This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full document. You should read the whole document before you decide to **[REDACTED]** ***in the*** **[REDACTED]**. ***Various expressions used in this section are defined in the sections headed "Definitions" and "Glossary of Technical Terms" in this document.***

There are risks associated with any **[REDACTED]**. ***Some of the particular risks in*** **[REDACTED]** ***in the*** **[REDACTED]** ***are set forth in the section headed "Risk Factors" of this document. You should read that section carefully before you decide to*** **[REDACTED]** ***in the*** **[REDACTED]**.

OVERVIEW

We are a professional dental material company, offering a wide range of dental clinical products, dental laboratory products and dental digital products in various application scenarios across key specialty areas in dentistry. We manufacture and sell dental materials through distributorship model primarily in China, with an expanding footprint in international markets. In 2024, the dental material market in China accounted for 42.2% of the overall dental medical device market, which also includes dental equipment and appliances, and is characterized by high fragmentation. In the same year, we captured a market share of 1.3% in the dental material market in China in terms of revenue. Our comprehensive product portfolio caters to all scenarios in dental medical institutions (including dental hospitals and clinics) and laboratories, effectively addressing the diverse clinical needs of our customers, including restoration, implantation, endodontics, orthodontics and pediatrics. We are the largest manufacturer of dental impression taking materials and among the largest domestic manufacturers of dental clinical materials in China in terms of sales revenue in 2024, holding the most dental clinical materials with the CE Mark or FDA approval among domestic manufacturers.

Our Business Model

We are establishing our position in the market for dental clinical products and dental laboratory products in China, which has traditionally been dominated by well-known foreign brands. For instance, foreign products occupy around 70% of the dental clinical product market. Through our commitment to intensive research and development, we have achieved product standards comparable to those leading international brands. We have also focused on sales, establishing market presence through long-term marketing efforts, distribution partnerships and competitive pricing. As a result, our brand has a strong domestic recognition, with many dental professionals familiar with our high-quality alternatives to imported products. This has helped us constantly build our reputation and attract customers. Notably, in several subcategories, including elastomeric impression materials and synthetic resin teeth, we have surpassed these renowned foreign brands, becoming the top-ranked company by sales revenue in 2024, according to Frost & Sullivan.

We have built a robust sales network to realize the commercial potential of our products. In China, we serve a wide range of dental medical institutions, supported by an extensive network of distributors and dental laboratories. Overseas, our products have been certified in over 60 countries and regions. Our key overseas markets include Europe, the U.S. and Southeast Asia. We are competitive in both the European and the U.S. markets, and we look to become a market leader in the Southeast Asian market.

Our brands, namely *Huge (滬鴿), Hujishu (護脊舒), Kaijing (凱晶), Kaifeng (凱豐), Kaili (凱麗), Kaibiao (凱標), Meijiayin (美佳印), Meiyiting (美益汀), Meijingci (美晶瓷), and Meitiangu (美天固)* have gained significant visibility through this extensive market development in the dental medical device industry and earned a strong market reputation. Leveraging our research and development capabilities, high production capacity and our highly efficient professional service system, we are committed to developing and manufacturing products that demonstrate internationally recognized performance standards and continuing to explore opportunities in overseas markets.

Our Products

Our products are divided into dental clinical products, dental laboratory products and dental digital products. Our dental clinical products include a wide range of high-quality products designed to address various dental treatment needs. Our dental laboratory products are used in dental laboratories to make dental restorations (such as crowns, bridges, dentures), where they undergo further processing before being utilized by dentists for patient treatment. Our dental digital products primarily include 3D printing materials, 3D printer and intraoral scanner, which are under continuous development. Our dental products are extensively utilized across various fields, including restorative dentistry, implantology, orthodontics, endodontics, and pediatric dentistry. Globally, our products have been certified in over 60 countries and regions worldwide, including 33 FDA-cleared or approved products, 31 products with the CE Mark and 17 NMPA-approved products, reflecting our strong domestic and international presence and strategically positions us within the competitive dental medical devices market.

Among our product offerings, six products, namely elastomeric impression material, synthetic resin teeth, temporary crown and bridge resin block, A-silicone for bite registration, zirconia block and invisible orthodontic aligner, generally contributed to over 5% of revenue in each year during the Track Record Period. Details of these products are listed in the following table. Elastomeric impression material is the largest revenue-contributing product, which accounts for approximately 35% of our total revenue for each year of the Track Record Period. Synthetic resin teeth and temporary crown and bridge resin block together account for approximately 30% of our total revenue for each year of the Track Record Period.

Our elastomeric impression materials and synthetic resin teeth ranked first in terms of sales revenue in China in 2024, according to Frost & Sullivan. Our elastomeric impression materials also ranked first among domestic brands in global market in terms of sales revenue in 2024, according to the same source.

Product	Representative Image	Description	Major Approved Regions
Elastomeric impression material (彈性體印模材料)		Elastomeric impression materials are used for taking precise impressions for crowns, bridges, inlays, onlays, telescopic crowns, attachments, implants, orthodontics and other precision restorations. Our elastomeric impression materials provide highly accurate impressions, are resistant to deformation, and have a dimensional change rate of less than 1%.	China (Class II medical device), EU, U.S., Japan, Canada, Australia, Brazil, Indonesia
Synthetic resin teeth (合成樹脂牙)		Synthetic resin teeth are used for making complete removable dentures, partial removable dentures and temporary implant teeth. Our products cover the high, medium and low-end resin teeth markets, offering an ideal combination of hardness and toughness, making them resistant to cracking. They bond well with denture base materials, are easy to modify anatomically, and are available in over 150 shape designs. The color options are based on the most popular global palettes, including multi-color, three-layer, four-layer, and five-layer visible resin teeth.	China (Class III medical device), EU, U.S., Japan, Canada, Australia, Brazil, Indonesia

SUMMARY

Product	Representative Image	Description	Major Approved Regions
Temporary crown and bridge resin block (臨時冠橋樹脂塊)		Resin blocks are used for fabricating temporary crowns, bridges, night guards, and surgical guides for implants, and are available in a variety of color options. Our products feature natural tooth-like layering, high flexural strength, excellent post-milling polishing performance, good biocompatibility and long wear resistance.	China (Class II medical device), EU, U.S., Japan, Canada, Australia, Brazil
A-silicone for bite registration (咬合記錄硅橡膠)		A-silicone for bite registration is designed to record the occlusal relationship between the upper and lower jaws, which is typically used in dental restorations, orthodontic treatments and implant procedures.	China (Class II medical device), EU, U.S., Japan, Brazil, Indonesia
Zirconia block (氧化鋯瓷塊)		Zirconia blocks are used for fabricating crowns, bridges, inlays and veneers for fixed dental prostheses. Our zirconia blocks are made from high-quality zirconia powder using internationally advanced technologies such as dry pressing, cold isostatic pressing and high-temperature sintering. They are compatible with high-precision open dental CAD/CAM milling systems and feature excellent translucency, operability, high strength, aging resistance and biocompatibility.	China (Class II medical device), EU, U.S., Japan, Canada, Australia, Indonesia
Invisible orthodontic aligner (無托槽隱形正畸矯治器)		Invisible orthodontic aligners are used for correcting non-skeletal dental malocclusions in the permanent dentition stage. Our product integrates computer-aided design, orthodontic techniques, 3D printing technology and advanced intelligent manufacturing processes. Made from medical-grade resin materials, it eliminates the need for traditional fixed braces with wires and brackets, ensuring effective results while offering advantages in comfort, aesthetics and hygiene.	China (Class II medical device), EU, U.S., Canada, Australia, Indonesia

