to take such care as in all the circumstances of the case is reasonable to see that the visitors will be reasonably safe in using the premises for the purposes for which he is invited or permitted by the occupier to be there.

Employment Ordinance (Chapter 57 of the Laws of Hong Kong) ("EO")

The EO regulates the general conditions of employment and matters connected therein in Hong Kong. It provides for various employment-related benefits and entitlements to employees. All employees covered by the EO, irrespective of their hours of work, are entitled to protection including payment of wages, restrictions on wages deductions and the granting of statutory holidays. Employees who are employed under a continuous contract are further entitled to such benefits as rest days, paid annual leave, sickness allowance, severance payment and long service payment.

Employee's Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) ("ECO")

The ECO establishes a no-fault and non-contributory employee compensation system for work injuries and lays down the rights and obligations of employers and employees in respect of injuries or deaths caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases. Under the ECO, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer is in general liable to pay compensation even if the employee might have committed acts of faults or negligence when the accident occurred. Similarly, an employee who suffers incapacity or dies arising from an occupational disease is entitled to receive the same compensation as that payable to employees injured in occupational accidents.

According to section 40 of the ECO, all employers are required to take out insurance policy to cover their liabilities both under the ECO and at common law for injuries at work in respect of all employees (including full-time and part-time employees) for an amount not less than the applicable amount specified under the ECO. An employer who fails to comply with the ECO to secure an insurance cover is liable on conviction upon indictment to a fine at level 6 (currently at HK$100,000) and to imprisonment for two years, and on summary conviction to a fine at level 6 (currently at HK$100,000) and to imprisonment for one year.

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Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) ("MWO")

The MWO provides for a prescribed minimum hourly wage rate (as at the Latest Practicable Date, HK$42.1 per hour) during the wage period for every employee engaged under a contract of employment under the EO (except those specified under section 7 of the MWO). A provision of a contract of employment that purports to extinguish or reduce any right, benefit or protection conferred on the employee by the MWO is void.

Mandatory Provident Fund Scheme Ordinance (Chapter 485 of the Laws of Hong Kong) ("MPFSO")

The MPFSO provides for, inter alia, the establishment of a system of privately managed, employment related mandatory provident fund schemes for members of the workforce to accrue financial benefits for retirement. Subject to the minimum and maximum relevant income levels, it is mandatory for both employers and their employees to contribute 5% of the employee's relevant income to the mandatory provident fund scheme. Currently, the minimum and maximum relevant income levels for employees who are paid monthly are HK$7,100 and HK$30,000 respectively. Further, employers are obliged to enroll their employees aged 18 to 65 to a Mandatory Provident Fund Scheme within 60 days of his or her employment.

Immigration Ordinance (Chapter 115 of the Laws of Hong Kong) ("IO")

Generally speaking, under the IO, a person is required to hold a visa/entry permit to work in Hong Kong unless he has the right of abode or right to land in Hong Kong. Section 17I of the IO stipulates that any person who is the employer of an employee who is not lawfully employable commits an offence and is liable to a fine of HK$350,000 and to imprisonment for three years if the employee is not a prohibited employee, and if the employee is a prohibited employee, to a fine of HK$500,000 and to imprisonment for 10 years.

Regulations Relating to Taxes

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) ("IRO")

As our Group carry out business in Hong Kong, the Company are subject to the profits tax regime under the IRO. The IRO is an ordinance for the purposes of imposing taxes on property, earnings and profits in Hong Kong. The IRO provides, among others, that persons, which include corporations, partnerships, trustees and bodies of person, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business. As at the Latest Practicable Date, the standard profits tax rate for corporations is currently at 8.25% on assessable profits up to HK$2,000,000; and 16.5% on any part of assessable profits over HK$2,000,000. The IRO also contains provisions relating to, among others, permissible deductions for outgoings and expenses, set-offs for losses and allowance for depreciation.

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Section 51(1) of the IRO requires every person, upon receipt of a written notice from the Inland Revenue Department, to submit a return within a reasonable time as stated in such notice. In relation to (i) any tax computation containing incorrect information (the "Incorrect Information"); and (ii) the filing of tax return containing the Incorrect Information, a person may be subject to prosecution under section 80(2) or 82(1) of the IRO pursuant to which:

(a) Any person who without reasonable excuse files an incorrect return commits an offence under section 80(2) of the IRO and is liable on conviction to a fine at level 3 (i.e. HK$10,000) and a further fine of treble the amount of tax which has been undercharged as a result of the incorrect return, statement or information or omission, or would have been so undercharged if the return, statement or information had been accepted as correct or the omission had not been detected.

(b) Any person who willfully with intent to evade or to assist any other person to evade tax omits from a return any sum which should be included commits an offence under section 82(1) of the IRO is liable:

    (i) on summary conviction to a fine at level 3 (i.e. HK$10,000), a further fine of treble the amount of tax which has been undercharged in consequence of the offence or which would have been undercharged if the offence has not been detected and imprisonment for 6 months; and

    (ii) on indictment to a fine at level 5 (i.e. HK$50,000), a further fine of treble the amount of tax which has been undercharged in consequence of the offence or which would have been undercharged if the offence has not been detected and imprisonment for 3 years.

(c) Under sections 80(5) and 82(2) of the IRO, the Commissioner of Inland Revenue may compound any offence in lieu of prosecution.

(d) Under section 82A of the IRO, any person who without reasonable excuse makes an incorrect return by omitting or understating anything in respect of which he is required to make a return, shall, if no prosecution under section 80(2) or 82(1) has been instituted in respect of the same facts, be liable to be assessed to additional tax of an amount not exceeding treble the amount of tax undercharged as a result of the filing of the incorrect tax return.

Additionally, section 51C of the IRO provides that any person carrying on a trade, profession or business in Hong Kong shall keep sufficient records in the English or Chinese language of his income and expenditure to enable the assessable profits of such trade, profession or business to be readily ascertained and shall retain such records for a period of not less than seven years after the completion of the transactions, acts or operations to which they relate. The section sets out general requirement of records that should be kept. Any person who without reasonable excuse fails to comply with section 51C is liable on conviction to a maximum fine at level 6 (i.e. HK$100,000).

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Regulations Relating to Data Protection

Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) ("PDPO")

The PDPO imposes a statutory duty on data users to comply with the requirements of the six data protection principles (the "Data Protection Principles") contained in Schedule 1 to the PDPO. The PDPO provides that a data user shall not do an act, or engage in a practice, that contravenes a Data Protection Principle unless the act or practice, as the case may be, is required or permitted under the PDPO.

The Data Protection Principles are summarized as follows:

(1) Adequate personal data should be collected (i) for a lawful purpose, which is necessary for and directly related to a function or activity of the data user, (ii) by fair and lawful means. The person whose data is being collect is informed (a) that whether he is obligatory or voluntary for him to supply the data, (b) the purpose of the collection and the class of persons to whom the data may be transferred, (c) on or before, his right to access and correct the data collected and the information of the person who might handle such requests.

(2) All practicable steps shall be taken to ensure the accuracy of the person data collected, and kept not long than is necessary.

(3) Personal data should not be used for the purposes outside of the person's consent.

(4) All practicable steps shall be taken to ensure that any personal data held by a data user is protected against unauthorized or accidental access, processing, erasure, loss or use.

(5) All practicable steps shall be taken to ensure that a person can (a) ascertain a data user's policies and practices in relation to personal data; (b) be informed of the kind of personal data held by a data user; (c) be informed of the main purposes for which personal data held by a data user is or is to be used.

(6) A data subject shall be entitled to ascertain whether a data user holds personal data of which he is the data subject and request access to personal data. The data subject should be given reasons if the request is refused and right to object to the refusal.

Contravention with the Data Protection Principles may entitle the Privacy Commissioner for Personal Data to issue a written notice directing the data user to remedy and prevent recurrence of contravention. Contravention with the above notice is an offence and the offender is liable on (a) first conviction to a fine HK$50,000 and to imprisonment for two years, and if the offence continues after the conviction, to a daily penalty of HK$1,000; and (b) second

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or subsequent conviction to a fine at HK$100,000 and to imprisonment for two years, and if the offence continues after the conviction, to a daily penalty of HK$2,000. It is a defense to the above offence if the data user shows that he exercised all due diligence to comply with the enforcement notice.

The PDPO also gives data subjects certain rights, inter alia:

- the right to be informed by a data user whether the data user holds personal data of which the individual is the data subject;
- if the data user holds such data, to be supplied with a copy of such data; and
- the right to request correction of any data they consider to be inaccurate.

The PDPO criminalises, including but not limited to, the misuse or inappropriate use of personal data in direct marketing activities, non-compliance with a data access request and the unauthorised disclosure of personal data obtained without the relevant data user's consent. An individual who suffers damage, including injured feelings, by reason of a contravention of the PDPO in relation to his or her personal data may seek compensation from the data user concerned.

Regulations Relating to Intellectual Properties

Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong)

The Trade Mark Ordinance protects registered trademarks. The duration of the registered trademarks is for ten years, which can be further renewed for ten years per renewal. A registered trade mark may be challenged in revocation proceedings if it is not used in Hong Kong for a continuous period of three years.

A person infringes a registered trade mark if he uses in the course of trade or business a sign:

(1) which is identical to the trade mark in relation to goods or services which are identical to those for which it is registered;

(2) which is identical to the trade mark in relation to goods or services which are similar to those for which it is registered, and the use of the sign in relation to those goods or services is likely to cause confusion on the part of the public;

(3) which is similar to the trade mark in relation to goods or services which are identical or similar to those for which it is registered and the use of the sign in relation to those goods or services is likely to cause confusion on the part of the public; or

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(4) which is identical or similar to the well-known trade mark in relation to any goods or services, and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark.

Regulations Relating to Anti-money Laundering and Counter-terrorist financing

Drug Trafficking (Recovery of Proceeds) Ordinance (Chapter 405 of the Laws of Hong Kong) ("DTROP")

Among other things, the DTROP contains provisions for the investigation of assets suspected to be derived from drug trafficking activities, the freezing of assets on arrest and the confiscation of the proceeds from drug trafficking activities by the competent authorities. It is an offence under the DTROP for a person to deal with any property knowing or having reasonable grounds to believe it to represent the proceeds from drug trafficking. The DTROP requires a person to report to an authorised officer if he/she knows or suspects that any property (in whole or in part directly or indirectly) represents the proceeds of drug trafficking or is intended to be used or was used in connection with drug trafficking, and failure to make such disclosure constitutes an offence under the DTROP.

Organized and Serious Crimes Ordinance (Chapter 455 of the Laws of Hong Kong) ("OSCO")

Among other things, the OSCO empowers officers of the Hong Kong Police Force and the Hong Kong Customs & Excise Department to investigate organised crime and triad activities, and confers jurisdiction on the Hong Kong courts to confiscate the proceeds of organised and serious crimes, to issue restraint orders and charging orders in relation to the property of defendants of specified offences under the OSCO. The OSCO extends the money laundering offence to cover the proceeds from all indictable offences in addition to drug trafficking.

United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575 of the Laws of Hong Kong) ("UNATMO")

Among other things, the UNATMO stipulates that it is a criminal offence to: (1) provide or collect property (by any means, directly or indirectly) with the intention or knowledge that the property will be used to commit, in whole or in part, one or more terrorist acts; or (2) make any property or financial (or related) services available, by any means, directly or indirectly, to or for the benefit of a person knowing that, or being reckless as to whether, such person is a terrorist or terrorist associate, or collect property or solicit financial (or related) services, by any means, directly or indirectly, for the benefit of a person knowing that, or being reckless as to whether, the person is a terrorist or terrorist associate. The UNATMO also requires a person to disclose his knowledge or suspicion of terrorist property to an authorised officer, and failure to make such disclosure constitutes an offence under the UNATMO.

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LAWS AND REGULATIONS IN FRANCE

Our business in France is subject to various legal regulations. Below is an overview of the laws and regulations materially relevant to our business in France. It does not claim to provide a complete and comprehensive presentation of all relevant regulations and of all the sanctions that may apply.

Consumer Rights Compliance

In following cases, a consumer may take legal action or file a claim against a company selling products to consumers:

- defective products,
- unfair, misleading or aggressive commercial practices, and in case of resale at a loss,
- in case of a commercial guarantee granted by the Company or any person acting in their name or on their behalf (if applicable),
- in case of hidden defects,
- In case of non-conformity,
- In case of non-performance of contractual or legal obligations.

Focus on general important provisions applied in French consumer law:

- **Prohibition of unfair commercial practices** (article L121-1 et seq. of the French Consumer Code), i.e. practices contrary to the requirements of professional diligence and which alter or are likely to alter in a substantial manner the economic behaviour of a consumer who is normally informed and reasonably attentive and circumspect with regard to a good or service if they were attributed to the Company/if the person responsible for these practices acted in the name of/and or on behalf of the Company and prohibition of misleading or aggressive commercial practices.

- **Misleading commercial practices** listed in Article L121-2 of the French Consumer Code are a category of unfair commercial practices. Some misleading commercial practices relate to information on prices or how prices are calculated, and the promotional nature of prices, particularly price reductions.

  Any announcement of a price reduction shall indicate the previous price charged by the professional before the price reduction was applied. This previous price corresponds to the lowest price charged by the professional to all consumers during the thirty days preceding the application of the price reduction. As an exception, in the event of successive price reductions during a specified period, the previous price is the price charged before the application of the first price reduction (Article L112-1-1 of the French Consumer Code).

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With regard to fines: Misleading commercial practices are punishable by two years' imprisonment and a fine of €1,500,000 for legal entities. The amount of the fine may be increased, in proportion to the benefits derived from the offense, to 10% of the average annual turnover, calculated on the basis of the last three annual turnovers known at the date of the facts, or to 50% of the expenditure incurred in carrying out the advertising or practice constituting the offense. This rate is increased to 80% for certain misleading commercial practices.

Where the offense has been committed through the use of an online public communication service or through a digital or electronic medium, the penalties are increased to five years' imprisonment and a fine of €3,750,000 for legal entities (Article L132-2 of the French Consumer Code).

For other types of unfair practices (excluding misleading commercial practices), a fine of up to €1,500,000 may namely be imposed for a legal entity (Article L132-1 A of the French Consumer Code).

– **Professional's obligation to provide pre-contractual information to consumers** (articles L111-1 et seq. of the French consumer code), which includes in particular the essential characteristics of the good, the price, information concerning the identity of the professional and his contact details, the existence and terms of implementation of legal guarantees, the possibility of having recourse to a consumer mediator and the name and contact details of the mediator (beforehand, the professional must subscribe to the services of an officially referenced mediator) (Article L 211-3 of the French consumer code), and the right to withdraw from the sales contract (in the case of a distance purchase contract, the consumer benefits from a 14-day withdrawal period — article L221-18 of the French Consumer Code). In case of non-compliance, a fine of €15,000 (for a legal subject) will be incurred (article L131-1 of the French Consumer Code), and a fine of €75,000 concerning the information on the right to withdraw (Article L242-10 of the French Consumer Code).

Moreover, where economic operators make products available on the market online or through other means of distance sales, the offer of those products shall clearly and visibly indicate at least the following information:

- o name, registered trade name or registered trademark of the manufacturer, as well as the postal and electronic address at which it can be contacted;
- o where the manufacturer is not established in the Union, the name, postal and electronic address of the responsible person within the meaning of Article 16(1) of this Regulation or Article 4(1) of Regulation (EU) 2019/1020;
- o Information allowing the identification of the product, including a picture of it, its type and any other product identifier; and

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- any warning or safety information to be affixed to the product or to the packaging or included in an accompanying document in accordance with this Regulation or the applicable Union harmonisation legislation in a language which can be easily understood by consumers, as determined by the Member State in which the product is made available on the market.

(Regulation (EU) 2023/988 of the European Parliament and of the council of 10 May 2023 on general product safety, Article 19).

– **Guarantee for hidden defects** (if the Company has sold the item) pursuant to articles 1641 et seq. of the French Civil Code. This concerns defects making the sold product unfit for the intended use or make it almost impossible to use, and the buyer would not have bought it or would have bought it at a lower price if he had known about this defect. This guarantee can be enforced within two years from the discovery of the defect (Article 1648 of the French Civil Code).

– **Guarantee of conformity** (if the company has sold the product), cf. Articles L217-3 of the French consumer Code et seq. : The item sold must correspond to the item specified in the contract and must, in particular, be fit for the purpose usually expected of an item of the same type (article L217-5 of the French consumer Code). It must be delivered with all the accessories provided for in the contract. Where applicable, it must be supplied with any updates that the consumer can reasonably expect. This guarantee can be enforced within two years of the sale. The consumer has the right to demand the repair of the good, its replacement, an appropriate reduction in the price and rescission of the contract (Articles L 217-8 and L 217-12 of the French consumer Code). However, the consumer is obliged first to request repair or replacement of the good. Only if repair or replacement is impossible can the buyer request resolution of the contract or reduction of the price.

– The French consumer Code draws a list of alleged unfair clauses, which are deemed unwritten (articles L212-1 and R212-1 and R212-2 of the French consumer Code).

– **Prohibition of resale at a loss**, i.e. the fact for a distributor to resell or advertise the resale of a product in its current state, without having undergone any transformation, at a price lower than its actual purchase price.

The "actual purchase price" is defined as the net unit price appearing on the purchase invoice, less all other financial benefits granted by the seller, plus sales tax, specific taxes relating to this resale, and the cost of transportation. A fine may be imposed, not exceeding 0.4% of the annual turnover excluding tax achieved in France during the last financial year ended. This fine may be increased to half of the advertising expenditure in the event that an advertisement, regardless of the medium, states a price lower than the actual purchase price (Article L442-5 of the French Commercial Code).

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Focus on consumer laws and regulations applicable to advertising:

- **Use of the French language is mandatory** in all written, spoken and audiovisual advertising (Law of 1994 art. 2, para. 2).

- **Comparative advertising is valid under certain conditions** (articles L122-1 et seq. of the French Consumer Code). It is forbidden to place comparative advertisements on packaging, invoices, travel tickets, means of payment or tickets for shows or places open to the public (article L122-4 of the French Consumer Code). Failure to comply with comparative advertising rules may constitute a criminal offense, mainly considered as a misleading commercial practice (*see above for sanctions*).

Focus on main laws and regulations applicable to information displayed on packaging or on the product:

- Compulsory use of the French language in the designation, offer, presentation, instructions for use, and description of the scope and conditions of a product's guarantee (Law 94-665 of 4-8-1994). Articles 1 and 4 of Decree no. 95-240 of March 3, 1995 provide a fixed fine of €3,750 per violation, in case of non-compliance with the provisions of the Law 941-665.

- In case of image, illustration, design on product packaging: Packaging design can be protected by registration with the French National Institute of Industrial Property (INPI — Institut national de propriété industrielle). Any infringement of the rights of the owner of a registered design or model constitutes an infringement for which the author is liable.

- Indication of the name under which a product is sold on the label: the name must appear in French and be sufficiently precise to enable the buyer to know the real nature of the product and to distinguish it from products with which it could be confused.

- « CE » marking must be written on the packaging of products when it is not possible for the CE marking to be affixed visibly, legibly and indelibly to the equipment or when such affixing is not guaranteed due to the nature of the equipment (cf. Directive 2014/35/EU on the market of electrical equipment designed for use within certain voltage limits, Directive 2014/30/EU on electromagnetic compatibility, Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment and Directive 2014/53/EU on the market of radio equipment).

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– Products shall bear a type, batch or serial number or other element enabling the identification of the product and which is easily visible and legible for consumers, or, where the size or nature of the product does not allow it, that the required information is provided on the packaging or in a document accompanying the product (Regulation (EU) 2023/988 of the European Parliament and of the council of 10 May 2023 on general product safety, Article 9).

  Trade name or mark and contact address of the manufacturer and of the importer must appear on the packaging of equipment or in a document accompanying the equipment when the size or nature of the equipment does not allow this information to appear directly on the equipment.

  Importers shall ensure that no additional labels obscure the information required by Union law on the manufacturer's label.

  Importers shall ensure that the product they have imported is accompanied by clear instructions and safety information in a language easily understood by consumers, as determined by the Member State in which the product is made available on the market, unless the product can be used safely and in accordance with the manufacturer's intended purpose without such instructions and safety information. (Regulation EU 2023/988 on general product safety, Article 11).

– Consumer information on sorting rules: obligation to display a "TriMan" logo on packaging, informing consumers of sorting rules (Articles L541-10, L541-9-3 and R 541-12-17 of the French Environment Code). Information on the environmental impact of a product in some cases, according to a timetable defined by decree and based on sales figures and the number of units sold (Environment Code, articles L 541-9-1 paragraph 1, R 541-220 paragraph 3, Decree 2022-748 of 29-4-2022 art. 3, I). An administrative fine of €15,000 of legal entities shall be imposed for failure to comply (article L541-9-4-1 of the French Environment Code).

– Indication of the level of reparability of electrical and electronic equipment to the seller and any other person who requests it (, Articles L 541-9-2, I-al. 1 and R 541-212, V of the French Environment Code). An administrative fine of €15,000 for legal entities shall be imposed for failure to comply (article L541-9-4 of the French Environment Code).

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Focus on legal provisions applicable under French Law on product liability:

- Articles 1245 and seq. of the French Civil Code (Liability for defective products) apply.

- Event giving rise to liability: a product causing damage to a person (i) or property other than the defective product, if the damage exceeds €500 (ii) (article 1245-1 of the Civil Code and decree 2005-113 of February 11, 2005). The damage must result from a product placed on the market (article 1245-4 of the French Civil Code). The safety defect may be deduced from the lack of sufficient information on the use of the product. It is not necessary to demonstrate the existence of fault (article 1245-8 of the French Civil Code).

- Victim of the defect: Both the professional and the consumer can claim damage to their person or property.

- Manufacturers, distributors and service providers are liable under civil law for any damage resulting from the use of their products or services. This liability may be invoked under both criminal and civil law.

- The action for compensation shall be time-barred within three years from the date on which the claimant became aware or should have become aware of the damage, the defect, and the identity of the producer.

Unless the producer is at fault, the producer's liability shall be extinguished ten years after the product that caused the damage was put into circulation, unless, during that period, the victim has brought legal action.

Other provisions on liability:

- When a product or service causes bodily injury, the producer, distributor or service provider may be held criminally liable either for manslaughter (article 221-6 paragraph 1 of the French penal code), or for unintentional injury to the person (articles 222-19 and 222-20 of the French penal code).

- In civil matters, if the damage was caused by a defective product, the consumer must in principle act on this basis. If the damage was caused during the performance of a contract concluded with a professional, the consumer can act on the basis of contractual liability. If the damage occurred outside the scope of a contract, the consumer must act on the basis of extra-contractual liability (article 1240 of the French Civil Code).

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– In general, a third party may take action against a company on the basis of general civil liability (Article 1240 of the Civil Code). This basis also applies in cases of alleged unfair competition between companies (for example, in cases of unfair poaching of customers or suppliers, unfair misappropriation of know-how, confusion created with another company or its products, or denigration of a company or its products). Compensation is calculated based on the damage caused by the unfair acts. Such action is time-barred after five years from the date on which the facts giving rise to it.

Focus on law/regulations applicable to substance/specifications — product safety obligation:

European Union Directives implemented into French law

– Directive 2014/35/EU on the market of electrical equipment designed for use within certain voltage limits implemented into French Law by decree n° 2015-1083 from August 27, 2015 applicable to electrical equipment intended for use at a nominal voltage of between 50 and 1,000 volts for alternating current and 75 and 1,500 volts for direct current. Purpose is to ensure that electrical equipment on the market meets the requirements guaranteeing a high level of protection for the health and safety of people.

– Directive 2014/30/EU on electromagnetic compatibility implemented into French Law by decree n° 2015-1084 from August 27, 2015.

– Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment implemented into French Law by decree n° 2013-988 from November 6, 2013, establishing rules on the restriction of the use of hazardous substances in electrical and electronic equipment (EEE) to help protect people, health and the environment.

– Directive 2014/53/EU on the market of radio equipment implemented into French Law by decree n° 2017-599 from April 21, 2017.

– Directive 2012/19/EU on waste electrical and electronic equipment creating a recycling and disposal chain for waste electrical and electronic equipment transposed by Decree 2014-928 of August 19, 2014.

European Union regulations directly applicable in French law:

– Regulation (EC) No. 1907/2006, REACH) provides for the general obligation to register chemical substances imported or manufactured in the EU on their own, in preparations or in articles. It also provides restrictions or prior authorisations for the presence above certain concentration levels, or the use, of certain substances of very high concern in articles.

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"REACH" regulation works in combination with Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures.

– Regulation (EU) 2019/1020 of the European parliament and of the council of 20 June 2019 on market surveillance and compliance of products: it applies namely to electrical and radio equipment. In the event of non-compliance with the applicable provisions, the supervisory authorities may order the withdrawal, recall, or destruction of non-compliant products, or prevent their being made available on the market (Article 3 of the Regulation).

– Regulation (EU) 2023/988 of the European Parliament and of the Council of 10 May 2023 on general product safety. It entered into application since December 13, 2024.

  The scope of application is set out in Article 2 of the Regulation, which states that it does not apply to products covered by other specific provisions of UE law relating to product safety. In such cases, Regulation (EU) 2023/988 applies only insofar as these aspects are not already regulated.

– According to this Regulation, economic operators shall place or make available on the market only safe products (Article 6) and they must take into account several aspects when assessing whether a product is a safe product (Article 7).

– Prior to being placed on the market, each product must undergo a risk and safety assessment by its manufacturer, importer, or seller. This assessment must conclude either that the product is not dangerous or that risk mitigation measures are necessary, for example in the form of instructions for use or warnings.

– Regarding importers, they shall ensure, before placing a product on the market, that it complies with the general safety requirement laid down in Article 5 and that the manufacturer has complied with the requirements set out in Article 9(2), (5) and (6) of the Regulation. Article 11 of the regulation also includes other obligations incumbent upon the importer.

– As for distributors, they shall verify that the manufacturer and, where applicable, the importer have complied with the requirements set out in Article 9(5), (6) and (7) and Article 11(3) and (4), as applicable. Article 12 of the regulation also includes other obligations incumbent upon the importer.

– In the event of non-compliance with the regulations, a company is liable to a fine of €7,500, which applies as many times as the defendant has committed offenses (for example, in the case of the marketing of dangerous products, it is multiplied by the number of products concerned) (Article R 451-1 of the French Consumer Code; Article 131-41 of the French criminal code).

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– Article L452-5-1 of the French Consumer Code also provides for a potential fine of five years' imprisonment and a fine of €3.000,000, for legal entities.

– This amount may be increased, in proportion to the benefits derived from the offense, to 10% of average annual revenue, calculated on the basis of the last three annual revenues known at the date of the offense.

Other sanctions provided by French law

If it is established that products do not comply with the laws and regulations in force or present or are likely to present a danger to public health or consumer safety, the administrative authority — the prefect or, in Paris, the police prefect — may order one or more of the following measures by decree: suspension of marketing, withdrawal, recall, and destruction (French Consumer Code art. L 521-7 and R 521-3).

The administrative authority may also, when products present or are likely to present a danger to public health or consumer safety, order the issuance of a warning and the recall of products for exchange, modification, or full or partial refund.

The marketing of products that do not comply with a mandatory standard may constitute fraud for which distributors may be held criminally liable (cf. French case law, for instance: (Cass. crim. 10-6-1998 n° 97-83.627).

Fraud, or attempted fraud, is punishable by three years' imprisonment and a fine of €1,500,000 for legal entities (Article L. 454-1 of the Consumer Code). The fine may be increased to €3,000,000 (for legal entities) and the prison sentence to five years if the fraud, or attempted fraud, takes place in some aggravating circumstance(s) (Article L. 454-2 of the French Consumer Code). The fine may be increased to €3,750,000 (for legal entities) and imprisonment to seven years if the deception, or attempt thereof:

- has resulted in the use of the goods being dangerous to human or animal health;
- has been committed by an organized gang (Article L. 454-3 of the Consumer Code).

In any cases of fraud, the amount of the fines incurred may be increased in proportion to the benefit derived from the breach to 10% of the professional's average annual turnover, calculated on the basis of the last three annual turnovers known at the date of the events. In addition, a ban on carrying out the activity in question or certain professional or commercial activities may be imposed (Articles L. 454-4 and L454-5 of the Consumer Code).

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Focus on requirements on billing between professionals

Pursuant to Article L441-9 of the French commercial code, the seller is required to issue the invoice as soon as the product has been delivered.

The invoice must include the following mandatory information: the names of the parties and their addresses and billing addresses if different, the date of sale or service provision, the quantity, the precise description, and the unit price excluding VAT of the products sold and services provided, as well as any price reduction acquired on the date of sale or service provision and directly related to this sale or service provision, excluding discounts not specified on the invoice.

The invoice shall mention the date on which payment is due. It shall specify the discount conditions applicable in the event of payment on a date earlier than that resulting from the application of the general terms and conditions of sale, the rate of penalties payable on the day following the payment date indicated on the invoice, and the amount of the fixed compensation for recovery costs owed to the creditor in the event of late payment. Payment shall be deemed to have been made on the date on which the funds are made available by the customer to the beneficiary or its successor.

The invoice shall mention the purchase order number when it has been previously established by the buyer.

Any company that does not comply with these requirements is liable to an administrative fine of €375,000.

Focus on provisions on Data Protection

Data protection is mainly regulated in the EU General Data Protection Regulation (EU) N° 2016/679 ("GDPR"). The provisions of the GDPR are directly applicable in French law.

The GDPR also applies to foreign companies for the processing of personal data of persons located in the EU, insofar as the processing is related to the offer of goods and services or the observation of the data subjects (Article 3 (2) of the GDPR).

Main requirements under the GDPR are stated in its Article 5: Any personal data must always be processed on a legal basis (Art. 5, 1. a), in a transparent manner (Art. 5 1. a) and with the usage of such data limited to a specific, explicit purpose (Art. 5 I b) GDPR). The personal data that is stored must be kept to a minimum (Art. 5 1. c) and up to date (Art. 5 1. d) and must be deleted as soon as it is no longer needed for the specified purpose (Art. 5 1. e).

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The processing of personal data with/between several parties must be regulated by corresponding data processing agreements like a data processing agreement (Art. 28 GDPR) or a joint controller agreement (Art. 26 GDPR). This also applies for data processing between group companies and affiliates.

The transfer of personal data outside the EU/EEA must meet special requirements, such as an adequacy decision by the EU Commission for the country in which the recipient is located or additional guarantees in accordance with Art. 46 GDPR. This also applies for data transfers between group companies and affiliates.

In case of non-compliance with GDPR principles, data subjects can assert their rights under the GDPR and sue for damages. In such case, there would as well exist a threat of proceedings by the supervisory authorities.

Pursuant to Article 83, 4 of the GDPR, in case of non-compliance with the following GDPR provisions, fines up to €10,000,000, or in the case of an undertaking, up to 2 % of the total worldwide annual turnover of the preceding financial year, whichever is higher, may be applied: (i) the obligations of the controller and the processor pursuant to Articles 8 (child's consent), 11 (processing which does not require identification), 25 to 39 (controller and processor; general obligations, security of personal data as data protection officer) and 42 (certification) and 43 (certification bodies); (ii) the obligations of the certification body pursuant to Articles 42 (certification) and 43 (certification bodies); (iii) the obligations of the monitoring body pursuant to Article 41(..

Pursuant to Article 83, 5 of the GDPR, in case of non-compliance with the following GDPR provisions, fines up to €20,000,000, or in the case of an undertaking, up to 4 % of the total worldwide annual turnover of the preceding financial year, whichever is higher, may be applied:

(i) the basic principles for processing, including conditions for consent, pursuant to Articles 5 (principles relating of personal data), 6 (lawfulness of processing), 7 (condition for consent) and 9 (processing of special categories of personal data);

(ii) the data subjects' rights pursuant to Articles 12 to 22 (e.g. information; right of access; right to rectification; right to erasure; right to restriction of processing; right to object);

(iii) the transfers of personal data to a recipient in a third country or an international organisation pursuant to Articles 44 to 49;

(iv) any obligations pursuant to Member State law adopted under Chapter IX of the GDPR;

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(v) non-compliance with an order or a temporary or definitive limitation on processing or the suspension of data flows by the supervisory authority pursuant to Article 58(2) or failure to provide access in violation of Article 58.

Each supervisory authority has the corrective powers to impose a temporary or definitive limitation including a ban on processing.

The supervisory authority may also publish fines and deliberations, which can damage the company's image and reputation.

Under French law, a risk of criminal sanctions is also incurred for non-compliance with the applicable regulation (Articles 226-16 to 226-24 of French Criminal Code). For the legal entity, a fine of €1,500,000 may be applied, as well as additional sanctions stated in 2° to 5° and 7° to 9° of Article 131-39 of the French Criminal code, namely:

(i) prohibition, permanently or for a maximum of five years, from directly or indirectly exercising one or more professional or social activities;

(ii) placement for a period of up to five years, under judicial supervision;

(iii) permanent closure, or for a period of up to five years, of the establishments or of one or more of the establishments of the company that were used to commit the incriminated acts;

(iv) permanent exclusion from public contracts or exclusion from public contracts for a maximum of five years;

(v) prohibition, for a period of up to five years, to issue checks other than those allowing the withdrawal of funds by the drawer from the drawee or those that are certified or to use payment cards;

(vi) fine of confiscation (of movable or immovable property), under the conditions and in the manner provided for in article 131-21 of the French Criminal code; and,

(vii) posting of the pronounced decision or its publication either by the written press or by any means of communication to the public by electronic means.

EU anti-dumping provisions

An anti-dumping duty may be imposed on any dumped product whose release for free circulation in the EU causes injury to the EU industry (Regulation (EU) 2016/1036 of the European parliament and of the council of 8 June 2016 on protection against dumped imports from countries not members of the European Union, Article 1).

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A product is to be considered as being dumped if its export price to the EU is less than a comparable price for a similar product, in the ordinary course of trade, as established for the exporting country. The exporting country shall normally be the country of origin.

However, it may be an intermediate country, except where, for example, the products are merely transhipped through that country, or the products concerned are not produced in that country, or there is no comparable price for them in that country (Article 1, §2 et §3 of Regulation (EU) 2016/1036).

In some cases, provisional duties may be imposed (Article 7 of Regulation (EU) 2016/1036).

Licensing of Intellectual Property Rights

In France, the Intellectual Property Code establishes a formal regime for the licensing of patents, trademarks and designs. Licenses must be made in writing and may be granted on an exclusive or non-exclusive basis. To be enforceable against third parties, licenses should generally be recorded with the French National Institute of Industrial Property (Institut National de la Propriété Industrielle — INPI). Recordation enables third parties to be informed of the existence of the license and prevents conflicts with subsequent assignees or licensees.

At the EU level, Regulation (EU) 2017/1001 on the European Union trademark and Regulation (EC) No 6/2002 on Community designs provide for similar mechanisms. Licenses of EU trademarks and Community designs may also cover all or part of the goods, services or designs concerned and may be exclusive or non-exclusive. Registration of such licenses with the European Union Intellectual Property Office (EUIPO) is recommended to make them enforceable against third parties.

License agreements in both French and EU practice generally include provisions relating to royalties, exclusivity arrangements, territorial scope, duration, sublicensing rights, quality control obligations, and termination conditions. The licensee is typically required to use the licensed rights in a manner consistent with their function and reputation, particularly in the case of trademarks where quality control clauses are important. Non-compliance with these obligations may lead to termination of the license and potential liability for damages.

Where a business relies on trademarks, trade names or technical information provided within a group structure, such use falls within this licensing framework. Proper structuring of the contractual arrangements and, where applicable, their recordation at the INPI or the EUIPO are essential to ensure legal security and opposability to third parties, especially given the cross-border dimension of group activities.

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Risk Factors Relating to Intellectual Property

The operations in France do not currently rely on registered intellectual property rights, such as patents, trademarks or designs, but mainly on contractual authorizations granted within the group. This situation entails several risks that could adversely affect activities in France and the European Union:

- Absence of registered IP rights: Without its own patents, trademarks or designs, the company may face difficulties in enforcing rights against competitors or counterfeiters. Protection would rely on contractual arrangements and on French unfair competition law, which provides narrower and less predictable remedies than statutory IP rights.

- Third-party infringement claims: There is a risk that third parties may allege infringement of their prior intellectual property rights. Such claims, even if unsuccessful, could result in costly litigation, injunctive relief, or restrictions on the marketing and distribution of products.

- Licensing risks: The use of brands, technologies and related know-how depends on intra-group licensing arrangements. Under French law, licences of patents, trademarks or designs must be registered with the French IP Office (INPI) or the EUIPO to be enforceable against third parties. If such registrations are not properly done, the company may be unable to oppose third-party claims or defend its rights in case of disputes.

- Dependence on trade secrets and know-how: In the absence of registered rights, the business may rely on the protection of trade secrets under the French Commercial Code (transposing Directive (EU) 2016/943). However, the effectiveness of this protection depends on the ability to demonstrate that appropriate confidentiality measures have been implemented, which may be challenged in litigation.

- Customs and enforcement risks: Under EU Regulation No. 608/2013, customs authorities may detain goods suspected of infringing intellectual property rights. This procedure can be used to protect against counterfeit products, but conversely, products may also be subject to detention if third parties allege infringement.

Taken together, these risks could expose the business to litigation, additional costs, reputational harm, or restrictions on its ability to operate in France and the European Union.

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EXPECTED KEY CHANGES IN LAWS AND REGULATIONS IN FRANCE

New environmental obligations — Entry into force on July 18, 2024 of Regulation (EU) 2024/1781 of June 13, 2024 on eco-design for sustainable products

This regulation establishes a framework for setting eco-design requirements that products must meet in order to be placed on the market or put into service, with the aim of improving the environmental sustainability of products so that sustainable products become the norm, reducing the overall carbon and environmental footprint of products throughout their life cycle, and ensuring the free movement of sustainable products within the internal market.

As of that date, it replaces Directive 2009/125/EC, which until now set the ecodesign requirements for energy-related products. The transition between the old and new regimes is specified in Article 79 of the Regulation, which details the transitional periods during which certain provisions of Directive 2009/125/EC remain applicable before their final repeal.

The scope of the regulation is now much broader: it covers **any physical product placed on the market or put into service in the European Union, including components and intermediate products.** However, it does not apply to:

- to foodstuffs;
- animal feed;
- medicines;
- veterinary medicines;
- living plants, animals, and microorganisms;
- products of human origin;
- plant and animal products directly related to their future reproduction;
- vehicles, in respect of those aspects of products for which requirements are laid down in sectoral Union legislation applicable to those vehicles;
- products related to defense and security.

Specific obligations of importers and distributors

Regulation (EU) 2024/1781 introduces specific obligations for many economic operators, including importers and distributors.

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– An importer is "any natural or legal person established in the Union who places a product from a third country on the Union market."

– A distributor is "any natural or legal person in the supply chain, other than the manufacturer or importer, who makes a product available on the market."

1. General obligations

The regulation details the eco-design obligations for each actor in the value chain, including importers and distributors:

- Importers are mainly covered by Articles 29 and 34.
- Distributors are covered by Articles 30 and 34.

These obligations include, in particular:

- The compliance of products placed on the market with the eco-design requirements defined by the regulation and its implementing acts.
- The obligation to verify the presence of the digital product passport, intended to enhance information and traceability throughout the value chain.
- The obligation to provide, at the request of the competent national authorities, technical information and documents enabling the verification of product compliance.
- The obligation to ensure the availability, clarity, and accessibility of product information, including after delivery.

2. Information and traceability obligations

Importers and distributors must ensure that the information provided for in Article 36 relating to the product (manufacturer's identity, product identification, etc.) is available in a clear and visible manner when the product is placed on the market, including in the case of distance selling. This information must remain accessible for a period of ten years after delivery of the products.

The digital product passport, required for placing on the market or putting into service, must be available and accessible for all products concerned. This passport aims to guarantee access to relevant information for all actors in the value chain, facilitate conformity verification, and improve traceability.

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3. Monitoring, reporting, and combating the destruction of unsold products

Importers and distributors are subject to transparency and reporting obligations: They must publish annually, in an accessible manner on their website, information on the quantities of unsold products destroyed, the reasons for such destruction, and the measures taken to prevent such destruction.

Penalties and enforcement

Financial penalties are provided for in the event of non-compliance with obligations, up to €15,000 for a legal entity, particularly in the event of prohibited destruction or diversion of unsold goods from reuse or recycling.

Member States must set up enhanced market surveillance, with regular reporting to the European Commission on product compliance, the destruction of unsold products, and the application of the regulation.

Gradual implementation via delegated acts

The specific eco-design requirements applicable to each product group are not all set out directly in the regulation, but will be specified in delegated acts adopted by the European Commission.

The first delegated act could only enter into force on July 19, 2025 (not yet published), and each delegated act will grant economic operators a period of at least 18 months (except in justified cases) to comply with the new requirements.

New regulations on electronic invoicing

1. General principles of electronic invoicing

Electronic invoicing, or "e-invoicing," is part of an effort to modernize and secure exchanges between companies subject to VAT in France. It consists of issuing, transmitting, and receiving invoices exclusively in electronic form, with structured data, in the context of so-called "domestic" B2B (business-to-business) transactions.

The widespread use of electronic invoicing is provided for in Article 289 bis of the General Tax Code and results from Law No. 2022-1157 of August 16, 2022, Article 26, amended by Law No. 2023-1322 of December 29, 2023, Article 91.

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2. Reform timetable

The reform is being implemented gradually and depends on the size of the companies. The current timetable, following the latest postponements, is as follows:

- **Mandatory receipt of electronic invoices**:

  From **September 1**, **2026**, for all companies, regardless of size.

- **Mandatory issuance and transmission of electronic invoices:**

  - From **September 1**, **2026** for large companies, members of a single taxable entity, and medium-sized companies.

  - From **September 1, 2027,** for SMEs and micro-enterprises.

The size of the company will be assessed on January 1, 2025, based on the last financial year ended before that date or, failing that, on the first financial year ended on or after that date.

3. Companies and transactions concerned

The obligation to issue, transmit, and receive electronic invoices applies to:

- To VAT-registered businesses established in France (natural or legal persons).

- To domestic B2B transactions (purchases and sales of goods and services between professionals established in France).

- Also concerning advance payments related to these transactions.

4. Technical requirements and platforms

To meet these obligations, companies must use a **partner dematerialization platform (PDP)** registered by the State for the issuance, transmission, and receipt of invoices, as well as the transmission of data to the tax authorities.

The list of registered PDPs can be found on the impots.gouv.fr website.

Electronic invoices must include a minimum set of structured data, in accordance with European standard EN 16931. PDF or scanned invoices sent by email are not considered electronic invoices within the meaning of the regulations.

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5. Control, archiving, and compliance obligations

Companies must implement internal controls to ensure the authenticity of the origin, integrity of the content, and legibility of invoices, from the time they are issued until the end of their retention period. These controls may take the form, for example, of a reliable audit trail, a "qualified" electronic signature, or a qualified electronic seal. The technical details are set out in Decree No. 2022-1299 of October 7, 2022, amended by Decree No. 2024-266 of March 25, 2024, and Order ECOE2218934A of October 7, 2022.

The constituent elements of these internal controls must be kept for a period of six years, in paper or electronic form, at the company's discretion, regardless of their original form.

6. Applicable penalties

Failure to comply with the obligation to issue an electronic invoice is punishable by:

- A fine of **€15 per invoice**, capped at €15,000 per calendar year (CGI Art. 1737, III).

- In the event of failure by a dematerialization platform to comply with transmission obligations, a fine of €15 per invoice, capped at €45,000 per calendar year (CGI art. 1737, IV).

- These fines do not apply in the case of a first offense committed during the current calendar year and the three previous years, if the offense is remedied spontaneously or within 30 days of an initial request from the administration (CGI Art. 1737, V).

Breaches may be identified during a tax audit and give rise to tax adjustments and, where applicable, criminal penalties in accordance with the rules of ordinary law.

7. Points to note and practical recommendations

Companies must anticipate the transition by identifying their category (large company, mid-sized company, SME, micro-enterprise) as of January 1, 2025, by consulting with their accountants or advisors, and by preparing to implement tools that comply with technical requirements.

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OVERVIEW

We are a fast-growing global leader with strong brand equity in 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 shipment volume of self-manufactured products in 2024, with the most comprehensive product portfolio equipped with the most advanced pool cleaning technology, according to the CIC Report. Our history can be traced back to December 2005, when the predecessor of our Company, Tianjin Wangyuan Environmental Protection & Technology Co., Ltd. (天津望圓環保科技有限公司), was established by Ms. Fu and Ms. Fu Yulan, through Tianjin Zhuhui and Tianjin Wangyuan, and Mr. Yu. On December 31, 2021, we were converted from a limited liability company into a joint stock limited liability company in accordance with applicable PRC laws and regulations under the name of WYBOTICS Co.,LTD (天津望圓智能科技股份有限公司).

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

BUSINESS MILESTONES

The following table sets forth the key business development milestones of our Group:

Year	Milestones
2005	Our Company was established as a limited liability company in the PRC. Our Company successfully developed our first swimming pool robotic cleaner and obtained the relevant patent.
2008	Our Company was recognized as a National High-tech Enterprise in the PRC.
2009	Our Company inaugurated the earliest lightweight products and commenced the development of cordless products and the application of relevant patents.
2010	Our products entered the European chain supermarkets and large professional stores.
2014	Our Company moved into a self-built factory area in Tianjin and expanded our production scale.
	Our Company launched the world's first cordless cleaner product.

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Year	Milestones
2017	Our products entered the North American market.
2021	Our Company was converted into a joint stock company with limited liability.
2023	Our Company inaugurated the earliest AI-powered products.
2024	Our Company launched the cordless intelligent robotic pool cleaners, *WYBOT M2*, *WYBOT S2 Pro* and *WYBOT C1 PRO*, in the same year. *WYBOT S2 Solar Vision* is the world's first robotic pool cleaner with automatic return-to-dock and wireless charging design, which allows it to automatically return to the dock for self-charging when its battery drops below 20%, according to the CIC Report.
2025	Our Company launched the cordless intelligent robotic pool cleaners, *WYBOT S3*, the world's first robotic pool cleaner that integrates both underwater 3D mapping and waste recycling capability, according to CIC, which is equipped with solar charging and underwater AI vision with real-time underwater communication.

OUR CORPORATE DEVELOPMENT

Establishment of Our Company

Our history can be traced back to December 23, 2005 when Ms. Fu and Ms. Fu Yulan, through Tianjin Zhuhui and Tianjin Wangyuan, and Mr. Yu established our predecessor Tianjin Wangyuan Environmental Protection & Technology Co., Ltd. (天津望圓環保科技有限公司) with their own funds and assets. Our initial registered capital was US$700,000 and was collectively owned as to (i) 50% by Tianjin Zhuhui, (ii) 26% by Mr. Yu, and (iii) 24% by Tianjin Wangyuan.

After a series of capital injections and changes in its shareholding structure, as of September 6, 2021, our Company was owned as to (i) 40.15% by Tianjin Zhuhui, (ii) 38.00% by Tianjin Wangyuan, (iii) 15.01% by Ms. Fu, (iv) 2.65% by Tianjin Wangyuan LP, (v) 2.22% by Ms. Fu Yulan, (vi) 1.11% by Mr. Yu and (vii) 0.85% by Tianjin Kanfang LP, respectively, with a registered capital of RMB32,131,300.

2021 Investment and Share Transfer

In October 2021, several external investors invested in our Company as pre-[**REDACTED**] investors to facilitate the business development of our Company. On October 17, 2021, each of Hainan Haisheng, Yiyi Hygiene and Tianjin Shenglin entered into an equity transfer agreement with Ms. Fu, pursuant to which Ms. Fu agreed to transfer 1.00%, 0.32% and 0.68% of the total share capital of our Company to Hainan Haisheng, Yiyi Hygiene and Tianjin Shenglin at the consideration of RMB17 million, RMB5.5 million and RMB11.5

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million, respectively. The consideration was determined based on arm's length negotiation with reference to the timing of the investments and the status of our business and financial performance. Such consideration was fully settled on October 26, 2021.

On October 20, 2021, Hainan Haisheng, Nanjing Runxin, Jiashan Runxin, Yida No. 2, Jiangsu Zijin, Yida Xinhai, Chizhou Dongsheng Yingda, iFlytek Haihe, Yiyi Hygiene, Tianjin Shenglin (together, the "**2021 Pre-[REDACTED] Investors**"), Ms. Fu Yulan, Ms. Fu, Mr. Yu, Tianjin Zhuhui, Tianjin Wangyuan, Tianjin Wangyuan LP and Tianjin Kanfang LP entered into a capital increase agreement, pursuant to which, the 2021 Pre-[**REDACTED**] Investors agreed to invest in our Company by subscription for an aggregate of 2,910,718 Shares of our Company at the consideration of RMB154 million in total. The consideration was determined based on arm's length negotiation with reference to the timing of the investments and the status of our business and financial performance. Such consideration was fully settled on October 27, 2021.

See "—Pre-[**REDACTED**] Investments" for more information.

Conversion into Joint Stock Company with Limited Liability

On December 28, 2021, all of the then 17 shareholders of our Company resolved at a Shareholders' general meeting to approve the conversion of our Company into a joint stock company with limited liability. According to the capital verification report prepared by an independent valuer, the total net asset value of our Company as of October 31, 2021 was approximately RMB279.10 million, of which (i) RMB57.00 million was converted to Shares with par value of RMB1.00 per Share; and (ii) the remaining amount of approximately RMB222.10 million was converted into capital reserve. The conversion was completed on December 31, 2021. Immediately upon completion of the said conversion, the registered capital of our Company was RMB57.00 million divided into 57,000,000 Shares with nominal value of RMB1.00 per Share, which were subscribed by all of our then Shareholders in proportion to their respective equity interests in our Company before the conversion, details of which as follows:

Names of Shareholders	Number of Shares with nominal value of RMB1.00 each held by Shareholders	Shareholding Percentage
		(%)
Controlling Shareholders		
Tianjin Zhuhui[(1)]	20,984,892	36.82
Tianjin Wangyuan[(2)]	19,862,448	34.85
Ms. Fu	6,801,297	11.93
Tianjin Wangyuan LP[(3)]	1,385,043	2.43
Mr. Yu	579,975	1.02
Tianjin Kanfang LP[(3)]	446,367	0.78

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Names of Shareholders	Number of Shares with nominal value of RMB1.00 each held by Shareholders	Shareholding Percentage
		(%)
Other Shareholders[4]		
Nanjing Runxin	1,537,233	2.70
Hainan Haisheng	1,229,775	2.16
Ms. Fu Yulan	1,160,007	2.04
Yida No. 2	614,859	1.08
Jiangsu Zijin	614,859	1.08
Jiashan Runxin	461,187	0.81
Tianjin Shenglin	353,571	0.62
Yida Xinhai	307,458	0.54
iFlytek Haihe	307,458	0.54
Chizhou Dongsheng Yingda	184,452	0.32
Yiyi Hygiene	169,119	0.30
Total	**57,000,000**	**100.00**

(1) Tianjin Zhuhui was then held as to 90.00% by Ms. Fu and as to 10.00% by Ms. Fu Yulan. On June 10, 2021, 42.50% of the equity interest of Tianjin Zhuhui was transferred from Ms. Fu to Mr. Yu. After such transfer, Tianjin Zhuhui was held as to 47.50% by Ms. Fu, as to 42.50% by Mr. Yu and as to 10.00% by Ms. Fu Yulan. On July 8, 2021, 10.00% of the equity interest of Tianjin Zhuhui was transferred from Ms. Fu Yulan to Ms. Fu. Since then and as of the Latest Practicable Date, Tianjin Zhuhui was held as to 57.50% by Ms. Fu and as to 42.50% by Mr. Yu.

(2) Tianjin Wangyuan was then held as to 89.46% by Ms. Fu and as to 10.54% by Ms. Fu Yulan. On July 20, 2021, 40.00% of the equity interest of Tianjin Wangyuan was transferred from Ms. Fu to Mr. Yu. After such transfer, Tianjin Wangyuan was held as to 49.46% by Ms. Fu, as to 40.00% by Mr. Yu and as to 10.54% by Ms. Fu Yulan. On August 6, 2021, 10.54% of the equity interest of Tianjin Wangyuan was transferred from Ms. Fu Yulan to Ms. Fu. Since then and as of the Latest Practicable Date, Tianjin Wangyuan was held as to 60.00% by Ms. Fu and as to 40.00% by Mr. Yu.

(3) Ms. Fu has been the general partner of each of Tianjin Kanfang LP and Tianjin Wangyuan LP since its establishment, respectively.

(4) See notes to the charts in "—Our Corporate Structure Immediately prior to the [**REDACTED**]" and "—Our Corporate Structure Immediately following the [**REDACTED**]" sections for details of such Shareholders.

2025 First Share Transfer

On April 10, 2025, for the purpose of granting more incentives to our employees under our employee share ownership platforms, Tianjin Zhuhui transferred 1,257,192 Shares and 331,398 Shares of our Company to Tianjin Wangyuan LP and Tianjin Kanfang LP at a consideration of approximately RMB11.3 million and RMB3.0 million, respectively. Such consideration was fully settled on May 28, 2025.

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On April 21, 2025, given Hainan Haisheng decided to exercise its repurchase rights pursuant to a shareholder agreement dated October 20, 2021, Tianjin Zhuhui and Tianjin Wangyuan entered into the share transfer agreement with Hainan Haisheng, pursuant to which Tianjin Zhuhui and Tianjin Wangyuan agreed to purchase 1,229,775 Shares in total of our Company from Hainan Haisheng, at a total consideration of RMB49,031,774.66, which was based on the original investment cost of Hainan Haisheng and the interests accrued. Such consideration was fully settled on April 22, 2025.

Immediately upon completion of said transfer, the shareholding structure of the Company was as follows:

Names of Shareholders	Number of Shares with nominal value of RMB1.00 each held by Shareholders	Shareholding Percentage
		(%)
Controlling Shareholders		
Tianjin Zhuhui	20,011,190	35.11
Tianjin Wangyuan	20,477,336	35.93
Ms. Fu	6,801,297	11.93
Mr. Yu	579,975	1.02
Tianjin Wangyuan LP	2,642,235	4.64
Tianjin Kanfang LP	777,765	1.36
Other Shareholders		
Nanjing Runxin	1,537,233	2.70
Mr. Shi Xuezhong (史學忠)[(1)]	1,160,007	2.04
Jiangsu Zijin	614,859	1.08
Yida No. 2	614,859	1.08
Jiashan Runxin	461,187	0.81
Tianjin Shenglin	353,571	0.62
iFlytek Haihe	307,458	0.54
Yida Xinhai	307,458	0.54
Chizhou Dongsheng Yingda	184,452	0.32
Yiyi Hygiene	169,119	0.30
Total	**57,000,000**	**100.00**

(1) In July 2024, Ms. Fu Yulan passed away due to illness and her spouse, Mr. Shi Xuezhong (史學忠), inherited her Shares in our Company.

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2025 Second Share Transfer

On June 15, 2025, Tianjin Zhuhui transferred 780,582.17 Shares, 234,178.95 Shares, 72,542 Shares, 428,58 Shares, 83,429 Shares, 39,881 Shares, 142, 279 Shares, 142,279 Shares and 71,139 Shares to Nanjing Runxin, Jiashan Runxin, iFlytek Haihe, Chizhou Dongsheng Yingda, Tianjin Shenglin, Yiyi Hygiene, Yida No.2, Jiangsu Zijin and Yida Xinhai (collectively, the "**Transferees**"), respectively. Tianjin Zhuhai agreed to transfer such Shares to the Transferees as share compensation at nil consideration.