As we continue to enrich our product portfolio and actively market additional products, we view the following products as representative ones that have the potential to drive our future growth, although these products collectively contribute only approximately 5% of our total revenue during each year of our Track Record Period. In addition, we plan to further develop our removable denture and implant restoration products to expand our product portfolio by leveraging digital technologies. For additional information about our products, see "Business — Our Products."

Product	Representative Image	Description	Major Approved Regions
Glass ionomer cement (玻璃離子水門汀)	 (Luting cement) (黏結型)  (Filling cement) (充填型)	Glass ionomer cement is used for filling defects in non-stress-bearing areas of permanent teeth and cavities in primary teeth, as well as for bonding metal or ceramic inlays, crowns, bridges, posts and orthodontic bands. Its fluoride-releasing properties can effectively help prevent caries. Our product is independently developed, with the entire process, from glass material melting and liquid synthesis to the formulation and final product manufacturing, being entirely completed in-house.	China (Class III medical device), EU, U.S., Australia, Indonesia
Light cure dental adhesive (光固化牙體黏接劑).		Our light cure dental adhesive and bonding resin cement (dual cure) are domestically leading products, capable of bonding and cementing restorations made from various materials. They are versatile products suitable for both light-curing and self-curing mechanisms. These products not only match imported counterparts in terms of material strength, film-forming thickness, water absorption and solubility but also offer strong options for color and transparency. They are highly user-friendly, with excellent bonding strength, and show great potential to replace imported products of this type.	China (Class III medical device), EU, U.S., Indonesia
Bonding resin cement (dual cure) (黏固用樹脂水門汀(雙固化)) . . .			China (Class III medical device), EU, U.S.
Self adhesive resin cement (自粘接樹脂水門汀).		Our self-adhesive resin cement is a dual-cured material designed for the bonding of ceramic, composite, and metal restorations. By integrating MDP and proprietary self-curing technology, it eliminates the need for separate bonding agents or pre-treatment, significantly simplifying clinical procedures. Furthermore, it offers continuous fluoride release to effectively prevent secondary caries.	China (Class III medical device), U.S.

Product	Representative Image	Description	Major Approved Regions
Phosphoric acid etching gel (磷酸酸蝕劑)		Our phosphoric acid etching gel is a semi-gel formulation designed for the selective or total etching of enamel and dentin prior to direct fillings or cementation, as well as for cleaning restoration surfaces. Featuring a vibrant color for easy distinction, it offers optimal viscosity to ensure precise placement without slumping, and rinses off completely with no residue. This provides a reliable foundation for both esthetic repair and functional reconstruction.	China (Class II medical device), EU, U.S.

The following table sets forth a breakdown of our revenue by product category and highlights the revenue contribution of our top revenue-contributing products (products generally contributing over 5% of revenue during each year of the Track Record Period).

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000 (except for percentages)					
Dental Clinical Products						
Impression Taking Materials[1]	148,485	41.4%	176,054	44.1%	174,471	43.6%
Including:						
Elastomeric impression material	*130,774*	*36.6%*	*142,519*	*35.7%*	*137,032*	*34.2%*
A-silicone for bite registration	*13,486*	*3.8%*	*22,848*	*5.7%*	*26,860*	*6.7%*
Glass Ionomer Materials[2]	12,613	3.5%	13,688	3.4%	15,368	3.8%
Resin Adhesive Materials[3]	4,507	1.3%	6,016	1.5%	10,867	2.7%
Orthodontics[4]	27,746	7.8%	25,400	6.4%	16,063	4.0%
Including:						
Invisible orthodontic aligner (for full-cycle treatment)	*26,165*	*7.3%*	*22,382*	*5.6%*	*11,266*	*2.8%*
Other Dental Clinical Products[5]	1,291	0.4%	1,343	0.3%	1,727	0.4%
Dental Laboratory Products						
Removable Denture Restoration Materials[6]	140,225	39.2%	149,083	37.4%	146,690	36.7%
Including:						
Synthetic resin teeth	*83,848*	*23.4%*	*83,627*	*20.9%*	*83,284*	*20.8%*
Temporary crown and bridge resin block	*29,193*	*8.2%*	*37,434*	*9.4%*	*34,152*	*8.5%*
Fixed Denture Restoration Materials	12,327	3.5%	18,101	4.5%	26,472	6.6%
Including:						
Zirconia block	*11,935*	*3.3%*	*17,154*	*4.3%*	*25,734*	*6.4%*
Dental Digital Products[7]	2,760	0.8%	2,486	0.6%	671	0.2%
Others[8]	7,659	2.1%	7,269	1.8%	7,820	2.0%
Total	**357,613**	**100.0%**	**399,440**	**100.0%**	**400,149**	**100.0%**

Notes:

(1) Impression taking materials include our elastomeric impression material and other materials specialized for dental impression taking.

(2) Glass ionomer materials include our glass ionomer cement and resin-modified glass ionomer cement.

(3) Resin adhesive materials include our light cure dental adhesive and bonding resin cement (dual cure), as well as certain pretreatment materials for adhesion.

(4) Orthodontics includes invisible orthodontics aligners and retainers offered as comprehensive full-cycle treatment packages (with aligner treatment solutions) or as individual units available for purchase in smaller quantities.

(5) Other dental clinical products include our restorative resin materials and materials for pediatric dental prevention.

(6) This category also includes denture base resin.

(7) Revenue from dental digital products during the Track Record Period was primarily generated through the sales of supplier-provided intraoral scanners.

(8) Include other miscellaneous income, mainly including sales of certain dental products procured from others and certain dental accessory supplies, freight income from CNF transactions, and rental income from certain of our properties.

Our Achievements and Path Forward

As of the Latest Practicable Date, we held 34 domestic registration certificates for Class II and Class III medical devices, representing the largest number among domestic dental material companies in China. We view the broad range of regulatory certifications as not only exemplifying the breadth of our offerings but also underscoring the quality and reliability of our product portfolio.