On June 15, 2025, Yida No.2, Jiangsu Zijin, Yida Xinhai, Chizhou Dongsheng Yingda transferred 199,829 Shares, 199,829 Shares, 99,924 Shares, 61,684 Shares of our Company to Tianjin Zhuhui at the consideration of RMB6.50 million, RMB6.50 million, RMB3.25 million and RMB2.00 million, which were based on their respective original investment cost. Such considerations were fully settled on June 24, 2025.

On the same date, Tianjin Zhuhui transferred 380,000 Shares to Mr. Feng Yujun (馮玉軍), an Independent Third Party, at the consideration of RMB10 million. The consideration was determined based on arm's length negotiation with reference to the timing of the investments and the status of our business and financial performance. Such consideration was fully settled on July 7, 2025.

Immediately upon completion of said transfers, the shareholding structure of the Company was as follows:

Names of Shareholders	Number of Shares with nominal value of RMB1.00 each held by Shareholders	Shareholding Percentage
		(%)
Controlling Shareholders		
Tianjin Zhuhui	18,582,937.13	32.60
Tianjin Wangyuan	20,477,335.50	35.93
Ms. Fu	6,801,297	11.93
Mr. Yu	579,975	1.02
Tianjin Wangyuan LP	2,642,235	4.64
Tianjin Kanfang LP	777,765	1.36
Other Shareholders		
Nanjing Runxin	2317815.60	4.07
Mr. Shi Xuezhong (史學忠)	1,160,007	2.04
Jiangsu Zijin	556,881.17	0.98
Yida No. 2	556,881.17	0.98
Jiashan Runxin	695,366.43	1.22
Tianjin Shenglin	437,000	0.77
iFlytek Haihe	380,000	0.67
Yida Xinhai	278,439.41	0.49
Chizhou Dongsheng Yingda	167,064.59	0.29
Yiyi Hygiene	209,000	0.37
Mr. Feng Yujun (馮玉軍)	380,000	0.67
Total	**57,000,000**	**100.00**

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2025 Investment and Third Share Transfer

In September 2025, several external investors invested in our Company as pre-[**REDACTED**] investors to expand our business development of our Company. On September 5, 2025, the then shareholders of our Company resolved to increase the registered capital of our Company from RMB57,000,000 to RMB62,523,409. Pursuant to a capital increase agreement dated September 8, 2025 entered among the Company and the then 17 shareholders, Suzhou Shenqilina, Aviation Industry Integration, Qingdao Honghua, Guosen Capital, Tianjin Teda, Baoding Jiahe and Tianjin Dongwang agreed to invest in our Company by subscription for an aggregate of 5,523,409 Shares of our Company at the consideration of RMB145,352,868.02 in total. The consideration was determined based on arm's length negotiation with reference to the timing of the investments and the status of our business and financial performance. Such consideration was fully settled on September 19, 2025.

See "—Pre-[**REDACTED**] Investments" for more information.

EMPLOYEE SHARE OWNERSHIP PLATFORMS

In recognition of the contributions of our key employees and to incentivize them to further promote our development, we adopted employee share ownership plans from 2021 to 2025 (collectively, the "**Employee Share Ownership Plans**"), to award the partnership interest in our employee share ownership to eligible participants. None of such Employee Share Ownership Plans is subject to the provisions of Chapter 17 of the Listing Rules. As of the Latest Practicable Date, Tianjin Wangyuan LP and Tianjin Kanfang LP were established as our employee share ownership platforms, both of which are controlled by the same general partner, Ms. Fu, and thus, together with Ms. Fu, constitute a group of our Shareholders.

According to the Employee Share Ownership Plans and the respective grant agreements, our certain employees were granted awards and registered as the limited partners of relevant employee share ownership platforms upon grants or exercise of their awards. All management and voting powers of the employee share ownership platforms are exercised by their respective sole general partner, Ms. Fu (the chairman of the Board, executive Director and chief executive officer of our Company), according to the respective partnership agreements, whereas the relevant employees as the limited partners of such employee share ownership are entitled to the economic interest.

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Tianjin Wangyuan LP

Tianjin Wangyuan LP was established as a limited partnership under the laws of the PRC on August 31, 2021. As of the Latest Practicable Date, Tianjin Wangyuan LP held 4.23% of our Shares, and its partnership structure was as follows:

Name	Position	Capacity of partnership interests in	Approximate percentage of partnership interests
			(%)
Ms. Fu	Chairman of the Board, executive Director and chief executive officer	General partner	8.34
Mr. Yu	Vice chairman of the Board, executive Director and product director	Limited partner	0.05
Li Hui	Executive Director, deputy general manager, Board secretary and joint company secretary	Limited partner	8.79
Cen Pu	Executive Director, deputy general manager and chief engineer	Limited partner	4.40
Zhu Xiao	Deputy general manager	Limited partner	4.40
Shen Jinguo	Deputy general manager	Limited partner	3.30
Liang Hongfeng	Financial director	Limited partner	13.19
29 other persons	Employees	Limited partner	57.34

Tianjin Kanfang LP

Tianjin Kanfang LP was established as a limited partnership under the laws of the PRC on August 31, 2021. As of the Latest Practicable Date, Tianjin Kanfang LP held 1.24% of our Shares, and its partnership structure was as follows:

Name	Position	Capacity of partnership interests in	Approximate percentage of partnership interests
			(%)
Ms. Fu	Chairman of the Board, executive Director and chief executive officer	General partner	24.60
Mr. Yu	Vice chairman of the Board, executive Director and product director	Limited partner	0.16
27 other persons	Employees	Limited partner	75.24

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PRINCIPAL SUBSIDIARIES OF OUR COMPANY

Set forth below is our principal subsidiaries which made material contributions to our financial results during the Track Record Period:

Name of subsidiary	Place of incorporation	Date of incorporation	Shareholding Percentage	Principal business activities
			(%)	
WYBOTICS EUROPE. . . .	France	September 8, 2022	100%	Wholesale, retail, import and export and after-sales services of swimming pool robots and products related to swimming pools, sports and wellness-enhancing recreational activities
Wybotics Inc. . .	U.S.	September 12, 2022	100%	Marketing and after-sale service
WYBOTICS HONGKONG	Hong Kong	September 28, 2022	100%	Sales of swimming pool cleaning robots

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PRE-[REDACTED] INVESTMENTS

Since 2021, with confidence in our business development and management, many investors invested in our Company, details of which are set forth below:

Particulars and Principal Terms of the Pre-[REDACTED] Investments

Particulars and principal terms of the Pre-[**REDACTED**] investments are set forth below:

Name of Pre-[REDACTED] Investors	Date of initial share purchase agreement/ subscription agreement	Settlement Date	Approximate % of equity interests of our Company acquired/ subscribed by the investor	Approximate amount of consideration paid	Cost per Share	Discount to [REDACTED][(1)]
				(in RMB million)		*(%)*
2021 Investment and Share Transfer						
Hainan Haisheng[(2)(3)(6)]	October 20, 2021	October 26, 2021	2.16%	40.00	HK$[REDACTED]	[REDACTED]%
Yiyi Hygiene[(2)]	October 20, 2021	October 21, 2021	0.30%	5.50	HK$[REDACTED]	[REDACTED]%
Tianjin Shenglin[(2)]	October 20, 2021	October 20, 2021	0.62%	11.50	HK$[REDACTED]	[REDACTED]%
Nanjing Runxin[(3)]	October 20, 2021	October 27, 2021	2.70%	50.00	HK$[REDACTED]	[REDACTED]%
Jiashan Runxin[(3)]	October 20, 2021	October 27, 2021	0.81%	15.00	HK$[REDACTED]	[REDACTED]%
Yida No. 2[(3)]	October 20, 2021	October 26, 2021	1.08%	20.00	HK$[REDACTED]	[REDACTED]%
Jiangsu Zijin[(3)]	October 20, 2021	October 26, 2021	1.08%	20.00	HK$[REDACTED]	[REDACTED]%
Yida Xinhai[(3)]	October 20, 2021	October 26, 2021	0.54%	10.00	HK$[REDACTED]	[REDACTED]%
Chizhou Dongsheng Yingda[(3)]	October 20, 2021	October 26, 2021	0.32%	6.00	HK$[REDACTED]	[REDACTED]%
iFlytek Haihe [(3)]	October 20, 2021	October 25, 2021	0.54%	10.00	HK$[REDACTED]	[REDACTED]%

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Name of Pre-[REDACTED] Investors	Date of initial share purchase agreement/ subscription agreement	Settlement Date	Approximate % of equity interests of our Company acquired/ subscribed by the investor	Approximate amount of consideration paid	Cost per Share	Discount to [REDACTED][(1)]
				(in RMB million)		*(%)*
2025 Investment and Third Share Transfer						
Suzhou Shenequia[(3)(4)]	September 8, 2025	September 10, 2025	6.08%	100.00	HK$[REDACTED]	[REDACTED]%
Aviation Industry Integration[(3)(5)]	September 8, 2025	September 9, 2025	1.82%	30.00	HK$[REDACTED]	[REDACTED]%
Qingdao Honghua[(3)(5)]	September 8, 2025	September 19, 2025	3.04%	50.00	HK$[REDACTED]	[REDACTED]%
Guosen Capital[(3)(4)]	September 8, 2025	September 10, 2025	2.98%	49.00	HK$[REDACTED]	[REDACTED]%
Tianjin Teda[(3)(4)]	September 8, 2025	September 18, 2025	3.04%	50.00	HK$[REDACTED]	[REDACTED]%
Baoding Jiahe[(3)(4)]	September 8, 2025	September 10, 2025	1.22%	20.00	HK$[REDACTED]	[REDACTED]%
Tianjin Dongwang[(3)(4)]	September 8, 2025	September 18, 2025	1.22%	20.00	HK$[REDACTED]	[REDACTED]%

(1) The cost per share paid is calculated by dividing each round post-money valuation by [**REDACTED**] Shares (i.e., the total issued shares of our Company upon the [**REDACTED**] (assuming the [**REDACTED**] is not exercised)). The discount to the [**REDACTED**] is calculated based on the assumption that the [**REDACTED**] is HK$[**REDACTED**] per Share, being the [**REDACTED**] of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**]. Each of the post-money valuation of the 2021 Investment and Share Transfer and the 2025 Investment and Share Transfer was RMB[**REDACTED**] (HK$[**REDACTED**]) and RMB[**REDACTED**] (HK$[**REDACTED**]), respectively.

(2) The investment was made by such investor by way of acquisition of the relevant Shares owned by Ms. Fu.

(3) The investment was made by such investor by way of subscription of new Shares.

(4) The investment was made by such investor by way of acquisition of the relevant Shares owned by Tianjin Zhuhui.

(5) The investment was made by such investor by way of acquisition of the relevant Shares owned by Nanjing Runxin and Jiashan Runxin.

(6) In April 2025, Hainan Haisheng ceased to be our Shareholder, see "—2025 First Share Transfer" in this section for details.

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Use of [REDACTED] from the Pre-[REDACTED] Investments

As of the Latest Practicable Date, the [**REDACTED**] from the Pre-[**REDACTED**] Investments in October 2021 and the Pre-[**REDACTED**] Investments in September 2025 received by our Company have not been fully utilized and the intended use would be for the development and operation of our core business.

Special Rights of the Pre-[REDACTED] Investors

Pursuant to the shareholders' agreements entered into among the Shareholders of our Company in October 2021 and September 2025, respectively, the Pre-[**REDACTED**] Investors had been granted certain special rights, including, among others, pre-emptive right, anti-dilution right, right of first refusal, co-sale right, drag-along right, repurchase right, liquidation preference and information right. Save for the repurchase rights shall be terminated from the date immediately prior to the filing of the [**REDACTED**] and shall automatically restored upon (i) the withdrawal of the [**REDACTED**]; or (ii) the [**REDACTED**] has been returned, rejected or vetoed by relevant stock exchange or authorities, the other special rights shall be terminated upon the [**REDACTED**].

Lock-up Period

Pursuant to the PRC Company Law, within 12 months following the [**REDACTED**], Shares issued by our Company prior to the [**REDACTED**] (including those held by the Pre-[**REDACTED**] Investors at the time of the [**REDACTED**]) are restricted from trading.

Information about the Principal Pre-[REDACTED] Investors

The following sets forth background information of our existing principal Pre-[**REDACTED**] Investors (each holding more than 1% of our registered share capital as of the Latest Practicable Date):

Nanjing Runxin and Jiashan Runxin

Each of Nanjing Runxin and Jiashan Runxin is a limited partnership established in the PRC, and is a private equity investment fund principally engaged in equity investment. The common general partner of Nanjing Runxin and Jiashan Runxin is China Capital Management Co., Ltd., an Independent Third Party, which holds 20% limited partnership interest in both of Nanjing Runxin and Jiashan Runxin. None of the 8 limited partners of Nanjing Runxin holds more than 30% limited partnership interest in Nanjin Runxin. The largest limited partner of Jiashan Runxin is Jiashan County Shanzhi Venture Capital Investment Co., Ltd. (嘉善縣善智創業投資有限公司), holding 40% limited partnership interest in Jiashan Runxin, which is ultimately controlled by Jiashan County Finance Bureau (嘉善縣財政局). None of the other 6 limited partners of Jiashan Runxin holds more than 30% limited partnership interest in Jiashan Runxin. Each of the 8 limited partners of Nanjing Runxin and 7 limited partners of Jiashan Runxin is an Independent Third Party.

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Yida No. 2, Jiangsu Zijin and Yida Xinhai

Each of Yida No. 2, Jiangsu Zijin and Yida Xinhai is a limited partnership established in the PRC, and is a private equity investment fund principally engaged in equity investment. The general partner of Yida No. 2 is Nanjing Yida Huizhong Venture Capital Management Partnership (Limited Partnership) (南京毅達匯中創業投資管理合夥(有限合夥)) ("**Yida Huizhong**"), an Independent Third Party, which holds 1% limited partnership interest in Yida No. 2. The general partner of each of Jiangsu Zijin and Yida Xinhai is Nanjing Yida Equity Investment Management Enterprise (Limited Partnership) (南京毅達股權投資管理企業(有限合夥)) ("**Nanjing Yida**"), an Independent Third Party, which holds 0.5% and 0.91% limited partnership interest in Jiangsu Zijin and Yida Xinhai, respectively. Each of Yida Huizhong and Nanjing Yida is ultimately controlled by Nanjing Yida Investment Management Co., Ltd. (南京毅達投資管理有限公司), which is owned by Ying Wenlu (應文祿) as to 22.45%, Huang Tao (黃韜) as to 15.51 %, Fan Liping (樊利平) as to 15.51%, Zhou Chunfang (周春芳) as to 15.51%, You Jinbai (尤勁柏) as to 15.51% and Shi Yunzhong (史雲中) as to 15.51%, respectively, each of which is an Independent Third Party. None of the 10 limited partners of Yida No. 2 holds more than 30% limited partnership interest in Yida No. 2. None of 6 limited partners of Jiangsu Zijin holds more than 30% limited partnership interest in Jiangsu Zijin. The largest limited partner of Yida Xinhai is Yangzhou Xinda Venture Capital Investment Partnership (Limited Partnership) (揚州鑫達創業投資合夥企業(有限合夥)), holding 50.6% limited partnership interest in Jiangsu Zijin, which is ultimately controlled by Chen Zhen (陳震) and Tan Lin (談林), each of which is an Independent Third Party. None of the other 5 limited partners of Yida Xinhai holds more than 30% limited partnership interest in Yida Xinhai. Each of the 10 limited partners of Yida No. 2, 6 limited partners of Jiangsu Zijin and 6 limited partners of Yida Xinhai is an Independent Third Party.

Suzhou Shenqilina

Suzhou Shenqilina is a limited partnership established in the PRC, and is a private equity investment fund principally engaged in equity investment. The general partner of Suzhou Shenqilina is Shanghai Hengxu Chuangling Private Equity Fund Management Co., Ltd. (上海恒旭創領私募基金管理有限公司), an Independent Third Party, holding 0.50% limited partnership interest in Suzhou Shenqilina, which is ultimately controlled by Lu Yongtao (陸永濤). The largest limited partner of Suzhou Shenqilina is Nanjing Junhongtianyin Equity Investment Partnership (Limited Partnership) (南京隽弘天印股權投資合夥企業(有限合夥)) ("**Nanjing Junhongtianyi**"), holding 36.54% partnership interest in Suzhou Shenqilina, which is ultimately controlled by Lu Yongtao (陸永濤). None of the other 18 limited partners holds more than 20% partnership interest in Suzhou Shenqilina. Each of the 19 limited partners are Independent Third Parties.

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Qingdao Honghua and Aviation Industry Integration

Each of Qingdao Honghua and Aviation Industry Integration is a limited partnership established in the PRC, and is a private equity investment fund principally engaged in equity investment. The common general partner of Qingdao Honghua and Aviation Industry Integration is Qingdao Honghua Private Equity Fund Management Co., Ltd. (青島弘華私募基金管理有限公司), an Independent Third Party, which holds 0.02% and 0.99% limited partnership interest in Qingdao Honghua and Aviation Industry Integration, respectively. The 2 limited partners of Qingdao Honghua are Luoyang Industrial Development Fund Partnership (Limited Partnership) (洛陽市產業發展基金合夥企業(有限合夥)), holding 59.99% limited partnership interest in Qingdao Honghua, which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Luoyang Municipal People's Government (洛陽市人民政府國有資產監督管理委員會), and Yunnan International Trust Co., Ltd. (雲南國際信託有限公司), holding 39.99% limited partnership interest in Qingdao Honghua. Each of the 2 limited partners of Qingdao Honghua is an Independent Third Party. None of the 9 limited partners of Aviation Industry Integration holds more than 30% limited partnership interest in Aviation Industry Integration. Each of the 9 limited partners is an Independent Third Party.

Guosen Capital

Guosen Capital is a company established in the PRC with limited liability that engages in venture capital and investment activities. Guosen Capital is a wholly-owned subsidiary of Guosen Securities Co., Ltd., a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 002736). To the best knowledge of our Directors, Guosen Securities Co., Ltd. is an Independent Third Party.

Tianjin Teda

Tianjin Teda is a limited partnership established in the PRC, and is a private equity investment fund principally engaged in equity investment. The general partner of Tianjin Teda is Tianjin Teda Haihe Private Equity Fund Management Co., Ltd. (天津泰達海河私募基金管理有限公司), an Independent Third Party, holding 0.03% limited partnership interest Tianjin Teda which is ultimately controlled by the State-owned Assets Supervision and Administration Bureau of Tianjin Economic-Technological Development Area (天津經濟技術開發區國有資產監督管理局). The 2 limited partners of Tianjin Teda are Tianjin Teda Industrial Investment Guidance Fund Co., Ltd. (天津泰達產業投資引導基金有限公司), holding 59.98% limited partnership interest in Tianjin Teda, which is ultimately controlled by the State-owned Assets Supervision and Administration Bureau of Tianjin Economic-Technological Development Area (天津經濟技術開發區國有資產監督管理局), and Tianjin Haihe Industrial Fund Partnership Enterprise (Limited Partnership) (天津市海河產業基金合夥企業(有限合夥)), holding 39.98% limited partnership interest in Tianjin Teda, which is ultimately controlled by Tianjin Municipal Bureau (天津市財政局).

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Baoding Jiahe

Baoding Jiahe is a limited partnership established in the PRC, and is a private equity investment fund principally engaged in equity investment. The executive partner of Baoding Jiahe is Shijiazhuang Guohe Equity Investment Fund Management Co., Ltd. (石家莊市國合股權投資基金管理有限公司), an Independent Third Party, holding 1.00% limited partnership interest Baoding Jiahe which is ultimately wholly-owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Shijiazhuang City (石家莊市人民政府國有資產監督管理委員會). The general partner is Anhui Luxin Private Equity Investment Fund Management Co., Ltd. (安徽魯信私募股權投資基金管理有限公司), an Independent Third Party, holding 0.33% of the limited partnership interests in Baoding Jiahe. The largest 2 limited partners of Baoding Jiahe are Guojing Jixing Investment Management (Shanghai) Co., Ltd. (國經冀興投資管理(上海)有限公司), holding 48.67% limited partnership interest in Baoding Jiahe, which is ultimately wholly-owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Shijiazhuang City (石家莊市人民政府國有資產監督管理委員會), and Baoding High Tech Zone Industrial Investment Guidance Fund Co., Ltd. (保定高新區產業投資引導基金有限公司), holding 35.00% limited partnership interest in Baoding Jiahe, which is ultimately wholly-owned by the Management Committee of Baoding National High-tech Industrial Development Zone (保定國家高新技術產業開發區管理委員會). None of the other 2 limited partners of Baoding Jiahe holds more than 30% limited partnership interest in Baoding Jiahe. Each of the 4 limited partners of Baoding Jiahe is an Independent Third Party.

Tianjin Dongwang

Tianjin Dongwang is a limited partnership established in the PRC, and is a private equity investment fund principally engaged in equity investment. The general partner of Tianjin Dongwang is Song Shiyu (宋時禹), an Independent Third Party, holding 11.81% limited partnership interest Tianjin Dongwang. The largest limited partner of Tianjin Dongwang is Tianjin Huake Financial Holding Investment Co., Ltd. (天津華科金控投資有限公司), holding 48.19% limited partnership interest Tianjin Dongwang, which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Dongli District People's Government of Tianjin City (天津市東麗區人民政府國有資產監督管理委員會). None of the other 3 limited partners of Tianjin Dongwang holds more than 30% limited partnership interest in Tianjin Dongwang. Each of the 4 limited partners of Tianjin Dongwang is an Independent Third Party.

Tianjin Shenglin and Yiyi Hygiene

Tianjin Shenglin is a limited partnership established in the PRC. The common general partner of Tianjin Shenglin is Ms. Zhou Lina (周麗娜), an Independent Third Party, which holds approximately 21.74% limited partnership interest in Tianjin Shenglin. The largest limited partner of Tianjin Shenglin is Mr. Gao Fuzhong (高福忠), an Independent Third Party, holding approximately 26.09% limited partnership interest in Tianjin Shenglin. None of the other 6 limited partners of Tinajin Shenglin holds more than 30% limited partnership interest in Tianjin Shenglin. Yiyi Hygiene is a joint stock company incorporated under the PRC laws, whose shares are listed on the Shenzhen stock exchange (stock code: 001206). The controlling shareholder of Yiyi Hygiene is Mr. Gao Fuzhong (高福忠).

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Public Float

Immediately upon completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares (assuming the [**REDACTED**] is not exercised), our Company will have [**REDACTED**] Unlisted Shares and [**REDACTED**] H Shares, among which:

(i) [**REDACTED**] Unlisted Shares (representing approximately [**REDACTED**]% of our total issued Shares upon the [**REDACTED**]), including (a) [**REDACTED**] Shares held by our Controlling Shareholders, (b) [**REDACTED**] Shares held by Aviation Industry Integration, and (c) [**REDACTED**] Shares held by Qingdao Honghua, will not be considered as part of the public float as such Unlisted Shares will not be converted into H Shares;

(ii) Among the [**REDACTED**] H Shares,

- [**REDACTED**] H Shares (representing approximately [**REDACTED**]% of our total issued Shares upon the [**REDACTED**]) to be converted from the Unlisted Shares. These H Shares are held by our Pre-[**REDACTED**] Investors, and will be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules after the [**REDACTED**] as these entities will not be core connected persons of our Company upon the [**REDACTED**] nor are they accustomed to take instructions from the Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by the Company's core connected persons;

- [**REDACTED**] H Shares will be issued pursuant to the [**REDACTED**].

The total number of the H Shares to be issued pursuant to the [**REDACTED**] represents approximately [**REDACTED**]% of the enlarged issued share capital of the Company (assuming the [**REDACTED**] is not exercised). It is expected that upon [**REDACTED**] (assuming the [**REDACTED**] is not exercised), the H Shares that are held by the public represent approximately [**REDACTED**]% of the total issued share capital of the Company, which meets the prescribed percentage of the H Shares required to be held by public of 15% under Rule 19A.13A(1) of the Listing Rules, thereby satisfying Rule 19A.13A of the Listing Rules.

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[**REDACTED**]

Rule [**REDACTED**] of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of [**REDACTED**], this will normally mean that the portion of H shares for which [**REDACTED**] is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of [**REDACTED**], must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of [**REDACTED**] (excluding treasury shares), with an expected market value at the time of [**REDACTED**] of not less than HK$50,000,000; or (b) have an expected market value at the time of [**REDACTED**] of not less than HK$600,000,000.

Based on an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the minimum [**REDACTED**], our Company will satisfy the [**REDACTED**] requirement under Rule[**REDACTED**] of the Listing Rules.

Compliance with the Guide

On the basis that (i) the consideration for the Pre-[**REDACTED**] Investments was irrevocably settled in accordance with the Listing Rules and the Guide and (ii) all special rights granted to the Pre-[**REDACTED**] Investors shall be discontinued upon or before the [**REDACTED**], the Sole Sponsor confirms that the Pre-[**REDACTED**] Investments are in compliance with Chapter 4.2 of the Guide.

CAPITALIZATION TABLE

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and immediately following the completion of the [**REDACTED**] and Conversion of Unlisted Shares into H Shares:

		Share held as of the Latest Practicable Date		Shares held immediately following the completion of the [REDACTED] and Conversion of Unlisted Shares into H Shares			
Name of Shareholder	Description of Shares	Number of Shares	Percentage of shareholding in our total issued share capital	Number of Shares	Percentage of shareholding in our Unlisted Shares/ H Shares	Percentage of shareholding in our total issued share capital	Whether the H Shares will be counted towards the public float
Our Controlling Shareholders and Substantial Shareholders							
Ms. Fu	Unlisted Shares	6,801,297	10.88%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]	
Mr. Yu	Unlisted Shares	579,975	0.93%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]	
Tianjin Zhuhui . . .	Unlisted Shares	13,490,937	21.55%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]	
Tianjin Wangyuan . .	Unlisted Shares	20,477,336	32.75%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]

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		Share held as of the Latest Practicable Date		Shares held immediately following the completion of the [REDACTED] and Conversion of Unlisted Shares into H Shares			
Name of Shareholder	Description of Shares	Number of Shares	Percentage of shareholding in our total issued share capital	Number of Shares	Percentage of shareholding in our Unlisted Shares/ H Shares	Percentage of shareholding in our total issued share capital	Whether the H Shares will be counted towards the public float
	H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]	
Tianjin Wangyuan	Unlisted Shares	2,642,235	4.23%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]
LP	H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]	
Tianjin Kanfang LP	Unlisted Shares	777,765	1.24%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]	
Other Shareholders							
Nanjing Runxin	Unlisted Shares	1,158,908	1.85%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
Mr. Shi Xuezhong	Unlisted Shares	1,160,007	1.86%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
Yida No. 2	Unlisted Shares	556,881	0.89%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
Jiangsu Zijin	Unlisted Shares	556,881	0.89%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
Jiashan Runxin	Unlisted Shares	347,683	0.56%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
Tianjin Shenglin	Unlisted Shares	437,000	0.70%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
Yida Xinhai	Unlisted Shares	278,439	0.45%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
iFlytek Haihe	Unlisted Shares	380,000	0.61%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
Chizhou Dongsheng	Unlisted Shares	167,065	0.27%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Yingda	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
Yiyi Hygiene	Unlisted Shares	209,000	0.33%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
Mr. Feng Yujun	Unlisted Shares	380,000	0.61%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
Suzhou Shenqilina	Unlisted Shares	3,800,000	6.08%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
Aviation Industry	Unlisted Shares	1,140,000	1.82%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]
Integration	H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]	
Qingdao Honghua	Unlisted Shares	1,900,000	3.04%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]	

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		Share held as of the Latest Practicable Date		Shares held immediately following the completion of the [REDACTED] and Conversion of Unlisted Shares into H Shares			
Name of Shareholder	Description of Shares	Number of Shares	Percentage of shareholding in our total issued share capital	Number of Shares	Percentage of shareholding in our Unlisted Shares/ H Shares	Percentage of shareholding in our total issued share capital	Whether the H Shares will be counted towards the public float
Guosen Capital . . .	Unlisted Shares	1,862,000	2.98%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
Tianjin Teda.	Unlisted Shares	1,900,000	3.04%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
Baoding Jiahe	Unlisted Shares	760,000	1.22%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
Tianjin Dongwang. .	Unlisted Shares	760,000	1.22%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	
Public Shareholders..	H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]
Total		**62,523,409**	**100%**	[REDACTED]	[REDACTED]%	[REDACTED]%	

See "—Our Corporate Structure Immediately prior to the **[REDACTED]***" and "—Our Corporate Structure Immediately following the* **[REDACTED]***" for details of the Shareholders.*

MATERIAL ACQUISITIONS AND DISPOSALS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any material acquisition or disposal.

PREVIOUS A-SHARE LISTING ATTEMPT AND REASONS FOR THE [REDACTED]

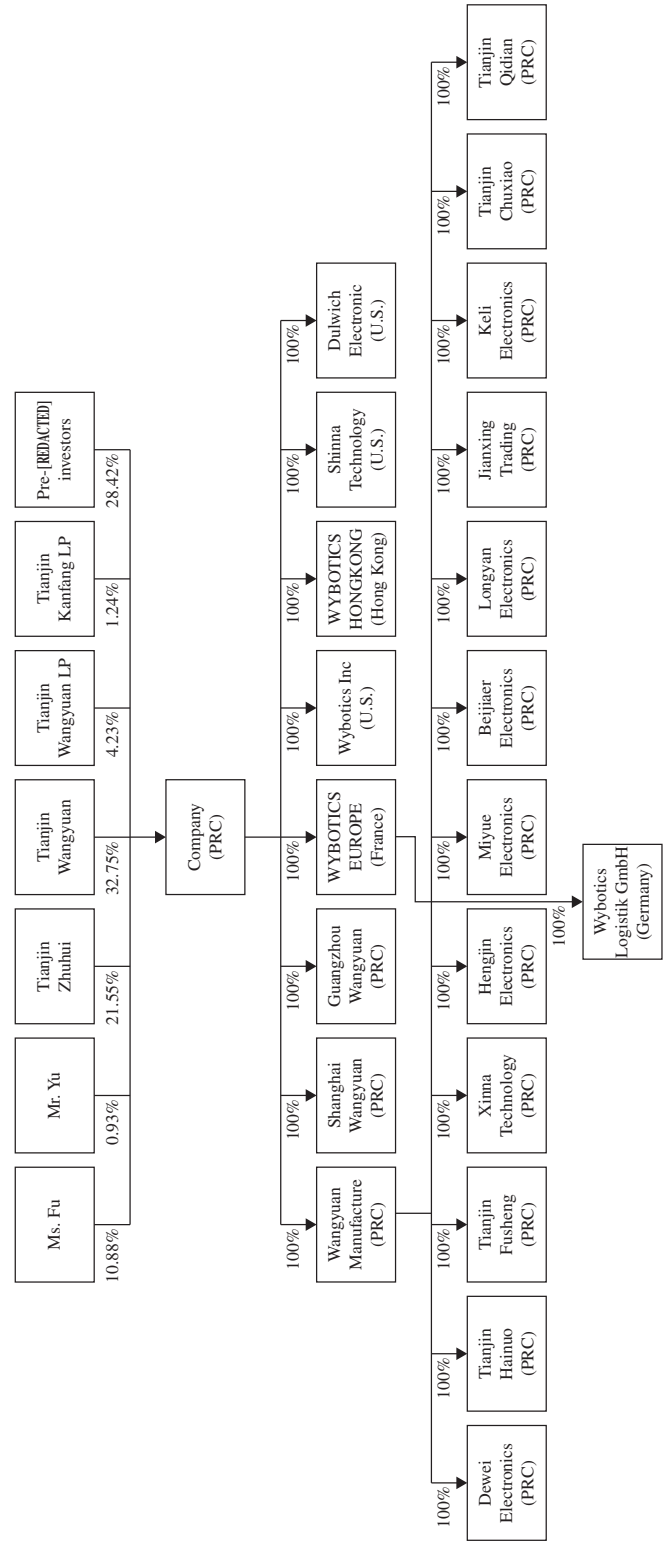
In October 2022, we filed with the CSRC, and it accepted, our application for A share listing. In early 2024, in light of the market condition in the A share market, we decided to voluntarily withdraw our A share listing application, and had withdrawn our pre-listing tutoring filing with the CSRC in March 2024. Considering the market condition in the A share market, our future business development plan as well as the industry-related factor and that a **[REDACTED]** on the Stock Exchange would provide our Company with an international platform to gain access to foreign capital and to promote the Group to overseas investors, we decided to seek a **[REDACTED]** of our H Shares on the Stock Exchange to expedite our **[REDACTED]**.

To the best of our Directors' knowledge, save as disclosed in the document, our Directors are not aware of any other matters relating to the previous A Share listing attempts that are relevant to the **[REDACTED]** and should be reasonably highlighted in this document for investors to form an informed assessment of our Company and any other matters that need to be brought to the attention of the Stock Exchange and investors in Hong Kong in relation to the previous A share listing attempts.

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OUR CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

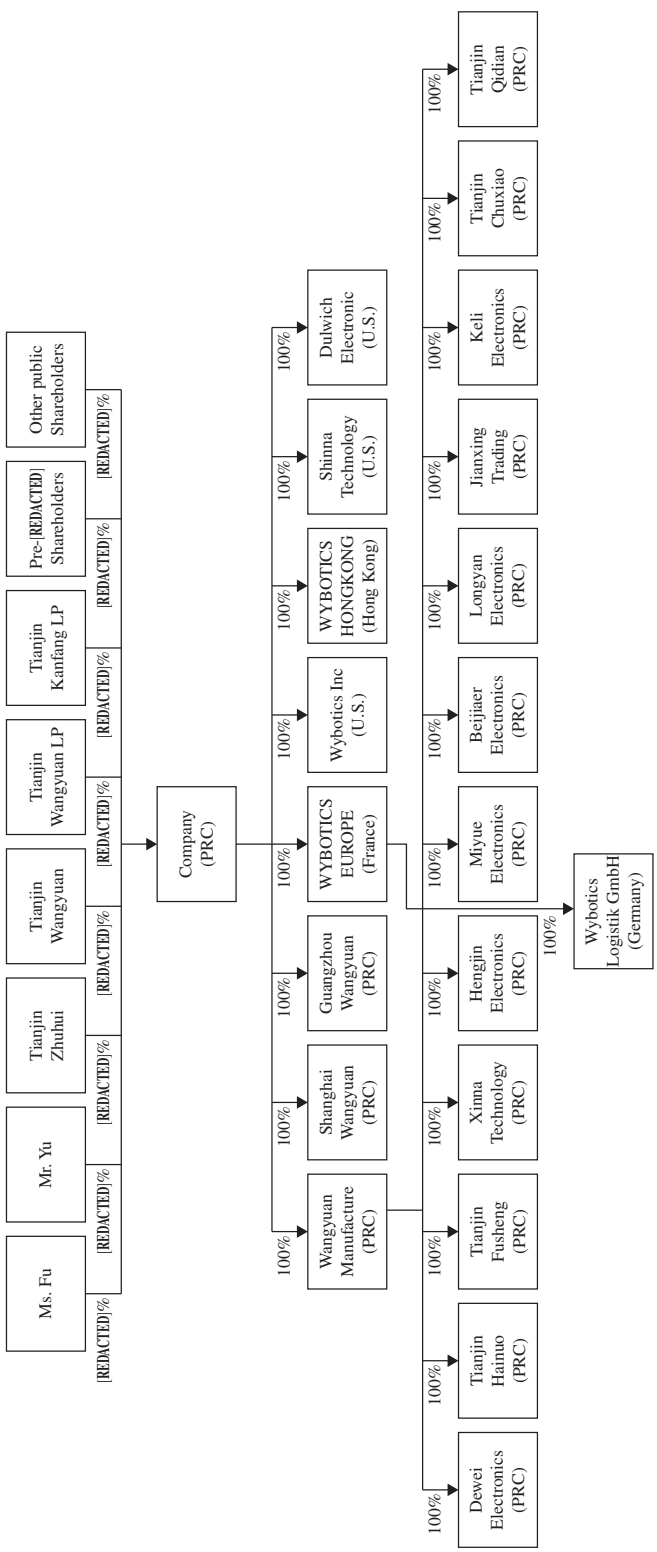
The following diagram illustrates the corporate and shareholding structure of our Company immediately prior to the completion of the [REDACTED]:



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OUR CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE [REDACTED]

The following diagram illustrates the corporate and shareholding structure of our Company immediately following the completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares (assuming the [**REDACTED**] is not exercised):



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OUR MISSION

With our mantra in "wonderful life, wise technology, with WYBOTICS (美好生活,科技智造,儘在望圓)," we aspire to redefine outdoor living space with innovative, AI-powered technology.

OVERVIEW

We are a fast-growing global leader with strong brand equity in 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 shipment volume of self-manufactured products in 2024, with the most comprehensive product portfolio equipped with the most 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 have spearheaded China's robotic pool cleaner industry with accumulated full-stack 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 led the revolutionary innovation 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 state-of-the-art R&D center and production base to ensure the excellent performance and unwavering 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 unswerving commitment to technological innovation, we are leading 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 the world's most comprehensive product portfolio of robotic pool cleaners, according to the CIC Report, 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.

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ON-SALE CORDLESS ROBOTIC POOL CLEANERS

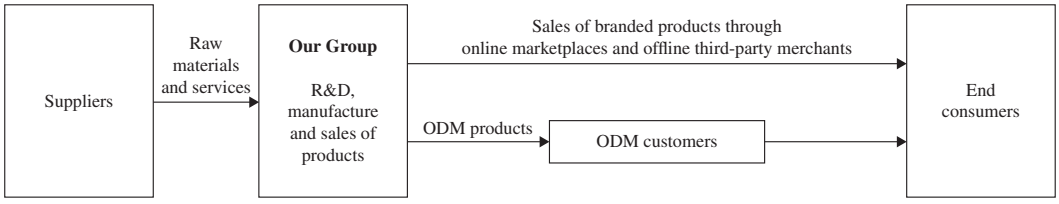


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Our Business Model

We have a full-stack capability in the research, design, manufacture and marketing of robotic pool cleaners. We sell branded products under two brands, *WYBOT* and *Winny Pool Cleaner*, to end consumers primarily in North America, Europe, Asia and Oceania primarily through online E-commerce marketplaces and our E-commerce independent websites. 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.

The following diagram illustrates our business model.



Robust R&D capability

Robust R&D capability is instrumental to our industry leadership. We have established a state-of-the-art 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 led the revolutionary innovation in 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.

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As of the Latest Practicable Date, we owned 140 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 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our research and development expenses was RMB15.1 million, RMB19.3 million, RMB22.1 million, RMB9.5 million and RMB16.1 million accounting for 4.8%, 5.1%, 4.1%, 3.6% and 4.2% of our total revenue in the same periods, respectively.

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 among a select group 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 the world's most 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

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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 leadership 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.

The global robotic pool cleaner market, in terms of retail value, increased from US$1,199.7 million in 2019 to US$2,482.4 million in 2024 at a CAGR of 15.7% and is expected to reach US$4,211.1 million in 2029 at a CAGR of 11.1% from 2024 to 2029, 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 26.2% in 2024 to 34.2% in 2029, 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 7.9% in 2024 to 14.0% in 2029, 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 led the revolutionary innovation 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

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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 significant growth during the Track Record Period. Our revenue increased at a CAGR of 19.6% from RMB317.7 million in 2022 to RMB543.5 million in 2024. Our revenue increased by 41.6% from RMB267.7 million in the six months ended June 30, 2024 to RMB379.2 million in the six months ended June 30, 2025. Our net profit increased by 15.9% from RMB60.8 million in 2023 to RMB70.5 million in 2024, and increased by 24.9% from RMB48.9 million in the six months ended June 30, 2024 to RMB61.1 million in the six months ended June 30, 2025.

COMPETITIVE STRENGTHS

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

Fast-growing Technology Leader in the Robotic Pool Cleaner Industry

We are a fast-growing global leader with strong brand equity in 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 shipment volume of self-manufactured products in 2024, with the most comprehensive product portfolio equipped with the most advanced pool cleaning technology, according to the CIC Report. We are also China's largest provider of robotic pool cleaners, as measured by production capacity in 2024, according to the same source. We have led the revolutionary innovation 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.

The global robotic pool cleaner market, in terms of retail value, increased from US$1,199.7 million in 2019 to US$2,482.4 million in 2024 at a CAGR of 15.7% and is expected to reach US$4,211.1 million in 2029 at a CAGR of 11.1% from 2024 to 2029, according to the CIC Report. The adoption rate of robotic pool cleaners in the world is expected to increase from 26.2% in 2024 to 34.2% in 2029, according to the same source. The rapid growth of the global robotic pool cleaner market will continue to be driven by, among

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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 7.9% in 2024 to 14.0% in 2029, with significant growth prospects in public pools at sports centers, luxury hotels, condominiums, and hot spring or spa facilities, as well as other underwater environments, such as aquariums, among others.

We are among a select group 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 leading market position, full-stack 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.

Full-stack R&D Capability for Relentless Product Innovation

Robust R&D capability is instrumental to our industry leadership, 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.

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Our strong R&D capability is evidenced by a strong in-house R&D team, which consisted of 70 personnel, of which 63 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 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our research and development expenses was RMB15.1 million, RMB19.3 million, RMB22.1 million, RMB9.6 million and RMB16.1 million accounting for 4.8%, 5.1%, 4.1%, 3.6% and 4.2% of our total revenue in the same periods, respectively. As of the Latest Practicable Date, we owned 140 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 led the revolutionary innovation of 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

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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 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. According to the CIC Report, 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

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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 34, 31, 39, 28 and 23 in 2022, 2023, 2024 and the six months ended June 30, 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 industry leadership, which allows us to forge our own brand influence and reputation.

Our global outreach and esteemed 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 industry leadership.

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 world-leading 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

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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 June 30, 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 consisting of internal vocational training and external training collaboration, 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 Leadership

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 leading position in the global robotic pool cleaner industry.

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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.

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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 leading position on 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, (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.

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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.

OUR BUSINESS

We are a fast-growing global leader with strong brand equity in 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 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, we sold approximately 26.6 thousand, 167.6 thousand, 263.2 thousand, 131.4 thousand and 172.8 thousand branded products, respectively, with revenue contribution of RMB19.1 million, RMB253.8 million, RMB393.3 million, RMB193.2 million and RMB327.6 million, respectively, accounting for 6.0%, 67.1%, 72.4%, 72.2% and 86.4% of our total revenue in the same periods, respectively. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, we sold approximately 396.8 thousand, 203.0 thousand, 167.8 thousand, 96.9 thousand and 63.7 thousand ODM products, respectively, with revenue contribution of RMB288.8 million, RMB117.6 million, RMB133.5 million, RMB69.4 million and RMB49.6 million,

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respectively, accounting for 90.9%, 31.1%, 24.6%, 25.9% and 13.1% 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,						Six Months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands except for percentages)									
							(Unaudited)			
Sales of branded products	19,091	6.0	253,765	67.1	393,332	72.4	193,192	72.2	327,614	86.4
Sales under ODM model	288,816	90.9	117,551	31.1	133,516	24.6	69,372	25.9	49,630	13.1
Sales of accessories[(1)]	9,787	3.1	6,634	1.8	16,687	3.1	5,149	1.9	1,923	0.5
Total	**317,694**	**100.0**	**377,950**	**100.0**	**543,535**	**100.0**	**267,713**	**100.0**	**379,167**	**100.0**

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

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.

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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 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, we sold approximately 423.4 thousand, 370.5 thousand, 431.0 thousand, 228.3 thousand and 236.5 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,									Six Months ended June 30,					
	2022			2023			2024			2024			2025		
	Sales volume	Revenue	% of revenue	Sales volume	Revenue	% of revenue	Sales volume	Revenue	% of revenue	Sales volume	Revenue	% of revenue	Sales volume	Revenue	% of revenue
	(Units in thousands and RMB in thousands except for percentages)														
										(Unaudited)					
Cordless robotic pool cleaners .	363.5	231,808	75.3	329.8	310,549	83.6	394.3	483,522	91.8	209.8	239,104	91.0	228.0	366,112	97.0
Corded robotic pool cleaners .	53.2	74,002	24.0	27.1	50,016	13.5	17.6	32,185	6.1	9.4	17,530	6.7	4.8	9,360	2.5
Handheld pool cleaners . . .	6.7	2,097	0.7	13.6	10,751	2.9	19.1	11,141	2.1	9.1	5,930	2.3	3.7	1,772	0.5
Total sales volume/revenue for robotic pool cleaners.	**423.4**	**307,907**	**100.0**	**370.5**	**371,316**	**100.0**	**431.0**	**526,848**	**100.0**	**228.3**	**262,564**	**100.0**	**236.5**	**377,244**	**100.0**

The sales volume of our robotic pool cleaners increased 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 increased from approximately 228.3 thousand units in the six months ended June 30, 2024 to approximately 236.5 thousand units in the six months ended June 30, 2025, primarily due to our continuing strategic focus on promoting our cordless models.

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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 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, we generated revenue of RMB231.8 million, RMB310.5 million, RMB483.5 million, RMB239.1 million and RMB366.1 million from our cordless models, respectively, accounting for 75.3%, 83.6%, 91.8%, 91.1% and 97.1% 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.

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- *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.

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$70.99 to US$249.99. 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
WYBOT A1	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.	 *WYBOT A1*

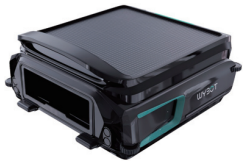
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Series	Charging time (hours)	Run time (minutes)	Maximum cleaning surface (square meters)	Maximum water depth (meters)	Moving speed (meters per minute)	Key features	Representative Product image
Osprey 300 Series	5-7	90-120	100	2.5	16	• Enhanced power capability; and • Suitable for small pools and medium pools	 *Osprey 300/300 Pro/300II*
Osprey 200 Series	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.	 *Osprey 200/200 Max*
Frisbee Series . .	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.	 *HJ1101JS/HJ1101S*

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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$699.99. The following table sets forth our major premium 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
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 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*

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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
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*

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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$799.99 to US$1,299.99. 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
WYBOT S1 and *WYBOT S2* 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.	 *WYBOT S1*  *WYBOT S2*
WYBOT M1 . . .	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 *WYBOT APP* through Bluetooth or WiFi and synchronization on our app to set up our robotic pool cleaners, and over-the-air product upgrades.	 *WYBOT M1*

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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$1,099.99 to US$1,799.99. 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
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*

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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 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*
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 similar to *WYBOT M1*.	 *WYBOT M2*

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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 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, we generated revenue of RMB74.0 million, RMB50.0 million, RMB32.2 million, RMB17.5 million and RMB9.4 million from our corded models, respectively, accounting for 24.0%, 13.5%, 6.1%, 6.7% and 2.5% of our total revenue for robotic pool cleaners in the same periods, respectively. The retail price of our corded models typically ranges from US$499.99 to US$1,159.99. 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 15 to 30 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.

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- *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.



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 12 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

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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$89.99 to US$99.99. The following image illustrates *Hyson 100P* cleaner.



Hyson 100P

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 industry leadership, 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 a scientifically proven and 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 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our research and development expenses was RMB15.1 million, RMB19.3 million, RMB22.1 million, RMB9.5 million and RMB16.1 million accounting for 4.8%, 5.1%, 4.1%, 3.6% and 4.2% of our total revenue in the same periods, respectively.

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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.

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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.

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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.

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.

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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.

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.

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

Technology	Patent Name	Patent Type	Patent Number
Environmental adaption and efficient cleaning technology	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	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	2024200790644
	Swimming pool robot system (一種泳池機器人系統)	Utility model	2023229691799
	Water surface cleaning robot (水面清潔機器人)	Utility model	202323211681X
	A filtration device and suction pool cleaner (一種過濾裝置及泳池吸污機)	Utility model patent	2023220470606

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Technology	Patent Name	Patent Type	Patent Number
Efficient underwater energy management and application technology	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	2023229747987
	Waterproof protection circuit and underwater cleaning equipment (防水保護電路和水下清潔設備)	Utility model	2023234079656
	Battery box, battery and electric equipment (電池盒、電池及用電設備)	Utility model	2023230730671
Underwater 3D mapping, precise underwater acoustic positioning and autonomous navigation technologies	Obstacle detection device for swimming pool cleaning machine	Invention patent	EP3626912
	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	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

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Technology	Patent Name	Patent Type	Patent Number
	Mechanical reversing contact obstacle detection mechanism of pool cleaning machine (一種水池清潔機機械換向觸壁檢測機構)	Invention patent	2019103686970
Underwater AI vision technology	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	202410078128.3 (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)

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Technology	Patent Name	Patent Type	Patent Number
Autonomous waste collection	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

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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 70 members, of which 63 members hold bachelor's degrees and 28 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. We have also entered into employment agreements, pursuant to which any intellectual property developed during their employment belongs to us and they waive all relevant rights or claims to such intellectual property.

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. We invite experts from professional or academic institutions, excellent employees and business partners to give lectures each month and provide guidance as to the latest developments and trends in robotic and AI technologies, mechanical, hardware, manufacturing technique, testing and project management. In particular, we have active dialogs and exchanges of information with well-respected professionals in China and developed overseas markets and invite leading experts or well-known specialists to share with us their technology development experiences and latest developments in the industry.

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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.

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. Our sales department will send approved purchase orders 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 purchase order-driven manufacturing arrangements have allowed us to maintain reasonable inventory, ensure production efficiency and capture customer demand in an agile and flexible manner.

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Manufacturing Facilities

We manufacture substantially all of our products at our owned production facilities. As of June 30, 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	In operation since	Product manufactured
		(square meters)		
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

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 purchase orders to delivery, 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.

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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,								Six Months ended June 30,					
	2022			2023			2024		2024			2025		
	Production capacity[1]	Production volume[2]	Utilization rate[3]	Production capacity[1]	Production volume[2]	Utilization rate[3]	Production capacity[1]	Production volume[2]	Production capacity[1]	Production volume[2]	Utilization rate[3]	Production capacity[1]	Production volume[2]	Utilization rate[3]
	(in thousand units, except for the percentages)													
Cordless models	400.0	279.8	69.9%	520.0	475.5	91.4%	595.0	556.0	250.0	226.6	90.6%	298.8	290.3	97.2%
Corded models	85.0	49.5	58.2%	35.0	25.2	72.1%	15.0	14.5	6.0	5.5	91.7%	7.5	6.9	92.0%
Handheld models	15.0	11.7	77.9%	15.0	12.0	80.1%	40.0	38.5	35.0	33.1	94.6%	5.0	4.5	90.0%
Total	500.0	340.9	68.2%	570.0	512.8	90.0%	650.0	609.4	291.0	265.3	91.2%	311.3	301.7	96.9%

(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 2022 is calculated based on the assumptions that the production lines operated for an average of eight hours per day, 22 days per month and eight months per year. The production capacity in 2023 and 2024 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. The production capacity in the six months ended June 30, 2024 and 2025 are calculated based on the assumption that the production lines operated for an average of eight hours per day, 22 days per month.

(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.

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Our production capacity increased from 500.0 thousand units in 2022 to 570.0 thousand units in 2023 and further to 650.0 thousand units in 2024, and increased from 250.0 thousand units in the six months ended June 30, 2024 to 298.8 thousand units in the six months ended June 30, 2025, primarily because we ramped up our production capacity in response to growing market demands. Our utilization rate increased from 68.2% in 2022 to 90.0% in 2023, primarily because we optimized our production line in response to the increase in market demands for our products. Our utilization rate further increased 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 increased from 91.2% in the six months ended June 30, 2024 to 96.9% in the six months ended June 30, 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.

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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,						Six Months ended June 30,					
	2022			2023			2024			2024		2025		
	Production capacity[1]	Production volume[2]	Utilization rate[3]	Production capacity[1]	Production volume[2]	Utilization rate[3]	Production capacity[1]	Production volume[2]	Utilization rate[3]	Production capacity[1]	Production volume[2]	Utilization rate[3]	Production capacity[1]	Production volume[2]	Utilization rate[3]
	(in thousand units, except for the percentages)														
Plastic injection workshop	550.0	340.9	62.0%	605.0	512.8	84.7%	700.0	620.0	88.5%	300.0	265.0	88.3%	328.6	303.4	92.3%
Assembly workshop 1	400.0	292.0	73.0%	440.0	445.7	99.0%	361.0	358.1	99.2%	175.0	170.4	97.0%	137.0	123.5	90.0%
Assembly workshop 2	100.0	49.2	49.2%	120.0	67.1	55.9%	270.0	251.3	93.1%	116.0	94.9	81.8%	174.3	178.1	93.5%
Total	500.0	340.9	68.2%	570.0	512.8	90.0%	650.0	609.4	93.8%	291.0	265.3	91.2%	311.3	301.7	96.9%

(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 2022 is calculated based on the assumptions that the production lines operated for an average of eight hours per day, 22 days per month and eight months per year. The production capacity in 2023 and 2024 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. The production capacity in the six months ended June 30, 2024 and 2025 are calculated based on the assumption that the production lines operated for an average of eight hours per day, 22 days per month.

(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.

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The utilization rate of our plastic injection workshop increased from 62.0% in 2022 to 84.7% in 2023, primarily as a result of our inventory stocking for online sales of branded products, and further to 88.5% in 2024, 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 increased from 73.0% in 2022 to 99.0% in 2023, primarily because we optimized our production line in response to the increase in market demands for our products, and remained relatively stable at 99.2% in 2024. The utilization rate of our assembly workshop 2 increased from 49.2% in 2022 to 55.9% in 2023 and further to 93.1% in 2024, primarily due to the addition of production lines and the increase in the sales volume of our cordless models.

Expansion Plan

The global robotic pool cleaner market, in terms of retail value, is expected to increase from US$2,482.4 million in 2024 to US$4,211.1 million in 2029 at a CAGR of 11.1%, 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 requisite regulatory approval 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 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 have obtained requisite regulatory approval for our new production base. 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

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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 94 members, which diligently collects and responds to customer feedbacks and communicates with our other departments, enabling our products to better suit customer needs. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our selling and marketing expenses amounted to RMB10.1 million, RMB97.2 million, RMB173.8 million, RMB80.4 million and RMB137.7 million, respectively, representing 3.2%, 25.7%, 32.0%, 30.0% and 36.3% of our total revenue in the same periods, respectively.

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,						Six Months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands except for percentages)									
							(Unaudited)			
North America[1]	16,017	5.0	188,180	49.8	268,673	49.4	139,285	52.0	176,586	46.6
Europe[2]	135,844	42.8	136,194	36.0	217,737	40.1	112,577	42.1	156,379	41.2
China	160,771	50.6	38,624	10.2	19,865	3.7	5,783	2.2	31,710	8.4
Others countries and regions[3]	5,062	1.6	14,952	4.0	37,260	6.9	10,068	3.8	14,492	3.8
Total	**317,694**	**100.0**	**377,950**	**100.0**	**543,535**	**100.0**	**267,713**	**100.0**	**379,167**	**100.0**

(1) Includes primarily the United States and Canada.
(2) Includes primarily Spain, France, Germany, Italy and Austria.
(3) Includes primarily Australia.

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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 *Winny Pool Cleaner*. Under our *WYBOT* brand, we primarily offer high-end, high-tech products, and under our *Winny* brand, we primarily offer products with high price-performance ratio. 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.

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 2022, 2023 and 2024, and the six months ended June 30, 2024 and 2025, our revenue generated from the sales of branded products was RMB19.1 million, RMB253.8 million, RMB393.3 million, RMB193.2 million and RMB327.6 million, respectively, accounting for 6.0%, 67.1%, 72.4%, 72.2% and 86.4% 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 RMB0.3 million, RMB222.7 million, RMB354.8 million, RMB174.8 million and RMB239.0 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, accounting for 0.1%, 58.9%, 65.3%, 65.3% and 63.0% of our total revenue in the same periods, respectively. Among such revenue, our revenue generated through Amazon was nil, RMB211.1 million, RMB309.8 million, RMB159.4 million and RMB170.0 million, respectively, accounting for nil, 94.8%, 87.3%, 91.2% and 71.1% of our total revenue attributable to online sales of our branded products in the same periods, respectively.

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.

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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 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our revenue generated through Amazon's Seller Central program was nil, RMB186.3 million, RMB273.5 million, RMB135.9 million and RMB131.9 million, respectively, accounting for nil, 83.7%, 77.1%, 77.7% and 55.2% 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. 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 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our revenue generated through Amazon's Vendor Central program was nil, RMB24.8 million, RMB36.2 million, RMB23.5 million and RMB38.1 million, respectively, accounting for nil, 11.1%, 10.2%, 13.5% and 15.9% of our total revenue attributable to online sales of our branded products in the same periods, respectively.

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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 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our revenue generated through Shopify was nil, RMB8.4 million, RMB42.4 million, RMB14.8 million and RMB67.9 million, respectively, accounting for nil, 3.8%, 11.9%, 8.5% and 28.4% of our total revenue attributable to online sales of our branded products in the same periods, respectively. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our revenue generated through other online platforms was RMB0.3 million, RMB3.2 million, RMB2.6 million, RMB0.6 million and RMB1.1 million, respectively, accounting for 100.0%, 1.4%, 0.7%, 0.4% and 0.4% 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 was RMB18.8 million, RMB31.1 million, RMB38.6 million, RMB18.4 million and RMB88.6 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, accounting for 5.9%, 8.2%, 7.1%, 6.9% and 23.4% of our total revenue in the same periods, respectively.

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.

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.

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In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, sales of ODM sales was RMB288.8 million, RMB117.6 million, RMB133.5 million, RMB69.4 million and RMB49.6 million, respectively, accounting for 90.9%, 31.1%, 24.6%, 25.9% and 13.1% 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 34, 31, 39, 28 and 23 in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. All of our ODM sales were conducted through offline channels.

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 18 to 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.

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

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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.

OUR CUSTOMERS

Our customers for branded products primarily include (1) end consumers or Amazon Vendor Center for Amazon Vendor Central program for online sales of our branded products, and (2) third-party merchants, such as pool equipment specialty retail chain stores, shopping malls, and supermarkets, for offline sales of our branded products. Our customers also include robotic pool cleaner companies and companies in the pool care and outdoor living industries, to whom we offer our products on ODM basis. Our ability to meet and exceed our customers' expectations has allowed us to develop relationships with and to attract and retain our customers. In 2022, 2023, 2024 and the six months ended June 30, 2025, revenue generated from our top five customers accounted for 80.0%, 27.0%, 23.4% and 21.1% of our total revenue, respectively, and revenue from our top customer accounted for 46.4%, 7.8%, 7.3% and 10.0% 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.

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Customer	Transaction amount	Percentage of revenue contribution	Commencement of collaboration	Principal business	Payment method and credit period
	(RMB in thousands)	*(%)*	*(Year)*		
For the year ended December 31, 2022					
Customer A	147,386	46.4	2019	A private company engaged in cross-border e-commerce sales of electronic and electrical products	Telegraphic transfer; 5% deposit, with the remaining balance payable within 60 days after delivery
Customer B	56,868	17.9	2010	A private company engaged in sales of swimming pool-related products with primary markets in Germany and Austria	Telegraphic transfer; payment made within 30 days after the bill of lading date
Customer C	30,455	9.6	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 D	11,078	3.5	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 E.	8,283	2.6	2020	A private company engaged in cross-border e-commerce	Telegraphic transfer; 5% deposit, with the remaining balance settled by month-end
Total	254,070	80.0	–	–	–

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Customer	Transaction amount	Percentage of revenue contribution	Commencement of collaboration	Principal business	Payment method and credit period
	(RMB in thousands)	*(%)*	*(Year)*		
For the year ended December 31, 2023					
Customer C	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 F.	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 E.	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 B	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 D	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 eight months after shipment
Total	102,210	27.0	–	–	–

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Customer	Transaction amount	Percentage of revenue contribution	Commencement of collaboration	Principal business	Payment method and credit period
	(RMB in thousands)	*(%)*	*(Year)*		
For the year ended December 31, 2024					
Customer F.	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 G	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 B	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 H	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 C	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	127,122	23.4	–	–	–

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Customer	Transaction amount	Percentage of revenue contribution	Commencement of collaboration	Principal business	Payment method and credit period
	(RMB in thousands)	*(%)*	*(Year)*		
For the six months ended June 30, 2025					
Customer F	38,052	10.0	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 D	23,118	6.1	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 B	6,650	1.8	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	6,420	1.7	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 I	5,908	1.6	2021	A Canadian retail brand with a primary market in Canada	Telegraphic transfer; 20% deposit, with the remaining balance payable against the bill of lading before arrival at port
Total	80,148	21.1	–	–	–

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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.

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 25.0%, 51.5%, 44.8% and 43.8% of our total purchases in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, and purchase from our largest supplier accounted for 7.6%, 35.7%, 26.6% and 22.6% 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	Transaction amount	Percentage of total purchases	Commencement of collaboration	Principal business	Payment method and credit period
	(RMB in thousands)	*(%)*	*(Year)*		
For the year ended December 31, 2022					
Supplier A	11,673	7.6	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

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Supplier	Transaction amount	Percentage of total purchases	Commencement of collaboration	Principal business	Payment method and credit period
	(RMB in thousands)	*(%)*	*(Year)*		
Supplier B	8,377	5.4	2020	A private company engaged in sales of engineering plastics and synthetic resins, plastic products, rubber products, chemical products	Telegraphic transfer or acceptance; advance payments
Supplier C	6,549	4.2	2022	Provision of legal services	Bank transfer; payment schedule agreed by the parties
Supplier D	6,208	4.0	2020	A private company engaged in research and development, production and sales of lithium batteries	Telegraphic transfer or acceptance; within 60 days
Supplier E	5,769	3.7	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
Total	38,576	25.0	–	–	–

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Supplier	Transaction amount	Percentage of total purchases	Commencement of collaboration	Principal business	Payment method and credit period
	(RMB in thousands)	*(%)*	*(Year)*		
For the year ended December 31, 2023					
Supplier F	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 D	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 E	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 A	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

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Supplier	Transaction amount	Percentage of total purchases	Commencement of collaboration	Principal business	Payment method and credit period
	(RMB in thousands)	*(%)*	*(Year)*		
Supplier G	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	118,225	51.5	–	–	–
For the year ended December 31, 2024					
Supplier F	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 H	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

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Supplier	Transaction amount	Percentage of total purchases	Commencement of collaboration	Principal business	Payment method and credit period
	(RMB in thousands)	*(%)*	*(Year)*		
Supplier E	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 D	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 I.	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	228,495	44.8	–	–	–
For the six months ended June 30, 2025					
Supplier F	76,718	22.6	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

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Supplier	Transaction amount	Percentage of total purchases	Commencement of collaboration	Principal business	Payment method and credit period
	(RMB in thousands)	*(%)*	*(Year)*		
Supplier J.	28,242	8.3	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 60 days
Supplier H	19,703	5.8	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 E	12,817	3.8	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

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Supplier	Transaction amount	Percentage of total purchases	Commencement of collaboration	Principal business	Payment method and credit period
	(RMB in thousands)	*(%)*	*(Year)*		
Supplier K	11,607	3.4	2025	A private company engaged in international logistics services, including sea freight, air freight, land transportation, chemical logistics and project logistics	Telegraphic transfer; within 70 days
Total	149,087	43.8	–	–	–

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 to 90 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.

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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 overseas, 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 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.

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 F and Supplier F are the same entity that operates an E-commerce marketplace globally. Along with our B2B sales on the E-commerce marketplace operated by Customer F, Customer F places bulk purchase orders with us and subsequently fulfills its customer orders by reselling the products acquired from us. In 2022, 2023, 2024 and the six months ended June 30, 2025, the revenue from Customer F was nil, RMB26.4 million, RMB39.8 million and RMB38.1 million, respectively, accounting for nil, 7.0%, 7.3% and 10.0%, respectively, of our total revenue in the same periods. 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 F, including order fulfillment, storage, and customer services, among others. In general, we are required to pay a commission to Supplier F, which is typically a certain percentage rate of our sales revenue generated through our online stores on the same E-commerce marketplace. In 2022, 2023, 2024 and the six months ended June 30, 2025, our purchase from Supplier F was nil, RMB81.9 million, RMB135.4 million and RMB76.7 million, accounting for nil, 35.7%, 26.6% and 26.6% of our total purchase in the same periods.

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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 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, the number of the Relevant Customers was two, two, one, nil 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 RMB1.0 million, RMB0.4 million, RMB1.2 million, nil and RMB0.6 million, respectively, accounting for 0.3%, 0.1%, 0.2%, nil and 0.2% 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.

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.

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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 0.3%, 0.1%, 0.2%, nil and 0.2% of our total revenue in 2022, 2023, 2024 and the six months ended June 30, 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

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identity of the payor, its 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 June 30, 2025, our quality control and assurance team had 18 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.

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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.

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.

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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 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.

During the Track Record Period and up to the Latest Practicable Date, 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.

WAREHOUSING AND INVENTORY MANAGEMENT

As of June 30, 2025, the aggregate floor areas of our three warehousing facilities located in China were approximately 32,076.28 square meters, and the aggregate floor areas of our 17 warehousing facilities located overseas were approximately 349,100 square meters, of which two warehousing facilities with 2,600 square meters were operated by us, and the other 15 facilities with 346,500 square meters were collaborative warehouses owned by logistics service providers and overseas warehousing service providers. 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.

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Our inventories consist of raw materials, packaging materials, work-in-progress and finished goods. As of December 31, 2022, 2023, 2024 and June 30, 2025, we had inventories of RMB98.4 million, RMB120.0 million, RMB202.2 million and RMB266.0 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 procurement and manufacturing schedule based on customer order received. Our inventory turnover days were 298 days, 248 days, 258 days and 324 days in 2022, 2023, 2024 and six months ended June 30, 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.

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.

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 branded products sold to third-party merchants and our ODM products, it typically takes two to three business days from our customer's submission of orders 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.

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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 2022, 2023, 2024 and the six months ended June 30, 2025, the total value of such intra-group transactions amounted to nil, RMB156.8 million, RMB176.9 million and RMB211.6 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 complies 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") was 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 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.

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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.

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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 ten leased properties with a total gross floor area of 23,680.13 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.

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 a gross floor area of 13,112.3 square meters. Such parcel of land will be 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 eight leased properties in Beijing, Tianjin, Guangzhou, Shanghai and Shenzhen, with a total gross floor area of 20,730.13 square meters. Such properties primarily serve as our offices and warehousing facilities.

As of the Latest Practicable Date, we leased one property in Germany, with a total gross floor area of 1,700 square meters, as our warehousing facility. We also leased one property in France, with a total gross floor area of 1,250 square meters, as our office and warehousing facility.

Our lease agreements in respect of the abovementioned ten leased properties generally have expiration dates ranging from September 30, 2025 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 June 30, 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

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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 20,730.1 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.

Title Defect

The lessors of three 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.

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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	December 3, 2025
High-tech Enterprise Certificate	Company	October 9, 2021	December 2, 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

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, 140 patents, and 14 software copyrights in China and 35 trademarks, and 21 patents overseas. As of the same date, we had 238 and 53 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 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."

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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—Our intellectual property rights are critical to our success and infringement of our intellectual property right by any third party may materially and adversely affect our business, financial conditions and results of operations."

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. 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.

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.

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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.

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 470 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.

	As of the Latest Practicable Date	
Function	**Number of Employees**	**% of Total**
Manufacturing	205	43.6%
Management and administrative	101	21.5%
Sales and marketing	94	20.0%
R&D	70	14.9%
Total	470	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.

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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.

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. 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. As a result, 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."

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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.

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 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 leading robotic pool cleaner provider, we believe that our strong R&D capabilities, diverse and advanced technologies, scalable production capabilities,

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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

Legal Proceedings

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

We are currently involved in a pending patent infringement litigation in front of a French court (the "French Proceeding") and a complaint was recently filed before a United States court (the "US Complaint") by certain third-party pool product companies within the same group (the "Plaintiff") in December 2022 and May 2025, respectively, for alleged infringement of certain patents held by the Plaintiff registered in Europe and the United States. In the French Proceeding, the Plaintiff claimed damages of approximately EUR€2.5 million, which allegedly apply to certain product models. 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 will take place on April 9, 2026 and the court's decision on the merits of the case is expected to be known six to eight weeks thereafter. We have engaged a litigation attorney to defend us in this pending lawsuit. As of the Latest Practicable Date, based on publicly available information, the Plaintiff filed the US Complaint on May 23, 2025, and amended its complaint on September 22, 2025 ("Amended US Complaint") to assert certain additional patents. However, we have not yet been properly served, nor has the Plaintiff specified the amount of damages sought in the US Complaint or Amended US Complaint, which allegedly apply to certain product models. The case schedule and any eventual trial date have not been determined as of the Latest Practicable Date, but our deadline to answer, move, or otherwise plead has been set for October 6, 2025. We also recently filed a declaratory judgment complaint before a United States court (the "US DJ Complaint") against the third-party pool product companies within the same group (the "DJ Defendants") on September 9, 2025. The US DJ Complaint alleges that the same patents asserted in the US Complaint are invalid and not infringed. The case schedule and any eventual trial date for this case have not been determined as of the Latest Practicable Date. Considering that (1) the amount of damages claimed by the Plaintiff in the French proceeding is relatively small compared to our total revenue, (2) many of the accused products are our outdated products that we have already discontinued sales as of the Latest Practicable Date, and (3) we expect to be

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able to continue to sell our products in Europe and the United States notwithstanding the French Proceeding and the US Complaint, our Directors are of the view that neither the French Proceeding nor the US Proceeding will have any material adverse effect on our business, results of operations and financial condition.

We are also currently involved in one pending contract dispute litigation in front of a PRC court filed by one of our domestic customers ("PRC 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 PRC Proceeding Plaintiff requested the court for the termination of the two contracts and claimed the return of the pre-payment of approximately RMB1.7 million. We have lodged a counter-claim against the PRC 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. Our PRC Legal Advisor advised us that the monetary value of the claim in the lawsuit brought by the opposing party is comparatively modest. Based on the above, our Directors are of the view that this lawsuit 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. 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, SAFETY, HEALTH AND SOCIAL MATTERS

We are subject to various health, safety, social and environmental laws and regulations and our operations are regularly inspected by local government authorities. See "Regulatory Overview" for details. We strive to operate in a manner that protects the environment and the safety and health of our employees and communities. 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.

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Our Governance Structure

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. 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

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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.

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 source these materials from qualified suppliers that shall comply with relevant laws and regulations, including environmental laws relating to their manufacturing.

Our Directors confirm that we have obtained all applicable permits and licenses under PRC environmental laws and regulations that are material to our operations. As advised by our PRC legal advisor, there were no breaches or violations of PRC environmental laws and regulations applicable to our business operations during the Track Record Period that would have a material and adverse impact on our business, financial condition or results of operation taken as a whole.

Workplace and Occupational 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. 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.

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Social Responsibility

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 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. 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. 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.

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.

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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.

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.

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OVERVIEW

Upon the [**REDACTED**], the Board of Directors will consist of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. The Board is responsible, and has general authority for, the management and operation of our Company.

Our senior management consists of seven members who are responsible for the day-to-day operations of our Company. All of the Directors and senior management have met the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

Directors and Senior Management

The following table sets forth certain information regarding the Directors and members of senior management:

Name	Age	Position	The earliest date of joining our Company	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
Executive Directors						
Fu Guilan (付桂蘭)	70	Chairman of the Board, executive Director and chief executive officer	December 23, 2005	December 23, 2005	Responsible for the overall research and development, design, production and sales of our Group	Mother of Mr. Yu
Yu Qian (余謙)	41	Vice chairman of the Board, executive Director and product director	December 23, 2005	December 23, 2005	Responsible for the research and development and strategic development of our Group	Son of Ms. Fu
Li Hui (李暉)	35	Executive Director, deputy general manager, Board secretary and joint company secretary	January 1, 2021	December 29, 2021	Responsible for assisting the chief executive officer on the research and development, design and production, external financing and information disclosures of our Group	N/A
Cen Pu (岑璞)	54	Executive Director, deputy general manager and chief engineer	August 24, 2009	December 29, 2021	Responsible for the research and development of our Group	N/A

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Name	Age	Position	The earliest date of joining our Company	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
Non-executive Directors						
Wang Shouwen (王壽文)	39	Non-executive Director	September 5, 2025	September 5, 2025	Responsible for providing advice and reviewing overall policies and operations of our Group	N/A
Cai Guoqing (蔡國卿)	33	Non-executive Director	September 5, 2025	September 5, 2025	Responsible for providing advice and reviewing overall policies and operations of our Group	N/A
Independent non-executive Directors						
Duan Yong (段詠)	56	Independent non-executive Director	January 20, 2022	January 20, 2022	Responsible for supervising and providing independent advice on the operation and management of our Group	N/A
Wang Lianen (王連恩)	59	Independent non-executive Director	December 29, 2021	December 29, 2021	Responsible for supervising and providing independent advice on the operation and management of our Group	N/A
Xu Jiayuan (許佳媛)	34	Independent non-executive Director	April 16, 2025	April 16, 2025	Responsible for supervising and providing independent advice on the operation and management of our Group	N/A

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Name	Age	Position	The earliest date of joining our Group	Date of appointment as a member of senior management	Responsibility	Relationship with other Directors and senior management
Senior Management						
Fu Guilan (付桂蘭)	70	Chairman of the Board, executive Director and chief executive officer	December 23, 2005	December 23, 2005	Responsible for the overall research and development, design, production and sales of our Group	Mother of Mr. Yu Qian
Yu Qian (余淺)	41	Vice chairman of the Board, executive Director and product director	December 23, 2005	December 23, 2005	Responsible for the research and development and strategic development of our Group	Son of Ms. Fu
Li Hui (李暉)	35	Executive Director, deputy general manager, Board secretary and joint company secretary	January 1, 2021	January 1, 2021	Responsible for assisting the chief executive officer on the research and development, design and production, external financing and information disclosures of our Group	N/A
Cen Pu (岑璞)	54	Executive Director, deputy general manager and chief engineer	August 24, 2009	December 29, 2021	Responsible for the research and development of our Group	N/A
Zhu Xiao (朱蕭)	52	Deputy general manager	February 29, 2024	April 1, 2024	Responsible for the production, business operation and quality assurance of our Group	N/A
Shen Jinguo (申進國)	48	Deputy general manager	June 28, 2021	June 28, 2021	Responsible for procurement, storage and logistics of our Group	N/A
Liang Hongfeng (梁宏峰)	31	Financial director	April 24, 2023	April 1, 2024	Responsible for the accounting, finance and internal control functions of our Group	N/A

BOARD OF DIRECTORS

Executive Directors

Fu Guilan (付桂蘭), aged 70, has been the chairman of the Board of our Company since December 2005, and was re-designated as an executive Director and chief executive officer on September 19, 2025. Ms. Fu is primarily responsible for the overall research and development, design, production and sales of our Group.

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Ms. Fu has been serving as the director of WYBOTICS HONGKONG, Wybotics Inc and WYBOTICS EUROPE since September 2022, the executive director and general manager of Shanghai Wangyuan Technology Co., Ltd. (上海望圓科技有限公司) and Guangzhou Wangyuan Technology Co., Ltd. (廣州望圓科技有限公司) since June 2022, the executive director and general manager of Tianjin Wangyuan Intelligent Manufacturing Co., Ltd. (天津望圓智能製造有限公司) since May 2022, the general partner of Tianjin Kanfang LP and Tianjin Wangyuan LP since August 2021, the executive director of Tianjin Wangyuan since July 2004, and the executive director of Tianjin Zhuhui since May 2003. Ms. Fu also served as the general manager of OCEAS from July 2008 to January 2022, and the general manager of Tianjin Gaoyake Industry & Trade Co., Ltd. (天津高亞克工貿有限公司) from August 2003 to August 2020. From December 1997 to December 1998, Ms. Fu served as the Chinese commercial representative of Seignouret, and from October 1997 to October 1998, she served as a working staff in National Ocean Technology Center (國家海洋技術中心).

Ms. Fu graduated from Tianjin Foreign Studies University (天津外國語大學) (formerly known as Tianjin Foreign Languages School (天津外國語學院)) of the PRC in June 1978 with a bachelor's degree in French, and from Paris VIII University Vincennes-Saint-Denis (Université Paris VIII) of France in September 1995 with a master's degree (state-funded) in French literature.

Yu Qian (余淺), aged 41, has been the vice chairman of the Board and the Director since December 2005, and was re-designated as the executive Director on September 19, 2025. He was the technical consultant of our Company from December 2005 to August 2015, and was later promoted as the product director since August 2015. Mr. Yu is primarily responsible for the research and development and strategic development of our Group. Mr. Yu was a lecturer in the School of Physics and Materials Science of Tianjin Normal University (天津師範大學) of the PRC from July 2015 to February 2022.

Mr. Yu graduated from Université Paris VI of France in August 2006 and June 2008 with a bachelor's degree in life science and geosciences and theories and application of physics, respectively, in June 2010 with a master's degree in condensed matter physics, and in December 2013 with a PhD degree in materials physics and chemistry.

Li Hui (李暉), aged 35, has been serving as the Director since December 2021 and was re-designated as the executive Director on September 19, 2025. He was also appointed as the joint company secretary of our Company since the [**REDACTED**]. Mr. Li has been serving as the deputy general manager of our Company since January 2021 and Board secretary of our Company since December 2021. Mr. Li is primarily responsible for assisting the chief executive officer on the research and development, design and production, external financing and information disclosures of our Group.

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Prior to joining the Group, Mr. Li served as the chief investment officer of Middle Sea Sheng Rong (Beijing) Capital Management Group Limited (中海晟融(北京)資本管理集團有限公司) from March 2018 to October 2019, and the senior investment manager of the investment banking division II of Dongguan Securities Co., Ltd. (東莞證券股份有限公司) from March 2015 to February 2018.

Mr. Li graduated from Tianjin University (天津大學) of the PRC in June 2012 with a bachelor's degree in material forming and control engineering, and from Rochester Institute of Technology in June 2014 with a master's degree in finance and management.

Cen Pu (岑璞), aged 54, has been serving as the Director, deputy general manager and chief engineer of our Company since December 2021. He was re-designated as the executive Director since September 19, 2025. From September 2009 to December 2021, Mr. Cen successively served as the technical director, deputy chief engineer of our Company. Mr. Cen is primarily responsible for the research and development of our Group.

Prior to joining the Group, Mr. Cen served as the head of the engineering division II of Shijiazhuang Baoshi Electric Glass Co., Ltd. (石家莊寶石電真空玻璃股份有限公司) (formerly known as Shijiazhuang Baoshi Group Electrical Pin Glass Co., Ltd. (石家莊寶石集團電氣銷子玻璃股份有限公司)) from April 2007 to August 2009, and the head of the processing division I of the Sino-Japanese joint venture division of the same entity from August 1997 to March 2007. Mr. Cen also served as a clerk in section II of the equipment department of Dongxu Optoelectronic Technology Co., Ltd. (東旭光電科技股份有限公司) (formerly known as Shijiazhuang Baoshi Electronic Glass Company Limited (石家莊寶石電子玻璃股份有限公司) and a company listed on the Shenzhen Stock Exchange, stock code: 000413) from July 1994 to July 1997.

Mr. Cen graduated from Heibei University of Technology (河北工業大學) (formerly known as Hebei Institution of Technology (河北工學院)) of the PRC in July 1994 with a bachelor's degree in mechanical manufacturing processes and equipment, and from Hebei University of Technology in April 2004 with a master's degree in computer applied technology. Mr. Cen obtained the qualification of senior engineer of the PRC in November 2019.

Non-executive Directors

Wang Shouwen (王壽文), aged 39, has been serving as a Director since September 2025. Mr. Wang is responsible for providing advice and reviewing overall policies and operations of our Group.

Mr. Wang has also been serving as the general manager at Qingdao Honghua Private Equity Fund Management Co., Ltd. (青島弘華私募基金管理有限公司) since January 2020. Prior to joining the Group, Mr. Wang served as the deputy director of strategic business department at Beijing Fuscent Financial Information Services Co., Ltd. (北京弘合柏基金融信息服務有限責任公司) from May 2018 to December 2019, the assistant to general manager of investment department at Huitong Yuzhi Private Equity Investment Fund Management Co.,

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Ltd. (匯通渝致私募股權投資基金管理有限公司), formerly known as Huarong Yufu Equity Investment Fund Management Co., Ltd. (華融渝富股權投資基金管理有限公司) from May 2016 to April 2018, and the investment manager of investment department at Sdic Capital Holding Co., Ltd. (國投資本控股有限公司) from July 2011 to April 2016.

Mr. Wang graduated from Shangdong University of the PRC in June 2009 with a bachelor's degree in accounting and a bachelor's degree in law, respectively, and from Guanghua School of Management of Peking University in July 2011 with a master's degree in accounting. Mr. Wang obtained his professional qualification of intermediate level in finance in November 2012.

Cai Guoqing (蔡國卿), aged 33, has been serving as a Director since September 2025. Mr. Cai is responsible for providing advice and reviewing overall policies and operations of our Group.

Mr. Cai has also been serving as the executive director of Shanghai Hengxu Chuangling Private Equity Fund Management Co., Ltd. (上海恒旭創領私募基金管理有限公司) since August 2019. Prior to joining the Group, Mr. Cai served as the general management trainee at Mars Wrigley Confectionery (China) Co., Ltd. from July 2014 to February 2016, the project manager at Jiuyuan Qianzhang (Beijing) Management Consulting Co., Ltd. from March 2016 to April 2018, the investment manager at SAIC Capital Investment Co., Ltd. from May 2018 to July 2019.

Mr. Cai graduated from Shanghai Jiao Tong University of the PRC in June 2014 with a bachelor's degree in business administration.

Independent Non-executive Directors

Duan Yong (段詠), aged 56, has been serving as an independent non-executive Director since January 2022. Ms. Duan is primarily responsible for supervising and providing independent advice on the operation and management of our Group.

Ms. Duan has also been serving as the partner of Tianjin Tiancai Limited Liability Certified Public Accountants' Firm (天津天財有限責任會計師事務所) since January 2021, the independent director of Tianjin Hualai Technology Co., Ltd. (天津華來科技股份有限公司) (a company listed on the National Equities Exchange and Quotations, stock code: 874118) since September 2020, the independent director of Tianjin Jinbin Development Co., ltd. (天津津濱發展股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000897) from May 2016 to September 2024, and the independent director of Bohai Water Industry Co., Ltd. (渤海水業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000605) since February 2025.

Ms. Duan previously served as the independent director of King-meter Technology Co., Ltd. (天津金米特科技股份有限公司) (a company listed on the National Equities Exchange and Quotations, stock code: 872249) from April 2022 to May 2023, the independent director of

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Tianjin Dalin New Material Technology Co., Ltd. (天津市大林新材料科技股份有限公司) (a company listed on the National Equities Exchange and Quotations, stock code: 870205) from March 2018 to September 2020, the independent director of Tianjin Tianbao Capital Construction Co., Ltd. (天津天保基建股份有限公司) (a company listed on Shenzhen Stock Exchange, stock code: 000965) from August 2017 to August 2020, the independent director of Tianjin Huahong Technology Co., Ltd. (天津華鴻科技股份有限公司) (a company listed on the National Equities Exchange and Quotations, stock code: 873804) from July 2017 to July 2023, the executive partner of Tianjin Jingcheng Certified Public Accountants (General Partnership) (天津敬誠會計師事務所(普通合夥)) from May 2016 to May 2017, the partner of Tianjin Unitax Certified Public Accountants Co., Ltd (天津尤尼泰會計師事務所有限公司) from January 2015 to December 2020, the executive deputy general manager of Tianjin Ruihe Wealth Management Consulting Co., Ltd. (天津睿和財富管理諮詢有限公司) from July 2014 to December 2014, the senior audit manager of Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) (德勤華永會計師事務所(特殊普通合夥)) (Including its predecessor, Deloitte Touche Tohmatsu CPA Firm (德勤華永會計師事務所有限公司)) from May 2011 to June 2014, an audit manager of Ernst and Young Hua Ming Certified Public Accountants (Special General Partnership) (安永華明會計師事務所(特殊普通合夥)) from November 2005 to May 2011, an audit project manager of Shinewing Certified Public Accountants (Special General Partnership) (信永中和會計師事務所(特殊普通合夥)) from January 2003 to November 2005, an audit project manager of Shenzhen Pengcheng Accountant Office Co., Ltd. (深圳鵬城會計師事務所有限公司) from June 2001 to December 2002, an evaluation project manager of Tianjin Fangzheng Certified Public Accountants (天津方正會計師事務所) from September 1999 to May 2001 and a deputy director of finance and accounting of China Xinxing Tianjin Import & Export Co., Ltd. (中國新興天津進出口有限責任公司) from July 1994 to September 1999.

Ms. Duan graduated from Nankai University (南開大學) of the PRC in June 1991 with a bachelor's degree in economics and management, and in July 1994 with a master's degree in business management. Ms. Duan obtained the qualification of economics professional of the PRC in October 1998, the qualification of the certified accountant of the PRC in April 2001 and certified public asset valuer of the PRC in December 1997.

Wang Lianen (王連恩), aged 59, has been serving as an independent non-executive Director since December 2021. He is primarily responsible for supervising and providing independent advice on the operation and management of our Group.

Mr. Wang has been serving as the senior partner of Grandall Law Firm (國浩律師事務所) since 2017. Mr. Wang previously served as the lawyer in Tianjin Jinmao Law Firm (天津津茂律師事務所) from September 1994 to August 2006, and the employee in Tianjin City International Trust and Investment Corporation (天津市國際信託投資公司) from July 1988 to September 1994. Mr. Wang has also been serving as the external director of Tianjin Quanye Hualian Group Co., Ltd. (天津勸業華聯集團有限公司) since April 2022, the external director of Tianjin Chenrong Investment Holdings Co., Ltd. (天津辰融投資控股有限公司) since December 2021, the external director of Tianjin Jinzhi State-owned Assets Capital Investment Operation Co., Ltd. (天津津智國有資本投資運營有限公司) since August 2020, and the external director of Tianjin Jincheng State-owned Capital Investment and Management Co.

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Ltd. (天津津誠國有資本投資運營有限公司) since July 2017. Mr. Wang also served as the independent director of Tianjin Huahong Technology Co., Ltd. (天津華鴻科技股份有限公司) from July 2017 to July 2023, and the external director of Tianjin Rail Transit Group Co., Ltd. (天津軌道交通集團有限公司) from April 2016 to April 2022.

Mr. Wang has also been serving as the adjunct legal adviser to the Dongli District Committee and District Government of Tianjin (天津市東麗區區委區政府) since 2018, the legal think-tank expert of the Tianjin Municipal Committee of the Communist Party of China (中共天津市委法律智庫) since 2017, and the lecturer of the master of laws at Nankai University and Tianjin University, respectively, since 2016. Mr. Wang previously served as the legal adviser to Tianjin Municipal Government from 2020 to 2023, and the adjunct legal adviser to the Beichen District Committee and District Government of Tianjin (天津市北辰區區委區政府) from December 2014 to December 2021.

Mr. Wang graduated from China University of Political Science and Law in July 1988 with a bachelor's degree in law, from Nankai University in July, 1997 with a master's degree in monetary banking, and from Tianjin Normal University of the PRC in July 2003 with a doctoral degree in political theory (政治學理論). Mr. Wang obtained the certification of PRC legal profession qualification in January 2006.

Xu Jiayuan (許佳媛), aged 34, has been serving as an independent non-executive Director of our Company since April 2025. Ms. Xu is primarily responsible for supervising and providing independent advice on the operation and management of our Group.

Ms. Xu has been serving as a director of Metis Professional Services Co., Ltd. (墨提斯專業服務有限公司) since January 2022, the company secretary and authorised representative of Optima Automobile Group Holdings Limited (a company listed on the Stock Exchange, stock code: 8418) since September 2021, the company secretary and authorised representative of New Sparkle Roll International Group Limited (a company listed on the Stock Exchange, stock code: 970) since August 2024 and the company secretary and authorised representative of Chiho Environmental Group Limited (a company listed on the Stock Exchange, stock code: 976) since July 2025. Prior to joining the Company, Ms. Xu served as the company secretary and authorised representative of Ta Yang Group Holdings Limited (a company listed on the Stock Exchange, stock code: 1991) from January 2023 to April 2025.

Ms. Xu obtained a bachelor degree of management majoring in business administration (management accounting) from Capital University of Economics and Business in June 2013, and obtained a master degree of science majoring in accountancy from The Hong Kong Polytechnic University in October 2014. Ms. Xu is a member of the Hong Kong Institute of Certified Public Accountants (HKICPA) and a certified internal auditor (CIA) conferred by the Institute of Internal Auditors.

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SENIOR MANAGEMENT

Fu Guilan (付桂蘭), for the biographical details, please see "—Board of Directors—Executive Directors".

Yu Qian (余淺), for the biographical details, please see "—Board of Directors—Executive Directors".

Li Hui (李暉), for the biographical details, please see "—Board of Directors—Executive Directors".

Cen Pu (岑璞), for the biographical details, please see "—Board of Directors—Executive Directors".

Zhu Xiao (朱蕭), aged 52, has been serving as the deputy general manager of our Company since April 2024. Mr. Zhu is primarily responsible for the production, business operation and quality assurance of our Group.

Prior to joining our Group, Mr. Zhu served in Tianjin Reach Surgical Instrument Co., Ltd. (天津瑞奇外科器械股份有限公司) as vice president from January 2016 to February 2024, the quality manager of Honeywell (TianJin) Co., Ltd. (霍尼韋爾(天津)有限公司) from April 2012 to January 2016, the senior quality manager of Motorola Networks (摩托羅拉基站廠) from August 2008 to April 2012, the new product supplier resource development manager of Motorola Mobile Device (摩托羅拉手機廠) from June 2005 to August 2008, the head of outsourcing, planning and procurement of Motorola Energy Group (摩托羅拉電池廠) from October 2001 to June 2005, the supervisor of Motorola Semiconductor product system (摩托羅拉半導體芯片廠) from July 2000 to October 2001, and the assistant engineer of Tianjin Automobile Institute (天津市汽車研究所) from September 1996 to July 2000.

Mr. Zhu graduated from Tianjin University in June 1996 with a bachelor's degree in automotive engineering, and in March 2007 with a master's degree in management science and engineering.

Shen Jinguo (申進國), aged 48, has been serving as a deputy general manager of our Company since January 2022. Mr. Shen is responsible for the procurement, storage and logistics of our Group. Mr. Shen has also been serving as a supervisor of Shanghai Wangyuan Technology Co., Ltd. (上海望圓科技有限公司) and Guangzhou Wangyuan Technology Co., Ltd. (廣州望圓科技有限公司) from June 2022, and a supervisor of Tianjin Wangyuan Intelligent Manufacturing Co., Ltd. (天津望圓智能製造有限公司) from May 2022. Mr. Shen also served as an administration department manager of our Company from June 2021 to December 2021, and served as its supervisor from June 2021 to August 2021.

Mr. Shen obtained his college diploma from Langfang Normal University (廊坊師範學院) (formerly known as Langfang Normal College (廊坊師範專科學校)) of the PRC in July 2000 in physical education.

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Liang Hongfeng (梁宏峰), aged 31, has been serving as the financial director of our Company since April 2024. Ms. Liang is primarily responsible for the accounting, finance and internal control functions of our Group. Ms. Liang served as the financial department manager of our Company from April 2023 to March 2024.

Prior to joining our Group, Ms. Liang has served as the senior associate PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) (普華永道中天會計師事務所(特殊普通合夥)) from February 2022 to April 2023, the senior associate of Ernst and Young Hua Ming Certified Public Accountants (Special General Partnership) (安永華明會計師事務所(特殊普通合夥)) from October 2020 to January 2022, and the intermediate accountant of ShineWing Certified Public Accountants (Special General Partnership) (信永中和會計師事務所(特殊普通合夥)) from June 2018 to July 2020.

Ms. Liang graduated from Harbin University of Commerce (哈爾濱商業大學) of the PRC in June 2016 with a bachelor's degree in trade and economic, and from Yunnan University (雲南大學) of the PRC in June 2018 with a master's degree in auditing. Ms. Liang has been an associate member of Association of International Accountants since June 2024.

OTHER INFORMATION

Save as disclosed in this section and in "Statutory and general information—C. Further information about our Directors and substantial shareholders" in Appendix VI to this document:

(1) each of our Directors and members of senior management does not hold and has not held any other positions in our Company and any other members of our Company as at the Latest Practicable Date;

(2) each of our Directors and members of senior management has not been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date and as at the Latest Practicable Date;

(3) none of our Directors and members of the senior management is related to other Directors and members of the senior management;

(4) each of our Directors did not have any interest in our Shares within the meaning of Part XV of the SFO;

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(5) to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders, and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and no other matters are required to be brought to the attention of Shareholders as of the Latest Practicable Date;

(6) each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on September 16, 2025, and (ii) understands his or her obligations as a director of a [**REDACTED**] under the Listing Rules; and

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

JOINT COMPANY SECRETARIES

Li Hui (李暉), for biographical details of Mr. Li, please see "—Board of Directors—Executive Directors."

Tang Ka Yan (鄧嘉欣), has been appointed as one of the joint company secretaries of our Company since the [**REDACTED**]. Ms. Tang is a senior manager of corporate services of Tricor Services Limited. Ms. Tang has over 15 years of experience in the corporate secretarial fields and has been providing corporate secretarial and compliance services to Hong Kong listed companies as well as multinational, private, and offshore companies.

Ms. Tang obtained her Bachelor of Business Administration in Accountancy from the City University of Hong Kong in November 2007, and the Master of Laws in Common Law from the Chinese University of Hong Kong in November 2013. Ms. Tang is a Chartered Secretary, a Chartered Governance Professional, and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

The Company has established four committees under the Board, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee.

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Audit Committee

The Audit Committee consists of three Directors, namely Duan Yong, Wang Lianen and Xu Jiayuan with Duan Yong currently serving as the chairman. Each has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group and have with terms of reference in compliance with the relevant PRC laws and regulations and Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee consists of three Directors, namely Wang Lianen, Duan Yong and Fu Guilan, with Wang Lianen currently serving as the chairman. The Remuneration and Appraisal Committee is mainly responsible for evaluating the remuneration policies for Directors and senior management of our Group and making recommendations thereon to the Board of Directors and have with terms of reference in compliance with relevant laws and regulations of the PRC and Rule 3.25 of the Listing Rules and paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules.

Nomination Committee

The Nomination Committee consists of three Directors, namely Xu Jiayuan, Duan Yong and Cen Pu, with Xu Jiayuan currently serving as the chairman. The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors and have with terms of reference in compliance with the relevant laws and regulations of the PRC and Rule 3.27A of the Listing Rules and paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules.

Strategy Committee

We have established the Strategy Committee, which consists of Wang Lianen, Xu Jiayuan and Yu Qian, with Wang Lianen being the chairman of the Strategy Committee according to the relevant laws and regulations of the PRC. The main duties of the Strategy Committee are to research and recommend development strategy and capital operation of our Company.

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

The Board of Directors has adopted a board diversity policy (the "**Board Diversity Policy**") in order to enhance the effectiveness of our Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates

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to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting and material science. They obtained degrees in diversified majors including physics, computer technology, engineering, finance, economics and laws.

In addition, our Board has a wide range of age, ranging from 33 years old to 70 years old. Three of our Directors are also female Directors. Our Board is of the view that our Board satisfies the Board Diversity Policy. Our Board will also ensure that appropriate balance of gender diversity is achieved with reference to investors' expectation, and international and local recommended best practices.

The Nomination Committee is responsible for reviewing the diversity of our Board. After the [**REDACTED**], the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of [**REDACTED**] set out in Appendix C3 to the Listing Rules after the [**REDACTED**], except for Code Provision C.2.1 of Part 2 of the Corporate Governance Code, which provides that the roles of chairman of the board and chief executive officer should be separate and should not be performed by the same individual.

We do not have a separate chairperson and general manager, and Ms. Fu, our chairman of the Board, executive Director and chief executive officer, currently performs these two roles. Our Board considers that vesting the roles of chairman and general manager in the same person is beneficial to the management of our Group. With extensive experience in the industry and having served in our Company since its establishment, Ms. Fu is the Director best suited to steer the overall management, business, sales, strategic development and research and development of our Group. The balance of power and authority is ensured by the operation of our Board and our senior management, which comprises experienced and visionary individuals. Our Board currently comprises four executive Directors (including Ms. Fu), two non-executive Directors, and three independent non-executive Directors, and therefore has a strong independence element in its composition.

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The Board will continue to review and consider splitting the roles of chairperson and chief executive of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole. Save as disclosed above, our Company intends to comply with all code provisions under the Corporate Governance Code after the [**REDACTED**].

NON-COMPETITION

Each of our Directors confirms that as of the Latest Practicable Date, they are not interested in any business, apart from our business, which competes or is likely to compete, either directly or indirectly, with our business and requires disclosure under Rules 8.10(2) and 19A.14 of the Listing Rules.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Company offers executive Directors and senior management members, who are our employees, compensation in the form of fee, salaries, allowances and benefits in kind, discretionary bonuses, retirement scheme contributions, and share-based payments. Our independent non-executive Directors receive compensation based on their responsibilities.

The aggregate amounts of emoluments paid or payable to the Directors for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 were RMB3.48 million, RMB3.44 million, RMB3.37 million and RMB1.56 million, respectively.

The aggregate amounts of emoluments including fee, salaries, allowances and benefits in kind, discretionary bonuses, retirement scheme contributions, and share-based payments paid or payable to the five highest paid individuals (excluding Directors) for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, were RMB2.80 million, RMB3.47 million, RMB4.36 million and RMB2.87 million, respectively.

It is estimated that remuneration equivalent to approximately RMB8.84 million in aggregate will be paid to the Directors by our Company for the year ending December 31, 2025.

No remuneration was paid by our Company to the Directors or the five highest paid individuals as inducement to join or upon joining our Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of the Directors had waived or agreed to waive any remuneration during the Track Record Period.

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COMPLIANCE ADVISOR

Our Company appointed Halcyon Capital Limited as the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, and the compliance advisor will advise our Company in the following circumstances pursuant to Rule 3A.22 of the Listing Rules:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(iii) where our Company proposes to use the [**REDACTED**] of the [**REDACTED**] in a manner that is different from that detailed in this document or where our business activities, developments or results deviate from any forecasts, estimates or other information in this document; and

(iv) responding to inquiries made by the Exchange to the Company pursuant to Rule 13.10 of the Listing Rules.

Meanwhile, pursuant to Rule 3A.24 of the Listing Rules, the compliance advisor shall inform us on a timely basis of any amendment or supplement to the Listing Rules issued by the Stock Exchange from time to time and any new or amended laws and regulations in Hong Kong applicable to our Company. The compliance advisor shall also provide advice to us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The terms of the appointment of the compliance advisor will commence on the [**REDACTED**] and end on the date when the Company distributes the annual report of its financial results for the first full financial year commencing after the [**REDACTED**].

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OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was controlled by the Controlling Shareholders, namely (i) Ms. Fu as to 10.88%, (ii) Mr. Yu as to 0.93%, (iii) Tianjin Zhuhui as to 21.55%, which is owned as to 57.50% and 42.50% by Ms. Fu and Mr. Yu, respectively, (iv) Tianjin Wangyuan as to 32.75%, which is owned as to 60.00% and 40.00% by Ms. Fu and Mr. Yu, respectively, and (v) Tianjin Kanfang LP and Tianjin Wangyuan LP as to 1.24% and 4.23%, respectively, with Ms. Fu being their respective sole general partner and entitled to exercise the voting rights attaching to the Shares held by them. As of the Latest Practicable Date, the Controlling Shareholders have been able to control 71.58% of the voting rights in shareholders' meetings of our Company.

Immediately following completion of the [**REDACTED**] and Conversion of Unlisted Shares into H Shares (assuming that the [**REDACTED**] is not exercised), our Company will be controlled [**REDACTED**]% voting rights by the Controlling Shareholders, namely (i) Ms. Fu as to [**REDACTED**]%, (ii) Mr. Yu as to [**REDACTED**]%, (iii) Tianjin Zhuhui as to [**REDACTED**]%, which is owned as to 57.50% and 42.50% by Ms. Fu and Mr. Yu, respectively, (iv) Tianjin Wangyuan as to [**REDACTED**]%, which is owned as to 60.00% and 40.00% by Ms. Fu and Mr. Yu,respectively, and (v) Tianjin Kanfang LP and Tianjin Wangyuan LP as to [**REDACTED**]% and [**REDACTED**]%, respectively, with Ms. Fu being their respective sole general partner and entitled to exercise the voting rights attaching to the Shares held by them.

COMPETITION

The core business of our Group is to research, design, manufacture and marketing of robotic pool cleaners. Each of our Controlling Shareholders and Directors confirm that as of the Latest Practicable Date, he/she/it did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Management independence

Our business is primarily managed and conducted by our Board and senior management. Our Board has nine Directors comprising four executive Directors, two non-executive Directors and three independent non-executive Directors. For more information, see "Directors and Senior Management." With three independent non-executive Directors out of a total of nine Directors in our Board, there will be sufficient independent voice and check-and-balance within our Board to safeguard the interests of our Shareholders other than our Controlling Shareholders.

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Although Ms. Fu and Mr. Yu, being our Controlling Shareholders, also hold directorship or senior management position in our Company, our Directors believe that our Board and senior management are able to manage our business and function independently from our Controlling Shareholders based on the following reasons:

(i) each Director is aware of his or her fiduciary duties as a Director which require, among others, that he or she acts for the benefit and in the best interest of our Company and Shareholders as a whole (but not merely in the interest of our Controlling Shareholders) and does not allow any conflict between his or her duties as a Director and his or her personal interests;

(ii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Controlling Shareholders or their respective close associates, the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions, and shall not be counted in the quorum;

(iii) our Board will comprise nine Directors upon the [**REDACTED**], and three of them will be independent non-executive Directors, which represent one-third of the members of the Board. Our independent non-executive Directors have extensive experience in different areas and have been appointed in accordance with the requirements of the Listing Rules to ensure that the decisions of the Board are made after due consideration of independent and impartial opinions; and

(iv) our Company has established internal control mechanisms to manage conflict of interests, including, among others, the policies and procedures to identify connected transactions and material interests of our Directors, senior management and Shareholders to ensure that our Directors, senior management or Shareholders with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions. See "—Corporate Governance Measures" in this section for further details.

Operational independence

Our Group is operationally independent of our Controlling Shareholders. We have established our own organizational structure, and each department is assigned to specific areas of responsibilities. Our Group holds or enjoys the benefits of material relevant licenses and intellectual properties necessary to carry on our business. We have our own facilities, equipment and employees to operate our business independent from our Controlling Shareholders. We also have independent access to our customers and suppliers.

Based on the above, our Directors are of the view that we are able to operate independently of our Controlling Shareholders and their respective close associates.

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Financial independence

We have a financial department which is independent of our Controlling Shareholders and such financial department is responsible for the finance, accounting, reporting, credit and internal control of our Group. We can make financial decisions independently without interference from our Controlling Shareholders and their associates. We maintain bank accounts with banks independently and do not share any bank accounts with our Controlling Shareholders and their associates. We believe that we are capable of obtaining financing from third parties without relying on any guarantee or security provided by our Controlling Shareholders or their associates.

During the Track Record Period and as of the Latest Practicable Date, there was no loan, advance or guarantee provided by our Controlling Shareholders or his/her/its close associates.

Based on the above, our Directors are of the view that we are able to maintain financial independence from our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of our minority Shareholders, we will adopt the following corporate governance measures to manage potential conflicts of interests:

(a) as part of our preparation for the [**REDACTED**], we have adopted our Articles of Association in compliance with the Listing Rules. In particular, our Articles of Association provided that, unless otherwise stipulated;

  (i) when the Board meeting deliberates on connected transactions, connected Directors in the relevant connected transactions or arrangements shall not participate in voting; and

  (ii) when the Shareholders' general meeting deliberates on connected transactions, connected Shareholders who hold significant interests in the relevant connected transactions or arrangements shall not participate in voting, and the number of voting shares they represent shall not be counted in the effective voting, and the announcement of the Shareholders' general meeting resolution shall fully disclose the voting status of the non-connected Shareholders condition;

(b) we are committed to ensure that our Board shall have a sufficiently balanced composition of executive Directors, non-executive Director and independent non-executive Directors that can facilitate the exercise of independent judgment. We believe that the independent non-executive Directors have the necessary expertise to form and exercise independent judgment in the event of any conflict of interest

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between our Company and our Controlling Shareholders. Further, the independent non-executive Directors will be able to seek independent professional advice from external parties in appropriate circumstances at our Company's cost; and

(c) we have appointed Halcyon Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including but not limited to various requirements relating to Directors' duties and corporate governance.

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SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [**REDACTED**] and Conversion of Unlisted Shares into H Shares (assuming the [**REDACTED**] is not exercised), the following persons will have, or be deemed, or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

			Shares held as of the Latest Practicable Date		Shares held immediately following the completion of the [REDACTED] and Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised)		
Name of Shareholder	Nature of interest	Description of Shares	Number of Shares[(1)]	Percentage of shareholding in our total issued share capital	Number of Shares[(1)]	Percentage of shareholding in our Unlisted Shares/H Shares	Percentage of shareholding in our total issued share capital[(5)]
Ms. Fu	Beneficial interest	Unlisted Shares	6,801,297	10.88%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in a controlled corporation[(2)(3)]	Unlisted Shares	37,388,273	59.80%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Yu	Beneficial interest	Unlisted Shares	579,975	0.93%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in a controlled corporation[(2)]	Unlisted Shares	33,968,273	54.33%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Tianjin Zhuhui[(2)]	Beneficial interest	Unlisted Shares	13,490,937	21.55%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Tianjin Wangyuan[(2)]	Beneficial interest	Unlisted Shares	20,477,336	32.75%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Tianjin Wangyuan LP[(3)]	Beneficial interest	Unlisted Shares	2,642,235	4.23%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Tianjin Kanfang LP[(3)]	Beneficial interest	Unlisted Shares	777,765	1.24%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Yu Jincheng	Interest of spouse[(4)]	Unlisted Shares	44,189,570	70.68%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]

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(1) All interests stated are long positions.

(2) Tianjin Zhuhui is owned as to 57.50% and 42.50% by Ms. Fu and Mr. Yu, respectively. Tianjin Wangyuan is owned as to 60.00% and 40.00% by Ms. Fu and Mr. Yu, respectively. Therefore, Ms. Fu and Mr. Yu are deemed to be interested in all the Shares held by Tianjin Zhuhui and Tianjin Wangyuan for the purpose of the SFO.

(3) Ms. Fu is the general partner of Tianjin Kanfang LP and Tianjin Wangyuan LP, respectively. Therefore, Ms. Fu is deemed to be interested in the interests held by Tianjin Kanfang LP and Tianjin Wangyuan LP, respectively.

(4) Mr. Yu Jincheng is the spouse of Ms. Fu. Accordingly, they are deemed to be interested in the same number of Shares of each other for the purpose of the SFO.

(5) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares.

Save as disclosed herein, our Directors are not aware of any person who will, immediately following the completion of the [**REDACTED**] and Conversion of Unlisted Shares into H Shares (assuming the [**REDACTED**] is not exercised), have an interest or short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

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Our registered share capital as of the Latest Practicable Date was RMB62,523,409, divided into 62,523,409 Unlisted Shares of par value of RMB1.00 each.

Assuming the [**REDACTED**] is not exercised, the share capital of our Company immediately after the [**REDACTED**] and Conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital
		(%)
Unlisted Shares	[**REDACTED**]	[**REDACTED**]
H Shares to be converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]
H Shares to be issued pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	[**REDACTED**]	**[100.00]**

Assuming the [**REDACTED**] is exercised in full, the share capital of our Company immediately after the [**REDACTED**] and Conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the [REDACTED]
		(%)
Unlisted Shares	[**REDACTED**]	[**REDACTED**]
H Shares to be converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]
H Shares to be issued pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	[**REDACTED**]	**[100.00]**

Note: See "Our Corporate Structure Immediately Following the [**REDACTED**]" in the section headed "History, Development and Corporate Structure" for details of the identities of our Shareholders whose Shares will remain as Unlisted Shares and whose Shares will be converted into H Shares upon [**REDACTED**].

The above table assumes that the [**REDACTED**] has become unconditional and the H Shares are issued pursuant to the [**REDACTED**].

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OUR SHARES

Upon the completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares, the Shares will consist of Unlisted Shares and H Shares. The H Shares in issue following the completion of the [**REDACTED**] and the Unlisted Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares. However, apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong stock exchanges connectivity mechanism (Shanghai-Hong Kong Stock Connect) and the Shenzhen-Hong Kong stock exchanges connectivity mechanism (Shenzhen-Hong Kong Stock Connect) and other persons entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be subscribed for by, or traded between, legal or natural persons of the PRC. On the other hand, Unlisted Shares may only be subscribed for by, and traded between, mainland Chinese investors, certain qualified foreign institution investors and qualified foreign strategic investors. H Shares may only be subscribed for and traded in Hong Kong dollars. Unlisted Shares, on the other hand, may only be subscribed for and transferred in Renminbi.

RANKING

Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document.

All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

For details of circumstances under which the Shareholders' general meeting are required, please refer to "Shareholders and Shareholders' Meeting—Voting and Resolutions of Shareholders' Meetings" under "Appendix V—Summary of Articles of Association of the Company" to this document.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Pursuant to the regulations prescribed by the securities regulatory authorities of the State Council and the Articles of Association, the Unlisted Shares may be converted into [**REDACTED**] Shares. Such converted Shares could be [**REDACTED**] or traded on an overseas stock exchange, provided that prior to the conversion and [**REDACTED**] of such converted Shares, any requisite internal approval process has been duly completed, all the filling procedures with relevant PRC regulatory authorities, including the CSRC are followed. In addition, such conversion and [**REDACTED**] shall comply with the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. If any of the

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Unlisted Shares are to be converted, [**REDACTED**] and [**REDACTED**] as H Shares on the [**REDACTED**], such conversion, [**REDACTED**] and [**REDACTED**] will need to be filed with relevant PRC regulatory authorities, including the CSRC, and the approval of the [**REDACTED**].

Filing with the CSRC for Full Circulation

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) announced by the CSRC, for an H-share listed company, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf.

In accordance with the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請 "全流通"業務指引) announced by the CSRC, an unlisted domestic joint stock company may apply for "full circulation" when applying for an overseas initial public offering.