We experienced continuous and steady growth from 2023 to 2025. Our revenue increased by 11.7% from RMB357.6 million in 2023 to RMB399.4 million in 2024, and remained relatively stable at RMB400.1 million in 2025. Our profit before tax increased from RMB105.8 million in 2023 to RMB110.8 million in 2024, and decreased to RMB60.3 million in 2025. The decrease was primarily resulted from increased operating expenses to support our global expansion and product strategy, particularly supporting our overseas market development and manufacturing operations in Indonesia, along with fair value changes on our derivative financial instruments arising from foreign exchange fluctuations. Going forward, we look to capitalize on the opportunities and solidify our market position in the dental medical device industry. We plan to upgrade and expand production at our Rizhao manufacturing facility with advanced automation to improve efficiency, quality and capacity. In parallel, we will establish a manufacturing facility in Indonesia, which will serve as a strategic base for our global expansion. We believe this dual-factory strategy in China and Indonesia will ultimately strengthen the stability of both our domestic and overseas supply chains. To support long-term growth, we also intend to invest in the research and development efforts that focus on advancing digital technologies. Building on this foundation, we aim to further expand our global logistics and sales network, establish warehousing centers and enhance domestic sales through team expansion and targeted marketing.

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our continuous growth and differentiated us from our competitors: (i) a dental material company in China with the most Class II and Class III registrations among domestic companies, offering a wide range of products, and known for quality and strong global presence; (ii) three key product categories covering five application scenarios across key specialty areas in dentistry to capture the high-potential dental medical devices market to ensure sustainable growth; (iii) well-positioned to embrace digital transformation in the dental medical device industry through in-house research and development capabilities; (iv) a mature sales network with comprehensive pre-sales and after-sales support on a global scale; (v) modern automation and standardized production systems, governed by stringent quality management protocols, enabling us to achieve significant scale efficiencies; and (vi) our founder and experienced senior management team with deep involvement in the dental medical market and global business insight.

OUR GROWTH STRATEGIES

We intend to pursue the following key strategies to grow our business: (i) driven by product development, embrace digital transformation, and provide customers with diversified and high-quality products; (ii) be responsive to customer demands, focus on product expansion to cover various application scenarios across all specialty areas in dentistry, and enhance product competitiveness; (iii) continuously expand global footprint to enhance international presence; (iv) invest in automation and the manufacturing plant in Indonesia to enhance production, reduce costs, and strengthen our supply chains; and (v) anchor a talent strategy in product development and innovation while integrating international perspectives.

RESEARCH AND DEVELOPMENT

We place significant emphasis on product research and development, actively pursuing technological breakthroughs for our existing products while also exploring new product opportunities. In our industry, the advantages of products stem from the leading edge provided by technological differences. We possess such edge in many of our products and our technology positions us as a leader in China and holds potential for import substitution. Furthermore, as technologies advance and patient needs evolve, new generations of products and materials continue to emerge. Our investment in research and development ensures that we remain at the forefront of the industry. We have obtained national high-tech enterprise certification and received national and provincial R&D awards.

As digital technology plays a crucial role in the entire field of dental materials, significantly enhancing the efficiency of design, production and application, we have been focusing on the research and development of digital technology applications in removable denture restoration, fixed denture restoration, implant restoration, and invisible orthodontic aligners. See "Business — Our Products — Our Future Digital Technology Supported Products" for details. We are also exploring 3D printing technologies and materials designed to replace traditional resin teeth. As of the Latest Practicable Date, we had initiated the development project of our 3D-printed full removable denture related products. As one of the pioneering companies in this field, we are at the forefront of innovation, and such products demonstrate strong growth potential. We also intend to explore innovative teeth whitening products.

Our R&D team is led by Ms. ZHANG Yongjing, who has nearly 20 years of experience in medical device management. As of December 31, 2025, our R&D team had 59 employees, among which approximately 30% held master's or Ph.D. degree, and is primarily based in Rizhao, Suzhou and Shanghai, organized into seven teams based on product types. During the Track Record Period, we incurred research and development expenses of RMB23.8 million, RMB29.4 million and RMB31.4 million in 2023, 2024 and 2025, respectively, representing 6.7%, 7.4% and 7.8% of our revenue in the same periods, respectively.

SALES AND MARKETING

We are rooted in the domestic market while expanding into international markets. After years of dedicated effort, we have achieved coverage of dental medical institutions in substantially all prefecture-level cities in the domestic market, and our overseas sales network extends across six continents during the Track Record Period.

Our customers include distributors and direct sales end-customers. Our end-customers are generally dental medical institutions and laboratories. During the Track Record Period, we served over 12,000 direct sales customers, which include over 10,000 dental medical institutions and over 2,000 laboratories. We also engage a range of distributors to increase our sales and market share. We believe the distributor model helps us optimize production scheduling, lower our delivery costs and mitigate our financial risks, as our end-customers are fragmented and often small. Under our distributor model, we typically set a fixed wholesale price in the distributorship agreements at a discount compared to the direct selling price based on various factors, including the distributors' distribution territory, channel resources, business volume and bargaining power. During the Track Record Period, we had 1,571, 1,673 and 1,762 distributors in 2023, 2024 and 2025, respectively. For additional information about our distributorship model, see "Business — Sales and Marketing — Distributor Sales." The following table sets forth a breakdown of our sales revenue by sales channel during the Track Record Period.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000 (except for percentages)					
Distributor sales						
– Chinese Mainland	167,025	46.7%	186,633	46.8%	186,424	46.7%
– Overseas	107,350	30.0%	124,545	31.2%	122,844	30.7%
Including:						
Europe	36,662	10.3%	49,493	12.4%	56,542	14.1%
The U.S.	30,564	8.5%	26,116	6.5%	13,423	3.4%
North America other than the U.S.	4,203	1.2%	8,891	2.2%	4,357	1.1%
Other Asian countries/ regions[(1)]	19,574	5.5%	25,249	6.3%	25,867	6.5%
Southeast Asia	8,686	2.4%	11,078	2.8%	14,305	3.6%
Other countries/regions[(2)]	7,661	2.1%	3,718	1.0%	8,350	2.1%
Direct sales						
– Chinese Mainland	79,280	22.2%	83,965	21.0%	83,793	20.9%
– Overseas	1,915	0.5%	3,307	0.8%	5,927	1.4%
Including:						
The U.S.	1,721	0.5%	2,246	0.6%	3,051	0.8%
Countries/regions other than the U.S.	194	0.0%	1,061	0.2%	2,876	0.7%
Others[(3)]	2,043	0.6%	990	0.2%	1,161	0.3%
Total	**357,613**	**100.0%**	**399,440**	**100.0%**	**400,149**	**100.0%**

Notes:

(1) Other Asia countries/regions include Asian countries or regions other than Chinese Mainland and Southeast Asia such as Japan and Korea.

(2) Other countries or regions primarily include Australia, Brazil, Egypt and Argentina.

(3) Primarily representing rental income.

The following table sets forth a breakdown of the gross profit and gross profit margin by sales channel during the Track Record Period.

	For the year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000 (except for percentages)					
Distributor sales						
– Chinese Mainland	92,618	55.5%	110,089	59.0%	111,400	59.8%
– Overseas	62,358	58.1%	71,629	57.5%	70,111	57.1%
Direct sales						
– Chinese Mainland	46,562	58.7%	50,367	60.0%	47,799	57.0%
– Overseas	1,521	79.4%	2,275	68.8%	3,689	62.2%
Others	637	31.2%	(146)*	(14.7)%*	417	35.9%
Total	**203,696**	**57.0%**	**234,214**	**58.6%**	**233,416**	**58.3%**

* The negative gross profit and gross profit margin are attributable to losses from rental operations, which resulted from the suspension of rental income during several months in 2024 when the properties were undergoing renovation.

Sales and Marketing Team

Our domestic sales and marketing team is led by Mr. LIU Qin, our executive Director and the general manager of our Company, who has nearly 30 years of experience in sales and marketing including approximately 20 years specifically focused on the dental sector. As of December 31, 2025, our domestic sales and marketing team consisted of 177 employees. Our domestic sales and marketing team is responsible for all aspects of work, including product sales, sales management, product marketing, product advertising, logistics and customer services, among others. Our overseas sales and marketing team is led by Mr. BEN Jianwei, who has over 20 years of experience in overseas sales and management. As of December 31, 2025, our overseas sales and marketing teams consisted of 50 employees.

Pricing Strategy

We adhere to a pricing strategy, offering competitive pricing for products that match the quality and performance of leading foreign brands to meet the demand for cost-effective solutions. Meanwhile, by continuously investing in technological innovation and quality enhancement, we have achieved a significant differentiation in product quality and technological advancement compared to domestic competitors, thereby solidifying our market position in the domestic market and beyond. The following table sets forth the average selling price and sales volume of our key products during the Track Record Period.

	For the year ended December 31,					
	2023		2024		2025	
	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume
	RMB	*Unit*	*RMB*	*Unit*	*RMB*	*Unit*
Elastomeric impression materials	171/kg	769,490	173/kg	818,910	171/kg	799,630
Synthetic resin teeth	0.9/piece	90,987,078	0.9/piece	93,081,765	0.9/piece	93,373,940
Temporary crown and bridge resin block	555/kg	52,501	514/kg	72,864	536/kg	63,362
Invisible orthodontic aligner	3,250/case	9,309	3,224/case	4,563	3,262/case	1,637

During the Track Record Period, elastomeric impression materials and synthetic resin teeth, our two largest revenue-contributing products, maintained a stable average selling price. Meanwhile, for invisible orthodontic aligners and temporary crown and bridge resin blocks, which contributed to our revenue to a significantly less extent, we offered competitive pricing that was enabled by our improved cost efficiency and aligned with market conditions. The average selling prices of our key products align with industry levels while maintaining strong competitiveness. The decline in invisible orthodontic aligner sales volume in 2024 and 2025 was primarily attributable to their relatively lower profitability. As a result, we proactively adjusted our product portfolio and plan to resume the promotion after further optimization.

MANUFACTURING

We currently manufacture at our Rizhao manufacturing facility in Shandong Province, China. Our manufacturing facility occupies 33,332 square meters of land and the plant has a total floor area of 32,902 square meters. Our manufacturing team is led by Ms. ZHANG Yongjing, who has nearly 20 years of experience in medical device management. As of December 31, 2025, our manufacturing team consisted of 369 employees, including 12 management personnel. Our manufacturing management team possesses extensive experience in the manufacturing sector, with nine members having over a decade of relevant expertise. In 2025, our overall utilization rate of production lines reached nearly 90%. For additional information about our utilization rate and manufacturing facilities, see "Business — Manufacturing."

Going forward, we plan to upgrade our production lines with more advanced automation, which we expect to expand our production capacity at the Rizhao manufacturing facility, including installing production lines of dental clinical products, dental laboratory products (zirconia and 3D printing resin) and dental digital product (intraoral scanner), over the next five years. We also plan to establish a factory in Indonesia. As of the Latest Practicable Date, we had leased a facility and obtained required production permit and product registration certificates, with production targeted to commence in the first half of 2026. In addition, we plan to purchase land in Indonesia to construct a manufacturing facility with larger scale. For additional information about our future facility upgrade and establishment plans, see "Future Plans and Use of [**REDACTED**]."

CUSTOMERS

Our customers primarily include our distributors and to a lesser extent, dental medical institutions and laboratories. Revenue generated from our top five customers in each year during the Track Record Period accounted for 16.6%, 20.2% and 19.2% of our total revenue in 2023, 2024 and 2025, respectively, and revenue generated from our largest customer in each year during the Track Record Period accounted for 4.4%, 5.2% and 6.8% of our total revenue in the same years, respectively. During the Track Record Period and up to 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 in each year during the Track Record Period. For details, please see "Business — Customers."

SUPPLIERS AND PROCUREMENT

Our suppliers primarily include suppliers of raw materials for our products. Purchase from our top five suppliers in each year during the Track Record Period accounted for 26.2%, 22.1% and 20.4% of our total purchases of such products and services in 2023, 2024 and 2025, respectively, and purchase from our largest supplier in each year during the Track Record Period accounted for 6.7%, 7.5% and 7.4% of our total purchases in the same years, respectively. During the Track Record Period and up to 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 in each year during the Track Record Period.

The raw materials we procure primarily consist of PMMA, MMA, silica powder, silicone oil, gutta-percha sheets and light-curable resin liquid. We select our suppliers based on the quality and prices of their supplies. We have established a rigorous supplier evaluation system, selecting multiple qualified suppliers for key raw materials to serve as long-term vendors. For details, please see "Business — Suppliers and Procurement." During the Track Record Period and up to the Latest Practicable Date, we did not experience any price fluctuations of our primary raw materials that had a material impact on our business operations or financial position.

COMPETITION

The competitive landscape of the dental medical devices market in China is marked by intense competition, featuring a large number of both domestic and international companies vying for market share. Key players include well-known global brands as well as emerging local enterprises. As technical innovation and product quality are critical factors driving competitiveness, companies must continuously enhance their research and development capabilities while strengthening their brand influence to face the competitive environment. Additionally, as consumer awareness of oral health increases, there is a growing demand for high-performance and personalized products, which further propels competition and development within the industry. The global dental medical devices market has similar features. See "Industry Overview" for details.