We [have filed] with the CSRC for the conversion of [**REDACTED**] Unlisted Shares into H Shares on a one-for-one basis ("**Conversion of Unlisted Shares into H Shares**") upon the completion of the [**REDACTED**] ("**Full Circulation Application of the Company**"), which has been completed on [●], 2025.

[REDACTED] by the Stock Exchange

We [have applied] to the [**REDACTED**] of the Stock Exchange for the granting of [**REDACTED**] of, and permission to [**REDACTED**], our H Shares to be [**REDACTED**] pursuant to the [**REDACTED**] (including any H Shares which may be issued pursuant to the exercise of the [**REDACTED**]) and the H Shares to be converted from [**REDACTED**] Unlisted Shares on the Stock Exchange.

We will perform the following procedures for the conversion of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (1) giving instructions to our [**REDACTED**] regarding relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be accepted as eligible securities by [**REDACTED**] for deposit, clearance and settlement in the [**REDACTED**]. Until the converted Shares are re-registered on our H Share register, such Shares will not be [**REDACTED**] as H Shares. The participating shareholders may only [**REDACTED**] the Shares upon completion of domestic procedures.

Unlisted Shareholders can work with the Company according to the Articles of Association and follow the procedures set out in this document to convert the Unlisted Shares into H Shares after the [**REDACTED**] if they want, provided that such conversion of Unlisted Shares into and [**REDACTED**] and [**REDACTED**] of H Shares will be subject to the filling procedures of the relevant PRC regulatory authorities, including the CSRC, the approval of the Stock Exchange and the satisfaction of the public float requirement under the Listing Rules by the Company.

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REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請"全流通"業務指引) announced by the CSRC, the domestic shareholders of unlisted shares shall handle share transfer registration business in accordance with the relevant business rules of CSDC. And H-share companies should submit relevant status reports to the CSRC within 15 days after the shares involved in the application completing the transfer registration in CSDC.

SHAREHOLDERS' APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for the Company to [**REDACTED**] H Shares and seek the [**REDACTED**] of H Shares on the [**REDACTED**]. The Company has obtained such approval at the Shareholders' general meeting held on September 19, 2025.

RESTRICTIONS ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

According to the Company Law, the Shares issued by the Company prior to the [**REDACTED**] are restricted from [**REDACTED**] within one year from the [**REDACTED**].

Our Directors and members of the senior management (as defined in our Articles of Association) of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors and such members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the shares are listed and traded, nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions or conditions on the transfer of the Shares held by our Directors, members of senior management of our Company and other Shareholders. For further details, see "Summary of Articles of Association of the Company" in Appendix V to this document.

The Company will work with the domestic securities company to be engaged by the Company to restrict the [**REDACTED**] of the H Shares converted from Unlisted Shares technically within one year after the [**REDACTED**].

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You should read the following discussion in conjunction with the consolidated financial statements and the notes thereto included in the Accountants' Report set out in Appendix I to this document which have been prepared in accordance with IFRS Accounting Standards and the selected historical financial information and operating data included elsewhere in this document. Our historical results do not necessarily indicate results expected for any future periods. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in "Forward-looking Statements" and "Risk Factors." In evaluating our business, you should carefully consider the information provided in "Risk Factors" in this document.

OVERVIEW

We are a fast-growing global leader with strong brand equity in 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 shipment volume of self-manufactured products in 2024, with the most comprehensive product portfolio equipped with the most 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 have spearheaded China's robotic pool cleaner industry with accumulated full-stack 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 led the revolutionary innovation 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 state-of-the-art R&D center and production base to ensure the excellent performance and unwavering 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 unswerving commitment to technological innovation, we are leading the intelligent transformation of the global pool cleaning and maintenance industry with AI-powered robotic products.

We achieved significant growth during the Track Record Period. Our revenue increased at a CAGR of 19.6% from RMB317.7 million in 2022 to RMB543.5 million in 2024, and increased by 41.6% from RMB267.7 million in the six months ended June 30, 2024 to

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RMB379.2 million in the six months ended June 30, 2025, Our net profit increased by 15.9% from RMB60.8 million in 2023 to RMB70.5 million in 2024, and increased by 24.9% from RMB48.9 million in the six months ended June 30, 2024 to RMB61.1 million in the six months ended June 30, 2025.

BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with IFRS Accounting Standards. The historical financial information has been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period.

The preparation of historical financial information in conformity with the IFRS Accounting Standards requires the use of certain critical accounting estimates, as well as our management's judgment in applying our accounting policies.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations, financial condition and the period-to-period comparability of our financial results are principally affected by the following factors.

Growth of Global Robotic Pool Cleaner Market

Our business and results of operations are driven by end consumer demand for robotic pool cleaners. The global robotic pool cleaner market, in terms of retail value, is expected to increase from US$2,482.4 million in 2024 to US$4,211.1 million in 2029 at a CAGR of 11.1% from 2024 to 2029, according to the CIC Report. The adoption rate of robotic pool cleaners in the world is expected to increase from 26.2% in 2024 to 34.2% in 2029, according to the same source. The key market drivers of our industry primarily include (1) technological advancements, including but not limited to climbing walls, footholds, and steps, wireless charging and underwater charging, human-free operation, and IoT integration, and (2) new opportunities in emerging markets such as China. The future trends of our industry primarily include (1) surging technology advancement, (2) diversified application scenarios, (3) shifting towards online purchasing channels, and (4) cordless robotic pool cleaners will become mainstream. See "Industry Overview—Overview of the Global Robotic Pool Cleaner Market—Key Market Drivers" and "Industry Overview—Overview of the Global Robotic Pool Cleaner Market—Future Trends." To remain competitive, we must continue to stay abreast of the evolving industry trends and rapid technological development, and to identify and anticipate the evolving expectations and needs of customers and end users in a timely manner. We believe that we are well-positioned to capture the market opportunities with our strong R&D capability and comprehensive product portfolio.

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Our Ability to Research and Develop Our Products

Our business prospects and our ability to compete in the global robotic pool cleaner market largely depend on our ability to continuously research and develop our robotic pool cleaners. Leveraging our expertise and core technologies accumulated through years of experience, we have led the revolutionary innovation 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 have established a scientifically proven and effective R&D system to expand the available functionalities of our products, accommodating specific needs of various different scenarios. See "Business—Research and Development."

Our ability to continuously research and develop new robotic pool cleaners in line with technological progress and market trends depends on our continued investments in R&D. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, we incurred research and development expenses of RMB15.1 million, RMB19.3 million, RMB22.1 million, RMB9.6 million and RMB16.1 million, respectively, accounting for 4.8%, 5.1%, 4.1%, 3.6% and 4.2% of our total revenue in the same periods, respectively. In addition, we believe seasoned and committed professionals are crucial for bolstering our R&D, and we plan to continue to recruit and train more R&D talents that specialize in AI algorithm, machine vision and IoT technologies. As we plan to continue to invest in R&D for both technologies and talents to focus on innovations in order to remain competitive, we expect our research and development expenses to increase in the future. While we strive to achieve efficiency with our R&D efforts, R&D activities are inherently uncertain, and we might encounter practical difficulties in applying and commercializing our R&D results. As such, our significant R&D expenditures may not generate desirable benefits, which could materially and adversely affect our business, results of operations and financial condition.

Our Ability to Manage and Expand Production Capacity

The growth of our revenue and market share depends on our ability to manage and expand our production capacity in a cost-efficient manner. We have a production base with three workshops with a gross floor area of more than 12,000 square meters. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, the production capacity of our manufacturing facilities was approximately 500 thousand units, 570 thousand units, 650 thousand units, 291 thousand units and 311 thousand units, respectively. Our production capacity during the Track Record Period generally increased, primarily due to the upgrade of our production lines and equipment and our focus on expanding, training and managing our rapidly growing workforce. For details of our annual production capacity and utilization rates at our current facilities, see "Business—Manufacturing." In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our cost of sales was RMB148.0 million, RMB160.7 million, RMB228.3 million, RMB109.5 million and RMB132.0 million, respectively, accounting for 46.6%, 42.5%, 42.0%, 40.9% and 34.8% of our total revenue in the same periods, respectively.

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In order to further enhance our manufacturing capabilities, we plan to add new production equipment and machinery, enhance automation and efficiency for our existing equipment and machinery and expand our manufacturing facilities, with which we will be able to fulfill customer demand and the needs of our rapid business growth. However, our expansion plan involves significant capital expenditure, which may affect our liquidity if we are unable to generate sufficient cash flow from operations or financing activities. In addition, expanding production capacity generally results in higher depreciation expenses in future periods. As a result, if we are unable to maintain sufficient utilization rates, or otherwise fail to generate sufficient profits from the expanded production capacity to offset the increased depreciation expenses, our profitability would be adversely affected by such expansion. See "Business—Manufacturing" and "Future Plans and Use of [**REDACTED**]" for details.

Our Sales and Marketing Capabilities

We have made proactive efforts in global market expansion with 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. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025 we sold approximately 26.5 thousand, 167.6 thousand, 263.2 thousand, 131.8 thousand and 174.4 thousand branded products, respectively, and approximately 396.8 thousand, 203.0 thousand, 167.7 thousand, 97.3 thousand and 63.7 thousand ODM products, respectively.

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. In addition, 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 ability to expand market reach and customer base, generate sales, and achieve business growth in the future will continue to rely on the efficiency and breadth of our sales network. As of the Latest Practicable Date, we had a sales and marketing team of 94 members. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our selling and marketing expenses amounted to RMB10.1 million, RMB97.2 million, RMB173.8 million, RMB80.4 million and RMB137.7 million, respectively, representing 3.2%, 25.7%, 32.0%, 30.0% and 36.3% of our total revenue in the same periods, respectively. Our selling and

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marketing expenses increased significantly during the Track Record Period, primarily due to a step-up in our marketing efforts to promote our branded products. As we continue to scale up our business operations, we expect to achieve greater cost efficiency with our sales and marketing initiatives.

Our Ability to Manage Costs and Expenses

Our ability to manage costs and expenses will affect our overall profitability. Our cost of sales was RMB148.0 million, RMB160.7 million, RMB228.3 million, RMB109.5 million and RMB132.0 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, accounting for 46.6%, 42.5%, 42.0%, 40.9% and 34.8% of our total revenue in the same periods, respectively.

Staff costs was a significant component of our cost of sales and operating expenses during the Track Record Period, which was RMB52.8 million, RMB62.8 million, RMB71.5 million, RMB31.2 million and RMB59.4 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, accounting for 16.6%, 16.6%, 13.2%, 11.6% and 15.7% of our total revenue in the same periods, respectively. Our staff cost includes salaries, wages and other benefits, contributions to defined contribution retirement plan and equity-settled share-based payment expenses for our employees. We have adopted an employee share ownership plans for the primary purpose of rewarding and incentivizing our employees. Fluctuation in staff costs will affect our costs and expenses, which would affect our profit margin.

In addition, we have incurred cost of raw materials in connection with our manufacturing activities, which was RMB109.8 million, RMB100.4 million, RMB142.8 million, RMB65.3 million and RMB78.8 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, representing 34.6%, 26.6%, 26.3%, 24.4% and 20.8% of our total revenue in the same periods, respectively. To manage our costs and expenses and improve our profit margins and, at the same time, ensure the cost-effective delivery of our products, we continually optimize our supply chain management by seeking alternative suppliers for key raw materials.

Our business and results of operations are also significantly affected by our operating expenses, which primarily comprised selling and marketing expenses, administrative expenses and research and development expenses during the Track Record Period. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our selling and marketing expenses were RMB10.1 million, RMB97.2 million, RMB173.8 million, RMB80.4 million and RMB137.7 million, respectively, accounting for 3.2%, 25.7%, 32.0%, 30.0% and 36.3% of our total revenue in the same periods, respectively. In the same periods, our research and development expenses were RMB15.1 million, RMB19.3 million, RMB22.1 million, RMB9.6 million and RMB16.1 million, respectively, accounting for 4.8%, 5.1%, 4.1%, 3.6% and 4.2% of our total revenue in the same periods, respectively. Our selling and marketing expenses and research and development expenses may continue to increase and account for a significant portion of our total revenue. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our administrative expenses were RMB41.6 million, RMB43.0 million, RMB39.8 million

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RMB14.1 million and RMB26.9 million, respectively, accounting for 13.1%, 11.4%, 7.3%, 5.3% and 7.1% of our total revenue in the same periods, respectively. We expect to maintain our administrative expenses at reasonable level in the future along with our business growth and expansion.

Changes in Our Revenue Mix

During the Track Record Period, we generated the majority of revenue from sales of branded products and sales under ODM model. Revenue contribution from sales of branded products, as a percentage of our total revenue, increased significantly from 6.0% in 2022 to 67.1% in 2023 and further to 72.4% in 2024, while our revenue generated from sales under ODM model, as a percentage of our total revenue, decreased from 90.9% in 2022 to 31.1% in 2023 and further to 24.6% in 2024, primarily because, 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. Due to the same reasons, our revenue contribution from sales of branded products, as a percentage of our total revenue, increased from 72.2% in the six months ended June 30, 2024 to 86.4% in the six months ended June 30, 2025, while our revenue generated from sales under ODM model, as a percentage of our total revenue, decreased from 25.9% in the six months ended June 30, 2024 to 13.1% in the six months ended June 30, 2025. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, the gross profit margin for our branded products was 58.4%, 63.4%, 60.4%, 63.1% and 68.2%, respectively, and the gross profit margin for our ODM products was 52.7%, 44.4%, 50.7%, 48.4% and 44.5% in the same periods, respectively. Such change in our revenue mix had a positive impact on our overall gross profit margin, which increased from 53.4% in 2022 to 57.5% in 2023 and further to 58.0% in 2024. Our gross profit margin increased from 59.1% in the six months ended June 30, 2024 to 65.2% in the six months ended June 30, 2025. The gross profit margin for our branded products is typically higher than that for our ODM products, primarily due to the higher average selling price of our branded products, as compared to the average selling price of our ODM products, as we continuous to upgrade our branded products with more advanced technologies. As we launch more branded products and further expand our market outreach in the future, we may experience further fluctuations in the revenue contribution based on sales model, and our overall gross profit margin may continue to vary, which may have an impact on our results of operations.

Seasonality

Our results of operations are affected by effects of seasonal variations. 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 between 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. If seasonal demand exceeds our expectation, we may not have sufficient stock or arrange for timely

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production and delivery. If seasonal demand is lower than our expectation, we could be left with excess inventory, higher working capital and liquidity requirements, as well as the risk of impairment losses on our inventory. As a result, historical patterns of our results of operations may not be indicative of our future performance, and period-to-period comparisons of our results of operations may not be meaningful, especially given our limited operating history with respect to our branded product sales. See "Business—Sales and Marketing—Seasonality."

Fluctuation in Foreign Exchange Rates

During the Track Record Period, a majority of our revenue was generated from sales denominated in U.S. dollars and Euro. However, a majority of our cost of sales and operating expenses are denominated in Renminbi, U.S. dollars and Euro, and our financial information is presented in Renminbi. We are thus subject to foreign exchange risk. For example, if the U.S. dollar appreciates against the Renminbi after we enter into a U.S. dollar denominated sales contract or orders, our cost of sales as a percentage of our revenue attributable to such sales would decrease due to such appreciation, increasing both our gross profit and gross profit margin. Conversely, if the Renminbi appreciates against the U.S. dollar after we enter into a U.S. dollar denominated sales, our gross profit and gross profit margin would be adversely affected. We have put in place foreign exchange risk control policies, such as the use of derivative financial instruments, to manage potential risks we may face during volatile fluctuations in foreign exchange rates. See "Risk Factors—Risks Relating to Our Business and Industry—Fluctuations in exchange rates may result in foreign exchange losses and adversely impact our profitability."

Global Markets

Our sales to global markets are subject to various security and customs inspection, tariff and other trade restrictions in our countries or regions of destination. Import and export controls and trade restrictions can result in delays in the delivery of our products, the levying of customs duties, fines or other penalties on exporters or importers, as well as increased tariffs, which may individually or collectively cause material changes in the demand or supply of our products. Our products have been subject to an additional 30.0% tariff since May 2025 for all products being exported to the United States primarily due to the imposition of tariffs between the United States and China. If we maintain or increase our sales to overseas customers in the future, any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the demand for our products, impact the competitive position of our products or prevent us from being able to sell products overseas, which could have an adverse effect on our business, financial condition and results of operations. See "Risk Factors—Risks Relating to Our Business and Industry—We conduct operations worldwide and are exposed to legal, regulatory, political, economic, commercial and other risks in each country in which we operate" for details.

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CRITICAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The preparation of historical financial information in conformity with the IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of the IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3 in the Accountants' Report set out in Appendix I to this document.

Revenue

Income is classified by us as revenue when it arises from the sale of goods, the provision of services or the use by others of our assets under leases in the ordinary course of our business.

Revenue from Contracts with Customers

Revenue is recognized when control over a product is transferred to the customer at the amount of promised consideration to which we are expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

– *Sale of goods*

Revenue is recognized when the customer takes possession of and accepts the products. Payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers.

We typically offer customers of robotic pool cleaner that are not made-to-order rights of return for a period of 30 days upon customer acceptance. Such rights of return give rise to variable consideration. We use an expected value approach to estimate variable consideration based on our current and future performance expectations and all information that is reasonably available. This estimated amount is included in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. At the time of sale of robotic pool cleaner, we recognize revenue after taking into account adjustment to transaction price arising from returns as mentioned above. A refund liability is recognized for the expected returns, and is included in other payables, accruals and provision (see note 19 in the Accountants'

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Report set out in Appendix I to this document). A right to recover returned goods (included in Prepayments, deposits and other receivables, see note 16 in the Accountants' Report set out in Appendix I to this document) and corresponding adjustment to cost of sales are also recognized for the right to recover products from customers. This right to recover returned goods is measured at the former carrying amount of the inventory less any expected costs to recover goods (including potential decreases in the value of the returned goods).

If the products are a partial fulfilment of a contract covering other goods, then the amount of revenue recognized is an appropriate proportion of the total transaction price under the contract, allocated between all the goods promised under the contract on a relative stand-alone selling price basis.

We offer warranties for its products for 12 to 24 months from the date of sale. A related provision is recognized in accordance with the policy set out in Note 2(q).

We take advantage of the practical expedient in paragraph 63 or IFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months of less. Our sales contracts had an original expected duration of one year or less, we have not disclosed the information related to the aggregated amount of the transaction price allocated to the remaining performance obligations in accordance with paragraph 121 of IFRS 15. We have recognized the incremental costs of obtaining sale contracts as an expense as incurred in accordance with paragraph 94 of IFRS 15 as the amortization period of the assets that we otherwise would have recognized is within one year.

Revenue from Other Sources and Other Income

Interest income

Interest income is recognized using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that we will comply with the conditions attaching to them. Grants that compensate us for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate us for the cost of an asset are recognized as deferred income and subsequently recognized in profit or loss on a systematic basis over the useful life of the asset.

Credit Losses and Impairment of Assets

Credit Losses from Financial Instruments

We recognize a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortized cost (including cash and cash equivalents, trade receivables and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts. The expected cash shortfalls of fixed-rate financial assets, trade receivables, deposits and other receivables are discounted using the effective interest rate determined at initial recognition or an approximation thereof. The maximum period considered when estimating ECLs is the maximum contractual period over which we are exposed to credit risk. ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

We measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and

- other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

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Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, we consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on our historical experience and informed credit assessment, that includes forward-looking information.

We consider a financial asset to be in default when the debtor is unlikely to pay its credit obligations to us in full, without recourse by us to actions such as realizing security (if any is held). We consider a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade."

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. We recognize an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, we assess whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default;
- the restructuring of a loan or advance by us on terms that we would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when we otherwise determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

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Impairment of Other Non-current Assets

At each reporting date, we review the carrying amounts of its non-financial assets (other than inventories and other contract costs and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis. An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade and Other Receivables

A receivable is recognized when we have an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due. Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost.

Share-based Payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured at the fair value of the shares granted at the grant dates. The amount is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date.

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Provisions and Contingent Liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

Expected Credit Losses for Receivables

The credit losses for trade and other receivables are based on assumptions about the expected loss rates. We use judgement in making these assumptions and selecting the inputs to the impairment calculation, which are based on our past collection history and existing market conditions. For details of the key assumptions and inputs used, see Note 25(a) in the Accountants' Report set out in Appendix I to this document. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional loss allowances in future periods.

RESULTS OF OPERATIONS

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

	Year ended December 31,						Six Months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands except for percentages)									
							(Unaudited)			
Revenue	317,694	100.0	377,950	100.0	543,535	100.0	267,713	100.0	379,167	100.0
Cost of sales	(148,003)	(46.6)	(160,735)	(42.5)	(228,272)	(42.0)	(109,526)	(40.9)	(132,040)	(34.8)
Gross profit	169,691	53.4	217,215	57.5	315,263	58.0	158,187	59.1	247,127	65.2
Other net income	9,614	3.0	12,873	3.4	5,767	1.1	3,879	1.4	9,143	2.4
Selling and marketing expenses	(10,074)	(3.2)	(97,186)	(25.7)	(173,820)	(32.0)	(80,362)	(30.0)	(137,696)	(36.3)
Administrative expenses	(41,587)	(13.1)	(43,033)	(11.4)	(39,844)	(7.3)	(14,059)	(5.3)	(26,928)	(7.1)
Research and development expenses	(15,122)	(4.8)	(19,343)	(5.1)	(22,106)	(4.1)	(9,583)	(3.6)	(16,077)	(4.2)
Impairment losses (recognized)/reversed on trade receivables and other receivables	1,231	0.4	(2,776)	(0.7)	(1,869)	(0.3)	(1,927)	(0.7)	(1,880)	(0.5)
Profit from operations	113,753	35.8	67,750	17.9	83,391	15.3	56,135	21.0	73,689	19.4

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	Year ended December 31,						Six Months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands except for percentages)									
							(Unaudited)			
Finance costs	–	–	(124)	(0.0)	(231)	(0.0)	(97)	(0.0)	(191)	(0.1)
Profit before taxation	113,753	35.8	67,626	17.9	83,160	15.3	56,038	20.9	73,498	19.4
Income tax	(15,838)	(5.0)	(6,777)	(1.8)	(12,650)	(2.3)	(7,135)	(2.7)	(12,415)	(3.3)
Profit for the year/period	97,915	30.8	60,849	16.1	70,510	13.0	48,903	18.3	61,083	16.1

NON-IFRS MEASURE

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

We define adjusted net profit (non-IFRS measure) as profit for the year adjusted for equity-settled share-based payment expenses and [**REDACTED**]. Equity-settled share-based payment expenses is non-cash expenses arising from granting restricted share units and options to senior management and employees. Expenses related to previous A-share listing attempt represent professional service fees in connection with the previous A-share listing attempt. [**REDACTED**] arise from activities relating to the [**REDACTED**]. The following table sets forth a reconciliation of our adjusted net profit (non-IFRS measure) to the most directly comparable financial measure calculated and presented in accordance with the IFRS Accounting Standards.

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	Year ended December 31,			Six Months ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(Unaudited)	
Profit for the years/period	97,915	60,849	70,510	48,903	61,083
Add:					
Equity-settled share-based payment expenses	5,450	4,629	397	(1,430)	8,053
Expenses related to previous A-share listing attempt	3,582	7,393	–	–	–
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted net profit (non-IFRS measure)	106,947	72,871	77,502	47,473	71,305

KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we generated revenue primarily from the sales of robotic pool cleaners. We also generated de minimis revenue from the sales of accessories during the Track Record Period.

Revenue by Sales Model

During the Track Record Period, we sold our branded robotic pool cleaners, and also sold commissioned products on ODM basis. 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,						Six Months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands except for percentages)									
							(Unaudited)			
Sales of branded products	19,091	6.0	253,765	67.1	393,332	72.4	193,192	72.2	327,614	86.4
Sales under ODM model	288,816	90.9	117,551	31.1	133,516	24.6	69,372	25.9	49,630	13.1
Sales of accessories[(1)]	9,787	3.1	6,634	1.8	16,687	3.1	5,149	1.9	1,923	0.5
Total	**317,694**	**100.0**	**377,950**	**100.0**	**543,535**	**100.0**	**267,713**	**100.0**	**379,167**	**100.0**

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

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Our revenue generated from sales of branded products, as a percentage of our total revenue, increased significantly from 6.0% in 2022 to 67.1% in 2023, and further to 72.4% in 2024, while our revenue generated from sales under ODM model, as a percentage of our total revenue, decreased from 90.9% in 2022 to 31.1% in 2023, and further to 24.6% in 2024, primarily due to our expanded branded products sales channels, especially the rapid and substantial growth in online sales through the establishment of our online E-commerce marketplaces in 2023, such as Amazon, and our E-commerce independent websites on Shopify in 2023. Due to the same reasons, our revenue generated from sales of branded products, as a percentage of our total revenue, increased from 72.2% in the six months ended June 30, 2024 to 86.4% in the six months ended June 30, 2025, while our revenue generated from sales under ODM model, as a percentage of our total revenue, decreased from 25.9% in the six months ended June 30, 2024 to 13.1% in the six months ended June 30, 2025.

Our revenue generated from sales of accessories, as a percentage of our total revenue, decreased from 3.1% in 2022 to 1.8% in 2023, primarily due to a lower demand for accessories as customers stockpiled certain accessories in 2022. Our revenue generated from sales of accessories, as a percentage of our total revenue increased from 1.8% in 2023 to 3.1% in 2024, primarily due to the user retention effect that the customers purchased our products in 2023 entered into the accessory replacement cycle in 2024. Our revenue generated from sales of accessories, as a percentage of our total revenue, decreased from 1.9% in the six months ended June 30, 2024 to 0.5% in the six months ended June 30, 2025, primarily due to the centralized procurement of accessories by certain customers in the sixth months ended June 30, 2024.

Revenue by Product Types

During the Track Record Period, we generated revenue from a comprehensive product portfolio of pool cleaners, which can be categorized into (1) cordless products, (2) corded products and (3) handheld products. The following table sets forth a breakdown of our revenue by product types, both in absolute amount and as a percentage of our total revenue for robotic pool cleaners, for the periods indicated.

	Year ended December 31,						Six Months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands except for percentages)									
							(Unaudited)			
Cordless robotic pool cleaners	231,808	75.3	310,549	83.6	483,522	91.8	239,104	91.1	366,112	97.1
Corded robotic pool cleaners	74,002	24.0	50,016	13.5	32,185	6.1	17,530	6.7	9,360	2.5
Handheld pool cleaners	2,097	0.7	10,751	2.9	11,141	2.1	5,930	2.3	1,772	0.5
Total revenue for robotic pool cleaners	**307,907**	**100.0**	**371,316**	**100.0**	**526,848**	**100.0**	**262,564**	**100.0**	**377,244**	**100.0**

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Our revenue generated from sales of cordless robotic pool cleaners, as a percentage of our total revenue, increased from 75.3% in 2022 to 83.6% in 2023 and further to 91.8% in 2024, while our revenue generated from sales of corded robotic pool cleaners, as a percentage of our total revenue, decreased from 24.0% in 2022 to 13.5% in 2023 and further to 6.1% in 2024, primarily due to our strategic focus on the development and promotion of the cordless products to follow the industry trend that cordless robotic pool cleaners were gradually replacing corded robotic pool cleaners, according to the CIC Report. Due to the same reasons, our revenue generated from sales of cordless robotic pool cleaners, as a percentage of our total revenue, increased from 91.1% in the six months ended June 30, 2024 to 97.1% in the six months ended June 30, 2025, while our revenue generated from sales of corded robotic pool cleaners, as a percentage of our total revenue, decreased from 6.7% in the six months ended June 30, 2024 to 2.5% in the six months ended June 30, 2025.

Our revenue generated from sales of handheld pool cleaners, as a percentage of our total revenue, increased from 0.7% in 2022 to 2.9% in 2023 and remained relatively stable at 2.1% in 2024, as a result of our expanded sales channels of our handheld primarily through the establishment of our online E-commerce marketplaces in 2023, such as Amazon, and our E-commerce independent websites on Shopify in 2023. Our revenue generated from sales of handheld pool cleaners, as a percentage of our total revenue, decreased from 2.3% in the six months ended June 30, 2024 to 0.5% in the six months ended June 30, 2025, primarily because we strategically placed less emphasis on the sales of our handheld products in anticipation of the launch of our new handheld models.

Revenue by Geographic Coverage

We have established a global customer network, offering a broad spectrum of products to 60 countries and regions, including those in North America and Europe, China, and other countries and regions, 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,						Six Months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands except for percentages)									
							(Unaudited)			
North America[(1)]	16,017	5.0	188,180	49.8	268,673	49.4	139,285	52.0	176,586	46.6
Europe[(2)]	135,844	42.8	136,194	36.0	217,737	40.1	112,577	42.1	156,379	41.2
China	160,771	50.6	38,624	10.2	19,865	3.7	5,783	2.2	31,710	8.4
Others countries and regions[(3)]	5,062	1.6	14,952	4.0	37,260	6.9	10,068	3.8	14,492	3.8
Total	**317,694**	**100.0**	**377,950**	**100.0**	**543,535**	**100.0**	**267,713**	**100.0**	**379,167**	**100.0**

(1) Primarily included the United States and Canada.

(2) Primarily included Spain, France, Germany, Italy and Austria.

(3) Primarily included Australia.

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Our revenue generated from products delivered in the North America, as a percentage of our total revenue, increased significantly from 5.0% in 2022 to 49.8% in 2023 and 49.4% in 2024, while our revenue generated from products delivered in China, as a percentage of our total revenue, decreased significantly from 50.6% in 2022 to 10.2% in 2023 and further to 3.7% in 2024, primarily due to (1) our strategic shifting towards the development and sales of our branded products, which account for over 98% of our overseas market, and (2) our expanded sales channels in the United States primarily through the establishment of our online E-commerce marketplaces in 2023, such as Amazon, and our E-commerce independent websites on Shopify in 2023, and the increase in our brand awareness and influence in the United States. Our revenue generated from products delivered in the North America, as a percentage of our total revenue, decreased from 52.0% in the six months ended June 30, 2024 to 46.6% in the six months ended June 30, 2025, while our revenue generated from products delivered in China, as a percentage of our total revenue, increased from 2.2% in the six months ended June 30, 2024 to 8.4% in the six months ended June 30, 2025, primarily due to the expansion of our customer base in China in the first half of 2025.

Our revenue generated from products delivered in Europe, as a percentage of our total revenue, remained relatively stable at 42.8%, 36.0%, 40.1%, 42.1% and 41.2% in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

Cost of Sales

Our cost of sales primarily consisted of (1) raw material costs, (2) contract fulfillment costs, primarily consisted of tariffs and logistics costs, (3) manufacturing costs, and (4) staff costs. During the Track Record Period, our cost of sales was RMB148.0 million, RMB160.7 million, RMB228.3 million, RMB109.5 million and RMB132.0 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our cost of sales by nature, both in absolute amount and as a percentage of total cost of sales, for the periods indicated.

	Year ended December 31,						Six Months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands except for percentages)									
							(Unaudited)			
Raw Material costs	109,834	74.2	100,414	62.5	142,811	62.6	65,287	59.6	78,827	59.7
Contract fulfilment costs	1,071	0.7	32,784	20.4	48,923	21.4	24,232	22.1	28,003	21.2
Manufacturing costs	13,393	9.0	7,942	4.9	11,620	5.1	6,328	5.8	10,933	8.3
Staff costs	17,118	11.6	15,469	9.6	17,072	7.5	9,348	8.5	8,706	6.6
Others[(1)]	6,587	4.5	4,126	2.6	7,846	3.4	4,331	4.0	5,571	4.2
Total	**148,003**	**100.0**	**160,735**	**100.0**	**228,272**	**100.0**	**109,526**	**100.0**	**132,040**	**100.0**

(1) Primarily included impairment losses on assets and taxes and surcharges.

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Gross Profit and Gross Profit Margin

Our gross profit was RMB169.7 million, RMB217.2 million, RMB315.3 million, RMB158.2 million and RMB247.1 million in 2022, 2023, 2024, and the six months ended June 30, 2024 and 2025, respectively, representing a gross profit margin of 53.4%, 57.5%, 58.0%, 59.1% and 65.2% for the same periods, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by sales model for the periods indicated.

	Year ended December 31,						Six Months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross profit	*Gross profit margin (%)*	*Gross profit*	*Gross profit margin (%)*	*Gross profit*	*Gross profit margin (%)*	*Gross profit*	*Gross profit margin (%)*	*Gross profit*	*Gross profit margin (%)*
	(RMB in thousands except for percentages)									
							(Unaudited)			
Sales of branded products	11,153	58.4	160,787	63.4	237,383	60.4	121,885	63.1	223,376	68.2
Sales under ODM model	152,280	52.7	52,194	44.4	67,724	50.7	33,601	48.4	22,094	44.5
Sales of accessories	6,258	63.9	4,234	63.8	10,156	60.9	2,701	52.5	1,657	86.2
Total	**169,691**	**53.4**	**217,215**	**57.5**	**315,263**	**58.0**	**158,187**	**59.1**	**247,127**	**65.2**

Other Net Income

Our other net income primarily consisted of (1) one-off and conditional government grants, (2) interest income from our bank deposits, (3) net foreign exchange loss or gain, (4) changes in fair value of financial assets measured at FVTPL, in relation to our structural deposits; and (5) others. We recorded other net income of RMB9.6 million, RMB12.9 million, RMB5.8 million, RMB3.9 million and RMB9.1 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

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Selling and Marketing Expenses

Our selling and marketing expenses primarily consisted of (1) advertisement and promotion expenses, including the business promotion expense and the advertisement fees on E-commerce marketplaces, (2) sales service, after-sales service and consultation service expenses, primarily including E-commerce marketplace platform fees, consulting service expenses, and sales commission, (3) staff costs, including staff salary and share incentive expenses, and (4) business development and travel costs, including business development costs, travel costs and office costs. The following table sets forth a breakdown of our selling and marketing expenses, both in absolute amount and as a percentage of total selling and marketing expenses, for the periods indicated.

	Year ended December 31,						Six Months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands except for percentages)									
							(Unaudited)			
Advertisement and promotion expenses	2,392	23.7	50,768	52.2	91,616	52.7	45,273	56.3	76,876	55.8
Sales service, after-sales service and consultation service expenses	1,453	14.4	35,276	36.3	63,689	36.6	28,703	35.7	41,942	30.5
Staff costs	4,308	42.8	7,503	7.7	11,768	6.8	4,053	5.0	14,221	10.3
Business development and travel costs	1,659	16.5	2,317	2.4	2,462	1.4	508	0.6	2,081	1.5
Others[(1)]	262	2.6	1,322	1.4	4,285	2.5	1,825	2.3	2,576	1.9
Total	**10,074**	**100.0**	**97,186**	**100.0**	**173,820**	**100.0**	**80,362**	**100.0**	**137,696**	**100.0**

(1) Included primarily depreciation and other miscellaneous selling and marketing expenses.

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Administrative Expenses

Our administrative expenses primarily consisted of (1) staff costs, including staff salary and share incentive expenses, (2) professional service expenses, primarily consisted of professional service fees in connection with the previous A-share listing attempt, [**REDACTED**], and certain legal service fees, (3) office and rental expenses, including business development costs, travel costs, office costs and rental costs, (4) financing cost surcharge, primarily consisted of bank settlement fees and (5) depreciation and amortization. The following table sets forth a breakdown of our administrative expenses, both in absolute amount and as a percentage of total administrative expenses, for the periods indicated.

	Year ended December 31,						Six Months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands except for percentages)									
							(Unaudited)			
Staff costs	19,027	45.8	18,758	43.6	16,405	41.2	6,754	48.0	14,326	53.2
Professional service expenses	14,369	34.6	16,688	38.8	10,568	26.5	1,699	12.1	5,268	19.6
Office and rental expenses	5,424	13.0	4,650	10.8	5,330	13.4	2,485	17.7	3,421	12.7
Financing cost surcharge	182	0.4	457	1.1	3,002	7.5	1,006	7.2	1,943	7.2
Depreciation and amortization	1,230	3.0	1,481	3.4	1,519	3.8	770	5.5	412	1.5
Others[(1)]	1,355	3.3	999	2.3	3,019	7.6	1,345	9.6	1,558	5.8
Total	**41,587**	**100.0**	**43,033**	**100.0**	**39,844**	**100.0**	**14,059**	**100.0**	**26,928**	**100.0**

(1) Included primarily tax and surcharge and other miscellaneous administrative expenses.

Research and Development Expenses

Our research and development expenses primarily consisted of (1) staff costs, including staff salary and share incentive expenses, (2) patent, certification testing and design expenses, including patent and certification testing expenses and design expenses (3) material costs, and

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(4) depreciation and amortization. The following table sets forth a breakdown of our research and development expenses, both in absolute amount and as a percentage of total research and development expenses, for the periods indicated.

	Year ended December 31,						Six Months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands except for percentages)									
							(Unaudited)			
Staff costs	12,052	79.7	15,524	80.3	17,138	77.5	7,293	76.1	13,700	85.2
Patent, certification testing and design expenses	723	4.8	1,596	8.3	2,248	10.2	956	10.0	1,029	6.4
Material costs	1,549	10.2	983	5.1	1,225	5.5	542	5.7	389	2.4
Depreciation and amortization	346	2.3	638	3.3	747	3.4	373	3.9	364	2.3
Others[(1)]	452	3.0	602	3.1	748	3.4	419	4.4	595	3.7
Total	**15,122**	**100.0**	**19,343**	**100.0**	**22,106**	**100.0**	**9,583**	**100.0**	**16,077**	**100.0**

(1) Included primarily office expenses, rental fees, and other miscellaneous research and development expenses.

Impairment Losses (Recognized)/Reversed on Trade Receivables and Other Receivables

We reversed impairment losses on trade receivables and other receivables of RMB1.2 million in 2022, and recognized impairment losses on trade receivables and other receivables of RMB2.8 million, RMB1.9 million, RMB1.9 million and RMB1.9 million in 2023, 2024, the six months ended June 30, 2024 and 2025, respectively.

Finance Costs

Finance costs consisted of interest expenses on lease liabilities. We incurred finance costs of nil, RMB0.1 million, RMB0.2 million, RMB0.1 million and RMB0.2 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

Income Tax

Our income tax expense primarily consisted of the current tax at the statutory rates applicable to our assessable profit before taxation as determined under relevant laws and regulations. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our income tax expense was RMB15.8 million, RMB6.8 million, RMB12.7 million, RMB7.1 million and RMB12.4 million, respectively.

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Our Company and our subsidiaries established in the PRC are subject to the PRC corporate income tax rate of 25% during the Track Record Period. Under the PRC Income Tax Laws, an enterprise which qualifies as a High and New Technology Enterprise ("HNTE") is entitled to a preferential tax rate of 15% provided it continues to meet HNTE qualification standards on an annual basis. Our Company qualifies as an HNTE and is entitled for a preferential tax rate of 15% from 2022 to 2027. In addition to the preferential PRC corporate income tax rate, our Company is also entitled to an additional tax-deductible allowance calculated at 75%/100% of the qualified research and development costs incurred during the Track Record Period.

Wybotics Inc is subject to U.S. corporate income tax on its taxable income at 21% federal corporate income tax rate and other relevant states tax rate at a maximum of 9.5% during the Track Record Period.

WYBOTICS EUROPE is subject to corporate income tax of France on its taxable income at a rate of up to 25% during the Track Record Period.

WYBOTICS HONGKONG is under the two-tiered profits tax rate regime, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% during the Track Record Period.

Our Group does not expect to have any material Pillar Two tax exposure (including current tax) arising in these tax jurisdictions during the year ended December 31, 2024 and six months ended June 30, 2024 and 2025.

During the Track Record Period, our operations involved transfer pricing arrangements among our subsidiaries. See "Business—Transfer Pricing Arrangement."

Effective Tax Rate

Our effective tax rate, representing income tax expense divided by profit before taxation, was 13.9%, 10.0%, 15.2%, 12.7% and 16.9% in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, which was below the 25% statutory rate, primarily due to the preferential tax treatment enjoyed by the Company.

Our effective tax rate decreased from 13.9% in 2022 to 10.0% in 2023, primarily due to the increase in profit generated by our HK subsidiary, which is subject to no profit tax for offshore business. Our effective tax rate increased to 15.2% in 2024, primarily due to the increase in profit generated by our U.S. subsidiary, which is subject to a relatively higher corporate income tax rate, resulting in our higher overall effective tax rate. Due to the same reason, our effective tax rate increased from 12.7% in the six months ended June 30, 2024 to 16.9% in the same period in 2025.

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Profit for the Year

As a result of the foregoing, we recorded net profit of RMB97.9 million, RMB60.8 million, RMB70.5 million, RMB48.9 million and RMB61.1 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2025

Revenue

Our revenue increased by 41.6% from RMB267.7 million in the six months ended June 30, 2024 to RMB379.2 million in the six months ended June 30, 2025.

- *Branded products*. Our revenue generated from sales of branded products increased by 69.6% from RMB193.2 million in the six months ended June 30, 2024 to RMB327.6 million in the six months ended June 30, 2025, primarily due to (1) the launch of more intelligent models of our branded products to meet market demand, which led to a significant increase in the sales volume of our branded products, and the sales volume of our branded products increased from approximately 131.8 thousand units in the six months ended June 30, 2024 to approximately 174.4 thousand units in the six months ended June 30, 2025, and (2) the increase in average selling prices of our branded products as we launched more advanced branded products with higher pricing in the six months ended June 30, 2024.

- *ODM products*. Our revenue generated from sales under ODM model decreased by 28.5% from RMB69.4 million in the six months ended June 30, 2024 to RMB49.6 million in the six months ended June 30, 2025, primarily due to our strategic shift toward promoting our own branded products, leading certain ODM customers transitioned to selling our branded products.

- *Accessories*. Our revenue generated from sales of accessories decreased by 62.7% from RMB5.1 million in the six months ended June 30, 2024 to RMB1.9 million in the six months ended June 30, 2025, primarily because (1) we provided complimentary spare parts to customers who purchased our products to enhance customer satisfaction, and (2) we strengthened our quality control measures, resulting in improved product reliability and reduced demand for replacement parts.

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Cost of Sales

Our cost of sales increased by 20.6% from RMB109.5 million in the six months ended June 30, 2024 to RMB132.0 million in the six months ended June 30, 2025, primarily due to an increase of RMB13.5 million in raw material costs, driven by the increasing sales volume, in particularly our branded products, leading to a corresponding increases in raw material consumption.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 56.2% from RMB158.2 million in the six months ended June 30, 2024 to RMB247.1 million in the six months ended June 30, 2025, with the corresponding gross profit margin of 59.1% and 65.2% in the same periods, respectively, primarily due to the continuing growth of the sales of our branded products.

- *Branded products*. Our gross profit margin for branded products increased from 63.1% in the six months ended June 30, 2024 to 68.2% in the six months ended June 30, 2025, primarily due to (1) our improved bargaining power to our suppliers through centralized procurement of key components, leading to lower unit costs, and (2) an increase in sales volume of the branded products with a higher profit margin than the overall level of our branded products.

- *ODM products.* Our gross profit margin for ODM products decreased from 48.4% in the six months ended June 30, 2024 to 44.5% in the six months ended June 30, 2025, primarily due to an increase in the proportion of the sales of ODM products with lower gross profit margin.

- *Accessories*. Our gross profit margin for accessories increased from 52.5% in the six months ended June 30, 2024 to 86.2% in the six months ended June 30, 2025, primarily because of the increase in the proportion of the sales of accessories with relatively higher gross profit margin.

Other Net Income

Our other net income increased significantly from RMB3.9 million in the six months ended June 30, 2024 to RMB9.1 million in the six months ended June 30, 2025, primarily due to (1) an increase of RMB5.5 million in net foreign exchange gain, as a result of the fluctuation in exchange rate of Renminbi against U.S. dollars and Euro, and (2) an increase of RMB2.0 million in gain on disposal of property, plant and equipment and right-of-use assets, as a result of the return of one land use right.

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Selling and Marketing Expenses

Our selling and marketing expenses increased by 71.3% from RMB80.4 million in the six months ended June 30, 2024 to RMB137.7 million in the six months ended June 30, 2025, primarily due to (1) an increase of RMB31.6 million in advertisement and promotion expenses, as a result of our intensified marketing efforts to enhance brand visibility and expand customer reach, (2) an increase in sales service, after-sales service and consultation services expenses of RMB13.2 million, generally in line with the increase in our revenue and sales volume from online sales, and (3) the increases in the headcount and the average compensation level of our overseas sales and marketing team.

Administrative Expenses

Our administrative expenses increased by 91.5% from RMB14.1 million in the six months ended June 30, 2024 to RMB26.9 million in the six months ended June 30, 2025, primarily due to (1) an increase in staff costs of RMB7.6 million, as a result of the expansion of our share incentive plan for our administrative staff, and (2) an increase in profession service expenses of RMB3.6 million in relation to the [**REDACTED**].

Research and Development Expenses

Our research and development expenses increased by 67.8% from RMB9.6 million in the six months ended June 30, 2024 to RMB16.1 million in the six months ended June 30, 2025, primarily due to an increase in staff costs of RMB6.4 million, as a result of the expansion of our share incentive plan for our R&D staff.

Impairment Losses Reversed on Trade Receivables and Other Receivables

Our impairment losses recognized on trade receivables and other receivables remained relatively stable at RMB1.9 million and RMB1.9 million in the six months ended June 30, 2024 and 2025, respectively.

Finance Costs

Our finance costs increased from RMB0.1 million in the six months ended June 30, 2024 to RMB0.2 million in the six months ended June 30, 2025.

Income Tax

Our income tax expense increased by 74.0% from RMB7.1 million in the six months ended June 30, 2024 to RMB12.4 million in the six months ended June 30, 2025, primarily due to the increase in our profit before taxation.

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Profit for the Period

As a result of the above, our profit for the period in increased by 24.9% from RMB48.9 million in the six months ended June 30, 2024 to RMB61.1 million in the six months ended June 30, 2025. Our net profit margin decreased from 18.3% in the six months ended June 30, 2024 to 16.1% in the six months ended June 30, 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 43.8% from RMB378.0 million in 2023 to RMB543.5 million in 2024.

- *Branded products*. Our revenue generated from sales of branded products increased by 55.0% from RMB253.8 million in 2023 to RMB393.3 million in 2024, primarily due to our strategic efforts in expanding sale channels for our branded products, such as Amazon, which enhanced our brand awareness and led to a significant increase in the sales volume of our branded products. The sales volume of our branded products increased from approximately 167.6 thousand units in 2023 to approximately 263.2 thousand units in 2024.

- *ODM products*. Our revenue generated from sales under ODM model increased by 13.6% from RMB117.6 million in 2023 to RMB133.5 million in 2024, primarily due to the increase in average selling prices of our ODM products as we launched more advanced ODM products with higher pricing in 2024.

- *Accessories*. Our revenue generated from sales of accessories increased significantly from RMB6.6 million in 2023 to RMB16.7 million in 2024, primarily due to the user retention effect that the customers purchased our products in 2023 entered into the accessory replacement cycle in 2024.

Cost of Sales

Our cost of sales increased by 42.0% from RMB160.7 million in 2023 to RMB228.3 million in 2024, primarily due to (1) an increase of RMB42.4 million in raw material costs, driven by the increasing sales volume, leading to a corresponding increases in raw material consumption and (2) an increase of RMB16.1 million in contract fulfilment costs, primarily due to an increase in tariffs and logistics costs, driven by the increasing online sales volumes of our branded products, which led to the corresponding rises in import duties as well as first-mile and last-mile delivery expenses.

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Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 45.1% from RMB217.2 million in 2023 to RMB315.3 million in 2024, with the corresponding gross profit margin of 57.5% and 58.0% in the same years, respectively, primarily due to our enhanced brand influence and the increase in sales volume of our mid- and high-end products, as a percentage of our total product sales.

- *Branded products*. Our gross profit margin for branded products decreased from 63.4% in 2023 to 60.4% in 2024, primarily due to our strategic expansion into new markets for our branded products.

- *ODM products.* Our gross profit margin for ODM products increased from 44.4% in 2023 to 50.7% in 2024, primarily due to the increase in average selling prices of our ODM products as we launched more advanced ODM products with higher pricing in 2024.

- *Accessories*. Our gross profit margin for accessories decreased from 63.8% in 2023 to 60.9% in 2024, primarily due to the increase in the sales volume of accessories sold through offline channels, which have a lower gross profit margin than online channels.

Other Net Income

Our other net income decreased by 55.2% from RMB12.9 million in 2023 to RMB5.8 million in 2024, primarily due to a decrease of RMB6.2 million in net foreign exchange gain, as a result of the fluctuation in exchange rate of Renminbi against Euro.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 78.9% from RMB97.2 million in 2023 to RMB173.8 million in 2024, primarily due to (1) an increase of RMB40.8 million in advertisement and promotion expenses, as a result of significantly increased advertising expenses driven by our expansion into overseas market, (2) an increase of RMB28.4 million in sales service, after-sales service and consultation service expenses, as a result of the increase in sales commission to E-commerce marketplace platforms which is scaled with our revenue growth generated from online sales, and (3) an increase of RMB4.3 million in staff cost, as a result of the increase of the number of the share-based payment for our sales and marketing employees.

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Administrative Expenses

Our administrative expenses decreased by 7.4% from RMB43.0 million in 2023 to RMB39.8 million in 2024, primarily due to a decrease of RMB6.1 million in professional service expenses as the one-off costs incurred in 2023, including primarily the A-share listing expense, were not incurred in 2024, partially offset by an increase in financing costs surcharge of RMB2.5 million, as a result of the increase of the bank settlement fees in line with the increase in our sales volume through E-commerce marketplaces.

Research and Development Expenses

Our research and development expenses increased by 14.3% from RMB19.3 million in 2023 to RMB22.1 million in 2024, primarily due to an increase of RMB1.6 million in staff costs, as a result of the increases in share-based payment and average compensation level for our R&D personnel.

Impairment Losses (Recognized)/Reversed on Trade Receivables and Other Receivables

Our impairment losses recognized on trade receivables and other receivables decreased from RMB2.8 million in 2023 and RMB1.9 million in 2024, primarily due to our proactive efforts to collect aged receivables.

Finance Costs

Our finance costs increased remained relatively stable at RMB0.1 million in 2023 and RMB0.2 million in 2024.

Income Tax

Our income tax expense increased by 86.7% from RMB6.8 million in 2023 to RMB12.7 million in 2024, primarily due to the increase in our profit before taxation.

Profit for the Period

As a result of the above, our profit for the period increased by 15.9% from RMB60.8 million in 2023 to RMB70.5 million in 2024. Our net profit margin decreased from 16.1% in 2023 to 13.0% in 2024.

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Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue increased by 19.0% from RMB317.7 million in 2022 to RMB378.0 million in 2023.

- *Branded products*. Our revenue generated from sales of branded products increased significantly from RMB19.1 million in 2022 to RMB253.8 million in 2023, primarily due to the increase in consumer demands for our branded products as a result of our expanded online sales channels primarily through the establishment of our online E-commerce marketplaces in 2023, such as Amazon, and our E-commerce independent websites on Shopify in 2023, and the increase in our brand awareness and influence. The sales volume of our branded products increased from approximately 26.5 thousand units in 2022 to approximately 167.6 thousand units in 2023.

- *ODM products.* Our revenue generated from sales under ODM model decreased by 59.3% from RMB288.8 million in 2022 to RMB117.6 million in 2023, primarily due to we allocated more resources in developing and promoting our branded products. The sales volume of our ODM products decreased from approximately 396.8 thousand units in 2022 to approximately 203.0 thousand units in 2023.

- *Accessories*. Our revenue generated from sales of accessories decreased by 32.2% from RMB9.8 million in 2022 to RMB6.6 million in 2023, primarily due to a lower demand for accessories as customers stockpiled certain accessories in 2022.

Cost of Sales

Our cost of sales increased by 8.6% from RMB148.0 million in 2022 to RMB160.7 million in 2023, primarily due to an increase of RMB31.7 million in contract fulfilment costs, primarily due to an increase in tariffs and logistics costs, driven by the significantly higher sales volume of our overseas branded products, partially offset by a decrease of RMB9.4 million in raw material costs, driven by the decreases in the raw material prices in the industry.

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Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 28.0% from RMB169.7 million in 2022 to RMB217.2 million in 2023, with the corresponding gross profit margin of 53.4% and 57.5% in the same years, respectively.

- *Branded products*. Our gross profit margin for branded products increased from 58.4% in 2022 to 63.4% in 2023, primarily due to the increase of average selling price of our branded products, as we commenced selling our branded products overseas through the establishment of our online E-commerce marketplaces in 2023, such as Amazon, and our E-commerce independent websites on Shopify in 2023.

- *ODM products*. Our gross profit margin for ODM products decreased from 52.7% in 2022 to 44.4% in 2023, primarily due to the decrease in prices of our ODM products, as a result of the decreasing demand from our ODM customers.

- *Accessories*. Our gross profit margin for accessories remained relatively stable at 63.9% in and 63.8% in 2022 and 2023, respectively.

Other Net Income

Our other net income increased by 33.9% from RMB9.6 million in 2022 to RMB12.9 million in 2023, primarily due to (1) an increase of RMB2.6 million in net foreign exchange gain, as a result of the fluctuation in exchange rate of Renminbi against U.S. dollars and Euro, and (2) an increase of RMB1.6 million in interest income, as a result of the increases in the balance of our bank deposits and the market interest rate, partially offset by a decrease of RMB1.4 million in changes in fair value of financial assets measured at FVTPL, as a result of the decrease in our structural deposits.

Selling and Marketing Expenses

Our selling and marketing expenses increased significantly from RMB10.1 million in 2022 to RMB97.2 million in 2023, primarily due to (1) an increase in advertisement and promotion expenses of RMB48.4 million, as a result of our enhanced marketing and promotional efforts, and (2) an increase in sales service, after-sales service and consultation service expenses of RMB33.8 million, as a result of the various types of E-commerce marketplace platform fees since our establishment of our online E-commerce marketplaces in 2023, such as Amazon, and our E-commerce independent websites on Shopify in 2023, which we did not incur in 2022.

Administrative Expenses

Our administrative expenses remained relatively stable at RMB41.6 million in 2022 and RMB43.0 million in 2023.

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Research and Development Expenses

Our research and development expenses increased by 27.9% from RMB15.1 million in 2022 to RMB19.3 million in 2023, primarily due to the increase in staff costs of RMB3.5 million, as a result of the combined effect of the increases in the headcount and the average compensation level of our R&D personnel.

Impairment Losses (Recognized)/Reversed on Trade Receivables and Other Receivables

We reversed impairment losses on trade receivables and other receivables of RMB1.2 million in 2022 as a result of subsequent collection of customer payment, and recognized impairment losses on trade receivables and other receivables of RMB2.8 million in 2023, driven by our timely response to credit risk assessments.

Finance Costs

Our finance costs increased from nil in 2022 to RMB0.1 million in 2023, representing an increase in interest expenses on lease liabilities.

Income Tax Expense

Our income tax expense decreased by 57.2% from RMB15.8 million in 2022 to RMB6.8 million in 2023, primarily due the decrease in our profit before taxation.

Profit for the Year

As a result of the above, our net profit decreased from RMB97.9 million in 2022 to RMB60.8 million in 2023. Our net profit margin decreased from 30.8% in 2022 to 16.1% in 2023.