INTELLECTUAL PROPERTY

Intellectual property rights are essential to our operations, and we invest considerable time and resources into their development and safeguarding. We utilize a mix of contractual agreements, confidentiality protocols and intellectual property registrations to establish and protect our proprietary technologies. As of the Latest Practicable Date, we had registered 141 trademarks, 67 patents, and 18 software copyrights in Chinese Mainland. As of the same date, we also had registered 32 trademarks overseas.

SUMMARY OF KEY FINANCIAL INFORMATION

The summary of the key financial information set forth below have been derived from and should be read in conjunction with our combined financial statements, including the accompanying notes, set forth in the Accountants' Report in Appendix I to this document, as well as the information set forth in the section headed "Financial Information."

Summary of Consolidated Statements of Profit or Loss

The following table sets forth the summary of our consolidated statements of profit or loss for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000 (except for percentages)					
Revenue	**357,613**	**100.0%**	**399,440**	**100.0%**	**400,149**	**100.0%**
Cost of sales	(153,917)	(43.0)%	(165,226)	(41.4)%	(166,733)	(41.7)%
Gross profit	**203,696**	**57.0%**	**234,214**	**58.6%**	**233,416**	**58.3%**
Other income and gains	22,309	6.2%	23,751	5.9%	14,420	3.6%
Selling and distribution expenses	(67,786)	(19.0)%	(71,945)	(18.0)%	(82,283)	(20.6)%
Administrative expenses	(29,904)	(8.4)%	(45,452)	(11.4)%	(56,090)	(14.0)%
Research and development expenses	(23,823)	(6.7)%	(29,407)	(7.4)%	(31,384)	(7.8)%
Impairment losses on financial assets, net	(411)	(0.1)%	(347)	(0.1)%	(622)	(0.2)%
Other expenses	(406)	(0.1)%	(950)	(0.2)%	(12,794)	(3.2)%
Finance costs	(1,468)	(0.4)%	(2,568)	(0.6)%	(3,745)	(0.9)%
Exchange gains/(losses)	3,598	1.0%	3,498	0.9%	(580)	(0.1)%
PROFIT BEFORE TAX	**105,805**	**29.6%**	**110,794**	**27.7%**	**60,338**	**15.1%**
Income tax expense	(17,451)	(4.9)%	(34,225)	(8.6)%	(12,639)	(3.2)%
PROFIT FOR THE YEAR	**88,354**	**24.7%**	**76,569**	**19.2%**	**47,699**	**11.9%**

Non-IFRS Measures

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted net profit (Non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS. Adjusted net profit (Non-IFRS measure) for the year was calculated by taking profit for the year and adding back (i) the [**REDACTED**] expenses in relation to the [**REDACTED**]; and (ii) equity-settled share-based payment expenses paid to our employees. We believe that these Non-IFRS measures facilitate comparisons of operating performance from period to period and company to company. We believe that these measures provide useful information to [**REDACTED**] and others in understanding and evaluating our results of operations in the same manner as they help our management. However, our presentation of adjusted net profit (Non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such Non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS. The following table sets forth a reconciliation of our adjusted net profit (Non-IFRS measure) to the nearest measure prepared in accordance with IFRS for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
		RMB'000	
Profit for the year	88,354	76,569	47,699
Add:			
[**REDACTED**] expenses in connection with [**REDACTED**]	–	9,554	13,312
Equity-settled share-based payment expenses[1]	1,610	2,502	280
Adjusted net profit (Non-IFRS measure)	**89,964**	**88,625**	**61,291**

Note:

(1) A non-cash item in nature.

Revenue

During the Track Record Period, we primarily generated revenue from sales of dental material products, including dental clinical products, dental laboratory products and dental digital products. To a lesser extent, we also generated revenue from other miscellaneous sources, mainly including sales of certain dental products procured from others and certain dental accessory supplies, freight income from CNF transactions, and rental income from certain of our properties. For a breakdown of our revenue by types of products, see "— Overview — Our Products."

Our footprint extends beyond the Chinese Mainland market. Our sales network extends across six continents during the Track Record Period. Among them, our primary markets are Chinese Mainland, Europe, U.S. and Southeast Asia. The following table sets forth a breakdown of our revenue by geographic market for the Track Record Period.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000 (except for percentages)					
Chinese Mainland	248,347	69.4%	271,322	67.9%	271,378	67.9%
Europe	36,683	10.3%	49,784	12.5%	56,978	14.3%
The U.S.	32,285	9.0%	28,362	7.1%	16,474	4.1%
North America other than the U.S.	4,229	1.2%	8,974	2.2%	4,556	1.1%
Other Asian countries/regions[1]	19,645	5.5%	25,432	6.4%	26,403	6.6%
Southeast Asia	8,763	2.5%	11,544	2.9%	15,942	4.0%
Other countries/regions[2]	7,661	2.1%	4,022	1.0%	8,418	2.0%
Total	**357,613**	**100.0%**	**399,440**	**100.0%**	**400,149**	**100.0%**

Notes:

(1) Other Asia countries/regions include Asian countries or regions other than Chinese Mainland and Southeast Asia such as Japan and Korea.

(2) Other countries or regions primarily include Australia, Brazil, Egypt and Argentina.

Our revenue increased by 11.7% from RMB357.6 million for the year ended December 31, 2023 to RMB399.4 million for the year ended December 31, 2024, primarily attributable to the increase in sales volume of our dental clinical products in 2024. Our revenue generated from sales of dental clinical products increased by 14.3% from RMB194.6 million for the year ended December 31, 2023 to RMB222.5 million for the year ended December 31, 2024, primarily driven by an increase of RMB27.6 million in sales of impression taking materials, which was attributable to the increased sales volume in China. The increased volume was driven by our successful distribution network expansion and growing customer base, underpinned by our competitive product quality.

Our revenue remained relatively stable at RMB400.1 million in 2025 compared to RMB399.4 million in 2024. Our revenue generated from the U.S. decreased by 41.9% from RMB28.4 million in 2024 to RMB16.5 million in 2025, which was attributable to (i) delayed orders from our U.S. customers in 2025. This was a result of U.S. tariff policy impacts, though our customers have gradually resumed placing orders following the tariff reduction on May 14, 2025; and (ii) the termination of business relationship with a major U.S. customer. The termination arose from such customer's own strategic decision to discontinue and withdraw from the relevant business segment in which our products were used, as part of its broader business restructuring. Consequently, the customer ceased placing orders with us, and such cessation was not attributable to any dispute or performance issues relating to our products or services. The decreased revenue generated from the U.S. did not have an material impact, because such decrease was offset by the increased sales in other countries or regions, particularly in Europe and Southeast Asia, primarily driven by our intensified promotional efforts in these regions.

Gross Profit and Gross Profit Margin

The following table sets forth the breakdown of our gross profit and gross profit margin by product category for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000 (except for percentages)					
Dental clinical products	104,088	53.5%	127,566	57.3%	126,037	57.7%
Dental laboratory products	96,894	63.5%	105,176	62.9%	104,955	60.6%
Dental digital products	1,020	37.0%	665	26.7%	105	15.6%
Others[(1)]	1,694	22.1%	807	11.1%	2,319	29.7%
Total	**203,696**	**57.0%**	**234,214**	**58.6%**	**233,416**	**58.3%**

Note:

(1) Representing gross profit and gross profit margin of other miscellaneous income.

Our gross profit increased by 15.0% from RMB203.7 million in 2023 to RMB234.2 million in 2024, primarily reflecting an increase of RMB23.5 million in gross profit from sales of dental clinical products. The gross profit margin for sales of dental clinical products increased from 53.5% in 2023 to 57.3% in 2024, primarily driven by the decrease of unit costs for producing our impression taking materials as a result of our continuous efforts to optimize the cost efficiency through engaging with suppliers who can provide more competitive price. Since raw materials represent the largest component of our production costs for impression taking materials, procuring these materials at lower prices from more competitive suppliers directly reduces our unit production costs.

Our gross profit remained relatively stable at RMB233.4 million in 2025 compared to RMB234.2 million in 2024. Our overall gross profit margin remained relatively stable at 58.6% in 2024 and 58.3% in 2025.

Our Cost Structure

Our cost structure mainly includes cost of sales and operating expenses.

During the Track Record Period, our cost of sales primarily consisted of raw materials used for our own production and staff costs of our manufacturing and production personnel. In 2023, 2024 and 2025, our cost of sales was RMB153.9 million, RMB165.2 million and RMB166.7 million, respectively, representing 43.0%, 41.4% and 41.7% of our total revenue for the same years, respectively. It increased from 2023 to 2025 in line with the growth of our revenue and business.

During the Track Record Period, our selling and distribution expenses primarily consisted of staff costs of our sales and marketing personnel and advertising and promotion expenses. In 2023, 2024 and 2025, our selling and distribution expenses were RMB67.8 million, RMB71.9 million and RMB82.3 million, respectively, representing 19.0%, 18.0% and 20.6% of our total revenue for the same years, respectively. The increase from 2024 to 2025 was primarily attributable to the increased staff costs and engagement of consulting services for our overseas business operation.

During the Track Record Period, our administrative expenses primarily consisted of staff costs of our administrative personnel, office expenses, professional service fees and depreciation and amortization expenses. In 2023, 2024 and 2025, our administrative expenses amounted to RMB29.9 million, RMB45.5 million and RMB56.1 million, respectively. The increases of our administrative expenses from 2023 to 2025 were primarily due to the increase in professional service fees which was mainly attributable to the engagement of professional service providers for this [**REDACTED**].

During the Track Record Period, our research and development expenses primarily consisted of staff costs of our R&D personnel and registration fees for the purpose of our product registration. In 2023, 2024 and 2025, our research and development expenses were RMB23.8 million, RMB29.4 million and RMB31.4 million, respectively. The increase from 2023 to 2024 was primarily because we recruited more talent to support our R&D activities. The increase from 2024 to 2025 was primarily because we advanced certain R&D projects focused on our in-house dental digital products.

Profit for the Year

Our net profit decreased by 13.3% from RMB88.4 million for the year ended December 31, 2023 to RMB76.6 million for the year ended December 31, 2024, primarily due to the increased income tax expenses, which were primarily attributable to the recognition of withholding tax expenses on distributable profits in 2024.

In 2025, our profitability declined as compared with 2024, with net profit decreasing by 37.7% from RMB76.6 million to RMB47.7 million. This was mainly attributable to (i) an increase in operating expenses. In particular, the increase in administrative expenses reflected higher staff costs to support our strategic product planning and the preparation of our manufacturing operations in Indonesia, while selling and distribution expenses also rose owing to staff costs and consulting service fees for our overseas business operation; and (ii) higher other expenses primarily attributable to fluctuations in foreign exchange rates which affected the fair value of our purchased forward currency contracts and foreign currency swaps, partially offset by a decrease of RMB21.6 million in income tax expenses as a result of the decrease of our profit before tax for the year. These factors, taken together, resulted in a notable decline in our overall profitability in 2025.

Summary of Consolidated Statements of Financial Position

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

	As of December 31,		
	2023	2024	2025
		RMB'000	
Total non-current assets	204,048	263,078	290,624
Total current assets	357,897	574,176	391,182
Total current liabilities	157,897	340,229	331,763
Total non-current liabilities	18,023	58,330	11,436
Net current assets	200,000	233,947	59,419
Total assets less current liabilities	404,048	497,025	350,043
Net assets	386,025	438,695	338,607

Our net current assets increased from RMB200.0 million as of December 31, 2023 to RMB233.9 million as of December 31, 2024, primarily attributable to an increase of RMB216.3 million in our current assets, mainly reflecting (i) an increase of RMB182.4 million in cash and cash equivalents attributable to cash flows generated from operating activities and the conversion of matured time deposits into cash; (ii) an increase of RMB111.5 in prepayments, other receivables and other assets, primarily due to an increase in receivables in connection with the Reorganization, representing the receivables due from our shareholders who had not fully performed their capital injection obligations to our Company, as part of our Reorganization; (iii) an increase of RMB22.3 million in pledged deposits used as collateral for RMB-denominated bank borrowings, which was partially offset by a decrease of RMB119.2 million in current time deposits mainly attributable to the maturity of USD deposits, the proceeds of which were used to enter into foreign currency swaps to obtain RMB for the completion of the Reorganization. The increase in our current assets was partially offset by an increase of RMB182.3 million in our current liabilities, mainly attributable to (i) an increase of RMB102.3 million in interest-bearing bank borrowings to support our daily operations; and (ii) an increase of RMB85.7 million in other payables and accruals, mainly attributable to the increase in payables in connection with the Reorganization and loan from a related party.

Our net current assets decreased from RMB233.9 million as of December 31, 2024 to RMB59.4 million as of December 31, 2025, primarily attributable to a decrease of RMB183.0 million in our current assets, mainly reflecting (i) a decrease of RMB99.3 million in prepayments, other receivables and other assets as a result of the repayment of receivables in connection with the Reorganization; (ii) a decrease of RMB60.4 million in time deposits, primarily due to the maturity of our time deposits during 2025; and (iii) a decrease of RMB48.4 million in cash and cash equivalents primarily attributable to the payment of dividends in January 2025. The decrease in our current assets was partially offset by a decrease of RMB8.5 million in our current liabilities, primarily attributable to a decrease of RMB73.1 million in other payables and accruals as a result of the repayments of payables in connection with the Reorganization and the loan payable to a related party in January 2025, partially offset by an increase of RMB49.3 million in interest-bearing bank borrowings to support our operations.