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DISCUSSION OF MAJOR STATEMENTS OF FINANCIAL POSITION ITEMS

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

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Non-current assets				
Property, plant and equipment	45,381	50,853	53,244	61,103
Right-of-use asset	20,974	24,506	24,629	9,779
Intangible assets	200	1,592	2,059	1,940
Deferred tax assets	–	5,060	5,420	7,462
Other non-current assets	–	3,109	5,202	986
Total non-current assets	**66,555**	**85,120**	**90,554**	**81,270**
Current assets				
Inventories	98,436	119,960	202,162	266,035
Trade receivables	20,319	63,722	105,761	152,437
Prepayments, deposits and other receivables	13,866	7,114	30,783	59,994
Income tax recoverable	–	242	–	–
Financial assets measured at fair value through profit or loss ("FVTPL")	115,926	10,362	–	–
Restricted deposits	7	157	1,248	4,714
Cash and cash equivalents	124,714	254,150	253,568	161,210
Total current assets	**373,268**	**455,707**	**593,522**	**644,390**
Total assets	**439,823**	**540,827**	**684,076**	**725,660**
Current liabilities				
Trade and bills payables	13,873	49,837	114,781	116,817
Other payables, accruals and provision	18,053	22,085	24,042	47,065
Contract liabilities	2,600	6,208	3,666	7,652
Lease liabilities	153	709	1,847	1,961
Income tax payable	9,257	308	5,912	9,454
Total current liabilities	**43,936**	**79,147**	**150,248**	**182,949**
Net current assets	**329,332**	**376,560**	**443,274**	**461,441**
Total assets less current liabilities	**395,887**	**461,680**	**533,828**	**542,711**

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	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Non-current liabilities				
Lease liabilities	135	4,131	3,990	3,509
Deferred income	1,493	1,455	1,414	1,398
Deferred tax liabilities	1,058	1,302	965	1,472
Total non-current liabilities	**2,686**	**6,888**	**6,369**	**6,379**
Total liabilities	**46,622**	**86,035**	**156,617**	**189,328**
Net assets	**393,201**	**454,792**	**527,459**	**536,332**
Capital and reserves				
Share capital	57,000	57,000	57,000	57,000
Reserves	336,201	397,792	470,459	479,332
Total Equity	**393,201**	**454,792**	**527,459**	**536,332**

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of plant and buildings, machinery and equipment, electronic equipment and other equipment, construction in progress, and plant improvements. We had property, plant and equipment of RMB45.4 million, RMB50.9 million, RMB53.2 million and RMB61.1 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. The following table sets forth the components of our property, plant and equipment as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Electronic equipment and other equipment	10,581	17,042	19,160	25,509
Plant and buildings	19,562	18,745	18,058	17,647
Machinery and equipment	14,445	13,822	12,787	15,058
Construction in progress	351	1,129	3,211	2,879
Plant improvements	442	115	28	10
Total	**45,381**	**50,853**	**53,244**	**61,103**

Our property, plant and equipment increased by 12.1% from RMB45.4 million as of December 31, 2022 to RMB50.9 million as of December 31, 2023, primarily due to an increase of RMB6.5 million in electronic equipment and other equipment, as a result of the increase in our equipment procurement.

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Our property, plant and equipment increased by 4.5% from RMB50.9 million as of December 31, 2023 to RMB53.2 million as of December 31, 2024, primarily due to the increase of RMB2.1 million in electronic equipment and other equipment as a result of purchase of molds and office equipment for manufacturing uses.

Our property, plant and equipment increased by 14.8% from RMB53.2 million as of December 31, 2024 to RMB61.1 million as of June 30, 2025, primarily due to the increase of RMB6.3 million in electronic equipment and other equipment, as a result of purchase of molds such as high-unit-price injection molding machines and other equipment.

Right-of-use Assets

Our right-of-use assets primarily consisted of leased office and land use rights. We had right-of-use assets of RMB21.0 million, RMB24.5 million, RMB24.6 million and RMB9.8 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. The following table sets forth the components of our right-of-use assets as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Land use rights	20,677	19,731	18,785	4,129
Leased office	297	4,775	5,844	5,650
Total	**20,974**	**24,506**	**24,629**	**9,779**

Our right-of-use assets increased from RMB21.0 million as of December 31, 2022 to RMB24.5 million as of December 31, 2023, primarily due to the increase of RMB4.5 million in leased office, primarily due to the increase in rents for our new leased office. Our right-of-use assets remained relatively stable at RMB24.6 million as of December 31, 2024. Our right-of-use assets decreased from RMB24.6 million as of December 31, 2024 to RMB9.8 million as of June 30, 2025, primarily due to the decrease of RMB14.7 million in land use rights as a result of the return of one land use right.

Inventories

Our inventories consisted primarily of finished goods, goods in transit, work in progress and raw materials. We recorded inventories of RMB98.4 million, RMB120.0 million, RMB202.2 million and RMB266.0 million as of December 31, 2022, 2023, 2024, and June 30, 2025, respectively. We evaluate write-down of inventories by performing impairment testing when there are indications of impairment, and recognize a write-down to net realizable value ("NRV") when the NRV is lower than the carrying cost. The following table sets forth the components of our inventories as of the dates indicated.

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	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Finished goods	27,427	80,897	143,068	225,648
Raw materials	32,230	23,098	38,329	25,359
Work in progress	41,220	20,453	26,720	24,387
Less: write-down of inventories	(2,441)	(4,488)	(5,955)	(9,359)
Total	**98,436**	**119,960**	**202,162**	**266,035**

Our inventories increased from RMB98.4 million as of December 31, 2022 to RMB120.0 million as of December 31, 2023, primarily due to an increase of RMB53.5 million in finished goods, as a result of our branded product stocking for sales primarily through online E-commerce marketplaces, partially offset by a decrease of RMB20.8 million in work in progress, as a result of our material stocking in 2022 and consumption of such materials for production in 2023.

Our inventories then increased to RMB202.2 million as of December 31, 2024, primarily due to an increase of RMB62.2 million in finished goods, as a result of the increase in our product models and our product stocking for sales.

Our inventories increased from RMB202.2 million as of December 31, 2024 to RMB266.0 million as of June 30, 2025, primarily due an increase of RMB82.6 million in finished goods, as a result of the increase of our branded product stocking for the preparation of the upcoming peak seas of our branded products during summer time, partially offset by a decrease of RMB13.0 million in raw materials primarily due to the increased sales volume of our products and the corresponding consumption of raw materials for production.

Our inventory turnover days were 298 days in 2022 and decreased to 248 days in 2023, primarily due to the stronger market demand, which led to higher sales volume and faster inventory turnover efficiency, and remained relatively stable at 258 days in 2024. Our inventory turnover days increased from 258 days in 2024 to 324 days in the six months ended June 30, 2025 due to the stockpiling of our products in preparation for the incoming peak sales season in the third quarter of 2025. The following table sets forth the number of our inventory turnover days for the periods indicated.

	Year ended December 31,			Six Months ended June 30,
	2022	2023	2024	2025
Inventory turnover days[(1)]	298	248	258	324

(1) Inventory turnover days was calculated based on the average inventory balance for the relevant period, divided by the cost of sales and services for the same period, and multiplied by the number of days in that period.

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As of July 31, 2025, approximately RMB52.7 million, or 19.8%, of our inventories as of June 30, 2025 had been delivered or consumed.

Trade Receivables

Our trade receivables primarily comprised outstanding amounts receivable from our customers. The payment cycle for our ODM sales is typically one to six months and for our branded product sales is one week to six months. We maintain strict control over our outstanding trade receivables and oversee our trade receivables to minimize credit risk. Our senior management regularly review the overdue balances and conducts periodic reconciliations with the sales staff. The following table sets forth the components of our trade receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Amounts due from third parties	21,937	68,091	111,880	160,426
Less: write-down of inventories	(1,618)	(4,369)	(6,119)	(7,989)
Total	**20,319**	**63,722**	**105,761**	**152,437**

Our trade receivables increased significantly from RMB20.3 million as of December 31, 2022 to RMB63.7 million as of December 31, 2023, primarily in relation to our sales to Europe and North America, as a result of lengthened payment cycle for such sales because of the declining market conditions. Our trade receivables increased by 66.0% from RMB63.7 million as of December 31, 2023 to RMB105.8 million as of December 31, 2024, primarily due to the increase in the sales volume and our decision to lengthen the credit terms granted to our customers given challenging macroeconomic conditions in the European and North American markets. Our trade receivables increased from RMB105.8 million as of December 31, 2024 to RMB152.4 million as of June 30, 2025, generally in line with the credit periods we granted to our customers.

The credit losses for trade receivables are based on assumptions about the expected credit loss ("ECL") rates. As of December 31, 2022, 2023, 2024 and June 30, 2025, we recorded loss allowance for impairment of trade receivables of RMB1.6 million, RMB4.4 million, RMB6.1 million and RMB8.0 million, respectively. We use judgment in making these assumptions and selecting the inputs to the impairment calculation, which are based on our past collection history, existing market conditions as well as forward looking estimates at the end of each reporting period. We measure loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As our historical credit loss experience does not indicate significantly different loss patterns for different customer

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segments, the loss allowance based on past due status is not further distinguished between our different customer bases. Expected loss rates are based on actual loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and our view of economic conditions over the expected lives of the receivables. For details of our impairment analysis for trade receivables, including our credit risk exposure on trade receivables using a provision matrix, see Note 25(a) to the Accountants' Report in Appendix I to this document.

The following table sets forth an aging analysis of our trade receivables, based on the invoice date and net of loss allowance, as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Within 1 year	20,319	60,770	102,248	142,205
1 to 2 years	–	2,952	3,451	8,689
2 to 3 years	–	–	63	1,543
Total	**20,319**	**63,722**	**105,761**	**152,437**

Our trade receivables turnover days increased from 22 days in 2022 to 41 days in 2023, and further increased to 57 days in 2024, primarily due to the increase in average credit terms granted to customers. Our trade receivables turnover days remained relatively stable at 57 days and 62 days in 2024 and the six months ended June 30, 2025, respectively. The following table sets forth the number of our trade receivables turnover days for the periods indicated. The following table sets forth the number of our trade receivables turnover days for the periods indicated.

	Year ended December 31,			Six Months ended June 30,
	2022	2023	2024	2025
Trade receivables turnover days[(1)]	22	41	57	62

(1) Trade receivables turnover days were calculated based on the average of opening and closing balance of trade receivables for the relevant period, divided by the revenue for the same period, and multiplied by the number of days in that period.

As of July 31, 2025, approximately RMB55.0 million, or 36.1%, of our trade receivables as of June 30, 2025 had been settled.

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Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables primarily consisted of (1) prepayments for inventories and service, (2) prepayments in connection with the proposed listing of the Company's A shares, (3) deductible input value-added tax, (4) deposits, in connection with our office rentals, and (5) advances to staff. The following table sets forth the components of our prepayments, deposits and other receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Prepayments for inventories and service	9,822	3,360	14,050	14,443
Deductible input value-added tax	53	2,758	9,676	17,135
Prepayments in connection with the proposed [**REDACTED**] of the Company's shares[(1)]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Deposits	39	297	1,028	1,379
Advances to staff	33	208	1,493	1,431
Receivable from disposal of land use right	–	–	–	16,686
Others[(2)]	641	708	295	3,097
Less: loss allowance	(192)	(217)	(334)	(379)
Total	**13,866**	**7,114**	**30,783**	**59,994**

(1) The balance at December 31, 2022 relates to the proposed initial listing of the Company's shares on the Shenzhen Stock Exchange, and was expected to be transferred to the capital reserve account within equity upon the listing of the Company's shares on Shenzhen Stock Exchange. In 2023, we terminated its proposed initial listing of the Company's shares on Shenzhen Stock Exchange, and the costs incurred in connection with the proposed initial listing of the Company's shares on Shenzhen Stock Exchange were recognized in profit or loss in the year ended December 31, 2023.

The balance at December 31, 2024 and June 30, 2025 relates to the proposed [**REDACTED**] of the Company's shares on the [**REDACTED**], and was expected to be transferred to the capital reserve account within equity upon the [**REDACTED**] of the Company's shares on Stock Exchange of Hong Kong Limited.

(2) Included primarily interest receivables and staff borrowings.

Our prepayments, deposits and other receivables decreased by 48.7 % from RMB13.9 million as of December 31, 2022 to RMB7.1 million as of December 31, 2023, primarily due to (1) a decrease of RMB6.5 million in prepayments for inventories and service, as a result of the payment method adjustment with our suppliers from prepayment to payment upon delivery, and (2) a decrease of RMB3.5 million in prepayments in connection with the proposed [**REDACTED**] of the Company's shares. Our prepayments, deposits and other receivables increased significantly to RMB30.8 million as of December 31, 2024, primarily due to an

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increase of RMB10.7 million in prepayments for inventories and services, as a result of our equipment purchase and preference for prepayment by newly on-boarded suppliers. Our prepayments, deposits and other receivables increased by 94.9% from RMB30.8 million as of December 31, 2024, to RMB60.0 million as of June 30, 2025, primarily due to (1) an increase of RMB16.7 million in land use rights disposal receivables in relation to the disposal of one land use right, and (2) an increase of RMB7.5 million in deductible input value-added tax.

Financial Assets at Fair Value through Profit or Loss

Our financial assets measured at fair value through profit or loss ("FVTPL") primarily consisted of wealth management products issued by reputable financial institutions in the PRC. Our financial assets at FVTPL decreased from RMB115.9 million as of December 31, 2022 to RMB10.4 million as of December 31, 2023 and further decreased to nil as of December 31, 2024, primarily due to redemption of our wealth management products. Our financial assets at FVTPL remained at nil as of June 30, 2025. The fair value of wealth management products is determined by calculating based on the discounted cash flow method. The main level 3 inputs used by us are the expected rates of return.

Investment Management Policy

We believe we can make better use of our surplus cash by making appropriate investments in low-risk investment products including structured deposits, time deposits, large-denomination certificates of deposit, and low-risk bonds, which generate income without interfering with our business operation or capital expenditures. We have established policies prohibiting high-risk investments. Our investment decisions with respect to financial products are made on a case-by-case basis and after due and careful consideration of a number of factors, including, but not limited to, the market conditions, the economic developments, the anticipated investment conditions, the investment cost, the duration of the investment and the expected benefit and potential loss of the investment. We have established a set of internal control measures which allow us to achieve reasonable returns on our investment while mitigating our exposure to high investment risks. These policies and measures were formulated by our senior management.

We follow the principle of safeguarding capital security while balancing liquidity and moderate returns in our investment and wealth management activities. We believe that our internal policies regarding financial products and the related risk management mechanism are adequate. We may continue to purchase financial products that meet the above criteria as part of our treasury management where we believe it is prudent to do so after the completion of the [**REDACTED**]. We will comply with relevant size test requirements under Chapter 14 of the Listing Rules and disclose the details of our investments and other notifiable transactions to the extent necessary and as appropriate after the [**REDACTED**].

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Cash and Cash Equivalents

Our cash and cash equivalents, representing our cash at bank and on hand, increased significantly from RMB124.7 million as of December 31, 2022 to RMB254.2 million as of December 31, 2023, primarily due to our revenue growth and redemption of our wealth management products. Our cash and cash equivalents then increased to RMB253.6 million as of December 31, 2024, primarily due to our profit growth and investment gains. During the Track Record Period, most of our bank balances were denominated in Renminbi, U.S. dollars and Euro. See "—Key Factors Affecting Our Results Of Operations—Fluctuation in Foreign Exchange Rates" for details.

Trade and Bills Payables

Our trade and bills payables comprised primarily outstanding amounts payable to our material and service suppliers. Our trade and bills payables increased significantly from RMB13.9 million as of December 31, 2022 to RMB49.8 million as of December 31, 2023, primarily due to an increase in procurement of raw materials. Our trade and bills payables increased significantly from RMB49.8 million as of December 31, 2023 to RMB114.8 million as of December 31, 2024, primarily due to both the growing purchases of raw materials and an increasing proportion of raw material payments made through bank acceptance bills. Our trade and bills payables remained relatively stable at RMB114.8 million and RMB116.8 million as of December 31, 2024 and June 30, 2025, respectively. The following table sets forth the components of our trade and bills payables as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Trade payables	13,873	46,625	91,699	90,690
Bills payable	–	3,212	23,082	26,127
Total	**13,873**	**49,837**	**114,781**	**116,817**

The following table sets forth an aging analysis of our trade and bills payables, based on the invoice dates, as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Within 1 year	13,749	49,679	114,461	116,409
Over 1 year	124	158	320	408
Total	**13,873**	**49,837**	**114,781**	**116,817**

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Our trade and bills payables turnover days remained relative stable at 67 days in 2022 and 72 days in 2023. Our trade and bills payable turnover days in 2024 increased to 132 days in 2024 and further to 160 days in the six months ended June 30, 2025, primarily due to (1) a shift in our procurement model following the expansion of our branded products business, which required higher inventory levels and enabled us to negotiate longer payment terms with suppliers, (2) our strategy to extend payment terms to support our cash flow needs, particularly for research and development activities and selling and marketing activities, (3) our shifting to cross-border e-commerce market, in which the suppliers generally accept longer credit terms. The following table sets forth the number of our trade and bills payables turnover days for the periods indicated.

	Year ended December 31,			Six Months ended June 30,
	2022	2023	2024	2025
Trade and bills payables turnover days[(1)]	67	72	132	160

(1) Trade and bills payables turnover days were calculated based on the average of opening and closing balance of trade and bills payables for the relevant period, divided by the cost of sales for the same period, multiplied by the number of days in that period.

As of July 31, 2025, approximately RMB53.2 million, or 45.5%, of our trade and bills payables as of June 30, 2025 had been settled.

Other Payables, Accruals and Provision

Other payables and accruals consisted primarily of (1) payables for staff related costs, (2) payables for other taxes, (3) warranty provision, and (4) refund liabilities. Our other payables and accruals remained relatively stable at RMB18.1 million as of December 31, 2022 and RMB22.1 million as of December 31, 2023. Our other payables and accruals increase by 8.9% to RMB24.0 million as of December 31, 2024, primarily due to the increase of RMB4.5 million in other costs. Our other payables and accruals increased significantly from RMB24.0 million as of December 31, 2024 to RMB47.1 million as of June 30, 2025, primarily due to (1) an increase of RMB11.4 million in refund liabilities, generally in line with the growth of our sales volumes, and (2) an increase of RMB8.6 million in payables for other taxes.

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Contract Liabilities

Our contract liabilities consisted primarily of amounts received in advance of sales of goods. Our contract liabilities increased from RMB2.6 million as of December 31, 2022 to RMB6.2 million as of December 31, 2023, primarily due to the increase in our product sales. Our contract liabilities decreased to RMB3.7 million as of December 31, 2024, primarily due to our improved shipping efficiency, changes in customer prepayment practices, and adjustments to our sales strategies. Our contract liabilities increased significantly from RMB3.7 million as of December 31, 2024 to RMB7.7 million as of June 30, 2025, generally in line with the growth of our sales volumes.

Income Tax Payable

Our income tax payables decreased from RMB9.3 million as of December 31, 2022 to RMB0.3 million as of December 31, 2023, primarily due to our profit decrease. Our income tax payable then increased to RMB5.9 million as of December 31, 2024, primarily due to our profit increase. Our income tax payables increased from RMB5.9 million as of December 31, 2024 to RMB9.5 million as of June 30, 2025, primarily due to our revenue and profit increase.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity and Working Capital

Our primary use of cash is to fund our working capital requirements and payment for the purchase of plant and equipment and other recurring expenses. During the Track Record Period, we financed our capital expenditures and working capital requirements primarily through a combination of cash generated from our operating activities and external financing.

Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash generated from our operating activities and net [**REDACTED**] from the [**REDACTED**] and other funds raised from the capital markets from time to time. Any significant decrease in the demand or prices of our robotic pool cleaners, any significant increase in impairment of our trade receivables, and any significant increase in other costs and expenses, may adversely impact our liquidity. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had cash and cash equivalents of RMB124.7 million, RMB254.2 million, RMB253.6 million and RMB161.2 million, respectively. Taking into account the net [**REDACTED**] from the [**REDACTED**] and the financial resources available to us, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

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Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated.

	Year ended December 31,			Six Months ended June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Net cash generated from/ (used in) operating activities	126,409	40,308	6,501	(15,382)
Net cash (used in)/generated from investing activities	(39,085)	88,044	(3,661)	(9,583)
Net cash generated from/(used in) financing activities	3,895	(587)	(3,967)	(64,032)
Net increase/(decrease) in cash and cash equivalents	91,219	127,765	(1,127)	(88,997)
Cash and cash equivalents at beginning of the period	31,207	124,714	254,150	253,568
Effect of foreign exchange rate changes	2,288	1,671	545	(3,361)
Cash and cash equivalents at end of the period	124,714	254,150	253,568	161,210

Net Cash Generated from/(Used in) Operating Activities

Net cash used in operating activities was RMB15.4 million in the six months ended June 30, 2025, primarily due to our profit before tax of RMB73.5 million, as adjusted by (1) certain non-cash and non-operating items, primarily including depreciation of RMB5.7 million and equity-settled share-based payment expenses of RMB8.1 million; and (2) changes in working capital that positively affected the cash flow from operating activities, primarily including the increase in inventories of RMB63.9 million, the increase in trade receivables of RMB48.5 million, and the increase in prepayments, deposits and other receivables of RMB10.9 million; partially offset by (3) changes in working capital that positively affected the cash flow from operating activities, primarily including increase in other payables, accruals and provision of RMB28.5 million.

Net cash generated from operating activities was RMB6.5 million in 2024, primarily due to our profit before tax of RMB83.2 million, as adjusted by (1) certain non-cash and non-operating items, primarily including depreciation of RMB9.7 million; and (2) changes in working capital that positively affected the cash flow from operating activities, primarily including the increase in trade and bills payables of RMB64.9 million, as a result of an increase in procurement of raw materials; partially offset by (3) changes in working capital that negatively affected the cash flow from operating activities, primarily including an increase of

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RMB82.2 million in inventories, as a result of the increase in our product models and product stocking for sales, and the increase in prepayments, deposits and other receivables of RMB19.2 million, as a result of our equipment purchase and preference for prepayment by newly on-boarded suppliers.

Net cash generated from operating activities was RMB40.3 million in 2023, primarily due to our profit before tax of RMB67.6 million, minus income tax paid of RMB20.8 million, as adjusted by (1) certain non-cash and non-operating items, primarily including depreciation of RMB7.8 million and equity-settled share-based payment expenses of RMB4.6 million; and (2) changes in working capital that positively affected the cash flow from operating activities, primarily including the increase in trade payables of RMB36.0 million, as a result of an increase in procurement of raw materials; partially offset by (3) changes in working capital that negatively affected the cash flow from operating activities, primarily including the increase in trade receivables of RMB46.2 million, as a result of lengthened payment cycle for sales to Europe and North America, and the increase in inventories of RMB21.5 million, as a result of our business growth and branded product stocking for sales through online E-commerce marketplaces.

Net cash generated from operating activities was RMB126.4 million in 2022, primarily due to our profit before tax of RMB113.8 million, minus income tax paid of RMB12.3 million, as adjusted by (1) certain non-cash and non-operating items, primarily including equity-settled share-based payment expenses of RMB5.5 million, depreciation of RMB5.2 million and changes in fair value of financial assets measured at FVTPL of RMB2.3 million; and (2) changes in working capital that positively affected the cash flow from operating activities, primarily including the decrease in inventories of RMB42.4 million, as a result of the stockpiling of our ODM products by our ODM customers in 2022 in anticipation of end user demands for robotic pool cleaners; partially offset by (3) changes in working capital that negatively affected the cash flow from operating activities, primarily including the decrease in trade payables of RMB26.4 million, as a result of the consumption of our inventory procured in 2021, leading to reduced procurement volume and extended payment terms, and the decrease in contract liability of RMB6.4 million, as a result of the reduction in advance payments we received.

Net Cash (Used in)/Generated from Investing Activities

Net cash used in investing activities increased from RMB3.7 million in 2024 to RMB9.6 million in the six months ended June 30, 2025, primarily due to (1) the payment for purchase of financial assets at FVTPL of RMB68.0 million, and (2) the payments for purchase for property, plant and equipment, intangible assets and land use rights of RMB9.8 million, partially offset by the proceeds from redemption of financial assets at FVTPL of RMB68.3 million.

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Net cash used in investing activities was RMB3.7 million in 2024, primarily due to (1) the payment for purchase of financial assets at FVTPL of RMB210.0 million, and (2) the payments for purchase for property, plant and equipment, intangible assets and land use rights of RMB14.2 million, partially offset by the proceeds from redemption of financial assets at FVTPL of RMB220.6 million.

Net cash generated from investing activities was RMB88.0 million in 2023, primarily due to the proceeds from redemption of financial assets measured at FVTPL of RMB106.5 million, partially offset by the payments for purchase for property, plant and equipment, intangible assets and land use rights of RMB18.5 million.

Net cash used in investing activities was RMB39.1 million in 2022, primarily due to (1) the payment for purchase of financial assets measured at FVTPL of RMB230.3 million, and (2) the payments for purchase for property, plant and equipment, intangible assets and land use rights of RMB31.0 million, partially offset by the proceeds from redemption of financial assets measured at FVTPL of RMB222.2 million.

Net Cash Generated from/(Used in) Financing Activities

Net cash used in financing activities was RMB64.0 million in the six months ended June 30, 2025, primarily representing dividends paid to our shareholders of RMB62.0 million.

Net cash used in financing activities was RMB4.0 million in 2024, primarily representing our prepayments in connection with the [**REDACTED**].

Net cash used in financing activities was RMB0.6 million in 2023, primarily representing our rental payments.

Net cash generated from financing activities was RMB3.9 million in 2022, primarily due to proceeds from capital contribution of RMB3.9 million.

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Current Assets and Current Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated.

	As of December 31,			As of June 30,	As of July 31,
	2022	2023	2024	2025	2025
	(RMB in thousands)				*(Unaudited)*
Current assets					
Inventories	98,436	119,960	202,162	266,035	249,440
Trade receivables	20,319	63,722	105,761	152,437	142,698
Prepayments, deposits and other receivables	13,866	7,114	30,783	59,994	41,250
Financial assets measured at FVTPL	115,926	10,362	–	–	–
Restricted deposits	7	157	1,248	4,714	3,396
Cash and cash equivalents	124,714	254,150	253,568	161,210	247,363
Total current assets	**373,268**	**455,707**	**593,522**	**644,390**	**684,147**
Current liabilities					
Trade and bills payables	13,873	49,837	114,781	116,817	128,697
Other payables, accruals and provision	18,053	22,085	24,042	47,065	52,228
Contract liabilities	2,600	6,208	3,666	7,652	5,901
Lease liabilities	153	709	1,847	1,961	1,898
Financial Liabilities measured at FVTPL	–	–	–	–	–
Income tax payable	9,257	308	5,912	9,454	9,539
Total current liabilities	**43,936**	**79,147**	**150,248**	**182,949**	**198,263**
Net current assets	**329,332**	**376,560**	**443,274**	**461,441**	**485,884**
Total assets less current liabilities	**395,887**	**461,680**	**533,828**	**542,711**	**568,262**

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We had net current assets of RMB329.3 million, RMB376.6 million, RMB443.3 million, RMB461.4 million and RMB485.9 million as of December 31, 2022, 2023, 2024, June 30, 2025 and July 31, 2025, respectively. Our net current assets position as of each of these dates was primarily attributable to our cash and cash equivalents and inventories, partially offset by our trade and bills payables.

Our net current assets increased from RMB461.4 million as of June 30, 2025 to RMB485.9 million as of July 31, 2025, primarily due to (1) an increase of RMB86.2 million in cash and cash equivalent, (2) an increase of trade receivables of RMB9.7 million, and (3) a decrease of RMB5.2 million in other payables, accruals and provision, partially offset by (1) a decrease of RMB11.9 million in trade and bills payables, and (2) a decrease of RMB16.6 million in inventories.

Our net current assets increased from RMB443.3 million as of December 31, 2024 to RMB461.4 million as of June 30, 2025, primarily due to (1) an increase of RMB63.9 million in inventories, (2) an increase of RMB46.7 million in trade receivables, and (3) an increase of RMB29.2 million in prepayments, deposits and other receivables, partially offset by a decrease of RMB92.4 million in cash and cash equivalent.

Our net current assets increased from RMB376.6 million as of December 31, 2023 to RMB443.3 million as of December 31, 2024, primarily due to (1) an increase of RMB82.2 million in inventories, as a result of the increase in our product models and our product stocking for sales, and (2) an increase of RMB42.0 million in trade receivables, generally in line with our business and revenue growth, partially offset by an increase of RMB64.9 million in trade and bills payable, as a result of our increasing demand for raw materials in line with our business growth.

Our net current assets increased from RMB329.3 million as of December 31, 2022 to RMB376.6 million as of December 31, 2023, primarily due to an increase of RMB129.4 million in cash and cash equivalents, an increase of RMB43.4 million in trade receivables, and an increase of RMB21.5 million in inventories, generally in line with our business and revenue growth, partially offset by a decrease of RMB105.6 million in financial assets measured at FVTPL due to redemption of wealth management products, and an increase of RMB36.0 million in trade and bills payables, as a result of our increasing demand for raw materials in line with our business growth.

CAPITAL EXPENDITURES AND COMMITMENTS

Our capital expenditures during the Track Record Period primarily related to purchase of property, plant and equipment, intangible assets and land use rights, and amounted to RMB31.0 million, RMB18.5 million, RMB14.2 million, RMB6.4 million and RMB9.8 million respectively, in 2022, 2023, 2024, the six months ended June 30, 2024 and 2025. We funded our capital expenditure requirements during the Track Record Period mainly from a combination of cash generated from our operating activities and external financing.

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We plan to fund our planned capital expenditure by using the cash flow generated from our operations and the net [**REDACTED**] received from the [**REDACTED**]. See "Future Plans and Use of [**REDACTED**]" for the portion of capital expenditures to be funded by the [**REDACTED**] from the [**REDACTED**].

Capital Commitments

We did not have any capital commitments as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively.

INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of June 30,	As of July 31,
	2022	2023	2024	2025	2025
	(RMB in thousands)				*(Unaudited)*
Current indebtedness					
Lease liabilities	153	709	1,847	1,961	1,898
Subtotal	153	709	1,847	1,961	1,898
Non-current indebtedness					
Lease liabilities	135	4,131	3,990	3,509	3,265
Subtotal	135	4,131	3,990	3,509	3,265
Total	**288**	**4,840**	**5,837**	**5,470**	**5,163**

Save as disclosed above, we did not have any outstanding loan capital issued or agreed to be issued, debt securities, mortgages, charges, debentures, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, hire purchase commitments or other contingent liabilities as of July 31, 2025. Our Directors confirm that we had not guaranteed the indebtedness of any independent third parties as of the Latest Practicable Date. Our Directors further confirm that there has not been any material change in our indebtedness since July 31, 2025.

Our Directors confirm that as of the Latest Practicable Date, we did not have any outstanding debt, and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

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CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group.

[**REDACTED**]

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

KEY FINANCIAL RATIOS

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
Gross profit margin[(1)]	53.4%	57.5%	58.0%	59.1%	65.2%
Net profit margin[(2)]	30.8%	16.1%	13.0%	18.3%	16.1%
Adjusted net profit margin (non-IFRS measure)[(3)]	33.7%	19.3%	14.3%	17.7%	18.8%
Revenue growth rate[(4)]	N/A	19.0%	43.8%	N/A	41.6%
Gross profit growth rate[(5)]	N/A	28.0%	45.1%	N/A	56.2%

(1) The calculation of gross profit margin is based on gross profit for the period divided by revenue for the respective period and multiplied by 100.0%.

(2) The calculation of net profit margin is based on profit for the period divided by revenue for the respective period and multiplied by 100.0%.

(3) The calculation of adjusted net profit margin (non-IFRS measure) is based on adjusted net profit (non-IFRS measure) divided by revenue for the respective period and multiplied by 100.0%.

(4) The calculation of revenue growth rate is based on revenue for the year/period divided by revenue for the previous year/period minus one and multiplied by 100.0%.

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(5) The calculation of gross profit growth rate is based on gross profit for the year/period divided by gross profit for the previous year/period minus one and multiplied by 100.0%.

Analysis of Key Financial Ratios

See "—Period to Period Comparison of Results of Operations" for a discussion of the factors affecting our gross profit margin, net profit margin and adjusted net profit margin (non-IFRS measure), revenue growth rate and gross profit growth rate during the Track Record Period.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time during our ordinary course of business and on terms of transactions with other entities that are not related parties. During the Track Record Period, we entered into a number of related party transactions. For details of our related party transactions, see Note 26 to the Accountants' Report in Appendix I to this document. Our Directors are of the view that each of the related party transactions was conducted in the ordinary and usual course of business and on normal commercial terms between the relevant parties and does not distort our Track Record Period results or make our historical results not reflective of future performance. We expect to settle the non-trade related balance with related parties prior to the [**REDACTED**].

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of our business. Our exposure to these risks and the financial risk management policies and practices used by us to manage these risks are described in details in Note 25 to the Accountants' Report in Appendix I to this document.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Our credit risk is primarily attributable to trade receivables and other receivables. Our exposure to credit risk arising from cash and cash equivalents, financial assets measured at FVTPL is limited because the counterparties are banks and financial institutions with high credit standing, for which we considers to represent low credit risk.

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We have established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within a period of 0-180 days from the date of billing. Normally, we do not obtain collateral from customers. As of December 31, 2022, 2023, 2024 and June 30, 2025, 90.0%, 56.9%, 45.6% and 46.8% of the total trade receivables was due from our five largest customers respectively.

We measure loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and our view of economic conditions over the expected lives of the receivables. See note 25(a) to the Accountants' Report in Appendix I to this document.

Liquidity Risk

Our policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. See note 25(b) to the Accountants' Report in Appendix I to this document.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Our lease liabilities at fixed rates, cash at bank at variable rates expose the Group to fair value interest rate risk and cash flow interest rate risk, respectively. Overall, the Group's exposure to interest rate risk is not significant.

Currency Risk

We are exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily US$, EUR and RMB. See note 25(d) to the Accountants' Report in Appendix I to this document for our exposure to currency risk and the sensitivity analysis.

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DIVIDEND

During the Track Record Period, we declared dividends of RMB62.0 million in the six months ended June 30, 2025. PRC laws require that dividends be paid only out of net profits calculated according to PRC GAAP. PRC laws also require enterprises to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiaries may also be restricted if they incur debt or losses, or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

Although the calculation of our distributable profits is in accordance with the PRC GAAP or the IFRS Accounting Standards, whichever is lower, we do not expect such difference between distributable profits calculated under the PRC GAAP and the IFRS Accounting Standards to be material or have any substantive impact on any dividend to be declared. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. The declaration, payment and amount of dividends will be subject to the discretion of the Board in accordance with our Articles of Association, pursuant to which an annual profit distribution proposal shall be proposed and approved by the Board and then be submitted to the Shareholders' general meeting for consideration. We may distribute profits by cash, Shares or a combination of cash and Shares. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be determined by our Shareholders.

DISTRIBUTABLE RESERVES

As of June 30, 2025, our Company had distributable reserves of RMB240.5 million. According to the PRC Company Law, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous year's accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reached 50% of its registered capital. We may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above.

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DISCLOSURE REQUIRED UNDER CHAPTER 13 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there are no circumstances which, had we been required to comply with Rules 13.13 to 13.19 in Chapter 13 of the Listing Rules, would have given rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

COVID-19 OUTBREAK AND EFFECTS ON OUR BUSINESS

Since the COVID-19 outbreak, a series of precautionary and control measures have been implemented worldwide to contain the virus. We adopted several precautionary measures to maintain a safe and hygienic working environment, such as adopting COVID-19 disinfecting techniques for our offices, distributing masks for employees, adopting flexible working schedules and locations, and implementing internal reporting system. We did not experience any suspension of operation during the COVID-19 pandemic. Our Directors confirmed that, up to the Latest Practicable Date, the COVID-19 outbreak had not had a material adverse effect on our business, results of operations and financial condition.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial and trading positions or prospects since June 30, 2025, being the end date on which our latest audited consolidated financial statements were prepared, and that there is no event since June 30, 2025 which would materially affect the information in the Accountants' Report set out in Appendix I to this document.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

See Appendix IIA to this document for details.

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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 HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the [**REDACTED**] of the indicative range of the [**REDACTED**] of HK$[**REDACTED**] to HK$[**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 HK$[**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 HK$[**REDACTED**], will be used to establish our new production base and adjacent warehouses;

    - approximately [**REDACTED**]%, or HK$[**REDACTED**], to be used for the establishment of our production base in Tianjin, China, including primarily the workshops and automatic production lines. We have obtained requisite regulatory approval for our new production base. As of the Latest Practicable Date, we were in the process of formulating the detailed construction plan. 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 HK$[**REDACTED**], to be used to expand our warehousing capabilities and construct multi-level warehouses in Tianjin, China;

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- approximately [**REDACTED**]%, or HK$[**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 HK$[**REDACTED**], will be used to purchase production equipment and intelligent production related hardware and software;

- approximately [**REDACTED**]%, or HK$[**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 HK$[**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 HK$[**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 HK$[**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 HK$[**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 HK$[**REDACTED**], to be used for establishing sales and after-sales centers in major markets in Europe and North America to enhance our capability in curating sales strategies and after-sales services tailored to local markets and increase consumer stickiness;

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- approximately [**REDACTED**]%, or HK$[**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 HK$[**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 HK$[**REDACTED**], will be used to expand our online sales channels by enhancing our marketing capability and covering more end consumers;

- approximately [**REDACTED**]%, or HK$[**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 HK$[**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 HK$[**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 HK$[**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 HK$[**REDACTED**], will be used to improve the AI and intelligence level of our products and enrich application scenarios of our core technologies;

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- approximately [**REDACTED**]%, or HK$[**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 HK$[**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 HK$[**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 HK$[**REDACTED**], will be used to further strengthen the competitive advantages of our cordless products and improve product functionalities;

- approximately [**REDACTED**]%, or HK$[**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 HK$[**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 HK$[**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 [**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

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that the [**REDACTED**] is exercised in full, we will receive net [**REDACTED**] of HK$[**REDACTED**] (after deducting the estimated [**REDACTED**] and other fees and expenses payable by us in connection with the [**REDACTED**] and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the [**REDACTED**] of our [**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).

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The following is the text of a report set out on pages I-1 to I-[●], received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF WYBOTICS CO.,LTD (天津望圓智能科技股份有限公司) AND CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED

Introduction

We report on the historical financial information of WYBOTICS Co.,LTD (天津望圓智能科技股份有限公司) (the "Company") and its subsidiaries (together, the "Group") set out on pages I-[4] to I-[●], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2022, 2023 and 2024 and June 30, 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025 (the "Track Record Period"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-[4] to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "Document") in connection with the [**REDACTED**] of H shares of the Company on the [**REDACTED**] of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

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Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at December 31, 2022, 2023 and 2024 and June 30, 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended June 30, 2024 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in

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accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[4] have been made.

Dividends

We refer to Note 24(d) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

[Date]

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HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi ("RMB"))

		Year ended December 31,			Six months ended June 30,	
	Note	**2022**	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	*4*	317,694	377,950	543,535	267,713	379,167
Cost of sales		(148,003)	(160,735)	(228,272)	(109,526)	(132,040)
Gross profit		169,691	217,215	315,263	158,187	247,127
Other net income	*5*	9,614	12,873	5,767	3,879	9,143
Selling and marketing expenses		(10,074)	(97,186)	(173,820)	(80,362)	(137,696)
Administrative expenses		(41,587)	(43,033)	(39,844)	(14,059)	(26,928)
Research and development expenses		(15,122)	(19,343)	(22,106)	(9,583)	(16,077)
Impairment losses reversed/(recognised) on trade receivables and other receivables, net		1,231	(2,776)	(1,869)	(1,927)	(1,880)
Profit from operations		113,753	67,750	83,391	56,135	73,689
Finance costs	*6(a)*	–	(124)	(231)	(97)	(191)
Profit before taxation	*6*	113,753	67,626	83,160	56,038	73,498
Income tax	*7(a)*	(15,838)	(6,777)	(12,650)	(7,135)	(12,415)
Profit for the year/period		97,915	60,849	70,510	48,903	61,083
Other comprehensive income for the year/period (after tax):						
Item that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of financial statements of overseas subsidiaries		95	(3,887)	1,760	1,618	1,737
Total comprehensive income for the year/period		98,010	56,962	72,270	50,521	62,820
Earnings per share						
Basic and diluted (RMB)	*10*	1.72	1.07	1.24	0.86	1.07

The accompanying notes form part of the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

	Note	At December 31,			At June 30,
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*11*	45,381	50,853	53,244	61,103
Right-of-use assets	*12*	20,974	24,506	24,629	9,779
Intangible assets		200	1,592	2,059	1,940
Deferred tax assets	*23(b)*	–	5,060	5,420	7,462
Other non-current assets	*13*	–	3,109	5,202	986
		66,555	85,120	90,554	81,270
Current assets					
Inventories	*14*	98,436	119,960	202,162	266,035
Trade receivables	*15*	20,319	63,722	105,761	152,437
Prepayments, deposits and other receivables	*16*	13,866	7,114	30,783	59,994
Income tax recoverable	*23(a)*	–	242	–	–
Financial assets measured at fair value through profit or loss ("FVTPL")	*25(e)*	115,926	10,362	–	–
Restricted deposits	*17*	7	157	1,248	4,714
Cash and cash equivalents	*17*	124,714	254,150	253,568	161,210
		373,268	455,707	593,522	644,390
Current liabilities					
Trade and bills payables	*18*	13,873	49,837	114,781	116,817
Other payables, accruals and provision	*19*	18,053	22,085	24,042	47,065
Contract liabilities	*20*	2,600	6,208	3,666	7,652
Lease liabilities	*22*	153	709	1,847	1,961
Income tax payable	*23(a)*	9,257	308	5,912	9,454
		43,936	79,147	150,248	182,949
Net current assets		329,332	376,560	443,274	461,441
Total assets less current liabilities		395,887	461,680	533,828	542,711
Non-current liabilities					
Lease liabilities	*22*	135	4,131	3,990	3,509
Deferred income		1,493	1,455	1,414	1,398
Deferred tax liabilities	*23(b)*	1,058	1,302	965	1,472
		2,686	6,888	6,369	6,379
NET ASSETS		393,201	454,792	527,459	536,332
CAPITAL AND RESERVES					
Share capital	*24(b)*	57,000	57,000	57,000	57,000
Reserves		336,201	397,792	470,459	479,332
TOTAL EQUITY		393,201	454,792	527,459	536,332

The accompanying notes form part of the Historical Financial Information.

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in RMB)

	Note	At December 31,			At June 30,
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*11*	45,184	50,167	52,287	60,123
Right-of-use assets	*12*	4,705	4,741	4,374	4,191
Intangible assets		200	1,592	2,059	1,940
Other non-current assets	*13*	–	3,109	5,202	986
Investments in subsidiaries	*1*	21,738	32,625	32,625	32,625
		71,827	92,234	96,547	99,865
Current assets					
Inventories	*14*	98,436	84,179	137,222	91,428
Trade receivables	*15*	20,319	133,334	252,169	434,744
Prepayments, deposits and other receivables	*16*	13,874	8,882	25,132	33,778
Income tax recoverable		–	242	–	–
Financial assets measured at FVTPL	*25(e)*	115,926	10,362	–	–
Restricted deposits	*17*	7	4	383	483
Cash and cash equivalents	*17*	120,097	223,935	189,428	44,675
		368,659	460,938	604,334	605,108
Current liabilities					
Trade and bills payables	*18*	13,873	48,724	109,810	95,969
Other payables, accruals and provision	*19*	17,878	18,439	19,185	21,628
Contract liabilities	*20*	2,600	6,208	3,666	5,013
Lease liabilities		153	253	206	89
Income tax payable		9,257	–	5,436	6,294
		43,761	73,624	138,303	128,993
Net current assets		324,898	387,314	466,031	476,115
Total assets less current liabilities		396,725	479,548	562,578	575,980
Non-current liabilities					
Lease liabilities		135	206	–	–
Deferred income		1,493	1,455	1,417	1,398
Deferred tax liabilities		1,058	1,302	965	1,472
		2,686	2,963	2,382	2,870
NET ASSETS		394,039	476,585	560,196	573,110
CAPITAL AND RESERVES	*24*				
Share capital		57,000	57,000	57,000	57,000
Reserves		337,039	419,585	503,196	516,110
TOTAL EQUITY		394,039	476,585	560,196	573,110

The accompanying notes form part of the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

	Share capital	Capital reserve	Statutory reserves	Other reserve	Exchange reserve	Retained earnings	Total
	RMB'000 (*Note 24(b)*)	*RMB'000* (*Note 24(c)(i)*)	*RMB'000* (*Note 24(c)(ii)*)	*RMB'000* (*Note 24(c)(iii)*)	*RMB'000* (*Note 24(c)(iv)*)	*RMB'000*	*RMB'000*
Balance at January 1, 2022	57,000	223,134	602	3,424	–	1,664	285,824
Changes in equity for 2022:							
Profit for the year	–	–	–	–	–	97,915	97,915
Other comprehensive income	–	–	–	–	95	–	95
Total comprehensive income	–	–	–	–	95	97,915	98,010
Capital contributions	–	3,917	–	–	–	–	3,917
Equity-settled share-based transactions *(Note 21)*	–	5,450	–	–	–	–	5,450
Appropriation to reserves	–	–	9,885	–	–	(9,885)	–
Balance at December 31, 2022 and January 1, 2023	57,000	232,501	10,487	3,424	95	89,694	393,201
Changes in equity for 2023:							
Profit for the year	–	–	–	–	–	60,849	60,849
Other comprehensive income	–	–	–	–	(3,887)	–	(3,887)
Total comprehensive income	–	–	–	–	(3,887)	60,849	56,962
Equity-settled share-based transactions *(Note 21)*	–	4,629	–	–	–	–	4,629
Appropriation to reserves	–	–	7,792	–	–	(7,792)	–
Balance at December 31, 2023 and January 1, 2024	57,000	237,130	18,279	3,424	(3,792)	142,751	454,792
Changes in equity for 2024:							
Profit for the year	–	–	–	–	–	70,510	70,510
Other comprehensive income	–	–	–	–	1,760	–	1,760
Total comprehensive income	–	–	–	–	1,760	70,510	72,270
Equity-settled share-based transactions *(Note 21)*	–	397	–	–	–	–	397
Appropriation to reserves	–	–	8,321	–	–	(8,321)	–
Balance at December 31, 2024	57,000	237,527	26,600	3,424	(2,032)	204,940	527,459

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	Share capital	Capital reserve	Statutory reserves	Other reserve	Exchange reserve	Retained earnings	Total
	RMB'000 (*Note 24(b)*)	*RMB'000* (*Note 24(c)(i)*)	*RMB'000* (*Note 24(c)(ii)*)	*RMB'000* (*Note 24(c)(iii)*)	*RMB'000* (*Note 24(c)(iv)*)	*RMB'000*	*RMB'000*
Balance at January 1, 2025	57,000	237,527	26,600	3,424	(2,032)	204,940	527,459
Changes in equity for six months ended June 30, 2025:							
Profit for the period	–	–	–	–	–	61,083	61,083
Other comprehensive income	–	–	–	–	1,737	–	1,737
Total comprehensive income	–	–	–	–	1,737	61,083	62,820
Equity-settled share-based transactions *(Note 21)*	–	8,053	–	–	–	–	8,053
Dividend approved in respect of the previous years *(Note 24(d))*	–	–	–	–	–	(62,000)	(62,000)
Balance at June 30, 2025	57,000	245,580	26,600	3,424	(295)	204,023	536,332
(Unaudited)							
Balance at January 1, 2024	57,000	237,130	18,279	3,424	(3,792)	142,751	454,792
Changes in equity for six months ended June 30, 2024:							
Profit for the period	–	–	–	–	–	48,903	48,903
Other comprehensive income	–	–	–	–	1,618	–	1,618
Total comprehensive income	–	–	–	–	1,618	48,903	50,521
Equity-settled share-based transactions *(Note 21)*	–	(1,430)	–	–	–	–	(1,430)
Balance at June 30, 2024	57,000	235,700	18,279	3,424	(2,174)	191,654	503,883

The accompanying notes form part of the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in RMB)

	Note	Year ended December 31,			Six months ended June 30,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Operating activities						
Profit before taxation		113,753	67,626	83,160	56,038	73,498
Adjustments for:						
Depreciation	*6(c)*	5,215	7,814	9,669	4,880	5,674
Amortisation	*6(c)*	39	338	480	240	282
Impairment losses (reversed)/recognised on trade receivables	*6(c)*	(1,219)	2,751	1,752	1,800	1,835
Impairment losses (reversed)/recognised on prepayments, deposits and other receivables	*6(c)*	(12)	25	117	127	45
Finance costs	*6(a)*	–	124	231	97	191
Loss/(gain) on disposal of property, plant and equipment and right-of-use assets	*5*	106	56	56	5	(1,972)
Changes in fair value of financial assets measured at FVTPL	*5*	(2,292)	(934)	(189)	(61)	(262)
Equity-settled share-based payment expenses	*6(b)*	5,450	4,629	397	(1,430)	8,053
Changes in working capital:						
Decrease/(increase) in inventories		42,361	(21,524)	(82,202)	(16,372)	(63,873)
Increase in trade receivables		(1,473)	(46,154)	(43,789)	(45,763)	(48,546)
(Increase)/decrease in prepayments, deposits and other receivables		(1,597)	6,727	(19,210)	(11,659)	(10,943)
(Decrease)/increase in trade and bills payables		(26,406)	35,964	64,944	8,420	2,036
Increase in restricted deposits		(4)	(150)	(1,091)	(2,471)	(3,466)
(Decrease)/increase in contract liabilities		(6,442)	3,608	(2,542)	(3,159)	3,986
Decrease in deferred income		(37)	(38)	(41)	(19)	(16)
Increase in other payables, accruals and provision		11,289	230	2,260	274	28,504
Cash generated from/(used in) operations		138,731	61,092	14,002	(9,053)	(4,974)
Income tax paid		(12,322)	(20,784)	(7,501)	(5,256)	(10,408)
Net cash generated from/(used in) operating activities		126,409	40,308	6,501	(14,309)	(15,382)

The accompanying notes form part of the Historical Financial Information.

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	Note	Year ended December 31,			Six months ended June 30,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Investing activities						
Payments for purchase of property, plant and equipment, intangible assets and land use rights		(30,956)	(18,485)	(14,214)	(6,443)	(9,846)
Proceeds from disposal of property, plant and equipment		18	31	2	1	1
Payment for purchase of financial assets measured at FVTPL		(230,300)	–	(210,000)	(50,000)	(68,000)
Proceeds from redemption of financial assets measured at FVTPL		222,153	106,498	220,551	10,424	68,262
Net cash (used in)/generated from investing activities		(39,085)	88,044	(3,661)	(46,018)	(9,583)
Financing activities						
Proceeds from capital contribution		3,917	–	–	–	–
Proceeds from bank loans		–	–	–	–	20,000
Repayment of bank loans		–	–	–	–	(20,000)
Interest on bank loans paid	*6(a)*	–	–	–	–	(77)
Dividends paid to the Company's shareholders	*24(d)*	–	–	–	–	(62,000)
Capital element of lease rentals paid	*17(b)*	(22)	(463)	(1,387)	(444)	(968)
Interest element of lease rentals paid	*17(b)*	–	(124)	(231)	(97)	(114)
Prepayments in connection with the proposed [**REDACTED**] of the Company's shares		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net cash generated from/(used in) financing activities		3,895	(587)	(3,967)	(541)	(64,032)
Net increase/(decrease) in cash and cash equivalents		91,219	127,765	(1,127)	(60,868)	(88,997)
Cash and cash equivalents at January 1		31,207	124,714	254,150	254,150	253,568
Effect of foreign exchange rate changes		2,288	1,671	545	195	(3,361)
Cash and cash equivalents at December 31/June 30	*17(a)*	124,714	254,150	253,568	193,477	161,210

The accompanying notes form part of the Historical Financial Information.

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB)

1 BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

WYBOTICS Co.,LTD (天津望圓智能科技股份有限公司, the "Company") was established in the People's Republic of China (the "PRC") on December 23, 2005 as a limited liability company under the laws of the PRC and was converted into a joint stock limited liability company on December 31, 2021.

The Company and its subsidiaries (together, the "Group") are principally engaged in research, design, manufacture and marketing of robotic pool cleaners. As at the date of this report, the Company has direct or indirect interests in the following principal subsidiaries, all of which are private companies:

Company name	Place of establishment and business and date of establishment	Particulars of paid-up capital	Held by the Company	Principal activity
WYBOTICS EUROPE *(Note (i))*	France September 8, 2022	Euro ("EUR") 500,000	100%	Wholesale, retail, import and export and after-sales services of swimming pool robots and products related to swimming pools, sports and wellness-enhancing recreational activities
Wybotics Inc. *(Note (i))* . .	The United States of America (the "USA") September 12, 2022	United States Dollar ("US$") Nil	100%	Marketing and aftersale service
WYBOTICS HONGKONG COMPANY LIMITED *(Note (ii))*	Hong Kong September 28, 2022	Hong Kong Dollar ("HK$") 10,330,000	100%	Sales, research and development and road transportation of swimming pool cleaning robots

Notes:

(i) No audited financial statements for the years ended December 31, 2022, 2023 and 2024 of these entities have been issued.

(ii) The statutory financial statements of this entity for the period from September 28, 2022 (date of incorporation) to December 31, 2023 were audited by WOCP CPA Limited, Certified Public Accountants (Practising) and the statutory financial statements of this entity for the year ended December 31, 2024 were audited by ASIA PACIFIC BUSINESS CPA LIMITED, Certified Public Accountants. The financial statements of this entity were prepared in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants and in compliance with the Hong Kong Companies Ordinance.

(iii) The statutory financial statements of the Company for the years ended December 31, 2022, 2023 and 2024 were audited by Tianjin Henghui United Certified Public Accountants. The financial statements of the Company were prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC.

All companies comprising the Group have adopted December 31 as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"). Further details of the material accounting policy information adopted are set out in Note 2.

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The IASB has issued a number of new and revised accounting standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards throughout the Track Record Period, except for any new or revised standards that are not yet effective for the accounting period beginning on January 1, 2025. The new and revised accounting standards issued but not yet effective for the accounting year beginning on January 1, 2025 are set out in Note 30.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

The Historical Financial Information and the Stub Period Corresponding Financial Information are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the financial assets measured at FVTPL are stated at their fair value as set out in Note 2(d).

(b) Use of estimates and judgments

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(h)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

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(d) Investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries, are set out below.

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVTPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 25(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(r)(ii)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

– fair value through other comprehensive income ("FVOCI")—recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in other comprehensive income. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

– FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVTPL, unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVOCI, are recognised in profit or loss as other income.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses (see Note 2(h)(ii)):

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

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The estimated useful lives are as follows:

– Plant and buildings	30 years
– Machinery and equipment	10 years
– Electronic equipment and other equipment	5-8 years
– Plant improvements	2-3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Intangible assets

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(h)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Patents and trademarks	10-20 years
– Software and others	3 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contracts contain lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.

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The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(e) and 2(h)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see Notes 2(d) and 2(h)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("ECL"s) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls of fixed-rate financial assets, trade receivables, deposits and other receivables are discounted using the effective interest rate determined at initial recognition or an approximation thereof.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

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Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

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The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(r)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(k)).

(k) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(h)(i)).

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(h)(i)).

(m) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(t).

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(o) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured at the fair value of the shares granted at the grant dates. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(p) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(q) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(r) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

Revenue is recognised when control over a product is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

– *Sale of goods*

Revenue is recognised when the customer takes possession of and accepts the products. Payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers.

The Group typically offers customers of robotic pool cleaner that are not made-to-order rights of return for a period of 30 days upon customer acceptance. Such rights of return give rise to variable consideration. The Group uses an expected value approach to estimate variable consideration based on the Group's current and future performance expectations and all information that is reasonably available. This estimated amount is included in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. At the time of sale of robotic pool cleaner, the Group recognises revenue after taking into account adjustment to transaction price arising from returns as mentioned above. A refund liability is recognised for the expected returns, and is included in other payables, accruals and provision (see Note 19). A right to recover returned goods (included in Prepayments, deposits and other receivables, see Note 16) and corresponding adjustment to cost of sales are also recognised for the right to recover products from customers. This right to recover returned goods is measured at the former carrying amount of the inventory less any expected costs to recover goods (including potential decreases in the value of the returned goods).

If the products are a partial fulfilment of a contract covering other goods then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods promised under the contract on a relative stand-alone selling price basis.

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The Group offers warranties for its products for 12 to 24 months from the date of sale. A related provision is recognised in accordance with the policy set out in Note 2(q).

The Group takes advantage of the practical expedient in paragraph 63 or IFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months of less. The Group's sales contracts had an original expected duration of one year or less, the Group has not disclosed the information related to the aggregated amount of the transaction price allocated to the remaining performance obligations in accordance with paragraph 121 of IFRS 15. The Group has recognised the incremental costs of obtaining sale contracts as an expense as incurred in accordance with paragraph 94 of IFRS 15 as the amortisation period of the assets that the Group otherwise would have recognised is within one year.

(ii) Other income

– *Interest income*

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

– *Government grants*

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognised as deferred income and subsequently recognised in profit or loss on a systematic basis over the useful life of the asset.

(s) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations are translated into Renminbi at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Renminbi at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the exchange reserve.

(t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

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(u) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGMENT AND ESTIMATES

Note 25(e) contain information about the assumptions and their risk factors relating to fair value of financial instruments. Other significant sources of estimation uncertainty and accounting judgments are as follows:

(i) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on current market conditions and historical experience of distributing and selling products of a similar nature. They could change significantly as a result of changes in market conditions. Management reassess the estimations at each end of the reporting period.

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(ii) Expected credit losses for receivables

The credit losses for trade and other receivables are based on assumptions about the expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, which are based on the Group's past collection history and existing market conditions. For details of the key assumptions and inputs used, see Note 25(a). Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional loss allowances in future periods.

(iii) Warranty provisions

As explained in Note 19, the Group makes provisions under the warranties it gives on sale of its products taking into account the Group's recent claim experience. As the Group is continually upgrading its product designs and launching new models it is possible that the recent claim experience is not indicative of future claims that it will receive in respect of past sales. Any increase or decrease in the provision would affect profit or loss in future years.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in the research, design, manufacture and marketing of robotic pool cleaners. All of the revenue of the Group is recognised at a point in time. Further details regarding the Group's principal activities are disclosed in Note 4(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers within the scope of IFRS 15 by major products is as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Sales under ODM (Original Design Manufacturer) model	288,816	117,551	133,516	69,372	49,630
Sales of branded products	19,091	253,765	393,332	193,192	327,614
Sales of accessories	9,787	6,634	16,687	5,149	1,923
	317,694	377,950	543,535	267,713	379,167

During the Track Record Period, the Group's customers with whom transactions have exceeded 10% of the Group's revenue in the respective years/periods are as follows. Details of concentrations of credit risk of the Group are set out in Note 25(a).

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Customer A	147,386	–	*	–	–
Customer B	56,868	*	*	*	*
Customer F	–	*	*	27,062	38,052

* The corresponding revenue did not contribute over 10% of the total revenue of the Group in the respective years/periods.

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(b) Segment reporting

The Group manages its businesses by products. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- ODM: this segment includes primarily the manufacture and sale of original design robotic pool cleaner.
- Branded products: this segment includes primarily the manufacture and sale of original brand robotic pool cleaner.
- Accessories: this segment includes the sale of accessories of robotic pool cleaner.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments during normal operations. The measure used for reporting segment result is gross profit. No inter-segment sales have occurred for the respective years/periods. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group's other operating income and expenses, such as other net income and selling and administrative expenses, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance during the Track Record Period is set out below.

	Year ended December 31, 2022			
	ODM	**Branded products**	**Accessories**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers . .	288,816	19,091	9,787	317,694
Reportable segment gross profit . . .	152,280	11,153	6,258	169,691

	Year ended December 31, 2023			
	ODM	**Branded products**	**Accessories**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers . .	117,551	253,765	6,634	377,950
Reportable segment gross profit . . .	52,194	160,787	4,234	217,215

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	Year ended December 31, 2024			
	ODM	Branded products	Accessories	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	133,516	393,332	16,687	543,535
Reportable segment gross profit	67,724	237,383	10,156	315,263

	Six months ended June 30, 2024 (unaudited)			
	ODM	Branded products	Accessories	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	69,372	193,192	5,149	267,713
Reportable segment gross profit	33,601	121,885	2,701	158,187

	Six months ended June 30, 2025			
	ODM	Branded products	Accessories	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	49,630	327,614	1,923	379,167
Reportable segment gross profit	22,094	223,376	1,657	247,127

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, right-of-use assets, intangible assets and other non-current assets ("specified non-current assets"). For offline sales, the geographical location of customers is based on the location at which the goods were delivered, for online sales, geographic markets are identified by the country or region of the platform where the sales took place. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of right-of-use assets and property, plant and equipment, and the location of the operation to which they are allocated, in the case of intangible assets.

Revenues from external customers

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
The PRC (place of domicile)	160,771	38,624	19,865	5,783	31,710
The USA	10,068	177,267	227,216	111,355	158,230
Austria	56,868	15,855	22,912	17,526	8,803
France	40,662	49,856	50,999	19,275	51,287
Spain	11,799	16,635	55,878	21,310	25,972
Germany	5,802	29,322	47,794	31,663	41,688
Canada	5,949	10,913	41,267	27,830	18,318
Other countries	25,775	39,478	77,604	32,971	43,159
	317,694	377,950	543,535	267,713	379,167

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Specified non-current assets

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
The PRC	66,555	75,217	78,670	76,383	67,399
France	–	4,843	6,464	7,266	6,409
	66,555	80,060	85,134	83,649	73,808

5 OTHER NET INCOME

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Government grants	2,145	2,226	2,556	1,341	73
Interest income	1,507	3,137	3,390	1,857	1,068
Net foreign exchange gain/(loss)	3,573	6,172	(33)	574	6,045
Changes in fair value of financial assets measured at FVTPL	2,292	934	189	61	262
(Loss)/gain on disposal of property, plant and equipment and right-of-use assets	(106)	(56)	(56)	(5)	1,972
Others	203	460	(279)	51	(277)
	9,614	12,873	5,767	3,879	9,143

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest expenses on bank loans	–	–	–	–	77
Interest expenses on lease liabilities	–	124	231	97	114
	–	124	231	97	191

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(b) Staff costs

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, wages and other benefits	44,010	54,344	66,656	30,476	48,122
Contributions to defined contribution retirement plan	3,353	3,820	4,451	2,126	3,235
Equity-settled share-based payment expenses *(Note 21)*	5,450	4,629	397	(1,430)	8,053
	52,813	62,793	71,504	31,172	59,410

Employees of the Group in Chinese Mainland are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's entities in Chinese Mainland contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

Overseas subsidiaries of the Group are subject to the statutory enterprise contribution retirement scheme under the laws of the respective jurisdictions.

Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution. The Group has no further obligation for payment of other retirement benefits beyond the above contributions.

(c) Other items

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Amortisation of intangible assets	39	338	480	240	282
Depreciation charge					
– property, plant and equipment	4,673	6,338	7,409	3,548	4,393
– right-of-use assets	542	1,476	2,260	1,332	1,281
Impairment losses (reversed)/recognised					
– trade receivables	(1,219)	2,751	1,752	1,800	1,835
– other receivables	(12)	25	117	127	45
Professional service costs in connection with the proposed initial listing of the Company's A shares	3,582	7,393	–	–	–
Professional service costs in connection with the proposed [**REDACTED**] of the Company's H shares	–	–	6,595	–	2,169
Auditors' remuneration					
– audit services	–	–	45	23	19
Cost of inventories *(Note (i))*	147,200	160,734	228,227	109,521	131,975

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Note:

(i) Cost of inventories includes RMB20,201,000, RMB19,121,000, RMB21,266,000, RMB11,676,000 (unaudited) and RMB11,804,000 for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025 respectively relating to staff costs and depreciation expenses, which amounts are also included in the respective amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represent:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Current tax *(Note 23(a))*					
Provision for the year/period	15,577	11,593	13,347	7,831	13,950
Deferred tax *(Note 23(b))*					
Origination/(reversal) of temporary differences	261	(4,816)	(697)	(696)	(1,535)
	15,838	6,777	12,650	7,135	12,415

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Profit before taxation	113,753	67,626	83,160	56,038	73,498
Tax at the PRC corporate income tax rate of 25% *(Note (i))*	28,438	16,906	20,790	14,010	18,375
Tax effects of:					
– preferential tax rate *(Note (ii))*	(10,931)	(7,136)	(6,497)	(4,462)	(5,761)
– additional deduction on research and development expenses *(Note (ii))*	(3,206)	(4,289)	(5,155)	(2,397)	(3,095)
– different tax rates of foreign jurisdictions *(Note (iii))*	50	(93)	1,394	125	897
– non-deductible expenses	1,487	1,203	175	36	1,710
– tax-exempt income	–	(149)	(341)	(411)	–
– tax losses and deductible temporary difference not recognised	–	335	2,284	234	289
Tax expense	15,838	6,777	12,650	7,135	12,415

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Notes:

(i) The Company and the subsidiaries of the Group established in the PRC (excluding Hong Kong SAR) are subject to the PRC Corporate Income Tax rate of 25% during the Track Record Period.

(ii) Under the PRC Income Tax Laws, an enterprise which qualifies as a High and New Technology Enterprise ("HNTE") is entitled to a preferential tax rate of 15% provided it continues to meet HNTE qualification standards on an annual basis. The Company qualifies as an HNTE and is entitled for a preferential tax rate of 15% from 2022 to 2027.

In addition to the preferential PRC Corporate Income Tax rate, the Company is also entitled to an additional tax-deductible allowance calculated at 75%/100% of the qualified research and development costs incurred during the Track Record Period.

(iii) Wybotics Inc. is subject to U.S. corporate income tax on its taxable income at 21% federal corporate income tax rate and other relevant states tax rate at a maximum of 9.5% during the Track Record Period.

WYBOTICS EUROPE is subject to corporate income tax of France on its taxable income at a rate of up to 25% during the Track Record Period.

WYBOTICS HONGKONG COMPANY LIMITED is under the two-tiered profits tax rate regime, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% during the Track Record Period.

(iv) The Group does not expect to have any material Pillar Two tax exposure (including current tax) arising in these tax jurisdictions during the year ended December 31, 2024 and six months ended June 30, 2024 and 2025.

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Details of emoluments of directors and supervisors of the Company during the Track Record Period are as follows:

	Year ended December 31, 2022						
	Directors' and Supervisors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payments (note (v))	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Ms. Fu Guilan (Chairman) . . .	–	600	78	–	678	93	771
Mr. Yu Qian	–	534	78	21	633	9	642
Mr. Li Hui	–	357	148	38	543	389	932
Mr. Cen Pu	–	329	75	38	442	389	831

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	Year ended December 31, 2022						
	Directors' and Supervisors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payments (note (v))	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-executive directors							
Mr. Yu Jincheng	–	–	–	–	–	–	–
Mr. Xie Peng *(note (ii))*	–	–	–	–	–	–	–
Mr. Wang Jian *(note (ii))*	–	–	–	–	–	–	–
Independent non-executive directors							
Mr. Fan Shuncheng	100	–	–	–	100	–	100
Mr. Wang Lianen	100	–	–	–	100	–	100
Ms. Duan Yong *(note (ii))*	100	–	–	–	100	–	100
Supervisors							
Mr. Zhang Juntao	–	–	–	–	–	–	–
Ms. Liu Yingxue	–	157	21	19	197	–	197
Mr. Shi Chao	–	118	15	13	146	–	146
	300	2,095	415	129	2,939	880	3,819

	Year ended December 31, 2023						
	Directors' and Supervisors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payments (note (v))	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Ms. Fu Guilan (Chairman)	–	559	100	–	659	410	1,069
Mr. Yu Qian	–	533	80	43	656	6	662
Mr. Li Hui	–	363	77	46	486	257	743
Mr. Cen Pu	–	341	30	38	409	257	666
Non-executive directors							
Mr. Yu Jincheng	–	–	–	–	–	–	–
Mr. Wang Jian	–	–	–	–	–	–	–
Independent non-executive directors							
Mr. Fan Shuncheng	100	–	–	–	100	–	100
Mr. Wang Lianen	100	–	–	–	100	–	100
Ms. Duan Yong	100	–	–	–	100	–	100
Supervisors							
Mr. Zhang Juntao	–	–	–	–	–	–	–
Ms. Liu Yingxue	–	147	9	19	175	–	175
Mr. Shi Chao	–	117	8	13	138	–	138
	300	2,060	304	159	2,823	930	3,753

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	Year ended December 31, 2024						
	Directors' and Supervisors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payments (note (v))	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Ms. Fu Guilan (Chairman)	–	600	–	–	600	421	1,021
Mr. Yu Qian	–	547	20	47	614	5	619
Mr. Li Hui	–	365	39	48	452	282	734
Mr. Cen Pu	–	338	39	32	409	282	691
Non-executive directors							
Mr. Yu Jincheng	–	–	–	–	–	–	–
Mr. Wang Jian	–	–	–	–	–	–	–
Independent non-executive directors							
Mr. Fan Shuncheng	100	–	–	–	100	–	100
Mr. Wang Lianen	100	–	–	–	100	–	100
Ms. Duan Yong	100	–	–	–	100	–	100
Supervisors							
Mr. Zhang Juntao	–	–	–	–	–	–	–
Ms. Liu Yingxue	–	150	17	19	186	–	186
Mr. Shi Chao	–	124	10	13	147	–	147
	300	2,124	125	159	2,708	990	3,698

	Six months ended June 30, 2025						
	Directors' and Supervisors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payments (note (v))	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Ms. Fu Guilan (Chairman)	–	300	–	–	300	1,889	2,189
Mr. Yu Qian	–	275	20	24	319	12	331
Mr. Li Hui	–	182	20	24	226	692	918
Mr. Cen Pu	–	208	20	24	252	580	832
Non-executive directors							
Mr. Yu Jincheng *(note (iii))*	–	–	–	–	–	–	–
Mr. Wang Jian *(note (iii))*	–	–	–	–	–	–	–
Mr. Xiong Weibing *(note (iii))*	–	–	–	–	–	–	–
Independent non-executive directors							
Mr. Fan Shuncheng *(note (iii))*	25	–	–	–	25	–	25
Mr. Wang Lianen	50	–	–	–	50	–	50
Ms. Duan Yong	50	–	–	–	50	–	50
Ms. Xu Jiayuan *(note (iii))*	25	–	–	–	25	–	25

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	Six months ended June 30, 2025						
	Directors' and Supervisors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payments (note (v))	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Supervisors							
Mr. Zhang Juntao	–	–	–	–	–	–	–
Ms. Liu Yingxue *(note (iii))*	–	66	26	6	98	11	109
Mr. Shi Chao *(note (iii))*	–	42	8	4	54	–	54
Ms. Wang Chunxiang *(note (iii))*	–	26	–	3	29	–	29
Mr. Su Li *(note (iii))*	–	32	–	4	36	–	36
	150	1,131	94	89	1,464	3,184	4,648

	Six months ended June 30, 2024 (unaudited)						
	Directors' and Supervisors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payments (note (v))	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Ms. Fu Guilan (Chairman)	–	300	–	–	300	188	488
Mr. Yu Qian	–	273	–	23	296	1	297
Mr. Li Hui	–	182	–	24	206	122	328
Mr. Cen Pu	–	163	–	19	182	122	304
Non-executive directors							
Mr. Yu Jincheng	–	–	–	–	–	–	–
Mr. Wang Jian	–	–	–	–	–	–	–
Independent non-executive directors							
Mr. Fan Shuncheng	42	–	–	–	42	–	42
Mr. Wang Lianen	50	–	–	–	50	–	50
Ms. Duan Yong	50	–	–	–	50	–	50
Supervisors							
Mr. Zhang Juntao	–	–	–	–	–	–	–
Ms. Liu Yingxue	–	73	–	10	83	–	83
Mr. Shi Chao	–	60	–	7	67	–	67
	142	1,051	–	83	1,276	433	1,709

Notes:

(i) During the Track Record Period, no emoluments were paid by the Group to these individuals as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director or supervisor waived or agreed to waive any remuneration during the Track Record Period.

(ii) Xie Peng resigned on January 20, 2022. Wang Jian and Duan Yong were appointed as non-executive director and independent non-executive director of the Company, respectively, on January 20, 2022.

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(iii) Wang Jian, Yu Jincheng, Fan Shuncheng, Liu Yingxue and Shi Chao resigned on April 16, 2025. Xiong Weibing, Xu Jiayuan, Wang Chunxiang and Su Li were appointed as non-executive director, independent non-executive director, supervisor and supervisor of the Company, respectively, on April 16, 2025.

(iv) Wang Shouwen and Cai Guoqing were appointed as non-executive directors of the Company on September 19, 2025.

(v) These represent the estimated value of restricted share granted to middle and senior management personnel. The value of these share is measured according to the Group' accounting policies for share-based payments as set out in note 2(o)(ii).

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, 3, 2, 1, 2 (unaudited) and 3 are directors for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025, respectively, whose emoluments are disclosed in Note 8.

The aggregate of the emoluments in respect of the remaining individuals during the Track Record Period are as followings:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	847	2,002	2,739	999	915
Discretionary bonuses	327	294	244	–	167
Share-based payments	1,557	1,029	1,227	828	1,729
Retirement scheme contributions	67	143	149	63	55
	2,798	3,468	4,359	1,890	2,866

The number of the individuals who are not directors and who are amongst the five highest paid individuals of the Group are within the following bands:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	Number of individuals	*Number of individuals*	*Number of individuals*	*Number of individuals (unaudited)*	*Number of individuals*
Nil – HK$1,000,000	–	1	2	3	–
HK$1,000,001 – HK$1,500,000	2	2	2	–	1
HK$2,000,001 – HK$2,500,000	–	–	–	–	1

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025 is based on the profit for the year/period of RMB97,915,000, RMB60,849,000, RMB70,510,000, RMB48,903,000 (unaudited) and RMB61,083,000, respectively and the weighted average of 57,000,000 ordinary shares in issue during the relevant year/period.

(b) Diluted earnings per share

There were no dilutive potential ordinary shares outstanding during the Track Record Period. Hence, the diluted earnings per share is the same as basic earnings per share.

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11 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amount

The Group

	Plant and buildings	Machinery and equipment	Electronic equipment and other equipment	Construction in progress	Plant improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:						
At January 1, 2022	23,512	15,253	10,813	305	994	50,877
Additions	–	2,783	5,150	2,428	110	10,471
Transfer in/(out)	2,286	11	85	(2,382)	–	–
Disposals	–	(48)	(853)	–	–	(901)
At December 31, 2022 and January 1, 2023	25,798	17,999	15,195	351	1,104	60,447
Additions	–	873	2,440	8,565	–	11,878
Transfer in/(out)	–	308	7,479	(7,787)	–	–
Disposals	–	(56)	(445)	–	–	(501)
Exchange adjustment	–	5	8	–	–	13
At December 31, 2023 and January 1, 2024	25,798	19,129	24,677	1,129	1,104	71,837
Additions	–	461	6	9,422	–	9,889
Transfer in/(out)	132	437	6,771	(7,340)	–	–
Disposals	–	(105)	(54)	–	–	(159)
Exchange adjustments	–	(21)	(16)	–	–	(37)
At December 31, 2024 and January 1, 2025	25,930	19,901	31,384	3,211	1,104	81,530
Additions	–	–	29	12,251	–	12,280
Transfer in/(out)	1	3,399	9,183	(12,583)	–	–
Disposals	–	(185)	(193)	–	–	(378)
Exchange adjustments	–	74	43	–	–	117
At June 30, 2025	25,931	23,189	40,446	2,879	1,104	93,549
Accumulated depreciation:						
At January 1, 2022	(5,455)	(2,098)	(3,277)	–	(340)	(11,170)
Charge for the year	(781)	(1,503)	(2,067)	–	(322)	(4,673)
Written back on disposals	–	47	730	–	–	777
At December 31, 2022 and January 1, 2023	(6,236)	(3,554)	(4,614)	–	(662)	(15,066)
Charge for the year	(817)	(1,773)	(3,421)	–	(327)	(6,338)
Written back on disposals	–	20	401	–	–	421
Exchange adjustment	–	–	(1)	–	–	(1)
At December 31, 2023 and January 1, 2024	(7,053)	(5,307)	(7,635)	–	(989)	(20,984)
Charge for the year	(819)	(1,872)	(4,631)	–	(87)	(7,409)
Written back on disposals	–	63	38	–	–	101
Exchange adjustment	–	2	4	–	–	6
At December 31, 2024 and January 1, 2025	(7,872)	(7,114)	(12,224)	–	(1,076)	(28,286)
Charge for the period	(412)	(1,091)	(2,872)	–	(18)	(4,393)
Written back on disposals	–	86	177	–	–	263
Exchange adjustment	–	(12)	(18)	–	–	(30)
At June 30, 2025	(8,284)	(8,131)	(14,937)	–	(1,094)	(32,446)
Net book value:						
At December 31, 2022	19,562	14,445	10,581	351	442	45,381
At December 31, 2023	18,745	13,822	17,042	1,129	115	50,853
At December 31, 2024	18,058	12,787	19,160	3,211	28	53,244
At June 30, 2025	17,647	15,058	25,509	2,879	10	61,103

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The Company

	Plant and buildings	Machinery and equipment	Electronic equipment and other equipment	Construction in progress	Plant improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:						
At January 1, 2022	23,512	15,253	10,813	305	994	50,877
Additions	–	2,783	4,942	2,428	110	10,263
Transfer in/(out)	2,286	11	85	(2,382)	–	–
Disposals	–	(48)	(853)	–	–	(901)
At December 31, 2022 and January 1, 2023	25,798	17,999	14,987	351	1,104	60,239
Additions	–	682	2,069	8,565	–	11,316
Transfer in/(out)	–	308	7,479	(7,787)	–	–
Disposals	–	(56)	(445)	–	–	(501)
At December 31, 2023 and January 1, 2024	25,798	18,933	24,090	1,129	1,104	71,054
Additions	–	–	–	9,422	–	9,422
Transfer in/(out)	132	437	6,771	(7,340)	–	–
Disposals	–	(105)	(54)	–	–	(159)
At December 31, 2024 and January 1, 2025	25,930	19,265	30,807	3,211	1,104	80,317
Additions	–	–	–	12,251	–	12,251
Transfer in/(out)	1	3,399	9,183	(12,583)	–	–
Disposals	–	(185)	(193)	–	–	(378)
At June 30, 2025	25,931	22,479	39,797	2,879	1,104	92,190
Accumulated depreciation:						
At January 1, 2022	(5,455)	(2,098)	(3,277)	–	(340)	(11,170)
Charge for the year	(781)	(1,503)	(2,056)	–	(322)	(4,662)
Written back on disposals	–	47	730	–	–	777
At December 31, 2022 and January 1, 2023	(6,236)	(3,554)	(4,603)	–	(662)	(15,055)
Charge for the year	(817)	(1,759)	(3,350)	–	(327)	(6,253)
Written back on disposals	–	20	401	–	–	421
At December 31, 2023 and January 1, 2024	(7,053)	(5,293)	(7,552)	–	(989)	(20,887)
Charge for the year	(819)	(1,808)	(4,530)	–	(87)	(7,244)
Written back on disposals	–	63	38	–	–	101
At December 31, 2024 and January 1, 2025	(7,872)	(7,038)	(12,044)	–	(1,076)	(28,030)
Charge for the period	(412)	(1,046)	(2,824)	–	(18)	(4,300)
Written back on disposals	–	86	177	–	–	263
At June 30, 2025	(8,284)	(7,998)	(14,691)	–	(1,094)	(32,067)
Net book value:						
At December 31, 2022	19,562	14,445	10,384	351	442	45,184
At December 31, 2023	18,745	13,640	16,538	1,129	115	50,167
At December 31, 2024	18,058	12,227	18,763	3,211	28	52,287
At June 30, 2025	17,647	14,481	25,106	2,879	10	60,123

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12 RIGHT-OF-USE ASSETS

The Group

	Leased office	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At January 1, 2022	–	5,603	5,603
Additions	310	16,686	16,996
At December 31, 2022 and January 1, 2023	310	22,289	22,599
Additions	5,185	–	5,185
Early termination of lease term	(310)	–	(310)
At December 31, 2023 and January 1, 2024	5,185	22,289	27,474
Additions	2,540	–	2,540
Exchange adjustment	(199)	–	(199)
At December 31, 2024 and January 1, 2025	7,526	22,289	29,815
Disposals	–	(16,686)	(16,686)
Exchange adjustment	818	–	818
At June 30, 2025	8,344	5,603	13,947
Accumulated depreciation:			
At January 1, 2022	–	(1,083)	(1,083)
Charge for the year	(13)	(529)	(542)
At December 31, 2022 and January 1, 2023	(13)	(1,612)	(1,625)
Charge for the year	(530)	(946)	(1,476)
Written back on early termination	142	–	142
Exchange adjustment	(9)	–	(9)
At December 31, 2023 and January 1, 2024	(410)	(2,558)	(2,968)
Charge for the year	(1,314)	(946)	(2,260)
Exchange adjustment	42	–	42
At December 31, 2024 and January 1, 2025	(1,682)	(3,504)	(5,186)
Charge for the period	(808)	(473)	(1,281)
Written back on disposals	–	2,503	2,503
Exchange adjustment	(204)	–	(204)
At June 30, 2025	(2,694)	(1,474)	(4,168)
Net book value:			
At December 31, 2022	297	20,677	20,974
At December 31, 2023	4,775	19,731	24,506
At December 31, 2024	5,844	18,785	24,629
At June 30, 2025	5,650	4,129	9,779

The additions to right-of-use assets included the purchase of land use rights of RMB16,686,000 during the year ended December 31, 2022, and the remainder primarily related to the capitalised lease payments payable under new tenancy agreements. The land use rights was disposed in January 2025.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Depreciation	542	1,476	2,260	1,332	1,281
Interest on lease liabilities	–	124	231	97	114
Expense relating to short-term leases and leases of low-value assets	3,452	2,383	3,132	1,538	2,469

Details of total cash outflow for leases and maturity analysis of lease liabilities are set out in Notes 17(c) and 22.

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The Company

	Leased office	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At January 1, 2022	–	5,603	5,603
Additions	310	–	310
At December 31, 2022 and January 1, 2023	310	5,603	5,913
Additions	509	–	509
Early termination of lease term	(310)	–	(310)
At December 31, 2023, December 31, 2024 and June 30, 2025	509	5,603	6,112
Accumulated depreciation:			
At January 1, 2022	–	(1,083)	(1,083)
Charge for the year	(13)	(112)	(125)
At December 31, 2022 and at January 1, 2023	(13)	(1,195)	(1,208)
Charge for the year	(193)	(112)	(305)
Written back on early termination	142	–	142
At December 31, 2023 and January 1, 2024	(64)	(1,307)	(1,371)
Charge for the year	(255)	(112)	(367)
At December 31, 2024 and January 1, 2025	(319)	(1,419)	(1,738)
Charge for the period	(127)	(56)	(183)
At June 30, 2025	(446)	(1,475)	(1,921)
Net book value:			
At December 31, 2022	297	4,408	4,705
At December 31, 2023	445	4,296	4,741
At December 31, 2024	190	4,184	4,374
At June 30, 2025	63	4,128	4,191

13 OTHER NON-CURRENT ASSETS

The Group and the Company

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments for property, plant and equipment	–	2,255	4,990	665
Prepayments for intangible assets	–	854	212	321
	–	3,109	5,202	986

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14 INVENTORIES

The Group

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finished goods	27,427	80,897	143,068	225,648
Work in progress	41,220	20,453	26,720	24,387
Raw materials	32,230	23,098	38,329	25,359
	100,877	124,448	208,117	275,394
Less: write down of inventories	(2,441)	(4,488)	(5,955)	(9,359)
	98,436	119,960	202,162	266,035

The Company

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finished goods	27,427	44,247	77,571	49,409
Work in progress	41,220	20,213	25,552	22,466
Raw materials	32,230	22,946	38,123	24,932
	100,877	87,406	141,246	96,807
Less: write down of inventories	(2,441)	(3,227)	(4,024)	(5,379)
	98,436	84,179	137,222	91,428

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

The Group

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount of inventories sold	144,631	158,462	226,699	128,605
Recognition of write-down of inventories	2,569	2,272	1,528	3,370
	147,200	160,734	228,227	131,975

15 TRADE RECEIVABLES

The Group

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due from third parties	21,937	68,091	111,880	160,426
Less: loss allowance (Note 25(a))	(1,618)	(4,369)	(6,119)	(7,989)
	20,319	63,722	105,761	152,437

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The Company

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due from subsidiaries	–	72,627	161,802	371,920
Amounts due from third parties	21,937	64,917	96,330	69,908
	21,937	137,544	258,132	441,828
Less: loss allowance	(1,618)	(4,210)	(5,963)	(7,084)
	20,319	133,334	252,169	434,744

All of the trade receivables, net of loss allowance, are expected to be recovered within one year.

Aging analysis

The aging analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

The Group

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	20,319	60,770	102,247	142,205
1 to 2 years	–	2,952	3,451	8,689
2 to 3 years	–	–	63	1,543
	20,319	63,722	105,761	152,437

The Company

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	20,319	130,382	248,655	424,512
1 to 2 years	–	2,952	3,451	8,689
2 to 3 years	–	–	63	1,543
	20,319	133,334	252,169	434,744

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 25(a).

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16 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments for inventories and services	9,822	3,360	14,050	14,443
Prepayments in connection with the proposed [**REDACTED**] of the Company's shares *(Note)*	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deductible input value-added tax	53	2,758	9,676	17,135
Deposits	39	297	1,028	1,379
Advances to staff	33	208	1,493	1,431
Receivable from disposal of land use right	–	–	–	16,686
Others	641	708	295	3,097
	14,058	7,331	31,117	60,373
Less: loss allowance	(192)	(217)	(334)	(379)
	13,866	7,114	30,783	59,994

The Company

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due from subsidiaries	100	3,431	4,687	5,528
Prepayments for inventories and services	9,803	2,953	5,237	4,233
Prepayments in connection with the proposed [**REDACTED**] of the Company's shares *(Note)*	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deductible input value-added tax	–	2,285	9,433	16,566
Deposits	39	137	182	179
Advances to staff	33	122	916	1,053
Others	620	158	378	318
	14,065	9,086	25,408	34,079
Less: loss allowance	(191)	(204)	(276)	(301)
	13,874	8,882	25,132	33,778

Apart from prepayments in connection with the proposed [**REDACTED**] of the Company's shares, which is expected to be debited to equity upon [**REDACTED**], all of the other prepayments, deposits and other receivables are expected to be recovered or recognised as expense within one year.

Note: The balance at December 31, 2022 relates to the proposed [**REDACTED**] of the Company's shares on the Shenzhen Stock Exchange, and was expected to be transferred to the capital reserve account within equity upon the [**REDACTED**] of the Company's shares on Shenzhen Stock Exchange. In 2023, the Company terminated its proposed [**REDACTED**] of the Company's shares on Shenzhen Stock Exchange, and the costs incurred in connection with the proposed [**REDACTED**] of the Company's shares on Shenzhen Stock Exchange were recognised in profit or loss in the year ended December 31, 2023.

The balance at December 31, 2024 and June 30, 2025 relates to the proposed [**REDACTED**] of the Company's H shares on the Stock Exchange of Hong Kong Limited, and was expected to be transferred to the capital reserve account within equity upon the [**REDACTED**] of the Company's H shares on [**REDACTED**].

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17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank and on hand	124,721	254,307	254,816	165,924
Less: restricted deposits	(7)	(157)	(1,248)	(4,714)
Cash and cash equivalents	124,714	254,150	253,568	161,210

The Company

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank and on hand	120,104	223,939	189,811	45,158
Less: restricted deposits	(7)	(4)	(383)	(483)
Cash and cash equivalents	120,097	223,935	189,428	44,675

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's Consolidated statements of cash flows as cash flows from financing activities.

	Lease liabilities	Bank loans	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2022	–	–	–
Changes from financing cash flows:			
Capital element of lease rentals paid	(22)	–	(22)
Other changes:			
Increase in lease liabilities from entering into new leases during the year	310	–	310
At December 31, 2022 and January 1, 2023	288	–	288
Changes from financing cash flows:			
Capital element of lease rentals paid	(463)	–	(463)
Interest element of lease rentals paid	(124)	–	(124)
Total changes from financing cash flows	(587)	–	(587)
Other changes:			
Increase in lease liabilities from entering into new leases during the year	5,185	–	5,185
Interest expenses *(Note 6(a))*	124	–	124
Decrease in lease liabilities from termination of leases	(161)	–	(161)
Exchange adjustments	(9)	–	(9)
Total other changes	5,139	–	5,139
At December 31, 2023 and January 1, 2024	4,840	–	4,840
Changes from financing cash flows:			
Capital element of lease rentals paid	(1,387)	–	(1,387)
Interest element of lease rentals paid	(231)	–	(231)
Total changes from financing cash flows	(1,618)	–	(1,681)

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	Lease liabilities	Bank loans	Total
	RMB'000	*RMB'000*	*RMB'000*
Other changes:			
Increase in lease liabilities from entering into new leases during the year	2,540	–	2,540
Interest expenses *(Note 6(a))*	231	–	231
Exchange adjustments	(156)	–	(156)
Total other changes	2,615	–	2,615
At December 31, 2024	5,837	–	5,837
At December 31, 2024 and January 1, 2025	5,837	–	5,837
Changes from financing cash flows:			
Proceeds from bank loans	–	20,000	20,000
Repayment of bank loans	–	(20,000)	(20,000)
Capital element of lease rentals paid	(968)	–	(968)
Interest paid	(114)	(77)	(191)
Total changes from financing cash flows	(1,082)	(77)	(1,159)
Other changes:			
Interest expenses *(Note 6(a))*	114	77	191
Exchange adjustments	601	–	601
Total other changes	715	77	792
At June 30, 2025	5,470	–	5,470
(Unaudited)			
At January 1, 2024	4,840	–	4,840
Changes from financing cash flows:			
Capital element of lease rentals paid	(444)	–	(444)
Interest element of lease rentals paid	(97)	–	(97)
Total changes from financing cash flows	(541)	–	(541)
Other changes:			
Increase in lease liabilities from entering into new leases during the period	2,586	–	2,586
Interest expenses (unaudited) *(Note 6(a))*	97	–	97
Exchange adjustments	(108)	–	(108)
Total other changes	2,575	–	2,575
At June 30, 2024	6,874	–	6,874

(c) Total cash outflow for leases

Amounts included in the consolidated statements of cash flows for leases represent lease rental paid and comprise the following:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Within operating cash flows	3,452	2,383	3,132	1,538	2,469
Within investing cash flows	16,686	–	–	–	–
Within financing cash flows	22	587	1,618	541	1,082
	20,160	2,970	4,750	2,079	3,551

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18 TRADE AND BILLS PAYABLES

The Group

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	13,873	46,625	91,699	90,690
Bills payable	–	3,212	23,082	26,127
	13,873	49,837	114,781	116,817

The Company

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	13,873	45,512	86,728	69,842
Bills payable	–	3,212	23,082	26,127
	13,873	48,724	109,810	95,969

All of the trade and bills payables are expected to be settled within one year or are repayable on demand.

As at the end of each reporting period, the aging analysis of trade payables and bill payables, based on the invoice date, is as follows:

The Group

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	13,749	49,679	114,461	116,409
Over 1 year	124	158	320	408
	13,873	49,837	114,781	116,817

The Company

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	13,749	48,566	109,490	95,561
Over 1 year	124	158	320	408
	13,873	48,724	109,810	95,969

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19 OTHER PAYABLES, ACCRUALS AND PROVISION

The Group

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payables for staff related costs	5,557	8,127	6,711	5,452
Payables for other taxes	2,666	1,728	1,512	10,103
Others	433	1,756	6,263	8,743
Financial liabilities measured at amortised cost	8,656	11,611	14,486	24,298
Warranty provision *(Note)*	3,942	4,927	5,405	6,382
Refund liabilities	5,455	5,547	3,615	15,030
Other provision	–	–	536	1,355
	18,053	22,085	24,042	47,065

The Company

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payables for staff related costs	5,404	8,048	6,330	4,656
Payables for other taxes	2,663	99	117	313
Others	414	823	4,261	5,874
Financial liabilities measured at amortised cost	8,481	8,970	10,708	10,843
Warranty provision *(Note)*	3,942	4,927	5,405	5,925
Refund liabilities	5,455	4,542	2,536	3,505
Other provision	–	–	536	1,355
	17,878	18,439	19,185	21,628

All of other payables, accruals and provision are expected to be settled within one year or are repayable on demand.

Note: Under the terms of the Group's sales agreements, the Group offers warranties for its robotic pool cleaners. Provision is therefore made for the best estimate of the expected settlement under these agreements in respect of sales made within the warranty periods prior to the end of the reporting period. The amount of provision takes into account the Group's recent claim experience and is only made where a warranty claim is probable.

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20 CONTRACT LIABILITIES

Contract liabilities represent amounts received from customers in advance of sale of goods. Movements in contract liabilities are as follows:

The Group

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1	9,042	2,600	6,208	3,666
Decrease in contract liabilities as a result of recognising revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(8,997)	(2,376)	(6,145)	(2,437)
Increase in contract liabilities as a result of receipts in advance	2,555	5,984	3,603	6,423
Balance at December 31/June 30	2,600	6,208	3,666	7,652

The Company

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1	9,042	2,600	6,208	3,666
Decrease in contract liabilities as a result of recognising revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(8,997)	(2,376)	(6,145)	(2,437)
Increase in contract liabilities as a result of receipts in advance	2,555	5,984	3,603	3,784
Balance at December 31/June 30	2,600	6,208	3,666	5,013

21 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

To motivate middle and senior management personnel, the Group approved the adoption of the 2021 restricted share incentive plan with registered capital of RMB1,125,900 with subscription price at RMB13.43 per RMB1 registered capital in August 2021. These shares will become exercisable in two batches, 50% of which will be unlocked in 4 years after [**REDACTED**] and another 50% of which will be unlocked in 5 years after [**REDACTED**] on the condition that the employees remain in service. If employees leave the Group before the vesting date, the restricted shares will be forfeited. The forfeited shares will be repurchased by Ms. Fu Guilan.

The Company was converted to a joint stock company on December 31, 2021, 57,000,000 ordinary shares with par value of RMB1 each were issued and allotted to the shareholders of the Company on a pro rata basis. Accordingly, the restricted shares under this share incentive plan were converted into 1,831,410 restricted share of the Company. The exercise price changed from RMB13.43 per registered capital to RMB8.27 per share.

In April 2025, the Group approved the adoption of the 2025 restricted share incentive plan of 2,238,794 shares with subscription price at RMB8.98 per share. These shares will become exercisable in three batches, 1/3 of which will be unlocked in 1 year after [**REDACTED**], 1/3 of which will be unlocked in 2 years after [**REDACTED**], and another 1/3 of which will be unlocked in 3 years after [**REDACTED**].

Meanwhile, the Group approved to modify the unlocking period of the 2021 restricted share incentive plan to be the same with the 2025 restricted share incentive plan.

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	Year ended December 31,						Six months ended June 30,	
	2022		2023		2024		2025	
	Weighted average exercise price	Number of restricted shares	Weighted average exercise price	Number of restricted shares	Weighted average exercise price	Number of restricted shares	Weighted average exercise price	Number of restricted shares
	RMB		*RMB*		*RMB*		*RMB*	
Outstanding at the beginning of the year/period	8.27	1,831,410	8.27	1,795,057	8.27	1,694,541	8.27	1,044,337
Forfeited during the year/period	8.27	(36,353)	8.27	(100,516)	8.27	(650,204)	–	–
Granted during the year/period	–	–	–	–	–	–	8.98	1,914,686
Outstanding at the end of the year/period	8.27	1,795,057	8.27	1,694,541	8.27	1,044,337	8.73	2,959,023

In April 2025, the grant date fair value of the restricted share was determined based on the fair value of underlying ordinary shares as at the grant date. The directors have used the income approach and applied the discounted cash flow to determine the fair value of the underlying ordinary shares. The discount rates used is 13% for restricted shares granted and the fair value of the restricted share is RMB24.99 per share unit.

The Group has recognised/(reversed) share-based payment expenses of RMB5,450,000, RMB4,629,000, RMB397,000, RMB(1,430,000) (unaudited) and RMB8,053,000 for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025, respectively.

22 LEASE LIABILITIES

The Group

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	153	709	1,847	1,961
After 1 year but within 2 years	135	680	1,156	616
After 2 years but within 5 years	–	1,533	1,524	1,734
After 5 years	–	1,918	1,310	1,159
	135	4,131	3,990	3,509
	288	4,840	5,837	5,470

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23 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represent:

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1	6,002	9,257	66	5,912
Provision for the year/period	15,577	11,593	13,347	13,950
Income tax paid	(12,322)	(20,784)	(7,501)	(10,408)
Balance at December 31/June 30	9,257	66	5,912	9,454
Balance represents				
– Income tax payable	9,257	308	5,912	9,454
– Income tax recoverable	–	(242)	–	–

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(b) Deferred tax assets and liabilities recognised

(i) Movements of each component of deferred tax assets and liabilities

The deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the movements throughout the Track Record Period are as follows:

	Net foreign exchange gain or loss	Warranty provisions	Loss allowance on trade and other receivables	Write-down of inventories	Deferred income	Lease liabilities	Unrealised gain or loss	Financial assets measured at FVTPL	Right-of-use assets	Accelerated tax allowance for depreciation expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax arising from:											
At January 1, 2022	–	819	629	–	230	–	–	(73)	–	(2,402)	(797)
Credited/(charged) to profit or loss *(Note 7)*	–	590	(358)	366	(6)	–	–	(21)	–	(832)	(261)
At December 31, 2022 and January 1, 2023	–	1,409	271	366	224	–	–	(94)	–	(3,234)	(1,058)
(Charged)/credited to profit or loss *(Note 7)*	109	152	414	365	(6)	726	4,540	49	(724)	(809)	4,816
At December 31, 2023 and January 1, 2024	109	1,561	685	731	218	726	4,540	(45)	(724)	(4,043)	3,758
Credited/(charged) to profit or loss *(Note 7)*	44	3	264	242	(6)	149	50	45	(149)	55	697
At December 31, 2024 and January 1, 2025	153	1,564	949	973	212	875	4,590	–	(873)	(3,988)	4,455
(Charged)/credited to profit or loss *(Note 7)*	(82)	1,800	214	683	(3)	(56)	151	–	57	(1,229)	1,535
At June 30, 2025	71	3,364	1,163	1,656	209	819	4,741	–	(816)	(5,217)	5,990

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(ii) Reconciliation to the consolidated statements of financial position

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	–	5,060	5,420	7,462
Net deferred tax liabilities recognised in the consolidated statements of financial position	(1,058)	(1,302)	(965)	(1,472)
	(1,058)	3,758	4,455	5,990

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(p), the Group has not recognised deferred tax assets in respect of cumulative tax losses RMB933,000, RMB2,430,000, RMB13,706,000, RMB1,282,000 (unaudited) and RMB3,631,000 as at December 31, 2022, 2023, 2024 and June 30, 2024 and 2025, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdictions and entities.

24 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity during the Track Record Period are set out below:

	Share capital	Capital reserve	Statutory reserve	Other reserve	Retained earnings	Total
	RMB'000 (Note 24(b))	*RMB'000 (Note 24(c)(i))*	*RMB'000 (Note 24(c)(ii))*	*RMB'000 (Note 24(c)(iii))*	*RMB'000*	*RMB'000*
Balance at January 1, 2022	57,000	223,134	602	3,424	1,664	285,824
Changes in equity for 2022:						
Profit and total comprehensive income for the year	–	–	–	–	98,848	98,848
Capital contributions	–	3,917	–	–	–	3,917
Equity-settled share-based transactions	–	5,450	–	–	–	5,450
Appropriation to reserves	–	–	9,885	–	(9,885)	–
Balance at December 31, 2022 and January 1, 2023	57,000	232,501	10,487	3,424	90,627	394,039
Changes in equity for 2023:						
Profit and total comprehensive income for the year	–	–	–	–	77,917	77,917
Equity-settled share-based transactions	–	4,629	–	–	–	4,629
Appropriation to reserves	–	–	7,792	–	(7,792)	–
Balance at December 31, 2023 and January 1, 2024	57,000	237,130	18,279	3,424	160,752	476,585

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	Share capital	Capital reserve	Statutory reserve	Other reserve	Retained earnings	Total
	RMB'000 (Note 24(b))	*RMB'000 (Note 24(c)(i))*	*RMB'000 (Note 24(c)(ii))*	*RMB'000 (Note 24(c)(iii))*	*RMB'000*	*RMB'000*
Changes in equity for 2024:						
Profit and total comprehensive income for the year	–	–	–	–	83,214	83,214
Equity-settled share-based transactions	–	397	–	–	–	397
Appropriation to reserves	–	–	8,321	–	(8,321)	–
Balance at December 31, 2024 and January 1, 2025	57,000	237,527	26,600	3,424	235,645	560,196
Changes in equity for Six months ended June 30, 2025:						
Profit and total comprehensive income for the period	–	–	–	–	66,861	66,861
Equity-settled share-based transactions	–	8,053	–	–	–	8,053
Dividend approved in respect of the previous years	–	–	–	–	(62,000)	(62,000)
Balance at June 30, 2025	57,000	245,580	26,600	3,424	240,506	573,110
(Unaudited)						
Balance at January 1, 2024	57,000	237,130	18,279	3,424	160,752	476,585
Changes in equity for six months ended June 30, 2024						
Profit and total comprehensive income for the period	–	–	–	–	47,497	47,497
Equity-settled share-based transactions	–	(1,430)	–	–	–	(1,430)
Balance at June 30, 2024	57,000	235,700	18,279	3,424	208,249	522,652

(b) Share capital

	Number of shares	Amount
	'000	*RMB'000*
At December 31, 2022, 2023, 2024 and June 30, 2025	57,000	57,000

On December 31, 2021, the Company was converted into a joint stock limited liability company and issued 57,000,000 shares with a par value of RMB1 each. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

On September 5, 2025, all shareholders of the Company approved the capital increase of the Company from RMB57,000,000 to RMB62,523,409, 5,523,409 shares were issued to several external investors in September 2025 at a consideration of RMB145,352,868.

Pursuant to the shareholders' agreements entered into among the shareholders of the Company in September 2025, the Pre-[**REDACTED**] Investors (including the shareholders invested in 2021 and 2025), were granted the rights to put back the Company's shares to the Company, the redemption liability arising from the rights granted to the Pre-[**REDACTED**] Investors was recognised as a financial liability.

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(c) Nature and purpose of reserves

(i) Capital reserve

The capital reserve comprises: (i) the differences between the net proceeds of issuance of ordinary shares and the share capital of the Company, (ii) the net assets converted in excess of the total amount of the par value of shares issued in relation to the conversion into a joint stock company and (iii) the portion of the grant date fair value of share-based payment that has been recognised in accordance with accounting policy adopted (see Note 2(o)(ii)).

(ii) Statutory reserve

In accordance with the relevant PRC laws and regulations, the Company is required to transfer 10% of its net profits each year to the statutory reserve until the reserve reaches 50% of the registered capital. The statuary reserve can be utilised in setting off accumulated losses or increase capital and is non-distributable other than in liquidation.

(iii) Other reserve

Other reserve mainly represents the recognition of financial liabilities associated with the financial instruments issued to investors in 2021. On December 31, 2021, the Company derecognised the financial instruments issued to the investors.

(iv) Exchange reserve

The exchange reserve comprises all relevant exchange differences arising from the translation of the financial statements of foreign operations with functional currency other than RMB.

(d) Dividends

Dividends payable to equity shareholders of the company attributable to the previous financial years, approved and paid during the year/period.

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year/period, of RMB1.08 per share	–	–	–	–	62,000

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

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25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents, financial assets measured at FVTPL is limited because the counterparties are banks and financial institutions with high credit standing, for which the Group considers to represent low credit risk.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within a period of 0-180 days from the date of billing. Normally, the Group does not obtain collateral from customers. At the end of December 31, 2022, 2023, 2024 and six months ended June 30, 2025, 94.6%, 57.0%, 47.7% and 49.9% of the total trade receivables was due from the Group's five largest customers respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	At December 31, 2022		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Not credit-impaired			
Within 1 year	2.6%	20,867	548
		20,867	548
Credit-impaired	100.0%	1,070	1,070
		21,937	1,618

	At December 31, 2023		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Not credit-impaired			
Within 1 year	1.7%	61,829	1,059
1 to 2 years	10.0%	3,280	328
		65,109	1,387
Credit-impaired	100.0%	2,982	2,982
		68,091	4,369

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	At December 31, 2024		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Not credit-impaired			
Within 1 year	1.3%	103,617	1,370
1 to 2 years	10.0%	3,834	383
2 to 3 years	30.0%	90	27
		107,541	1,780
Credit-impaired	100.0%	4,339	4,339
		111,880	6,119

	At June 30, 2025		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Not credit-impaired			
Within 1 year	1.4%	144,165	1,960
1 to 2 years	10.0%	9,654	965
2 to 3 years	30.0%	2,204	661
		156,023	3,586
Credit-impaired	100.0%	4,403	4,403
		160,426	7,989

Movements in the loss allowance account in respect of trade receivables during the Track Record Period is as follows:

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1	3,036	1,618	4,369	6,119
Impairment losses recognised during the year/period	–	2,751	1,752	1,835
Exchange adjustment	–	–	(2)	35
Impairment losses reversed during the year/period	(1,219)	–	–	–
Amounts written-off during the year/period	(199)	–	–	–
Balance at December 31/June 30	1,618	4,369	6,119	7,989

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(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group can be required to pay:

	At December 31, 2022				
	Contractual undiscounted cash flow				
	Within 1 year or on demand	Over 1 year but within 2 years	Over 2 years but within 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	13,873	–	–	13,873	13,873
Other payables and accruals measured at amortised cost	8,656	–	–	8,656	8,656
Lease liabilities	164	138	–	302	288
	22,693	138	–	22,831	22,817

	At December 31, 2023					
	Contractual undiscounted cash flow					
	Within 1 year or on demand	Over 1 year but within 2 years	Over 2 years but within 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	49,837	–	–	–	49,837	49,837
Other payables and accruals measured at amortised cost	11,611	–	–	–	11,611	11,611
Lease liabilities	882	815	1,839	2,043	5,579	4,840
	62,330	815	1,839	2,043	67,027	66,288

	At December 31, 2024					
	Contractual undiscounted cash flow					
	Within 1 year or on demand	Over 1 year but within 2 years	Over 2 years but within 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	114,781	–	–	–	114,781	114,781
Other payables and accruals measured at amortised cost	14,486	–	–	–	14,486	14,486
Lease liabilities	2,036	1,282	1,761	1,370	6,449	5,837
	131,303	1,282	1,761	1,370	135,716	135,104

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	At June 30, 2025					
	Contractual undiscounted cash flow					
	Within 1 year or on demand	Over 1 year but within 2 years	Over 2 years but within 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	116,817	–	–	–	116,817	116,817
Other payables and accruals measured at amortised cost	24,298	–	–	–	24,298	24,298
Lease liabilities	2,114	735	1,966	1,202	6,017	5,470
	143,229	735	1,966	1,202	147,132	146,585

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's lease liabilities at fixed rates, cash at bank at variable rates expose the Group to fair value interest rate risk and cash flow interest rate risk, respectively. Overall, the Group's exposure to interest rate risk is not significant.

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily US$, EUR and RMB. The Group manages this risk as follows:

(i) Exposure to currency risk

The following table details the Group's exposure at the end of each reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year-end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency is excluded.

	Exposure to foreign currencies At December 31, 2022	
	US$	EUR
	RMB'000	*RMB'000*
Cash and cash equivalents	23,408	854
Trade receivables	5,051	–
Prepayments, deposits and other receivables	–	3
Trade payables	(1,679)	–
Other payables, accruals and provision	–	(7)
Gross exposure arising from recognised assets and liabilities	26,780	850

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	Exposure to foreign currencies at December 31, 2023		
	US$	EUR	RMB
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents	27,256	1,903	1,348
Trade receivables	138,685	–	–
Prepayments, deposits and other receivables	19,369	389	623
Trade payables	(24,891)	(751)	(303)
Other payables, accruals and provision	(20,824)	–	(1,718)
Gross exposure arising from recognised assets and liabilities	139,595	1,541	(50)

	Exposure to foreign currencies at December 31, 2024		
	US$	EUR	RMB
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents	15,862	8,675	73
Trade receivables	252,596	6,199	–
Prepayments, deposits and other receivables	1,758	44	476
Trade payables	(53,812)	(76)	(277)
Other payables, accruals and provision	(7,979)	(1,454)	(1,936)
Gross exposure arising from recognised assets and liabilities	208,425	13,388	(1,664)

	Exposure to foreign currencies at June 30, 2025		
	US$	EUR	RMB
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents	4,299	10	73
Trade receivables	412,690	5,199	–
Prepayments, deposits and other receivables	6,944	203	411
Trade payables	(105,890)	(166)	(530)
Other payables, accruals and provision	(6,166)	(1,616)	(3,017)
Gross exposure arising from recognised assets and liabilities	311,877	3,630	(3,063)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after taxation (and retained profits) and other components of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of each reporting period had changed at that date, assuming all other risk variables remained constant.

	Increase/ (decrease) in foreign exchange rates	As at December 31,			As at June 30,
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
US$	5%	1,138	5,839	8,583	12,585
	(5%)	(1,138)	(5,839)	(8,583)	(12,585)
EUR	5%	36	66	578	164
	(5%)	(36)	(66)	(578)	(164)
RMB	5%	–	3	(80)	(139)
	(5%)	–	(3)	80	139

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Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' loss after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of each reporting period for presentation purposes.

(e) Fair value measurement

(i) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3 valuations: Fair value measured using significant unobservable inputs.