Our net assets increased from RMB386.0 million as of December 31, 2023 to RMB438.7 million as of December 31, 2024, primarily due to profit for the year of RMB76.6 million, partially offset by dividends paid to the then shareholders of RMB26.9 million. Our net assets decreased from RMB438.7 million as of December 31, 2024 to RMB338.6 million as of December 31, 2025, primarily due to the dividends declared for the year of RMB144.7 million. For details, see "Consolidated Statements of Changes in Equity" in the Accountants' Report set out in Appendix I to this document.

Summary of Consolidated Statements of Cash Flows

The following table sets forth the components of our consolidated statements of cash flows for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
		RMB'000	
Operating cash flows before movements in working capital	107,199	110,306	85,676
Changes in working capital	5,782	(13,501)	(21,006)
Cash generated from operations	112,981	96,805	64,670
Interest received	837	1,937	3,701
Income tax paid	(19,024)	(17,223)	(11,596)
Net cash flows from operating activities	94,794	81,519	56,775
Net cash flows (used in)/from investing activities	(66,143)	60,103	23,293
Net cash flows from/(used in) financing activities	4,803	40,269	(127,565)
Net increase/(decrease) in cash and cash equivalents	33,454	181,891	(47,497)
Cash and cash equivalents at beginning of the year	56,109	91,116	273,526
Effect of foreign exchange rate changes, net	1,553	519	(946)
Cash and cash equivalents at the end of the year	91,116	273,526	225,083

Key Financial Ratios

The following table sets forth our key financial ratios as of the dates indicated:

	As of/for the year ended December 31,		
	2023	2024	2025
Gross profit margin (%)[(1)]	57.0%	58.6%	58.3%
Net profit margin (%)[(2)]	24.7%	19.2%	11.9%
Current ratio[(3)]	2.27	1.69	1.18
Quick ratio[(4)]	1.98	1.54	1.00

Notes:

(1) Gross profit margin equals gross profit divided by revenue for the year and multiplied by 100%.

(2) Net profit margin equals profit for the year divided by revenue for the year and multiplied by 100%.

(3) Current ratio is calculated as total current assets divided by total current liabilities at the end of the year.

(4) Quick ratio is calculated as current assets less inventories divided by current liabilities at the end of the year.

SUMMARY OF MATERIAL RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors." Some of the major risks that we face include: (i) we face intense competition in the dental medical devices industry. Our inability to compete effectively could materially and adversely affect our prospects, business, financial condition and results of operations; (ii) our historical business growth, revenue and profitability may not predict future performance, and our success largely depends on our ability to execute our business strategy; (iii) demand for dental medical devices may not grow as rapidly as we anticipate due to various factors, including market conditions, which would materially and adversely affect our business, results of operations and financial condition; (iv) if we fail to implement our expansion plan as planned, our business and prospects could be materially and adversely affected; (v) we have limited control over the operations and actions of our distributors, and our efforts to manage them may not be effective. Our distributors may take actions that could have a material adverse effect on our business, prospects and reputation; (vi) if we are unable to obtain and maintain adequate patent and other intellectual property protection, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop products similar or identical to ours and compete directly against us; (vii) failure to effectively expand our sales and marketing capabilities could harm our ability to increase the sales of our products and achieve broader market acceptance; and (viii) we are exposed to potential product liability claims.

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Share Subdivision and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Mr. Song, through Huge Vanguard and Huge Star, will control the voting rights attaching to [**REDACTED**]% of the total issues Shares of our Company. Therefore, Mr. Song, Huge Vanguard and Huge Star will continue to be a group of Controlling Shareholders upon the [**REDACTED**]. For further details, see "Relationship with our Controlling Shareholders."

OUR PRE-[REDACTED] INVESTORS

Pre-[**REDACTED**] Investments in our Group were undertaken by Hubei Tongying, Guangzhou Haihui, Primelight Yuanjing, Nanjing Tunzhi and Rizhao Gaoxin, who are our Pre-[**REDACTED**] Investors. For details of the Pre-[**REDACTED**] Investors and the principal terms of the Pre-[**REDACTED**] Investments, see "History, Reorganization and Corporate Structure — Pre-[**REDACTED**] Investments."

DIVIDENDS

During the Track Record Period, dividends of RMB210,246,000 were declared by Shandong Huge to its then shareholders, all of which had been fully paid as of December 31, 2025.

Currently, we do not have a formal dividend policy or a fixed dividend payout ratio. Any future declarations and payments of dividends will be at the discretion of our Directors, subject to certain restrictions under Cayman Islands law, and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. In addition, our Shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. As advised by our legal advisor as to Cayman Islands law, notwithstanding that the Company may have accumulated losses, the Company may declare dividend (a) out of profits of the Company if the Company has sufficient profits, realized or unrealized, unless such is contrary to the accounting principles adopted by the Company or (b) out of the share premium of the Company if following the date on which the dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business. In determining whether to declare a dividend, our Board will need to be satisfied that the declaration of dividend is in the best interest of the Company and may make provision for losses. [**REDACTED**] should not purchase our Shares with the expectation of receiving cash dividends.

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. The PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits as the statutory common reserve fund until the cumulative amount of the statutory common reserve fund reaches 50% or more of such enterprises' registered capital, if any, to fund its statutory common reserves, which are not available for distribution as cash dividends.

[REDACTED]

	Based on an [REDACTED] of HK$[REDACTED] per Share	Based on an [REDACTED] of HK$[REDACTED] per Share
[REDACTED] of our Shares(1)	HK$[**REDACTED**]	HK$[**REDACTED**]
Unaudited [REDACTED] adjusted consolidated net tangible assets per Share(2)(3)	HK$[**REDACTED**]	HK$[**REDACTED**]

Notes:

(1) The calculation of [**REDACTED**] is based on [**REDACTED**] Shares expected to be in issue immediately after the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised);

(2) The unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share has been arrived at after adjustments referred to "Appendix II — Unaudited [**REDACTED**] Financial Information" and on the basis that [**REDACTED**] Shares were in issue at the respective [**REDACTED**] of HK$[**REDACTED**] and HK$[**REDACTED**], assuming that the Share Subdivision, and the [**REDACTED**] were completed on December 31, 2025, without taking into account the exercise of the [**REDACTED**].

(3) No other adjustment has been made to the unaudited [**REDACTED**] adjusted consolidated net tangible asset of our Group to reflect any [**REDACTED**] result or other transactions entered into subsequent to December 31, 2025.

For further details, please refer to "Appendix II — Unaudited [**REDACTED**] Financial Information — [**REDACTED**]" to this document.

USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**] commissions, fees and estimated expenses payable by us in connection with the [**REDACTED**], and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share and that the [**REDACTED**] is not exercised, being the mid-point of the indicative [**REDACTED**] range stated in this document. We currently intend to apply these net [**REDACTED**] for the following purposes: (i) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the upgrading and expansion of production lines in the Rizhao manufacturing facility; (ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the establishment of the Indonesia manufacturing facility; (iii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the upgrading of dental products and technologies, as well as the enhancement of overall R&D capabilities; (iv) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the development of global logistic network, global sales network and global operations center; (v) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for recruiting additional sales personnel; (vi) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for enhancing our level of digitalization; and (vii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and other general corporate purposes. For further details, see "Future Plans and Use of [**REDACTED**]."

[REDACTED] EXPENSES

[**REDACTED**] expenses to be borne by us are estimated to be approximately HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per Share), representing approximately [**REDACTED**]% of the estimated net [**REDACTED**] from the [**REDACTED**] assuming no Shares are issued pursuant to the [**REDACTED**]. The [**REDACTED**] expenses consist of (i) [**REDACTED**]-related expenses, including [**REDACTED**] commission, of approximately HK$[**REDACTED**], and (ii) non-[**REDACTED**]-related expenses of approximately HK$[**REDACTED**], comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK$[**REDACTED**], and (b) other fees and expenses of approximately HK$[**REDACTED**]. During the Track Record Period, the [**REDACTED**] expenses charged to our consolidated statements of profit or loss were RMB[**REDACTED**] (HK$[**REDACTED**]), and the issue costs which were recognized as prepayments, other receivables and other assets and are expected to be deducted from equity upon the [**REDACTED**] were RMB[**REDACTED**] (HK$[**REDACTED**]). After the Track Record Period, approximately HK$[**REDACTED**] is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[**REDACTED**] is expected to be accounted for as a deduction from equity upon the [**REDACTED**]. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

IMPACT OF THE COVID-19 PANDEMIC

Our Track Record Period did not overlap with the COVID-19 pandemic, and the pandemic and relevant governmental control measures did not have any material impact on our business operations or financial performance for the Track Record Period.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Development

Subsequent to the Track Record Period and up to the Latest Practicable Date, our business operations had remained stable.

Based on our unaudited management accounts, for the one month ended January 31, 2026, we recorded revenue of RMB42.9 million, an increase of 19.4% from the same period in 2025. Furthermore, we have seen robust growth in our order book. As of January 31, 2026, the total value of our confirmed orders pending revenue recognition was RMB26.1 million, representing a 163.1% increase compared to January 31, 2025. This growth was primarily driven by a surge in orders from international customers.

Indonesia Factory

We plan to establish a factory in Indonesia. As of the Latest Practicable Date, we had leased a facility and obtained required production permit and product registration certificates, with production targeted to commence in the first half of 2026. In addition, we plan to purchase land in Indonesia to construct a manufacturing facility with larger scale.

Proposed Transfer of Equity Interest in Qingdao Huge

On February 7, 2026, the Group entered into a memorandum with Chijian Medical Technology (Qingdao) Co., Ltd. (齒薦醫學科技(青島)有限公司) ("**Chijian Medical**"), an Independent Third Party, regarding the proposed transfer of the equity interest in Qingdao Huge to Chijian Medical. The consideration for the proposed transfer was agreed at RMB180 million, determined through arm's length negotiations between the parties. As of the Latest Practicable Date, Qingdao Huge was primarily engaged in leasing a parcel of land and the construction in progress thereon. Pursuant to the memorandum, the parties intend to enter into a definitive equity transfer agreement to stipulate the detailed terms and conditions of the transaction.

U.S. Tariff Policies

Starting from the beginning of 2025, the U.S. government announced a series of new tariff policies based on the International Emergency Economic Powers Act (IEEPA), among others, to target Chinese-manufactured products and elevated the tariff on Chinese-manufactured products. These policies aim to increase import costs through the imposition of additional tariffs, potentially impacting the export business of Chinese companies to the U.S. market. Prior to this series of new tariff policies, our products sold to the U.S. were generally not subject to tariffs, with only a small portion bearing tariffs of around 5%. Following this series of policies and subsequent adjustments, extra tariffs were imposed on our exports to the U.S. From February 4, 2025 to February 23, 2026, the additional tariff rate applied to our exports to the U.S. ranged from 10% to 154% as a reflection of the rapidly evolving U.S. tariff policies. On February 20, 2026, the U.S. Supreme Court issued its opinion affirming the lower court's ruling, striking down the tariffs pursuant to the IEEPA. Following this decision, the administration rescinded the IEEPA-based tariffs but concurrently imposed a new temporary tariff for a 150-day period under separate statutory authority. The U.S. tariff policies are rapidly evolving, and the final outcome, including the impact and potential legal challenges regarding the newly implemented tariffs, is highly uncertain. Since the initial announcement of the new tariff policies, no customers have canceled their orders to date. To date, for all the customers that purchased from our U.S. subsidiary, we bear the tariffs; and for other U.S. customers, the tariffs are borne by themselves. To the best of our knowledge, the majority of our distributors in the U.S. will continue to distribute our products. We expect a moderate decrease in prices for certain customers or products. In addition, based on our 2024 and 2025 procurement amount, our procurement from the U.S. was limited, and as a result, the impact of tariffs on our overall procurement costs is expected to be minimal.

Our Directors are of the view that the potential tariffs imposed by the U.S. are expected to have a small impact on our overall sales and financial performance. Firstly, our revenue contribution from the U.S. market accounts for a relatively small proportion of our total revenue, representing less than 10% of our total revenue for each of the years during the Track Record Period. Besides, aside from our direct transactions with U.S. customers, our other distributors in principle only focus on selling our products in their respective local markets instead of re-selling our products to the U.S. As a result, to the best of our knowledge, such transactions should not be directly affected by U.S. tariff policies. Secondly, we believe the products we export to the U.S. provide some buffer for us to absorb the impact of newly imposed tariffs at least to certain extent, should we bear certain costs associated with the tariffs by lowering the selling price to our U.S. customers. Based on the break-even point calculation, we have the capability to maintain a positive gross profit even under higher tariff conditions. Thirdly, we will actively negotiate with our customers regarding the allocation of tariff costs, which may be partially or fully borne by them, to minimize the potential impact on our business and financial performance. In the event that our customers bear at least part of the tariff costs, they will need to elevate pricing when selling our products in the U.S. to achieve the same level of profitability. As the products we export to the U.S. have relatively low unit prices, we believe that increased pricing of our products may still be competitive in the U.S. market. We are closely monitoring the relevant policy changes and will adjust our operations accordingly, including leveraging our future manufacturing in Indonesia to mitigate potential tariff-related risks.

No Material Adverse Change

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our business, financial condition and results of operations since December 31, 2025, which is the end date of the years reported on in the Accountants' Report in Appendix I to this document, and there is no event since December 31, 2025 which would materially affect the information as set out in the Accountants' Report in Appendix I to this document.