As at December 31, 2022, 2023, 2024 and six months ended June 30, 2025, the financial assets measured at FVTPL represents the wealth management products issued by reputable financial institutions in the PRC. The fair value measurement of wealth management products falls into Level 3 of the fair value hierarchy. During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The fair value of wealth management products is determined using the discounted cash flow method and the significant unobservable input used is expected rate of return. The fair value measurement is positively correlated to the expected rate of return. For the years ended December 31, 2022, 2023, 2024 and six months ended June 30, 2025, it is estimated that with all other variable held constant, an increase in expected rate of return by one percentage point, the Group's profit before taxation would have been increased by RMB116,000, RMB10,000, Nil and Nil respectively.

The movements during the year in the balance of Level 3 fair value measurements are as follows:

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products				
At January 1	105,487	115,926	10,362	–
Additions in investments	230,300	–	210,000	68,000
Redemptions of investments	(222,153)	(106,498)	(220,551)	(68,262)
Changes in fair value	2,292	934	189	262
At December 31/June 30	115,926	10,362	–	–

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at the end of each reporting period.

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26 MATERIAL RELATED PARTY TRANSACTIONS

(a) Names and relationships of the related parties that had material transactions with the Group during the Track Record Period:

Names of related parties	Relationship
Tianjin Zhuhui Commerce and Trade Co., Ltd.* ("Tianjin Zhuhui") 天津市竹輝商貿有限責任公司	Company controlled by the controlling shareholders
Tianjin Wangyuan Industry and Trade Co., Ltd.* ("Tianjin Wangyuan") 天津望園工貿有限責任公司	Company controlled by the controlling shareholders
Ms. Fu Guilan 付桂蘭	Director and one of the controlling shareholders of the Company
Mr. Yu Qian 余淺	One of the controlling shareholders of the Company

* The official names of these entities are in Chinese. The English translation is included for identification purpose only.

(b) Transactions with related parties during the Track Record Period:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Lease from Tianjin Wangyuan	54	–	–	–	–
Pay on behalf Ms. Fu Guilan	–	22	–	–	–
Collection of payment on behalf Ms. Fu Guilan	–	–	22	12	–
Advance from Ms. Fu Guilan	–	–	14	–	–
Repayment of advance from Ms. Fu Guilan	–	7	–	–	14

(c) Balances with related parties

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-trade in nature				
Other receivables due from Ms. Fu Guilan	–	22	–	–
Other payables due to Ms. Fu Guilan	7	–	14	–

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(d) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Directors' and supervisors' fee	300	300	300	142	150
Salaries, allowances and benefits in kind	3,450	3,071	3,196	1,580	2,287
Discretionary bonuses	878	495	306	–	209
Retirement scheme contributions	262	260	247	130	193
Share-based payments	2,325	1,414	1,724	1,047	4,328
	7,215	5,540	5,773	2,899	7,167

Total remuneration is included in "staff costs" (see Note 6(b)).

27 CONTINGENT LIABILITIES

The Group is currently involved in a pending patent infringement litigation in front of a French court (the "French Proceeding") and a complaint was recently filed before a United States court (the "US Complaint") by certain third-party pool product companies within the same group (the "Plaintiff") in December 2022 and May 2025, respectively, for alleged infringement of certain patents held by the Plaintiff registered in Europe and the United States. In the French Proceeding, the Plaintiff claimed damages of approximately EUR2.5 million, while the damages that may be sought in the United States court have not been quantified.

The Group continues to deny any liability in respect of the litigations and, based on legal advice, the directors do not believe it probable that the court will find against them. No provision has therefore been made in respect of the claims.

28 ULTIMATE CONTROLLING PARTIES

At June 30, 2025, the directors of the Company consider the ultimate controlling parties to be Ms. Fu Guilan and Mr. Yu Qian.

29 SUBSEQUENT EVENTS

[Save as disclosed elsewhere in the Historical Financial Information, no significant subsequent events have occurred subsequent to June 30, 2025.]

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30 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR BEGINNING ON JANUARY 1, 2025

Up to the date of issue of the Historical Financial Information, the IASB has issued a number of new or amended standards, which are not yet effective for the accounting period beginning on January 1, 2025 and which have not been adopted in the Historical Financial Information. These developments include:

	Effective for accounting period beginning on or after
Amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: disclosures—Contracts Referencing Nature-dependent Electricity	January 1, 2026
Annual improvements to IFRSs—Volume 11	January 1, 2026
Amendments to IAS 21, The effects of changes in foreign exchange rates: Lack of exchangeability	January 1, 2026
IFRS 18, *Presentation and disclosure in financial statements*	January 1, 2027
IFRS 19, *Subsidiaries without public accountability: disclosures*	January 1, 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to June 30, 2025.

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The following information does not form part of the Accountants' Report received from KPMG, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this document, and is included herein for illustrative purposes only. The unaudited [**REDACTED**] *financial information should be read in conjunction with "Financial Information" in this document and the Accountants' Report set out in Appendix I to this document.*

A. UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited [**REDACTED**] statement of adjusted net tangible assets of the Group is prepared in accordance with Rule 4.29 of the Listing Rules and is set out below to illustrate the effect of the [**REDACTED**] on the consolidated net tangible assets of the Group as at June 30, 2025, as if the [**REDACTED**] had taken place on June 30, 2025.

The unaudited [**REDACTED**] statement of adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the [**REDACTED**] been completed as at June 30, 2025 or at any future date.

	Consolidated net tangible assets of the Group as at June 30, 2025[(1)]	Estimated net [REDACTED] from the [REDACTED][(2)]	Unaudited [REDACTED] adjusted net tangible assets of the Group	Unaudited [REDACTED] adjusted net tangible assets per Share[(3)]	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$[(4)]*
Based on an [**REDACTED**] of HK$[**REDACTED**] per H Share	[534,392]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Based on an [**REDACTED**] of HK$[**REDACTED**] per H Share	[534,392]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

Notes:

(1) The consolidated net tangible assets of the Group as of June 30, 2025 is arrived at after deducting intangible assets of RMB[**REDACTED**] from the consolidated total equity of the Group as of June 30, 2025 of RMB[**REDACTED**], which is extracted from the Accountants' Report set out in Appendix I to this document.

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(2) The estimated net [**REDACTED**] from the [**REDACTED**] are based on [**REDACTED**] H Shares to be issued pursuant to the [**REDACTED**] and the indicative [**REDACTED**] of HK$[**REDACTED**] per H Share and HK$[**REDACTED**] per H Share, being the low end and high end of the [**REDACTED**] respectively, after deduction of the estimated [**REDACTED**] fees and other related [**REDACTED**] paid or payable by the Group (excluding the [**REDACTED**] that have been charged to profit or loss during the Track Record Period), and do not take into account any H Shares which may be issued upon the exercise of the [**REDACTED**]. The estimated net [**REDACTED**] from the [**REDACTED**] are converted to RMB at the exchange rate of HK$1 to RMB[0.9150]. No representation is made that the HK$ amounts have been, could have been or may be converted into RMB, or vice versa, at that rate.

(3) The unaudited [**REDACTED**] adjusted net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that [**REDACTED**] Shares (being the outstanding [**REDACTED**] shares as at June 30, 2025 and [**REDACTED**] H Shares to be issued pursuant to the [**REDACTED**]) were in issue immediately following the completion of the [**REDACTED**], and does not take into account 5,523,409 shares issued in September 2025 nor any H Shares which may be issued upon the exercise of the [**REDACTED**].

(4) The unaudited [**REDACTED**] adjusted net tangible assets per Share amounts in RMB are converted into HK$ at a rate of RMB1.00 to HK$[**REDACTED**]. No representation is made that RMB amounts have been, could have been or may be converted to HK$, or vice versa, at that rate.

(5) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to June 30, 2025, including but not limited to the issuance of [**REDACTED**] Shares by the Company in September 2025 with certain special rights. Upon [**REDACTED**], these special rights will be automatically terminated and the related redemption liabilities will be reclassified from liabilities to equity accordingly. Had such Shares been issued on 30 June 2025, the unaudited [**REDACTED**] adjusted net tangible assets would have been increased by approximately RMB[145,353,000] and the unadjusted [**REDACTED**] adjusted net tangible assets per Share would have increased by approximately RMB[**REDACTED**] (equivalent to HK$[**REDACTED**]) and RMB[**REDACTED**] (equivalent to HK$[**REDACTED**]), based on the [**REDACTED**] of HK$[**REDACTED**] per H Share and HK$[**REDACTED**] per H Share, respectively.

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[**REDACTED**]

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[**REDACTED**]

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[**REDACTED**]

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[**REDACTED**]

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1. TAXATION OF SECURITIES HOLDERS

The income tax and capital gains tax applicable to holders of H Shares are determined in accordance with the laws and practices of the PRC and those of the jurisdiction where any holder of our H shares is considered a resident or is otherwise subject to taxation. The following summary of certain provisions of relevant taxes is based on the current laws and practices and may be subject to change. It does not constitute legal or tax advice. This discussion does not intend to address all possible tax implications arising from an investment in H Shares, nor does it consider the specific circumstances of any individual investors, which may be subject to special rules in certain respects. Accordingly, you are advised to seek the advice of a tax advisor regarding the tax consequences of [**REDACTED**] in H shares. The discussion is based on the laws and relevant interpretations in effect as of the date of this document, which may be subject to change and may have retrospective effect.

This discussion only covers tax matters in the PRC and Hong Kong related to income tax, capital tax, stamp duty, and estate duty. Prospective [**REDACTED**] are advised to consult with their financial advisors to fully understand the tax implications of owning and disposing of H Shares in the PRC and Hong Kong, as well as any other relevant considerations.

A. PRC Taxation

Taxation on Dividend

Individual Investors

In accordance with the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), which was last revised on August 31, 2018, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), most recently amended on December 18, 2018 (IIT Law), dividends distributed by enterprises in China are generally subject to a 20% individual income tax. For foreign individuals who are not tax residents of the PRC, dividend income received from a PRC enterprise is typically taxed at a flat rate of 20%, unless a specific exemption is granted by the State Council's tax authority or a lower rate applies under a relevant tax treaty.

At the same time, according to the Notice on Issues Related to the Differential Personal Income Tax Policy for Dividends and Bonuses of Listed Companies issued by the Ministry of Finance, the State Administration of Taxation, and the CSRC on September 7, 2015, for individuals who obtain listed company shares from the public issuance or transfer market, dividends received from shares held for more than one year are temporarily exempt from personal income tax; dividends received from shares held for a period of one month or less (including one month) are fully included in the taxable income; dividends received from shares held for a period of more than one month but up to one year (including one year) are included in the taxable income at 50%; the above-mentioned income is subject to personal income tax at a uniform rate of 20%.

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According to the Circular on Certain Issues Concerning the Policies of Individual Income Tax (《關於個人所得税若干政策問題的通知》), which was jointly promulgated by the Ministry of Finance and the State Administration of Taxation on May 13, 1994, overseas individuals are not required to pay individual income tax on dividends or bonuses received from foreign-invested enterprises. On February 3, 2013, the State Council approved and promulgated the Notice of the State Council Approving and Forwarding Certain Opinions of the Development and Reform Commission and Other Departments on Deepening the Reform of the Income Distribution System. On February 8, 2013, the General Office of the State Council promulgated the Notice of the General Office of the State Council on the Key Work Division for Deepening the Reform of the Income Distribution System. According to the above two documents, the Chinese government plans to cancel the tax exemption for dividends received by foreign individuals from foreign-invested enterprises, and the Ministry of Finance and the State Administration of Taxation are responsible for formulating and implementing the details of the plan. However, the Ministry of Finance and the State Administration of Taxation have not yet formulated relevant implementation regulations or rules.

According to the Notice on Several Issues of Personal Income Tax Collection and Administration after the Abolition of Guo Shui Fa [1993] No. 045 issued by the State Administration of Taxation on June 28, 2011, dividends paid by domestic non-foreign-invested enterprises issuing shares in Hong Kong to resident individuals in a foreign country in a tax treaty jurisdiction are generally subject to personal income tax at a rate of 10%. For H-share individual holders who are residents of a contracting state and receive dividends, if their country of residence has entered into a tax treaty with China that provides for a tax rate lower than 10%, the non-foreign-invested enterprise listed in Hong Kong may apply to the tax authorities on behalf of such holders for the right to enjoy the preferential tax treatment, and any excess withheld tax will be refunded once approved by the tax authorities. For individual H-share holders who are residents of a contracting state and receive dividends, if their country has a tax treaty with China that provides for a tax rate higher than 10% but lower than 20%, the non-foreign-invested enterprise shall withhold tax at the agreed tax rate under the tax treaty without the need for application. For individual H-share holders who are non-residents and receive dividends, if their country entered any tax treaty with China or otherwise the non-foreign-invested enterprise shall withhold tax at a rate of 20%.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) ("Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income"), executed on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of

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Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《國家税務總局關於<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書》) ("Fifth Protocol"), issued by the STA and effective on December 6, 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Enterprise Investors

According to the EIT Law, which was latest amended by the SCNPC and implemented on December 29, 2018, and the Implementation Rules for the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法實施條例) enacted on December 6, 2007 by the State Council and became effective on January 1, 2008, and latest amended on December 6, 2024 and came into force on January 20, 2025, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise.

The State Administration of Taxation issued the Notice on the Withholding of Corporate Income Tax on Dividends Distributed by PRC Resident Enterprises to Foreign Non-resident Corporate holders of H Shares (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》(國税函[2008]897號)) on 6 November 2008. It further clarified that PRC resident enterprises are required to withhold corporate income tax at the standard rate of 10% on any dividends distributed to foreign non-resident corporate holders of H Shares for the years 2008 and beyond. In addition, on July 24, 2009, the State Administration of Taxation issued the Reply on Corporate Income Tax Applicable to Dividends Acquired by Non-resident Enterprises in Relation to B Shares (Guo Shui Han [2009] No. 394) (《國家税務總局關於非居民企業取得B股等股票股息徵收企業所得税問題的批複》(國税函[2009]394號)), which was effective from the same date. It further provided that PRC resident enterprises listed on any overseas securities exchanges are required to withhold corporate income tax at the rate of 10% on dividends distributed to non-resident enterprises for the years 2008 and beyond. The withholding tax rate may be further adjusted according to tax treaties or agreements between the PRC and the relevant jurisdiction(s), if applicable.

According to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed on August 21, 2006, the Chinese government may levy a tax on dividends paid by Chinese companies to Hong Kong residents (including natural persons and legal entities), provided that the tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident holds directly 25% or more of the equity interest in a Chinese company, the tax shall not exceed 5% of the total amount of dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Mainland

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and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, effective from December 6, 2019, stipulates that arrangements or transactions made primarily for the purpose of obtaining the above tax benefits shall not be applicable to the above provisions. The implementation of the dividend clause of the tax agreement also needs to comply with the provisions of Chinese tax laws and regulations such as the Notice on Issues Concerning the Implementation of the Dividend Clause of the Tax Agreement issued by the State Administration of Taxation.

Furthermore, the implementation of dividend provisions under tax treaties must comply with the provisions of relevant PRC tax legislations, including the Notice of the State Administration of Taxation on the Implementation of the Dividend Provisions under Tax Treaties (Guo Shui Han [2009] No. 81) (《國家税務總局關於執行税收協定股息條款有關問題的通知》(國税函[2009]81號)).

Tax Treaties

Non-PRC resident investors who are residents of countries that have signed agreements to avoid double taxation with the PRC are eligible for reduced withholding tax rates on dividends received from PRC enterprises. The PRC currently has entered into agreements or arrangements to avoid double taxation with various countries and regions, including but not limited to Hong Kong, Macau, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States.

Under the relevant income tax treaties or arrangements, non-PRC resident enterprises entitled to preferential tax rates shall apply to the PRC tax authorities for a refund of any withholding tax paid in excess of the treaty rate. Such refunds are subject to approval by the PRC tax authorities.

Taxation on Share Transfer

Value-Added Tax and Local Surcharges

Pursuant to the Notice on the Comprehensive Implementation of the Pilot Transition from Business Tax to Value-Added Tax (Cai Shui [2016] No. 36) (《關於全面推開營業税改徵增值税試點的通知》(財税[2016]36號), "Circular 36"), which was effective from 1 May 2016, entities and individuals engaged in the provision of sales services within the PRC are subject to VAT. Those who "engaged in the provision of sales services within the PRC" refers to either the sellers or the buyers of taxable services who are located within the PRC. Circular 36 further stipulates that, for general or foreign VAT taxpayers, the transfer of financial products (including the transfer of ownership of marketable securities) is subject to VAT at a rate of 6% on the taxable income (i.e., the difference between the sale price and the purchase price).

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However, individuals transferring financial products are exempt from VAT. Under these regulations, if the shareholder is a non-resident individual, the sale or disposal of H shares is exempt from VAT in the PRC. If the shareholder is a non-resident enterprise and the buyer of the H shares is an individual or entity located outside the PRC, the shareholder is not required to pay VAT. However, if the buyer of the H shares is an individual or entity located within the PRC, the shareholder is subject to VAT.

Given that there is no clear regulation explicitly defining whether a non-PRC resident enterprise is required to pay VAT on the sale of H shares, the interpretation and application of the aforementioned rules remain uncertain. In addition, VAT taxpayers are also subject to urban maintenance and construction tax, education surcharges, and local education surcharges (collectively, the "Local Surcharges"), which are typically 12% of the VAT payable, if any.

Income Tax

Individual Investors

According to the Personal Income Tax Law and its implementing regulations, individuals shall be subject to 20% personal income tax on the gains from the sale of equity interests in PRC resident enterprises. According to the Notice on the Continued Temporary Exemption from Personal Income Tax on Gains from the Transfer of Listed Company's Shares promulgated by the Ministry of Finance and the State Administration of Taxation on March 30, 1998 (hereinafter referred to as "Notice No. 61"), starting from January 1, 1997, the gains from the transfer of listed company's shares by individuals continue to be temporarily exempt from personal income tax. According to the Announcement on the Catalogue of Personal Income Tax Preferential Policies Remaining in Force issued by the Ministry of Finance and the State Administration of Taxation on December 29, 2018, Notice No. 61 will remain valid.

According to the Notice on Issues Concerning the Levy of Personal Income Tax on Gains from the Transfer of Restricted Shares of Listed Companies issued by the Ministry of Finance, the State Administration of Taxation, and the CSRC on December 31, 2009, the gains from the transfer of listed company's shares publicly issued and acquired from trading market by individuals on the Shanghai Stock Exchange or Shenzhen Stock Exchange continue to be exempt from personal income tax, except for the restricted shares as defined in the Supplementary Notice on Issues Concerning the Levy of Personal Income Tax on Gains from the Transfer of Restricted Shares of Listed Companies jointly issued by the above-mentioned three authorities on November 10, 2010.

As of the latest practicable date, the above provisions do not explicitly stipulate the levy of personal income tax on the sale of shares of PRC resident enterprises listed on overseas stock exchanges (such as the Stock Exchange) by non-resident individuals.

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Corporate Investors

According to the Corporate Income Tax Law and its Implementation Regulations, for a non-resident enterprise who has not set up any organisation(s) or establishment(s) in the PRC, or who has set up organisation(s) or establishment(s) in the PRC but its income derived from the PRC has no actual connection with such organisation(s) or establishment(s), the non-resident enterprise is generally subject to a 10% corporate income tax on income derived from the PRC (including income from the sale of equity interests in PRC resident enterprises). The withholding tax applicable to non-resident enterprises shall be withheld at source, with the payer acting as the withholding agent. The tax is deducted by the withholding agent from the payment or due payment when made or payable. This tax may be reduced under applicable treaties or agreements for the avoidance of double taxation.

Stamp Duty

According to the Stamp Duty Law of the People's Republic of China (《中華人民共和國印花税法》), which was issued on 10 June 2021 and effective from 1 July 2022, stamp duty in the PRC only applies to documents that are signed or received within the PRC, and that are legally binding and protected by the laws of the PRC. Accordingly, the provisions on the imposition of stamp duty on the transfer of shares in companies listed in the PRC do not apply to non-PRC investors who purchase or sell H shares outside of the PRC.

Estate Duty

As at the Latest Practicable Date, no estate duty is levied within the PRC.

B. Taxation in Hong Kong

Taxation on Dividend

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital Gains Tax and Profit Tax

In Hong Kong, the sale of H Shares does not incur capital gains tax. Nevertheless, for those conducting a trade, profession, or business in Hong Kong, any gains obtained from the sale of H Shares that stem from or are generated within Hong Kong through such economic activities will be subject to Hong Kong profits tax. Presently, this tax is levied at a maximum rate of 16.5% for corporate entities and 15% for unincorporated businesses.

Taxpayers in specific categories, including financial institutions, insurance companies, and securities dealers, typically have their gains from H-Share sales presumed to be trading gains rather than capital gains. However, they can avoid this classification if they can provide evidence that the investment securities were held with long-term investment intentions. Gains

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from H-Share transactions executed on the Hong Kong Stock Exchange are deemed to have their origin in Hong Kong. Consequently, individuals or businesses engaged in securities trading or dealing in Hong Kong and realizing trading gains from H-Share sales on the Hong Kong Stock Exchange will be obligated to pay Hong Kong profits tax.

Stamp Duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong securities, including H Shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties of the transfer is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong, pursuant to which no Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application of a grant of representation in respect of holders of H Shares whose deaths occur on or after February 11, 2006.

2. PRINCIPAL TAXATION OF THE COMPANY IN THE PRC

Enterprise Income Tax

Under the EIT Law, resident enterprises are subject to enterprise income tax (EIT) at a rate of 25% on their worldwide income, including income derived from both domestic and overseas sources. Foreign-invested enterprises (FIEs) operating in China are classified as resident enterprises and are therefore required to pay EIT at the standard rate of 25% on their global income.

In accordance with the EIT Law, high and new technology enterprises (HNTEs) benefit from a reduced EIT rate of 15%. As stipulated in the Administrative Measures for the Recognition of High and New Technology Enterprises (《高新技術企業認定管理辦法》), which was promulgated on April 14, 2008, and last amended on January 29, 2016, an HNTE certificate is valid for three years and may be renewed upon successful inspection and approval by the SAT and other relevant authorities.

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Value-added Tax

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例》) last amended by the State Council on November 19, 2017 and effective on the same date and the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例實施細則》) last amended by the Ministry of Finance on October 28, 2011 and effective on November 1, 2011, all entities and individuals in the PRC engaging in the sale of goods, the provision of processing, repairs and maintenance services, and the importation of goods are required to pay value-added tax. Unless otherwise provided, the import tax rate for the sales of goods, services, and leasing services of tangible movables is 17%; the tax rate for the sales of transportation, postal, basic telecommunications, construction, immovables leasing services, sales of immovables, transfer of land use rights, and sales or imports of goods prescribed by law is 11%; the tax rate for the sales of services and intangible assets is 6%.

According to the Circular on the Adjustment to VAT Rates (《關於調整增值税税率的通知》) (Cai Shui [2018] No. 32), promulgated by the Ministry of Finance and the STA on April 4, 2018, and became effective on May 1, 2018, the VAT rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值税改革有關政策的公告》) (Ministry of Finance, State Taxation Administration and General Administration of Customs [2019] No. 39), promulgated by the Ministry of Finance, the STA and the General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, the VAT rates of 16% and 10% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

According to the Value-Added Tax Law of the People's Republic of China, which was adopted at the 13th Meeting of the Standing Committee of the 14th National People's Congress on December 25, 2024 and will come into effect on January 1, 2026, all entities and individuals (including privately or individually-owned business) that sell goods, services, intangible assets, immovables, and import goods in the PRC shall be taxpayers of value-added tax and shall pay value-added tax. Unless otherwise provided, the import tax rate for the sales of goods, processing, repair and maintenance services, and leasing services of tangible movables is 13%; the tax rate for the sales of transportation, postal, basic telecommunications, construction, immovables leasing services, sales of immovables, transfer of land use rights, and sales or imports of goods prescribed by law is 9%; the tax rate for the sales of services and intangible assets is 6%.

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3. FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi, which is still subject to foreign exchange control and is not freely exchangeable. The SAFE, under the authorization of the People's Bank of China (the "PBOC"), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

On 29 January 1996, the State Council promulgated the Regulations of the PRC Foreign Exchange Administration (《中華人民共和國外匯管理條例》) (the "Foreign Exchange Regulations") which became effective on 1 April 1996 and was last amended on 5 August 2008. The latest Foreign Exchange Regulations clearly states that no restriction will be imposed on international current payments and transfers.

On 20 June 1996, the PBOC promulgated the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) (the "Settlement Regulations"), which became effective on 1 July 1996. The Settlement Regulations abolish the remaining restrictions on foreign exchange conversion for recurrent items, while retaining the existing restrictions on foreign exchange transactions for capital items.

According to the Announcement on Improving the Reform of the Renminbi (the PBOC Announcement [2005] No. 16) (《關於完善人民幣匯率形成機制改革的公告》(中國人民銀行公告[2005]第16號)), issued by the PBOC on 21 July 2005, with effect from the same date, the PRC began to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies. The Renminbi exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

Starting from 4 January 2006, the PBOC introduced over-the-counter transactions into the interbank spot foreign exchange market for the purpose of improving the formation mechanism of the central parity of Renminbi exchange rates, and the practice of matching was kept at the same time. In addition to the above, the PBOC introduced the market-maker rule to provide liquidity to the foreign exchange market. On 1 July 2014, the PBOC further improved the formation mechanism of the RMB exchange rate by authorizing the China Foreign Exchange Trade System to make inquiries with the market makers before the interbank foreign exchange market opens every day for their offered quotations which are used as samples to calculate the central parity of the RMB against the USD on that day using the weighted average of the remaining market makers' offered quotations after excluding the highest and lowest quotations, and announce the central parity of the RMB against currencies such as the USD at 9:15 a.m. on each working day. On 11 August 2015, the PBOC issued a statement on the improvement of the central parity quotations of RMB against the USD by authorizing market makers to

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provide central parity quotations to the China Foreign Exchange Trading System with reference to the interbank foreign exchange market closing rate of the previous day, together with the supply and demand for foreign exchange as well as changes in major international currency exchange rates.

According to the relevant laws in the PRC, Chinese enterprises (including foreign-invested enterprises) that require foreign exchange for current item transactions may, without the approval of the SAFE, effect payment through their foreign exchange accounts at designated foreign exchange banks, on the strength of valid receipts and proof. Foreign-invested enterprises that require foreign exchange for the distribution of profits to their shareholders, and Chinese enterprises that are required by regulations to pay dividends to their shareholders in foreign exchange (such as the Company), may, on the strength of resolutions of the board of directors or shareholders on the distribution of profits, effect payment from their foreign exchange accounts or effect exchange and payment at designated banks.

On 23 October 2014, the State Council promulgated the Decisions on Matters Including Cancellation and Adjustment of Administrative Approval Items (Guo Fa [2014] No. 50) (《國務院關於取消和調整一批行政審批項目等事項的決定》(國發[2014]50號)), cancelling the approval requirement of the SAFE and its branches for the repatriation and settlement of proceeds raised through overseas listings.

On 26 December 2014, the SAFE issued the Notice on Issues Concerning Foreign Exchange Administration for Overseas Listings (Hui Fa [2014] No. 54) (《國家外匯管理局關於境外上市外匯管理有關問題的通知》(匯發[2014]54號)), pursuant to which, domestic companies must register their overseas listings with the local SAFE branch at their registered address within 15 business days of concluding the overseas listing issuance; the proceeds from overseas listings may be repatriated to the PRC or retained offshore, provided their intended use aligns with disclosures in prospectuses or other public filings.

On 13 February 2015, the SAFE issued the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (Hui Fa [2015] No. 13) (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》(匯發[2015]13號)), which became effective on 1 June 2015 and was amended on 30 December 2019. The Notice abolished the confirmation requirements for foreign exchange registration under both domestic direct investment and overseas direct investment, instead mandating that such registrations be directly examined and handled by banks. The SAFE and its branch offices shall implement indirect regulation of foreign exchange registration for direct investment through banks.

According to the Notice on Policies for Reforming and Regulating the Control over Foreign Exchange Settlement of Capital Accounts (Hui Fa [2016] No. 16) (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》(匯發[2016]16號)) which was promulgated by SAFE and became effective on 9 June 2016 and amended on 4 December 2023, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing)

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may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjust of SAFE in due time in accordance with international revenue and expenditure situations.

On 26 January 2017, the SAFE issued the Notice on Further Advancing Foreign Exchange Management Reform and Improving the Review of Authenticity and Compliance (Hui Fa [2017] No. 3) (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》(匯發[2017]3號)), which further expands the scope of domestic foreign exchange loan settlement, allowing domestic foreign exchange loans with the background of commodity trade and exports to be settled; allowing funds under domestic guarantee and foreign loans to be transferred back; allowing foreign exchange settlement via the foreign exchange accounts of foreign institutions in pilot free trade zones; implementing full-coverage administration of overseas lending in both local and foreign currencies, where a domestic institution engages in overseas lending, the combined balance of foreign exchange lending in local and foreign currencies shall not exceed a maximum of 30% of the owner's equity in the audited financial statements of the preceding year.

On 23 October 2019, the SAFE issued the Notice on Further Promoting the Facilitation of Cross-Border Trade and Investment (Hui Fa [2019] No. 28) (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》(匯發[2019]28號)), which was amended on 4 December 2023. The notice stipulates that based on the legal and regulatory framework for investment-based foreign-invested enterprises to carry out domestic equity investments with their registered capital, non-investment foreign-invested enterprises are also permitted to make domestic equity investments with their registered capital, provided that such investments do not violate the current Special Management Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)》) and the domestic projects in which they invest are authentic and compliant.

According to the Notice on Optimising Administration of Foreign Exchange to Support the Development of Foreign-related Business (Hui Fa [2020] No. 8) (國家外匯管理局關於優化外匯管理支持涉外業務發展的通知(匯發[2020]8號)) issued by SAFE and became effective on 10 April 2020, eligible enterprises are allowed to make domestic payments by using their capital, foreign credits and the income under capital accounts of overseas listing, without providing materials to the bank in advance for authenticity verification on an item-by-item basis, provided that their utilised capital shall be authentic and in line with provisions, and conform to the prevailing administrative regulations related to the use of income under capital accounts. The concerned bank shall manage and control the relevant business risks under the principle of prudent business development and conduct spot checks afterwards in accordance with the relevant requirements. Local foreign exchange authorities shall strengthen monitoring and analysis and interim and ex-post supervision.

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PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (2023 revision) (《中華人民共和國立法法(2023年修正)》) (the "Legislation Law"), the NPC and the Standing Committee of the NPC are empowered to exercise the legislative power of the State according to the Constitution. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The NPC may authorize the SCNPC to formulate relevant laws, and the SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, the Audit Administration and institutions required by law as well as organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules.

The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations in terms of urban and rural development and management, ecological civilization construction, and historical culture protection based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

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The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the city divided into districts or autonomous prefecture within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The Standing Committee of the NPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, the Supreme People's Court of the PRC (the "Supreme People's Court") has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such regulations and rules.

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PRC JUDICIAL SYSTEM

Under the Constitution and the PRC Law on the Organization of the People's Courts (2018 revision) (《中華人民共和國人民法院組織法(2018年修訂)》), the PRC judicial system is made up of the Supreme People's Court, the local people's courts and special people's courts.

The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The higher people's courts supervise the primary and intermediate people's courts. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial organ in the PRC. It supervises the judicial administration of the people's courts at all levels.

The PRC Civil Procedure Law (2023 revision) (《中華人民共和國民事訴訟法(2023年修訂)》) (the "Civil Procedure Law"), which was adopted in 1991 and amended in 2007, 2012, 2017, 2021 and 2023, sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff's or the defendant's domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that the provisions of this law regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuse to comply with a judgment or ruling made by a people's court or an award made by an arbitration panel in the PRC, the other party may apply to the people's court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

A party seeking to enforce a judgment or ruling of a people's court against a party who is not personally or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to PRC enforcement procedures if the PRC has entered into or acceded to an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if

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the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security or against social and public interest.

THE COMPANY LAW, OVERSEAS LISTING TRIAL MEASURES AND GUIDANCE FOR ARTICLES OF ASSOCIATION

A joint stock limited company which was incorporated in the PRC and seeking a [**REDACTED**] on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- The PRC Company Law (《中華人民共和國公司法》) which was promulgated by the Standing Committee of the NPC on December 29, 1993, came into effect on July 1, 1994, revised on December 25, 1999, August 28, 2004, October 27, 2005 and December 28, 2013, October 26, 2018 respectively and the latest revision of which was issued on December 29, 2023 and took effective on July 1, 2024;

- The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Overseas Listing Trial Measures") and five relevant guidelines which were promulgated by the CSRC on February 17, 2023 pursuant to Securities Law of the PRC, and were applicable to the direct and indirect overseas share subscription and listing of domestic companies;

- and The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "Guidance for Articles of Association") which was latest amended on March 28, 2025 by the CSRC. The related Guidance for Articles of Association are set out in the Articles of Association of the Company, the summary of which is set out in the section entitled "Appendix V—Summary of Articles of Association" in this document.

General

A joint stock limited company refers to an enterprise legal person incorporated under the Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its debts for an amount equal to the total value of its assets.

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A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Unless otherwise provided by law, the joint stock limited company may not be a contributor that undertakes joint and several liabilities for the debts of the invested companies.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription.

A joint stock limited company may be incorporated by a minimum of two but not more than 200 promoters, and at least half of the promoters must have residence within the PRC. The promoters must convene an inaugural meeting within 30 days after the issued shares have been fully paid up, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of promoters or subscribers representing at least half of the shares in the company. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the board of supervisors of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority. Joint stock limited companies established by the subscription method with offering and issuing shares to the public shall file the approval issued by the securities administration department of the State Council with the company registration authority for record.

A joint stock limited company's promoters shall be liable for: (i) the payment of all expenses and debts incurred in the incorporation process jointly and severally if the company cannot be incorporated; (ii) the refund of subscription monies to the subscribers, together with interest, at bank rates for a deposit of the same term jointly and severally if the company cannot be incorporated; and (iii) damages suffered by the company as a result of the default of the promoters in the course of incorporation of the company. According to the Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) promulgated by the State Council on April 22, 1993 (which is only applicable to the issuance and trading of shares in the PRC and their related activities), if a company is established by means of public subscription, the promoters of such company are required to sign on the document to ensure that the document does not contain any misrepresentation, serious misleading statements or material omissions, and assume joint and several responsibility for it.

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Share Capital

The promoters of a company can make capital contributions in cash or in kind, which can be valued in currency and transferable according to law such as intellectual property rights or land use rights based on their appraised value.

If capital contribution is made other than in cash, valuation and verification of the property contributed must be carried out and converted into shares.

A company may issue registered or bearer share. However, shares issued to promoter(s) or legal person(s) shall be in the form of registered share and shall be registered under the name(s) of such promoter(s) or legal person(s) and shall not be registered under a different name or the name of a representative.

The Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

The share offering price may be equal to or greater than nominal value, but shall not be less than nominal value.

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council. Transfer of registered shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations. Bearer shares are transferred by delivery of the share certificates to the transferee.

Shares held by a promoter of a company shall not be transferred within one year after the date of the company's incorporation. Shares issued by a company prior to the public offering of its shares shall not be transferred within one year from the date of listing of the shares of the company on a stock exchange. Directors, supervisors and senior management of a company shall not transfer over 25% of the shares held by each of them in the company each year during

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their term of office and shall not transfer any share of the company held by each of them within one year after the date of the company's incorporation. There is no restriction under the Company Law as to the percentage of shareholding a single shareholder may hold in a company.

Transfers of shares may not be entered in the register of shareholders within 20 days before the date of a shareholders' meeting or within five days before the record date set for the purpose of distribution of dividends.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with Overseas Listing Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Registered Shares

Under the Company Law, the shareholders may make capital contributions in cash, or alternatively may make capital contributions with such valuated non-monetary property as physical items, intellectual property rights, and land-use rights that may be valued in monetary term and may be transferred in accordance with the law. Pursuant to the Overseas Listing Trial Measures, domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Company Law, when the company issues shares in registered form, it shall maintain a register of shareholders, stating the following matters:

- the name and domicile of each shareholder;
- the number of shares held by each shareholder;
- the serial numbers of shares held by each shareholder; and
- the date on which each shareholder acquired the shares.

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Increase of Share Capital

According to the Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders' general meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance and the class and amount of new shares to be issued to existing shareholders. When the company launches a public issuance of new shares with the approval of the securities regulatory authorities of the State Council, it shall publish the document and financial and accounting reports, and prepare the share subscription form. After the new share issuance has been paid up, the change shall be registered with the company registration authorities and an announcement shall be made.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- it shall prepare a balance sheet and a property list;
- the reduction of registered capital shall be approved by a shareholders' general meeting;
- it shall inform its creditors of the reduction in capital within 10 days and publish an announcement of the reduction in the newspaper within 30 days from the date of the resolution on the reduction;
- creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts;
- it shall apply to the relevant administration of registration for the registration of the reduction in registered capital.

Repurchase of Shares

According to the Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who request and are against the resolution regarding the merger or division with other companies at a shareholders' general meeting; (v) use of shares for conversion of convertible corporate bonds issued by a listed company; and (vi) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders' equity.

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The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' general meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the company's articles of association or as authorized by the shareholders' meeting.

Following the purchase of shares in accordance with (i), such shares shall be canceled within 10 days from the date of purchase. The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total outstanding shares, and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If the share buyback is made under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralized trading shall be adopted publicly.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of shareholder's general meeting or five days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail.

Under the Company law, shares issued prior to the public issuance of shares shall not be transferred within one year from the date of the joint stock limited company's listing on a stock exchange. Directors, supervisors and the senior management shall declare to the company their shareholdings in the company and any changes of such shareholdings. They shall not transfer more than 25% of all the shares they hold in the company annually during their tenure. They shall not transfer the shares they hold within one year from the date on which the company's shares are [**REDACTED**] and commenced [**REDACTED**] on a [**REDACTED**], nor within six months after their resignation from their positions with the company.

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Shareholders

Under the Company Law and the Guidance for Articles of Association, the rights of holders of ordinary shares of a joint stock limited company include:

- the right to attend or appoint a proxy to attend shareholders' general meetings and to vote thereat;
- the right to transfer shares in accordance with laws, administrative regulations and provisions of the articles of association;
- the right to inspect the company's articles of association, share register, counterfoil of company debentures, minutes of shareholder's general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports and to make proposals or enquires on the company's operations;
- the right to bring an action in the people's court to rescind resolutions passed by shareholder's general meetings and board of directors where the articles of association is violated by the above resolutions;
- the right to receive dividends and other types of interest distributed in proportion to the number of shares held;
- in the event of the termination or liquidation of the company, the right to participate in the distribution of residual properties of the company in proportion to the number of shares held; and
- other rights granted by laws, administrative regulations, other regulatory documents and the company's articles of association.

The obligations of a shareholder include the obligation to abide by the Company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the company's articles of association.

Shareholders' General Meetings

The shareholders' general meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law.

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Under the Company Law, the shareholders' general meeting exercises the following principal powers:

- to elect or remove the directors and supervisors (other than the representative of the employees of the company) and to decide on matters relating to the remuneration of directors and supervisors;
- to examine and approve reports of the board of directors;
- to examine and approve reports of the board of supervisors;
- to examine and approve the company's proposals for profit distribution plans and loss recovery plans;
- to decide on any increase or reduction of the company's registered capital;
- to decide on the issue of bonds by the company;
- to decide on issues such as merger, division, dissolution and liquidation of the company and change of the structure;
- to amend the company's articles of association; and
- other powers as provided for in the articles of association.

Shareholders' annual general meetings are required to be held once every year. Under the Company Law, an extraordinary shareholders' general meeting is required to be held within two months after the occurrence of any of the following:

- the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- the aggregate losses of the company which are not recovered reach one-third of the company's total paid-in share capital;
- when shareholders alone or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary general meeting;
- whenever the board of directors deems necessary;
- when the board of supervisors proposes; or
- other circumstances as provided for in the articles of associations.

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Under the Company Law, shareholders' general meetings shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' general meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Under the Company Law, notice of shareholders' general meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary shareholder's general meetings shall be given to all shareholders 15 days prior to the meeting. Under the Guidance for Articles of Association, after the notice of the general meeting of shareholders is issued, the general meeting of shareholders shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of general meeting of shareholders shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the original meeting date.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting. Pursuant to the Guidance for Articles of Association, the board of directors and the Secretary of the board of directors will cooperate with the general meeting of shareholders convened by the board of supervisors or shareholders. The board of directors will provide the register of shareholders on the date of equity registration. Moreover, when a general meeting of shareholders is held, all directors, supervisors and the secretary of the board of directors of the company shall attend the meeting, and managers and other senior management personnel shall attend the meeting as nonvoting delegates.

Pursuant to the Guidance for Articles of Association, shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the convener in writing 10 days before the general meeting of shareholders. The convener shall issue a supplementary notice of the general meeting of shareholders within two days after receiving the proposal and announce the contents of the interim proposal.

Under the Company Law, shareholders present at shareholders' general meeting have one vote for each share they hold, save that shares held by the company are not entitled to any voting rights.

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Pursuant to the provisions of the articles of association or a resolution of the shareholders' general meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' general meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders' general meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law and the Guidance for Articles of Association, resolutions of the shareholders' general meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' general meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) equity incentive plan; (iv) the company purchases or sells major assets within one year or the amount of guarantee exceeds 30% of the company's total audited assets in the latest period; (v) the merger, division, dissolution, liquidation or change in the form of the company; (vi) other matters stipulated by laws, administrative regulations or the Articles of Association, as well as other matters considered by the shareholders' general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

Under the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders' general meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board

Under the Company Law, a joint stock limited company shall have a board of directors, which shall has three or more members, it may include an employees' representative of the company. Where a limited liability company has 300 or more employees, the board of directors shall include the employees' representatives of the company unless the board of supervisors has been established and includes employees' representatives of the company according to law. The employees' representatives in the board of directors shall be democratically elected by the employees through the employees' representative congress, employees' congress or by other means. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

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Under the Company Law, the board of directors mainly exercises the following powers:

- to convene the shareholders' general meetings and report on its work to the shareholders' general meetings;
- to implement the resolutions passed in shareholders' general meetings;
- to decide on the company's business plans and investment proposals;
- deciding the appointment or dismissal of the manager of the company and the remuneration thereof, and, according to the nomination of the manager, deciding on hiring or dismissing deputy managers and financial director of the company as well as their remuneration;
- to formulate the company's profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;
- to prepare plans for the merger, division, dissolution and change in the form of the company;
- to formulate the company's basic management system; and
- deciding the establishment of the internal management body of the company
- to exercise any other power under the articles of association.

Board Meetings

Under the Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the board of supervisors. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Meetings of the board of directors shall be held only if half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his behalf.

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If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempted from that liability.

Chairman of the Board

Under the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

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SHARES

Issuance of Shares

The shares of the company shall be in the form of share certificates.

The issuance of the company's shares shall adhere to the principles of openness, fairness and impartiality. Each share of the same class shall have equal rights.

For shares of the same class issued at the same time, the issuance conditions and prices per share shall be the same; any entity or individual subscribing for shares shall pay the same price for each share.

All the shares issued by the company are shares with par value, and the par value shall be denominated in Renminbi, with each share having a par value of RMB1.

Increase, Reduction and Repurchase of Shares

Increase of Registered Capital

The company may increase its capital in the following ways:

(i) publicly issue shares;

(ii) privately issue shares;

(iii) allot or distribute new shares to existing shareholders;

(iv) convert capital reserve into share capital;

(v) other methods as prescribed by laws and administrative regulations, approved by the China Securities Regulatory Commission, the securities regulatory authorities of the stock exchange where the Company's shares are [**REDACTED**] and the [**REDACTED**].

Reduction of Registered Capital

The Company is permitted to decrease its registered capital. When reducing the registered capital, the Company must comply with the Company Law, other applicable regulations, the Hong Kong Listing Rules, the securities regulatory rules of the [**REDACTED**] where the Company's shares are [**REDACTED**], and these Articles of Association.

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Repurchase of Shares

Subject to compliance with all laws, regulations, securities regulatory rules of the place where the Company's shares are [**REDACTED**], the Hong Kong Listing Rules, and these Articles of Association, the Company may acquire its own shares under the following circumstances.:

(i) reducing the company's registered capital;

(ii) merging with another company that holds the company's shares;

(iii) using the shares for an employee shareholding plan or equity incentive;

(iv) when a shareholder, objecting to the company's resolution on merger or division adopted by the shareholders' meeting, requests the company to purchase their shares;

(v) using the shares to convert into the convertible corporate bonds issued by the company;

(vi) as necessary to safeguard the company's value and the rights and interests of shareholders;

(vii) other circumstances permitted under applicable laws, administrative regulations, departmental rules, normative documents, the relevant provisions of the securities regulatory authority of the stock exchange where the Company's shares are listed, and the Hong Kong Listing Rules.

Except for the above-mentioned circumstances, the company shall not engage in activities of buying or selling its own shares.

If the company repurchases its own shares for the reasons set out in items (i) and (ii) above, it shall be subject to the resolution of the shareholders' meeting. For the repurchase of the company's own shares under the circumstances specified in items (iii), (v) and (vi) above, it should be resolved by a board meeting attended by more than two-thirds of the directors.

After the company repurchases its own shares in accordance with the above-mentioned provisions, in the case of item (i), the repurchased shares shall be cancelled within 10 days from the date of acquisition; in the case of items (ii) and (iv), the repurchased shares shall be transferred or cancelled within 6 months; in the case of items (iii), (v) and (vi), the total number of the company's own shares held by the company shall not exceed 10% of the total number of issued shares of the company, and shall be transferred or cancelled within three years.

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Transfer of Shares

The company's shares may be transferred in accordance with the law.

The shares of the company held by the promoters shall not be transferred within one year from the date of the company's establishment. Shares issued by the Company before its [**REDACTED**] of shares shall not be transferred within 1 year from the date of [**REDACTED**] of the Company's shares on the [**REDACTED**].

Directors and senior management personnel of the Company shall declare to the Company the shares they hold and any changes in such shares. During their term of office, the number of shares transferred each year shall not exceed 25% of the total number of shares they hold in the Company; the shares they hold shall not be transferred within 1 year of the date of [**REDACTED**] of the Company's shares. Within six months after leaving the office, the above-mentioned personnel shall not transfer the shares they hold in the Company.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

The Company establishes the register of members based on the certificates provided by the securities registration and clearing institution, and the register of members is conclusive evidence of the shareholders' ownership of the Company's shares.

Shareholders of the Company have the following rights:

(i) to receive dividends and other forms of profit distribution in accordance with the proportion of shares they hold;

(ii) to legally request, convene, chair, attend, or appoint a proxy to attend the general meeting and exercise the corresponding right to vote;

(iii) to supervise the Company's operations, make suggestions, or ask questions;

(iv) to transfer, donate, or pledge the shares they hold in accordance with the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are [**REDACTED**], and these Articles of Association;

(v) to review this Articles of Association, the register of members, the records of Company Bonds, the records of general meeting, the resolutions of the Board of Directors, and the financial accounting report;

(vi) to participate in the distribution of the Company's remaining properties in the event of the Company's dissolution or liquidation, in accordance with the proportion of shares they hold;

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(vii) to request the Company to purchase their shares in the event that they object to the general meeting resolutions on the Company's merger or division; and

(viii) other rights stipulated by laws, administrative regulations, rules, securities regulatory rules of the place where the Company's shares are [**REDACTED**], or these Articles of Association.

Where Shareholders request to inspect or copy relevant Company materials shall submit written documentation to the company, certifying the types and quantities of shares held. Upon verification of the shareholder's identity, the company shall furnish the requested information in accordance with the shareholder's requirements.

If the content of the resolution of the Company's shareholders' meeting or the Board meeting violates laws or administrative regulations, the Shareholders have the right to request the people's court to clarify it invalid.

If the convening procedures or voting methods of the shareholders' meeting or the Board meeting violate laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, the Shareholders have the right to request the people's court to revoke the resolution within 60 days from the date on which the resolution is made.

Shareholders of the Company undertake the following obligations:

(i) to comply with laws, administrative regulations, and these Articles of Association;

(ii) to pay the share subscription amount in accordance with the shares they subscribe for and the method of subscription;

(iii) except as otherwise provided by laws and regulations, not to withdraw share capital;

(iv) not to abuse shareholders' rights to prejudice the interests of the Company or other shareholders; not to abuse the independent status of a legal person or the limited liability of shareholders to prejudice the interests of the Company's creditors.

If a shareholder of the Company abuses his or her rights and causes loss to the Company or other shareholders, he or she shall be liable for compensation in accordance with the law; and

(v) other obligations stipulated by laws, administrative regulations, securities regulatory rules of the stock exchange where the Company's shares are listed, and these Articles of Association.

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General Provisions on General Meeting

The general meeting is the authority of the Company and shall exercise the following powers in accordance with the law:

(i) to determine the company's business strategies and investment plans;

(ii) to elect and replace directors, and to determine the remuneration of directors;

(iii) to review and approve the report of the Board of Directors;

(iv) to review and approve the company's annual financial budget plan and settlement plan;

(v) to review and approve the Company's profit distribution plan and loss compensation plan;

(vi) to resolve on the increase or decrease of the Company's registered capital;

(vii) to resolve on the issuance of corporate bonds;

(viii) to resolve on the Company's merger, division, dissolution, liquidation, or change of corporate form;

(ix) to amend this Articles of Association;

(x) to resolve the engagement or dismissal of the accounting firm undertaking the business of audit on the Company;

(xi) to review and approve the guarantee matters stipulated in Article 41 of these Articles of Association;

(xii) to review matters concerning the purchase or sale of major assets exceeding 30% of the Company's latest audited total assets within one year;

(xiii) to review and approve the transactions between the company and related parties (excluding guarantees provided by the company, receipt of cash donations, debt forgiveness, acceptance of guarantees or financial assistance, etc.), where the transaction amount exceeds RMB30 million and represents more than 5% of the absolute value of the company's most recently audited net assets;

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(xiv) to review matters concerning the acquisition of the company's shares as prescribed by applicable laws, administrative regulations, departmental rules, securities regulatory requirements of the stock exchange where the company's shares are listed, and the company's articles of association, which are required to be reviewed by the shareholders' meeting;

(xv) to review and approve changes in the use of funds raised;

(xvi) to review equity incentive plans and employee share ownership plans; and

(xvii) to examine other matters which shall be decided by the shareholders' meeting as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The following guarantee of the Company shall be submitted to the general meeting for review after being reviewed and approved by the Board of Directors:

(i) the single guarantee for an amount of more than 10% of the Company's net assets audited in the latest period;

(ii) any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has exceeded 50% of the Company's net assets audited in the latest period;

(iii) any guarantee to be provided in favor of a party whose ratio of liabilities to assets exceeds 70%;

(iv) any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's total assets audited in the latest period;

(v) the total amount of guarantees within twelve consecutive months exceeds 50% of the company's latest audited net assets and the absolute amount exceeds RMB50 million;

(vi) the total amount of guarantees within twelve consecutive months has exceeded 30% of the Company's total assets audited in the latest period;

(vii) the guarantee to be provided in favor of Shareholders or actual controllers or the related parties thereof;

(viii) other guarantee matters stipulated by laws, administrative regulations, departmental rules, the laws and regulations of the place where the Company's shares are listed, and the Articles of Association.

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The general meeting is divided into the annual general meeting and the extraordinary general meeting. The annual general meeting shall be held once a year and shall be held within 6 months after the end of the previous financial year.

In the event of any of the following circumstances, the Company shall convene an extraordinary general meeting within 2 months from the date of occurrence thereof:

(i) the number of directors is less than the number stipulated by the Company Law or two-thirds of the number stipulated in these Articles of Association;

(ii) the Company's unrecovered losses reach one-third of the total paid-up capital;

(iii) at the request of shareholders who individually or collectively hold more than 10% of the Company's shares;

(iv) the Board of Directors deems it necessary;

(v) the Audit Committee proposes that such a meeting shall be held; and

(vi) other circumstances stipulated by laws, administrative regulations, departmental rules, the laws and regulations of the place where the Company's shares are listed, or these Articles of Association.

Convening of Shareholders' Meetings

The shareholders' meeting shall be convened by the Board of Director.

The independent Director has the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting. Upon receiving such a proposal, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response within ten days of receipt, indicating whether it agrees or disagrees to convene an extraordinary shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after making the Board resolution. If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

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The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary general meeting and shall submit the proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, administrative regulations, and these Articles of Association, provide a written response within 10 days after receiving the proposal, indicating whether it agrees or disagrees to convene an extraordinary general meeting. If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days after making the board resolution. Any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board of Directors disagrees to convene an extraordinary general meeting or fails to respond within 10 days after receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the general meeting. The Audit Committee may convene and preside over the meeting on its own.

A shareholder or shareholders holding more than 10% of the Company's shares shall have the right to request the Board of Directors to convene an extraordinary general meeting and shall submit the request to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, administrative regulations, and these Articles of Association, provide a written response within 10 days after receiving the request, indicating whether it agrees or disagrees to convene an extraordinary general meeting.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall serve a notice for the general meeting within 5 days after making the board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Directors disagrees to convene an extraordinary general meeting or does not respond within 10 days after receiving the request, a shareholder or shareholders holding more than 10% of the Company's shares shall have the right to propose to the Audit Committee to convene an extraordinary general meeting and shall submit the request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall serve a notice for the general meeting within 5 days after receiving the request. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee does not serve a notice for the general meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the general meeting. A shareholder or shareholders holding more than 10% of the Company's shares continuously for more than 90 days may convene and preside over the meeting on their own.

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If the Audit Committee or a shareholder decides to convene the general meeting on their own, they shall notify the Board of Directors in writing before serving the notice of the general meeting and file with the stock exchange in accordance with the securities regulatory rules of the place where the Company's shares are listed.

The Audit Committee or the convening shareholder shall submit relevant supporting materials in accordance with the requirements of the stock exchange where the Company's shares are listed when serving the notice of the general meeting and the announcement of the general meeting resolution.

For the general meeting convened by the Audit Committee or shareholders on their own, the Board of Directors and the secretary to the Board shall cooperate.

The necessary expenses for the general meeting convened by the Audit Committee or shareholders on their own shall be borne by the Company.

Proposals and Notices of Shareholders' Meetings

The matters contained in a proposal shall be fall within the terms of reference of the shareholders' meeting and shall have explicit topics and specific matters for resolution, and shall be in compliance with the relevant provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

For convening a general meeting of the Company, the Board of Directors, and a shareholder or shareholders holding more than 1% of the Company's shares have the right to propose it to the Company.

A shareholder or shareholders holding more than 1% of the Company's shares may submit a interim proposal in writing to the convener 10 days before the date of the general meeting.

The convener shall issue a supplementary notice of the general meeting within 2 days after receiving the proposal.

Except for the circumstances specified in the preceding paragraph, after the convener has issued the notice of the shareholders' meeting, it shall not modify the proposals already listed in the notice or add new proposals.

Any proposal that is not stated in the notice of the shareholders' meeting or does not comply with the Articles of Association shall not be voted and approved at the shareholders' meeting.

The convener shall notify each Shareholder in writing at least 21 days before the annual shareholders' meeting, and at least 15 days before the extraordinary shareholders' meeting.

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A notice of a shareholders' meeting shall include the following:

(i) the time, venue, format, convener, and duration of the meeting;

(ii) matters and proposals submitted to the meeting for consideration;

(iii) a prominent written statement that all shareholders are entitled to attend the shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such a proxy need not be a Shareholder of the Company;

(iv) the name and telephone number of the regular contact person for the meeting;

(v) the record date of Shareholders entitled to attend the shareholders' meeting;

(vi) the time and procedure for voting online or through other means; and

(vii) matters stipulated by applicable laws, administrative regulations, securities regulatory rules of the stock exchange where the Company's shares are listed, as well as other provisions set forth in these Articles of Association.

Notices and supplementary notices of shareholders' meetings shall adequately and completely disclose the full contents of all proposals.

Convening the General Meeting

All shareholders or their proxies registered on the equity registration date shall be entitled to attend the general meeting and exercise their voting rights at the meeting in accordance with relevant laws, regulations, the laws and regulations of the place where the Company's shares are [**REDACTED**], the Listing Rules, and these Articles of Association.

Individual shareholders attending the meeting in person shall present their identity card or other valid documents or proof that can indicate their identity; proxies attending the meeting on behalf of others shall present their valid identity documents and the shareholders' proxy forms.

Corporate shareholders shall be represented by the legal representative or a proxy appointed by the legal representative to attend the meeting. The legal representative attending the meeting shall present his or her identity card and valid proof of his or her qualification as the legal representative; the proxy attending the meeting shall present his or her identity card and the power of attorney issued by the legal representative of the corporate shareholder (except for shareholders who are recognized clearing houses as defined from time to time by the relevant ordinances or laws and regulations of the place where the Company's shares are listed and their proxies).

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Partnership shareholders shall be represented by their managing partner (including the proxy appointed by the managing partner) or an agent appointed by them. The managing partner (including the proxy appointed by the managing partner) attending the meeting shall present his or her identity card and valid proof of his or her qualification as the managing partner (including the proxy appointed by the managing partner); the agent attending the meeting shall present his or her identity card and the written power of attorney issued by the managing partner of the partnership shareholder.

The shareholders' meeting shall be convened by the Board of Directors and presided over by the chairman of the board. If the chairman of the board is unable to perform his/her duties or fails to perform his/her duties, the vice chairman of the board shall perform his/her duties. If the vice chairman of the board is unable to perform his or her duties or fails to perform his or her duties, a director shall be jointly elected by more than half of the directors to preside over the meeting.

For the general meeting convened by the Audit Committee on its own, it shall be presided over by the chairman of the Audit Committee. If the chairman of the Audit Committee is unable to perform his or her duties or fails to perform his or her duties, a Audit Committee member shall be jointly elected by more than half of the Audit Committee members to preside over the meeting.

For the general meeting convened by shareholders on their own, a representative shall be elected by the convener to preside over the meeting.

If the presiding officer of the general meeting violates these Articles of Association or the rules of procedure in such a way that the general meeting cannot continue, with the consent of more than half of the shareholders present at the general meeting who have voting rights, the general meeting may elect one person to act as the presiding officer to continue the meeting.

Minutes of the shareholders' meeting shall be prepared by the Board secretary.

Voting and Resolutions of Shareholders' Meetings

The resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution at a shareholders' meeting shall be passed by more than half of the voting rights held by the Shareholders present at the shareholders' meeting.

A special resolution at a shareholders' meeting shall be passed by at least two-thirds of the voting rights held by the Shareholders present at the shareholders' meeting.

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The following matters shall be approved by the shareholders' meeting through ordinary resolutions:

(i) the work reports of the Board of Directors;

(ii) the profit distribution plan and loss compensation plan proposed by the Board of Directors;

(iii) the appointment and removal of members of the Board of Directors and their remuneration and payment methods;

(iv) the company's annual budget plan and settlement plan;

(v) the company's annual report;

(vi) approve resolutions regarding the engagement and dismissal of accounting firms by the company;

(vii) other matters not stipulated by laws, administrative regulations, the laws and regulations of the place where the Company's shares are [**REDACTED**], or these Articles of Association to be passed by a special resolution.

The following matters shall be passed by a special resolution of the general meeting:

(i) increase or decrease of the Company's registered capital;

(ii) division, spin-off, merger, dissolution, liquidation, and change of corporate form of the Company;

(iii) amendment to these Articles of Association;

(iv) purchase or sale of material assets or guarantee amounts exceeding 30% of the Company's total assets of its latest audited accounts within one year;

(v) share incentive schemes;

(vi) other matters stipulated by laws, administrative regulations, the laws and regulations of the place where the Company's shares are [**REDACTED**], the Listing Rules, or these Articles of Association, and other matters that the general meeting deems to have a significant impact on the Company and are required to be passed by a special resolution.

Shareholders shall exercise their voting rights in accordance with the number of shares they represent, with one vote per share.

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The shares held by the Company shall not have voting rights, and such shares shall not be counted into the total number of shares with voting rights present at the general meeting. In accordance with the applicable laws, administrative regulations, departmental rules, normative documents, the laws and regulations of the place where the Company's shares are [**REDACTED**], and the Listing Rules, if any shareholder is required to abstain voting on any individual resolution or is restricted to vote only in favor or only against, any vote made by the shareholder (or its proxy) in violation of the relevant regulations or restrictions shall not be counted in the voting results.

When the general meeting considers matters concerning connected transactions, connected shareholders shall not participate in the voting, and the number of shares with voting rights represented by them shall not be counted into the total number of valid votes; the announcement of the general meeting resolution shall fully disclose the voting status of non-connected shareholders.

BOARD OF DIRECTORS

Directors

The directors of the Company shall be natural persons. A person who falls under any of the following circumstances shall not be appointed as a director of the Company:

(i) lacking civil capacity or having restricted civil capacity;

(ii) having been sentenced to criminal penalty for bribery, embezzlement, misappropriation of property, or other acts that disrupt the socialist market economic order, or having been deprived of political rights due to a crime, and the term of enforcement has not exceeded 5 years, or having been granted a suspended sentence, and the term of the suspended sentence has not exceeded 2 years from the date of completion of the probation period;

(iii) having served as a director or manager of a company or enterprise that has undergone bankruptcy liquidation and being personally responsible for the bankruptcy of that company or enterprise, and not having exceeded 3 years from the date of completion of the bankruptcy liquidation;

(iv) having served as the legal representative of a company or enterprise whose business license was revoked or ordered to close due to illegal activities and being personally responsible, and not having exceeded 3 years from the date of revocation of the business license or closure order;

(v) individuals who have been classified by the People's Court as bad faith defendant due to the failure to repay a significant amount of debt that is outstanding by the due date;

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(vi) having been subject to market entry ban imposed by the CSRC for an unexpired term;

(vii) not in compliance with applicable laws, administrative regulations, the rules and regulations of the stock exchange where the company's shares are listed, or relevant securities regulatory provisions.

Directors shall fulfill the following fiduciary duties to the Company:

(i) shall not use their authority to give bribes or accept other illegal income, nor embezzle the property of the Company;

(ii) shall not misappropriate funds of the Company;

(iii) shall not open accounts in which the funds of the Company are deposited in his/her personal name or in the name of other individuals;

(iv) shall not contravene the provisions of this Charter. Without the prior approval of the shareholders' meeting or the Board of Directors, no company funds shall be lent to any third party, nor shall the company's assets be used to provide guarantees for any third party;

(v) shall not enter into any contract or conduct any transaction with the Company in contravention of the provisions of these Articles of Association or without obtaining the prior consent of the shareholders' meeting;

(vi) shall not take advantage of their positions to seek any business opportunity that belongs to the Company for themselves or any other person, except under the circumstances where he/she has reported to the Board of Directors or the shareholders' meeting and has been approved by a resolution of the shareholders' meeting;

(vii) shall not accept commissions paid by others for transactions conducted with the Company as their own;

(viii) shall not disclose the Company's secret without authorization;

(ix) shall not abuse their related relationships to damage the Company's interests;

(x) other fiduciary duties stipulated in laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

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Any income obtained by a Director in violation of the provisions set out in this Article shall belong to the Company; if losses are caused to the Company, the Director shall be liable for compensation.

Directors shall have the following diligent duties to the Company:

(i) shall prudently, earnestly and diligently exercise the powers the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, administrative regulations and various national economic policies, and that the commercial activities do not go beyond the scope of the business activities stipulated in the business license;

(ii) shall treat all Shareholders fairly;

(iii) shall maintain a timely awareness of the operation and management of the Company;

(iv) shall sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;

(v) shall truthfully provide information and materials to the Audit Committee and shall not obstruct the Audit Committee from exercising its functions and powers;

(vi) other diligent duties stipulated in the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If any Director fails to attend Board meetings, either in person or by authorizing another Director on his/her behalf, for two consecutive meetings, he/she shall be deemed as failing to perform his/her duties. The Board shall propose at the shareholders' meeting to replace such Director.

A director may resign before the expiration of his or her term of office. Resignation of a director shall be made by submitting a written report to the Board of Directors. In the event that the Board of Directors and its special committees of the Company fall below the statutory minimum due to the resignation of a director, or in the event that the number of independent directors falls below the statutory requirement due to the resignation of an independent director, until the re-elected director assumes his/her office, the original director shall still perform the duties of a director in accordance with the laws, administrative regulations, departmental rules, normative documents, laws and regulations of the place where the Company's shares are [**REDACTED**] as well as the Listing Rules and the provisions of these Articles of Association.

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Independent Directors

Independent directors shall conscientiously fulfill their responsibilities in accordance with applicable laws, administrative regulations, securities regulatory rules of the stock exchange where the company's shares are listed, and the provisions of the company's articles of association. They shall play a critical role in participating in decision-making processes, ensuring effective supervision and balance of power within the board, and offering professional advice to safeguard the overall interests of the company while protecting the lawful rights and interests of minority shareholders. Independent directors must always maintain their independence. The following categories of individuals shall not be eligible to serve as independent directors of the company.

An independent Director of the Company shall fulfill the following conditions:

(i) be qualified to serve as a Director of a listed company in accordance with laws, administrative regulations and other relevant provisions;

(ii) comply with the independence requirements stipulated in laws, administrative regulations and other relevant provisions;

(iii) possess basic knowledge of the operation of a company and be familiar with relevant laws, regulations and rules;

(iv) have at least five years of working experience in law, accounting or economics necessary for the fulfillment of his/her duty as an independent Director;

(v) other conditions as stipulated by laws, administrative regulations, regulations of the securities regulatory authorities in the place where the Company's shares are listed, and the Articles of Association.

Independent Directors shall maintain their independence, and the following people shall not serve as independent Directors of the Company:

(i) people working for the Company and their immediate family members, major social relations;

(ii) natural person Shareholders who directly or indirectly hold more than 1% of the Company's issued shares or who are among the Company's top ten Shareholders, and their spouses, parents and children;

(iii) people who work for Shareholders who directly or indirectly hold more than 5% of the Company's issued shares or who work for entities of the Company's top five Shareholders;

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(iv) people serving in the subsidiaries of the Company's Controlling Shareholders and de facto controller;

(v) people providing financial, legal, consulting and sponsorship and other services to the Company, its Controlling Shareholders, or their respective subsidiaries; including, but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons signing the report, partners, Directors, senior management and principals;

(vi) persons who have significant business dealings with the Company, its Controlling Shareholders, de facto controllers or their respective subsidiaries, or who serve in entities with which they have significant business dealings and their Controlling Shareholders or de facto controllers;

(vii) people who have been in the situations listed in the items (i) to (vi) above within the last twelve months;

(viii) other persons who do not possess independence as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The independent Directors shall exercise the following special functions and powers:

(i) independently engaging intermediary agencies to conduct audits, consultations or verifications on specific matters of the Company;

(ii) proposing to the Board of Directors to convene an extraordinary shareholders' meeting;

(iii) proposing to convene a Board meeting;

(iv) openly soliciting shareholders' rights from Shareholders in accordance with laws;

(v) expressing independent opinions on matters that may jeopardize the interests of the Company or the minority Shareholders; and

(vi) other functions and powers stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The independent Directors exercising the functions and powers set out in items (i) to (iii) of the preceding paragraph shall obtain the approval of more than half of all independent Directors.

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The Company shall disclose in a timely manner any exercise of the functions and powers listed in the first paragraph by independent Directors. In the event that the aforesaid functions and powers cannot be properly exercised, the Company shall disclose the specific circumstances and reasons thereof.

The following matters shall be submitted to the Board of Directors for consideration after being approved by more than half of all independent Directors of the Company:

(i) related party transactions that should be disclosed;

(ii) the proposal of the Company and related parties to change or waive their commitments;

(iii) decisions made and measures taken by the Board of Directors of the company in response to the acquisition; and

(iv) other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Board of Directors

The Company shall establish a Board of Directors, which shall comprise 9 Directors, including one Chairman, and 3 independent Directors.

The Board of Directors shall exercise the following powers:

(i) to convene the general meeting and report to the general meeting;

(ii) to implement the resolutions of the general meeting;

(iii) to determine the Company's business plan and investment programs;

(iv) to formulate the company's annual financial budget plan and settlement plan;

(v) to formulate the Company's profit distribution plan and loss compensation plan;

(vi) to formulate plans regarding the increase or reduction of the Company's registered capital, the issuance of bonds or other securities, and [**REDACTED**];

(vii) to draft plans for significant acquisitions of the Company, the purchase of shares of the Company, merger, division, dissolution or change of the form of the Company;

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(viii) within the scope of authorization by the general meeting, to decide on matters such as the Company's external investments, purchase and sale of assets, asset mortgages, external guarantees, entrusted financial management, and connected transaction;

(ix) to determine the establishment of the Company's internal management bodies;

(x) to make decision for appointing or dismissing the Company's general manager, secretary to the Board; to appoint or dismiss the Vice general manager of the Company, the Company's financial officer-in-charge and other senior management personnel based on the nomination of the general manager, and to determine their remuneration and rewards and punishments;

(xi) to formulate the Company's basic management systems;

(xii) to draft amendments to these Articles of Association;

(xiii) to propose to the general meeting the engagement or replacement of the accounting firm undertaking the Company's audit;

(xiv) to receive the work report of the Company's general manager and inspect the work of the general manager;

(xv) to review and evaluate the guarantee matters that do not require approval by the shareholders' meeting; and

(xvi) other powers stipulated by laws, administrative regulations, departmental rules, the laws and regulations of the place where the Company's shares are listed, or this Articles of Association, and those granted by the general meeting.

Any matter exceeding the authorization scope of the shareholders' meeting shall be referred to the shareholders' meeting for review and approval.

Board of Directors are divided into regular meetings and extraordinary meetings. Regular meetings of the Board of Directors shall be held at least four times a year, and shall be convened by the chairman of the board.

Special Committees under the Board

The Board of Directors of the Company shall establish an Audit Committee to exercise the functions and powers of the Supervisory Committee as required by the Company Law.

The Audit Committee shall comprise three director members, all being Directors who do not serve as senior management of the Company, with two independent Directors. The accounting professional among such independent Directors shall serve as the convener.

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The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating both internal and external audit work and internal controls. The following matters shall be submitted to the Board of Directors for deliberation after being approved by a majority of the members of the Audit Committee:

(i) to disclose financial information in financial and accounting reports and periodic reports and internal control evaluation reports;

(ii) to engage or dismiss accounting firms for audit services of the Company;

(iii) to engage or dismiss the financial officer of the Company;

(iv) to revise accounting policies or accounting estimations or correct significant accounting errors for reasons other than changes in accounting standards; and

(v) other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Audit Committee shall convene meetings at least once a quarter, and may convene an extraordinary meeting upon the proposal of two or more members, or when the convener deems necessary. Meetings of the Audit Committee shall only be held with the attendance of at least two-thirds of the members.

Resolutions of the Audit Committee shall be passed by a majority of all members of the Audit Committee. When voting on a resolution of the Audit Committee, each member shall have one vote.

The resolutions of the Audit Committee shall be recorded in the minutes of the meeting in accordance with regulations, and the Audit Committee members attending the meeting shall sign on the minutes.

The terms of reference of the Audit Committee shall be formulated by the Board.

The Strategy Committee, Nomination Committee, Remuneration and Appraisal Committee and other special committees set up by the Board of Directors of the Company. The proposals of special committees shall be submitted to the Board of Directors for consideration and approval. The terms of reference of special committees shall be formulated by the Board.

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The Nomination Committee is responsible for formulating the selection criteria and procedures for Directors and senior management, selecting and reviewing the candidates for Directors and senior management and their qualifications, as well as making recommendations to the Board of Directors on the following matters:

(i) nomination, appointment and removal of Directors;

(ii) appointment or dismissal of senior management;

(iii) developing and implementing the board diversity policy, as well as ensuring regular reviews of board diversity;

(iv) other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and the terms of references formulated by the Board.

If the Board of Directors does not adopt or not fully adopt the recommendations of the Nomination Committee, the opinions of the Nomination Committee and the specific reasons for non-adoption shall be recorded in the resolution of the Board of Directors and disclosed.

The Remuneration and Appraisal Committee is responsible for setting appraisal standards for Directors and senior management and conducting appraisals, formulating and reviewing the remuneration decision mechanisms, decision-making processes, payment and stop-payment recourse arrangements and other remuneration policies and proposals for Directors and senior management, and making recommendations to the Board of Directors on:

(i) the remuneration of Directors and senior management;

(ii) formulation or modification of stock incentive plans and employee stocks plans, achievement of conditions for granting benefits and exercising rights of incentive participants;

(iii) the arrangement of stock ownership plans for subsidiaries to be spun-off by the Directors and senior management;

(iv) other matters as required by laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed, the Articles of Association and the working rules formulated by the Board of Directors.

If the Board of Directors fails to adopt or fully adopt the recommendations of the Remuneration and Appraisal Committee, it shall record the opinions of the Remuneration and Appraisal Committee and the specific reasons for the failure in a resolution of the Board of Directors and disclose such matter.

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The Strategy Committee is tasked with conducting research and providing recommendations regarding the company's long-term development strategy and planning, as well as addressing other matters authorized by the Board of Directors.

SENIOR MANAGEMENT

The Company shall have one general manager, who shall be appointed or dismissed at the decision of the Board of Directors.

The Company shall have several Vice general managers, who shall be appointed or dismissed at the decision of the Board of Directors.

The general manager, the Vice general manager, the financial officer-in-charge, and the secretary to the Board are senior management personnel of the company.

The Vice general manager and the financial officer-in-charge shall be nominated by the general manager, and the secretary to the Board shall be nominated by the chairman of the Board, all of whom shall be appointed or dismissed by the Board of Directors.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial Accounting System

The Company shall formulate its financial accounting system in accordance with the laws, administrative regulations, relevant national department.

The Company shall not maintain any accounting books other than the statutory ones. The Company's assets shall not be deposited or stored in any account opened in any individual's name.

Profit Distribution

When distributing the after-tax profits of the current year, the Company shall appropriate 10% of the profits to the Company's statutory surplus reserve. If the accumulated amount of the Company's statutory surplus reserve exceeds 50% of its registered capital, no further appropriation may be made.

If the Company's statutory surplus reserve is insufficient to cover the losses of previous years, the Company shall first use the current year's profits to cover the losses before any appropriation of the statutory surplus reserve as stipulated above.

After the Company has appropriated its statutory surplus reserve from the profits after tax, it may, upon a resolution of the general meeting, appropriate a discretionary surplus reserve from the profits after tax.

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The after-tax profits remaining after the Company has covered its losses and appropriated its surplus reserves shall be distributed in proportion to the number of shares held by the shareholders, except as otherwise provided by laws and regulations, the laws and regulations of the place where the Company's shares are listed, or the Articles of Association.

In the event that a general meeting violates the Articles of Association by distributing profits to shareholders, the shareholders shall refund the profits distributed in breach of the regulations to the Company.

The shares held by the Company in itself shall not participate in the distribution of profits.

The Company's surplus reserve shall be used to cover the Company's losses, expand the Company's production and operations, or increase its registered capital. When the statutory surplus reserve is converted into registered capital, the retained balance of such surplus reserve shall not be less than 25% of the Company's registered capital before the conversion.

Internal Audit

The Company shall implement an internal audit system, appoint dedicated audit personnel, and conduct internal audit supervision over the Company's financial revenues and expenditures as well as economic activities. The internal audit system of the Company and the responsibilities of the audit personnel shall be implemented after approval by the Board of Directors. The head of the internal audit department shall be accountable to and report work to the Board of Directors.

Engagement of an Accounting Firm

The Company shall engage an accounting firm that complies with laws and regulations and securities regulatory rules of the place where the Company's shares are listed, to conduct audit of financial statements, verification of net assets, and other related consultancy services. The term of engagement shall be one year, and the engagement may be renewed.

The engagement or dismissal of an accounting firm by the Company shall be decided by the general meeting, and the Board of Directors shall not appoint an accounting firm prior to the decision of the general meeting.

The Company shall ensure that the accounting vouchers, accounting books, financial accounting reports, and other accounting materials provided to the engaged accounting firm are true and complete, and shall not refuse delivery, or conceal or misrepresent them.

The audit fees of the accounting firm shall be determined by the general meeting.

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When the Company terminates or does not renew the engagement of an accounting firm, it shall notify the accounting firm 30 days in advance. When the general meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to present its opinions.

If an accounting firm proposes to resign, it shall explain to the general meeting whether there are any irregularities in the Company.

NOTICE AND ANNOUNCEMENT

The company's notices shall be issued in the following forms:

(i) delivered by a special messenger;

(ii) sent by mail;

(iii) sent by fax;

(iv) sent by email;

(v) subject to compliance with all applicable laws, regulations, and the securities regulatory requirements of the stock exchange where the Company's shares are listed, the announcement will be published on the Company's official website and the designated website of The Stock Exchange of Hong Kong Limited.;

(vi) other forms recognized by the relevant regulatory authorities of the stock exchange where the company's stocks are listed or as stipulated in these articles of association.

For the notices issued by the company in the form of a public notice, once the notice is announced, it shall be deemed that all relevant persons have received the notice.

MERGER, DIVISION, INCREASE AND REDUCTION OF CAPITAL, DISSOLUTION, AND LIQUIDATION

Merger, Division, Increase and Reduction of Capital

Merger of companies can be by absorption or by establishment of a new entity.

If one company absorbs another company, it is a merger by absorption, and the absorbed companies shall be dissolved. If two or more companies merge to form a new company, it is a merger by creation, and all merging parties shall be dissolved.

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In the event of a merger of companies, the merging parties shall enter into a merger agreement and compile a balance sheet and a checklist of assets. The Company shall notify its creditors of the merger within 10 days from the date of the resolution on the merger and make an announcement in newspapers within 30 days. Within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if the notice has not been received, the creditors may request the Company to settle the debts or provide corresponding guarantees.

When the Company involves a merger, the claims of debts and liabilities of the merging parties shall be inherited by the surviving company or the newly established company after the merger.

When the Company is divided, its assets shall be divided accordingly.

When the Company is divided, the parties involved shall enter into a division agreement and compile a balance sheet and a checklist of assets. The Company shall notify its creditors within 10 days from the date of the resolution on the division and announce it within 30 days.

When the Company is merged or divided, and there is a change in the registration, it shall lawfully apply for a change of registration with the company registration authority. If the company is dissolved, it shall lawfully apply for cancellation of registration. If a new company is established, it shall lawfully apply for registration of establishment.

When the Company increases or decreases its registered capital, it shall lawfully apply for a change of registration with the company registration authority.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(i) the business term stipulated in these Articles of Association expires or other dissolution events stipulated in these Articles of Association occur;

(ii) resolution of the general meeting to dissolve;

(iii) dissolution is required due to the Company's merger or division;

(iv) the business license is revoked by law, the Company is ordered to be closed down or revoked; and

(v) the Company's operations and management encounter serious difficulties, and its continued existence would cause significant losses to the shareholders' interests, which cannot be resolved through other means. A shareholder holding more than 10% of the total voting rights of all shareholders of the Company may request the People's Court to dissolve the Company.

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If the Company is dissolved due to the occurrence of the events mentioned in (i), (ii), (iv), or (v) above, a liquidation group shall commence liquidation within 15 days from the occurrence of the dissolution event. The liquidation group shall be composed of directors or other people selected by the general meeting.

The liquidation group shall notify the creditors within 10 days from the date of its establishment and shall announce it in the newspaper within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice, and those who have not received the notice may declare their claims within 45 days from the date of the announcement.

When declaring claims, creditors shall specify the relevant matters of the claims and provide proof. The liquidation group shall register the claims.

During the period for declaration of claims, the liquidation group shall not make repayments to the creditors.

After the liquidation group has liquidated the Company's assets, compiled a balance sheet, and an inventory of assets, it shall formulate a liquidation plan and submit it to the general meeting or the People's Court for confirmation. During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to the liquidation. The Company's assets shall not be distributed to the shareholders before the claims are settled in accordance with the provisions of the preceding paragraph.

If the liquidation group discovers, after liquidating the Company's assets, compiling a balance sheet, and an inventory of assets, that the Company's assets are insufficient to repay its debts, it shall apply to the People's Court for bankruptcy declaration in accordance with the law. After the People's Court accepts the bankruptcy application, the liquidation group shall transfer the liquidation matters to the People's Court.

After the Company's liquidation is completed, the liquidation group shall prepare a liquidation report, submit it to the general meeting or the People's Court for confirmation, and file it with the company registration authority to apply for the cancellation of the Company's registration and announce the termination of the Company.

If the Company is declared bankrupt by law, it shall be liquidated in accordance with the relevant laws on enterprise bankruptcy.

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Amendment of the Articles of Association

The Company shall amend its Articles of Association under any of the following circumstances:

(i) after the amendment of the Company Law or relevant laws, administrative regulations, or the laws and regulations of the place where the Company's shares are listed, and the provisions of the Articles of Association conflict with the amended laws, administrative regulations, or the laws and regulations of the place where the Company's shares are listed;

(ii) changes in the Company's situation that are inconsistent with the matters recorded in the Articles of Association; and

(iii) resolution of the general meeting to amend the Articles of Association.

The matters of amendment to the Articles of Association passed by the general meeting shall be approved by the competent authority if required; if they involve matters of company registration, the change of registration shall be handled in accordance with the law.

The Board of Directors shall amend this Articles of Association in accordance with the resolution of the general meeting on the amendment of the Articles of Association and the approval opinions of the competent authorities.

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A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation

The predecessor of our Company was incorporated under the laws of the PRC as a limited liability company on December 23, 2005 and named as Tianjin Wangyuan Environmental Protection & Technology Co., Ltd. (天津望圓環保科技有限公司). On December 31, 2021, we were converted from a limited liability company into a joint stock limited liability company in accordance with applicable PRC laws and regulations under the name of WYBOTICS Co.,LTD (天津望圓智能科技股份有限公司). Our registered address is at No. 30, 4th Zhong Nan Street, Tianjin Economic-Technological Development Area, Tianjin, PRC. A summary of our Articles is set out in "Appendix V—Summary of Articles of Association of the Company" to this document. As at the date of this document, our Company's head office is located at No. 30, 4th Zhong Nan Street, Tianjin Economic-Technological Development Area, Tianjin, the PRC.

Our Company has established a principal place of business in Hong Kong at Room 1920, 19th Floor, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on June 9, 2025. Ms. Tang Ka Yan, one of our joint company secretaries, has been appointed as our authorized representatives for the acceptance of service of process and notices in Hong Kong. The address for service of process in Hong Kong is at Room 1920, 19th Floor, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

2. Changes in Share Capital of Our Company

When our Company was converted into a joint stock liability company with limited liability under the PRC Company Law, our initial registered capital was RMB57,000,000, divided into 57,000,000, Shares with a nominal value of RMB1.00 each.

On September 19, 2025, the share capital of our Company increased from RMB57,000,000 to RMB62,523,409, comparing ordinary Shares with a nominal value of RMB1.00 each.

Upon completion of the [**REDACTED**] and Conversion of Unlisted Shares into H Shares, the registered share capital of our Company will increase to (i) [**REDACTED**], comprising [**REDACTED**] H Shares and [**REDACTED**] Unlisted Shares, assuming the [**REDACTED**] is not exercised; and (ii) [**REDACTED**] comprising [**REDACTED**] H Shares and [**REDACTED**] Unlisted Shares, assuming the [**REDACTED**] is exercised.

Save as disclosed above and in the section headed "history, development and corporate structure", there has been no alteration in our share capital and no redemption, repurchase or sale of any of our share capital since our incorporation.

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3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our principal subsidiaries are set out in Note 1 to the Accountants' Report as set out in Appendix I to this document.

The following sets out the changes in the share capital of our subsidiaries within the two years immediately preceding the date of this document:

(a) Tianjin Longyan E-Commerce Co., Ltd. (天津龍燄電子商務有限公司)

On September 8, 2023, Tianjin Longyan E-Commerce Co., Ltd. was incorporated with an authorized share capital of RMB100,000.

(b) Tianjin Keli E-Commerce Co., Ltd. (天津科力電子商務有限公司)

On March 21, 2024, Tianjin Keli E-Commerce Co., Ltd. was incorporated with an authorized capital of RMB100,000.

(c) Shinna Technology Inc

On February 1, 2024, Shinna Technology Inc was incorporated with an authorized share capital of USD50,000.

(d) Dulwich Electronic Commerce Inc

On February 1, 2024, Dulwich Electronic Commerce Inc was incorporated with an authorized share capital of USD50,000.

Save as disclosed above, there has been no alteration in the share capital of any of the principal operating entities of the Company within the two years immediately preceding the date of this document.

4. Resolutions of Our Shareholders in Relation to the [REDACTED]

At the extraordinary general meeting of the Shareholders held on September 19, 2025, the following resolutions, among other things, were duly passed:

(a) the issue by the Company of H shares with a nominal value of RMB1.00 each and such H Shares be [**REDACTED**] on the [**REDACTED**];

(b) the number of H Shares to be [**REDACTED**] shall be up to [**REDACTED**] of the number of total issued Shares upon the completion of the [**REDACTED**], assuming no exercise of the [**REDACTED**], and the grant of the [**REDACTED**] in respect of no more than [**REDACTED**] of the number of H Shares [**REDACTED**] pursuant to the [**REDACTED**];

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(c) subject to the filing with CSRC is completed, upon completion of the [**REDACTED**], [**REDACTED**] Unlisted Shares will be converted into H Shares on a one-for-one basis;

(d) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the [**REDACTED**], the issue and the [**REDACTED**]; and

(e) subject to the completion of the [**REDACTED**], the conditional adoption of the revised Articles of Association, which shall become effective on the [**REDACTED**]; and the authorization of the Board to amend the Articles of Association in accordance with relevant laws and regulations and upon the request from the Stock Exchange and relevant PRC regulatory authorities.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) has been entered into by us within the two years preceding the date of this document and are or may be material:

(a) the [**REDACTED**]; and

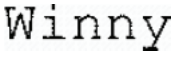
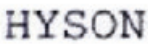
(b) [●]

2. Our Material Intellectual Property Rights

(a) Trademarks

No.	Trademark	Place of Registration	Registration No.	Registration Owner	Class	Expiry Date
1. . . .		PRC	65264067	The Company	35	December 13, 2032
2. . . .		PRC	65242092	The Company	35	December 6, 2032
3. . . .	望圆	PRC	65256188	The Company	7	December 6, 2032
4. . . .	望圆	PRC	65242096	The Company	9	November 27, 2032

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No.	Trademark	Place of Registration	Registration No.	Registration Owner	Class	Expiry Date
5. . . .		PRC	60992767	The Company	7	September 27, 2032
6. . . .		PRC	53034460	The Company	7	August 20, 2031
7. . . .		PRC	53022895	The Company	9	August 27, 2031
8. . . .		PRC	48465689	The Company	7	April 6, 2031
9. . . .		PRC	6858410	The Company	11	July 13, 2030
10. . .		PRC	65268229	The Company	9	February 20, 2033
11. . .		PRC	70805440	The Company	9	October 6, 2033
12. . .		PRC	70813179	The Company	35	October 6, 2033
13. . .		PRC	70799996	The Company	7	October 6, 2033
14. . .		US	6027725	The Company	7	April 7, 2030
15. . .		EU	018383380	The Company	7 and 9	January 27, 2031
16. . .		UK	UK00003585345	The Company	7 and 9	January 27, 2031
17. . .		France	4785287	The Company	6 and 7	July 15, 2031
18. . .		France	4785629	The Company	6, 7, 8 and 9	July 16, 2031
19. . .		EU	018696391	The Company	7	April 30, 2032
20. . .		EU	4639730	The Company	7	April 16, 2030
21. . .		EU	4640103	The Company	7	April 18, 2030
22. . .		EU	4640105	The Company	7	April 18, 2030

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No.	Trademark	Place of Registration	Registration No.	Registration Owner	Class	Expiry Date
23. . .	Bugson	EU	4640335	The Company	7	April 20, 2030
24. . .	Opson	EU	4640334	The Company	7	April 20, 2030
25. . .	Mia	EU	4643253	The Company	7	April 29, 2030
26. . .	Raptor	EU	4643279	The Company	7	April 29, 2030
27. . .	Falcon	EU	4643265	The Company	7	April 29, 2030
28. . .	Naia	EU	4643270	The Company	7	April 29, 2030
29. . .	Saphir	EU	4643425	The Company	7	April 30, 2030
30. . .	JIBSON	EU	4760273	The Company	7	April 27, 2031
31. . .	WYBOTICS	EU	018773830	The Company	7 and 9	October 9, 2032
32. . .	WYBOTICS	UK	UK00003837109	The Company	7 and 9	October 9, 2032
33. . .	WYBOT	US	7050488	The Company	7	May 9, 2033
34. . .	WYBOTICS	Canada	1165976	The Company	7	February 15, 2033
35. . .	WYBOT	EU	018655687	The Company	7	February 16, 2032
36. . .	winny Pool Cleaner	UK	UK00003777719	The Company	6 and 7	April 14, 2032
37. . .	WYROBOT	UK	UK00003783229	The Company	7	April 30, 2032
38. . .	winny Pool Cleaner	EU	018687976	The Company	6 and 7	April 14, 2032
39. . .	WYBOTICS	Hong Kong	306616198	The Company	7	July 17, 2034
40. . .	WYBOT	Hong Kong	306616215	The Company	7	July 17, 2034
41. . .		Hong Kong	306616189	The Company	7	July 17, 2034

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(b) Patents

(i) Registered patents

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following patents which we consider to be or may be material to our business:

No.	Patent	Patentee	Place of Registration	Patent Number	Application Date	Expiry Date
1. . .	Automatic swimming pool cleaning machine with easy-to-clean filter system (具易清理過濾系統的泳池自動清潔機)	The Company	PRC	201410209771.1	May 9, 2014	May 8, 2034
2. . .	Intelligent automatic swimming pool cleaning machine (智能型泳池自動清潔機)	The Company	PRC	201210420787.8	October 30, 2012	October 29, 2032
3. . .	Cableless remote control floating power automatic swimming pool cleaning machine (無纜遙控漂浮電源泳池自動清潔機)	The Company	PRC	200910224036.7	November 30, 2009	November 29, 2029
4. . .	Cableless remote control suspended power automatic swimming pool cleaning machine (無纜遙控懸浮電源泳池自動清潔機)	The Company	PRC	200910224035.2	November 30, 2009	November 29, 2029
5. . .	Remote controlled orderly swimming pool cleaning robot and its orderly cleaning method thereof (遙控有序泳池清潔機器人及其有序清洗方法)	The Company	PRC	200910008604.X	February 5, 2009	February 4, 2029
6. . .	Cableless remote control self-contained power automatic swimming pool cleaning machine (無纜遙控自容式電源泳池自動清潔機)	The Company	PRC	200910224034.8	November 30, 2009	November 29, 2029

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No.	Patent	Patentee	Place of Registration	Patent Number	Application Date	Expiry Date
7. . .	A pool bottom hydro-powered automatic cleaner (一種泳池池底水力推動自動清潔機)	The Company	PRC	200910177497.3	September 30, 2009	September 29, 2029
8. . .	Automatic swimming pool cleaning robot with automated pool entry and exit intelligent movement device (自動泳池清潔機器人自動進出泳池移動智能輔助裝置)	The Company	PRC	201910343646.2	April 26, 2019	April 25, 2039
9. . .	Wall contact detection device of swimming pool cleaning machine (泳池清潔機的觸壁檢測裝置)	The Company	PRC	201810397918.2	April 28, 2018	April 27, 2038
10. .	A Mechanical reversing contact obstacle detection mechanism of pool cleaning machine (一種水池清潔機機械換向觸壁檢測機構)	The Company	PRC	201910368697.0	May 5, 2019	May 4, 2039
11. .	OBSTACLE DETECTION DEVICE FOR SWIMMING POOL CLEANING MACHINE	The Company	EP	3626912	March 26, 2019	March 25, 2039
12. .	AUTOMATIC CLEANING MACHINE WITH A HYDRAULIC DRIVE JAW TYPE CLUTCH IMPELLER COMBINATION	The Company	EP	2484847	June 29, 2010	June 28, 2030
13. .	Hydraulic Driven Jaw-type Clutch Impeller Combination And Swimming Pool Bottom Hydraulic Pushed Automatic Cleaner Comprising Same	The Company	Australia	2010302872	June 29, 2010	June 28, 2030

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No.	Patent	Patentee	Place of Registration	Patent Number	Application Date	Expiry Date
14. .	Hydraulic Driven Jaw-type Clutch Impeller Combination And Swimming Pool Bottom Hydraulic Pushed Automatic Cleaner Comprising Same	The Company	US	US8555445	June 29, 2010	June 28, 2030
15. .	MECHANISM FOR DETECTING OBSTACLES AND MECHANICALLY REVERSING A DIRECTION OF A POOL CLEANER	The Company	US	US11761225	February 21, 2020	February 20, 2040
16. .	OBSTACLE TOUCHING DETECTING DEVICE OF SWIMMING POOL CLEANER	The Company	Canada	CA3096929	March 26, 2019	March 25, 2039
17. .	Mechanism For Detecting Obstacles And Mechanically Reversing A Direction Of A Pool Cleaner	The Company	EP	EP3835515	February 21, 2020	February 20, 2040
18. .	Underwater sewage suction machine	The Company	EP	EP3943688	June 26, 2020	June 25, 2040
19. .	POOL CLEANER HAVING OBSTACLE DETECTING DEVICE	The Company	US	US12099367	March 26, 2019	March 25, 2039
20. .	UNDERWATER DEBRIS SUCTION APPARATUS	The Company	US	US12270223	June 26, 2020	June 25, 2040

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(ii) Pending Patents

No.	Patent	Patentee	Place of Registration	Application number	Type	Application date
1. . .	Pool cleaning and collection system (水池清潔回收系統)	The Company	PRC	2025205640169	utility model	March 28, 2025
2. . .	Pool cleaning system (水池清潔系統)	The Company	PRC	2024226232080	utility model	October 29, 2024
3. . .	Pool cleaning system (水池清潔系統)	The Company	PRC	202411522053X	invention	October 29, 2024
4. . .	Filtering device and pool cleaning robotic system (過濾裝置及水池清潔機器人系統)	The Company	PRC	202520760932X	utility model	April 21, 2025
5. . .	Underwater cleaning machine (水下清潔機)	The Company	PRC	2025207635428	utility model	April 21, 2025
6. . .	A filtering device, pool cleaner, and pool cleaning system (一種過濾裝置、水池清潔機器人及水池清潔系統)	The Company	PRC	2025211071076	utility model	May 20, 2025
7. . .	A pool cleaning system (一種水池清潔系統)	The Company	PRC	202521204960X	utility model	June 12, 2025
8. . .	Pool cleaning system (水池清潔系統)	The Company	PRC	2024209972154	utility model	May 9, 2024

As of the Latest Practicable Date, we had applied for the registration of the following patents which we consider to be or may be material to our business.

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(c) Copyrights

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following copyrights which we consider to be or may be material to our business:

No.	Name	Copyright Owner	Place of Registration	Registration No.	Date of Registration	Date of Publication
1. . .	Swimming pool cleaning robot Bluetooth remote control Android version client end application software (Abbreviation: Swimming pool cleaning robot remote control software (Android)) V1.0.0 (泳池清潔機器人藍牙遙控Android 版客戶終端應用軟件(簡稱:泳池清潔機器人遙控軟件(Android))V1.0.0)	The Company	PRC	2020SR0341879	April 17, 2020	July 3, 2019
2. . .	Swimming pool cleaning robot Bluetooth remote control iOS version client end application software (Abbreviation: Swimming pool cleaning robot remote control software (ios version)) V1.0.0 (泳池清潔機器人藍牙遙控ios版客戶終端應用軟件(簡稱:泳池清潔機器人遙控軟件(ios版))V1.0.0)	The Company	PRC	2020SR0345816	April 20, 2020	July 5, 2019

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No.	Name	Copyright Owner	Place of Registration	Registration No.	Date of Registration	Date of Publication
3. . .	Single-point calibration algorithm software for swimming pool cleaning electromechanical parameters (Abbreviation: Swimming pool cleaning machine single-point calibration algorithm software) V1.0.0 (泳池清潔機電參數單點標定算法軟件(簡稱:泳池清潔機單點標定算法軟件)V1.0.0)	The Company	PRC	2020SR1250470	November 4, 2020	July 12, 2020
4. . .	Automatic swimming pool cleaning machine system with water quality management parameter measurement function (Abbreviation: Water quality management swimming pool automatic cleaning machine system) V1.0.0 (具有水質管理參數測量功能的泳池自動清潔機系統(簡稱:水質管理泳池自動清潔機系統)V1.0.0)	The Company	PRC	2020SR1249132	November 2, 2020	August 14, 2020
5. . .	Automatic swimming pool cleaning machine water automatic alarm system V1.0 (泳池自動清潔機出水自動報警系統V1.0)	The Company	PRC	2018SR618666	August 6, 2018	December 20, 2017

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No.	Name	Copyright Owner	Place of Registration	Registration No.	Date of Registration	Date of Publication
6. . .	Swimming pool bottom cleaning robot system with path planning algorithm (Abbreviation: Path planning swimming pool bottom cleaning robot system) V1.0.0 (具有路徑規劃算法的泳池池底清潔機器人系統(簡稱:路徑規劃泳池池底清潔機器人系統)V1.0.0)	The Company	PRC	2020SR1250527	November 4, 2020	March 9, 2019
7. . .	New intelligent control algorithm software for automatic swimming pool cleaning robots (Abbreviation: New intelligent control algorithm for automatic swimming pool cleaning robots) V1.0.0.0 (自動泳池清潔機器人新型智能控制算法軟件(簡稱:自動泳池清潔機器人新型智能控制算法)V1.0.0.0)	The Company	PRC	2020SR1250528	November 4, 2020	March 1, 2019
8. . .	Swimming pool automatic cleaning machine wall-touch current value capture system V1.0 with wall-touch detection algorithm (具觸壁檢測算法的泳池自動清潔機觸壁電流值抓取系統V1.0)	The Company	PRC	2018SR618300	August 6, 2018	December 2, 2017
9. . .	Swimming pool automatic cleaning robot smartphone control system V1.0 (泳池自動清潔機器人智能手機操控系統V1.0)	The Company	PRC	2018SR618264	August 6, 2018	November 8, 2017

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No.	Name	Copyright Owner	Place of Registration	Registration No.	Date of Registration	Date of Publication
10. .	WYBOTICS fully automatic single cleaning machine cleaning efficiency evaluation system V1.0 (望圓全自動單體清潔機清潔效率評估系統V1.0)	The Company	PRC	2018SR618716	August 6, 2018	October 18, 2017
11. .	WYBOTICS fully automatic double body cleaning machine filtration capacity test software V1.0 (望圓全自動雙體清潔機過濾能力測試軟件V1.0)	The Company	PRC	2018SR618234	August 6, 2018	September 26, 2017
12. .	Water jet propelled swimming pool automatic cleaning machine system with path coverage algorithm (Abbreviation: Path coverage swimming pool automatic cleaning machine system) V1.0.0 (具有路徑覆蓋算法的噴水推進式泳池自動清潔機系統(簡稱:路徑覆蓋泳池自動清潔機系統)V1.0.0)	The Company	PRC	2020SR1249156	November 2, 2020	December 19, 2019
13. .	Battery-type automatic swimming pool cleaning machine system with intelligent power adjustment function (Abbreviation: Automatic power adjustment swimming pool cleaning machine system) V1.0.0 (具有功率智能調節功能的電池式泳池自動清潔機系統(簡稱:功率智能調節泳池自動清潔機系統)V1.0.0)	The Company	PRC	2020SR0679582	June 28, 2020	December 19, 2019

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No.	Name	Copyright Owner	Place of Registration	Registration No.	Date of Registration	Date of Publication
14. .	WYBOT software (Abbreviation: WYBOT) V1.0.0) (WYBOT軟件(簡稱WYBOT)V1.0.0)	The Company	PRC	2023SR0552105	May 18, 2023	February 15, 2023

(d) Domain Names

As of the Latest Practicable Date, we have registered the following domain name that we consider to be or may be material to our business:

No.	Domain Name	Registrant	Expiry Date
1. . .	www.wybotics.com	the Company	January 3, 2026
2. . .	www.wybotpool.com	the Company	March 5, 2026
3. . .	www.wyindustry.com	the Company	November 3, 2025
4. . .	www.eu.wybotpool.com	the Company	March 5, 2026

Save as disclosed above, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our business.

(e) Copyrights of works of fine art

As of the Latest Practicable Date, we have registered the following copyrights of fine art which are material to our business:

No.	Copyright of work of fine art	Registration number	Copyright Owner	Date of Registration
1. . .	Logo of Wanyuan (望圓LOGO)	2022-F-00143087	The Company	July 1, 2022
2. . .	WYBOT Design (WYBOT設計圖)	2024-F-00181214	The Company	June 27, 2024
3. . .	O Design (O設計圖)	2024-F-00181213	The Company	June 27, 2024

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C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' Service Contracts and Letters of Appointment

(a) Executive Directors

Each of Ms. Fu, Mr. Yu, Li Hui and Cen Pu, being our executive Directors, [has entered into] a service contract with our Company. The service contracts may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.

(b) Independent non-executive Directors

Each of Duan Yong, Wang Lianen and Xu Jiayuan, being our independent non-executive Directors, [has entered into] a letter of appointment with our Company. The letters of appointment may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.

Save as disclosed above, none of our Directors has entered, or has proposed to enter, a service contract with any member of the Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

2. Remuneration of Directors

The aggregate emoluments (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses) paid to our Directors for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, were RMB3.48 million, RMB3.44 million, RMB3.37 million and RMB1.56 million, respectively.

Based on the arrangements in force as of the Latest Practicable Date, it is estimated that the total remuneration paid to the Directors for the year ending December 31, 2025 will be approximately RMB8.84 million.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors or the five highest-paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group. Furthermore, none of the Directors had waived agreed to waive any emoluments during the same periods.

Save as disclosed above, no other payments have been made or are payable in respect of the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, by any member of our Group to any of our Directors.

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3. Disclosure of interests

Disclosure of interests of Directors and chief executive of our Company

Immediately following the completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares (assuming the [**REDACTED**] is not exercised), the interest or short position of our Directors or chief executives of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Hong Kong Stock Exchange, once the Shares are listed will be as follows:

(i) Interests in our Company

			Shares held immediately following the completion of the [REDACTED] and Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised)		
	Nature of interest	**Description of Shares**	**Number of Shares[1]**	**Percentage of shareholding in our Unlisted Shares/ H Shares**	**Percentage of shareholding in our total issued share capital**
Ms. Fu	Beneficial owner	Unlisted Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
		H Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
	Interest in a controlled corporation[3]	Unlisted Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
		H Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
	Interest in a controlled corporation[4]	Unlisted Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
		H Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
	Interest in a controlled corporation[5]	Unlisted Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
		H Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
	Interest in a controlled corporation[6]	Unlisted Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
		H Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Mr. Yu Jincheng[2]	Interest of spouse	Unlisted Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
		H Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Mr. Yu	Beneficial owner	Unlisted Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
		H Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
	Interest in a controlled corporation[3]	Unlisted Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
		H Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
	Interest in a controlled corporation[4]	Unlisted Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
		H Shares	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

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(1) All interests stated are long positions.

(2) Mr. Yu Jincheng is the spouse of Ms. Fu. Accordingly, they are deemed to be interested in the same number of Shares of each other for the purpose of the SFO.

(3) Tianjin Zhuhui is controlled by Ms. Fu and Mr. Yu as of the Latest Practicable Date. Ms. Fu and Mr. Yu are therefore deemed to be interested in the Shares held by Tianjin Zhuhui under the SFO.

(4) Tianjin Wangyuan is controlled by Ms. Fu and Mr. Yu as of the Latest Practicable Date. Ms. Fu and Mr. Yu are therefore deemed to be interested in the Shares held by Tianjin Wangyuan under the SFO.

(5) Ms. Fu is the sole general partner of Tianjin Wangyuan LP and is therefore deemed to be interest in the Shares held by Tianjin Wangyuan LP under the SFO.

(6) Ms. Fu is the sole general partner of Tianjin Kanfang LP and is therefore deemed to be interest in the Shares held by Tianjin Kanfang LP under the SFO.

Disclosure of interests of substantial shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this document, our Directors are not aware of any other person who will, immediately following the completion of the [**REDACTED**] and Conversion of Unlisted Shares into H Shares, have an interest or short position in the Shares or the underlying Shares which are required to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or directly or indirectly, be interested in 10% of more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at the general meetings of our Company.

4. Agency Fees or Commissions Received

Save as disclosed in the section headed "[**REDACTED**]" in this document, no [**REDACTED**], discounts, brokerages or other special terms were granted within the two years preceding the date of this document in connection with the issue or sale of any capital or security of any member of our Group.

5. Disclaimers

Save as disclosed in this document:

(a) none of our Directors or chief executive of our Company has any interests or short positions in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, pursuant to the

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Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to our Company and the Hong Kong Stock Exchange, once the Shares are [**REDACTED**] on the Hong Kong Stock Exchange;

(b) so far as is known to any Director or chief executive of our Company, no person has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;

(c) none of our Directors nor any of the persons listed in "— D. Other Information — 5. Qualification of Experts" below is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(d) none of our Directors nor any of the persons listed in "— D. Other Information — 5. Qualification of Experts" below is materially interested in any contract or arrangement with our Group subsisting at the date of this document which is unusual in its nature or conditions or which is significant in relation to the business of our Group as a whole;

(e) save in connection with the [**REDACTED**], none of the persons listed in "— D. Other Information — 5. Qualification of Experts" below has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;

(f) none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation); and

(g) save as contemplated under the [**REDACTED**], none of our Directors, their respective associates (as defined under the Listing Rules), or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in our Company's five largest customers and five largest suppliers.

D. OTHER INFORMATION

1. Estate Duty

We have been advised that no material liability for estate duty under PRC law is likely to fall upon the Group.

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2. Litigation

During the Track Record Period and up to the Latest Practicable Date, so far as our Directors are aware, no litigation or claim of material importance (to our Group's financial condition or results of operation) is pending or threatened against any member of our Group.

3. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the [**REDACTED**] of the Hong Kong Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**], the H Shares in [**REDACTED**] and to be [**REDACTED**] as mentioned in this document. All necessary arrangements have been made enabling the H Shares to be admitted into [**REDACTED**].

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 3A.07 of the Listing Rules. The sponsor fee payable to the Sole Sponsor in connection with the [**REDACTED**] payable by our Company is RMB4 million in aggregate.

4. Compliance Advisor

Our Company has appointed Halcyon Capital Limited as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

6. Promoters

The promoters of our Company are Tianjin Zhuhui, Tianjin Wangyuan, Ms. Fu, Nanjing Runxin, Tianjin Wangyuan LP, Hainan Haisheng, Ms. Fu Yulan, Jiangsu Zijin, Yida No. 2, Mr. Yu, Jiashan Runxin, Tianjin Kanfang LP, Tianjin Shenglin, iFlytek Haihe, Yida Xinhai, Chizhou Dongsheng Yinda, Yiyi Hygiene.

Within the two years immediately preceding the date of this document, no cash, securities or other benefit have been paid, allotted or given or have been proposed to be paid, allotted or given to the above promoters in connection with the [**REDACTED**] or related transactions in this document within the two years immediately preceding the date of this document.

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7. Consents of Experts

Each of the experts as referred to in "—11. Qualification of Experts" in this appendix has given and has not withdrawn its consent to the issue of this document with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

Save as disclosed in the section headed "[**REDACTED**]" in this document, none of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to [**REDACTED**] for or to nominate persons to [**REDACTED**] for securities in our Company or any of our subsidiaries.

8. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

9. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance on the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

10. Taxation of Holders of H Shares

(a) Hong Kong

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

(b) Consultation with Professional Advisors

Intending holders of the H Shares are recommended to consult their professional tax advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or [**REDACTED**] in the H Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the [**REDACTED**] will accept responsibility for any tax effect on, or liabilities of, holders of H Shares resulting from their subscription for, purchase, holding or disposal of or [**REDACTED**] in the H Shares or exercise of any rights attaching to them.

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11. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this document:

Name	Qualifications
China Securities (International) Corporate Finance Company Limited	A licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activity as defined under the SFO
Allbright Law Offices	PRC Legal Advisors
China Insights Industry Consultancy Limited	Industry consultant
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

12. Restriction on Share Repurchases

For details of the restrictions on share repurchases by the Company, see "Summary of Articles of Association—Increase, Reduction and Repurchase of Shares Capital—Repurchase of Shares" in Appendix V to this document.

13. Miscellaneous

Save as disclosed in this document:

(a) within the two years immediately preceding the date of this document, neither we nor any of our subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash;

(b) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(c) within the two years immediately preceding the date of this document, no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any member of our Group;

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(d) within the two years immediately preceding the date of this document, no commission has been paid or payable (except [**REDACTED**] to sub-[**REDACTED**]) to any persons for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of our Company or any of our subsidiaries;

(e) no founder, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;

(f) there is no arrangement under which future dividends are waived or agreed to be waived;

(g) since June 30, 2025 (being the date on which the latest audited consolidated financial statements of our Group were made up), there has been no material adverse change in our financial or trading position or prospects;

(h) there has not been any interruption in the business of our Company which may have or have had a material adverse effect on the financial position of our Company in the 12 months immediately preceding the date of this document; and

(i) our Company has no outstanding convertible debt securities or debentures.

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1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in the section headed "Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contracts" in Appendix VI to this document; and

(b) the written consents referred to in the sub-section headed "Statutory and General Information—D. Other Information—7. Consents of Experts" in Appendix VI to this document.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.wybotics.com** during a period of 14 days from the date of this document:

(a) the Articles of Association of the Company;

(b) the audited consolidated financial statements of our Group for three years ended December 31, 2022, 2023 and 2024 [and six months ended June 30, 2025];

(c) the Accountants' Report from KPMG, the text of which is set out in Appendix I to this document;

(d) the report from KPMG on the unaudited [**REDACTED**] financial information, the text of which is set out in Appendix IIA to this document;

(e) the PRC legal opinions issued by Allbright Law Offices, our PRC Legal Advisor, in respect of certain aspects of our Group;

(f) the material contracts referred to in the section headed "Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contracts" in Appendix VI to this document;

(g) the written consents referred to in the section headed "Statutory and General Information—D. Other Information—7. Consents of Experts" in Appendix VI to this document;

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(h) the service contracts and the letters of appointment referred to in the sub-section headed "Statutory and General Information—C. Further Information about Our Directors and Substantial Shareholders—1. Particulars of Directors' Service Contracts and Letters of Appointment" in Appendix VI to this document;

(i) CIC Report; and

(j) the PRC Company Law and the PRC Securities Law together with their unofficial English translations.

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