You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [**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, financial condition and results of operations. In any such case, the* [**REDACTED**] *of our H Shares could decline, and you may lose all or part of your* [**REDACTED**]. *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. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-Looking Statements" in this document.*

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry; (ii) risks relating to doing business in countries and regions where we operate, and (iii) risks related to the [**REDACTED**]. Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, financial condition, and results of operations. You should consider our business and prospects in light of the challenges we face, including those discussed in this section.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We may experience declines in market size, average selling prices and sales volume for our products, and our share of the markets we compete in, which may materially and adversely affect our results of operations and financial condition.

We offer an extensive selection of products for diverse clinical departments and scenarios across our three business segments: life support, minimally invasive intervention and in vitro diagnostics. We cannot provide assurance that the markets in which we compete will grow, or that we will be able to sustain or enhance our market share, pricing competitiveness or sales volumes. Any reduction in market sizes or our market share, or any decrease in the average selling prices or sales volumes of our products, could materially and adversely impact our operational results or financial condition.

Our continuing success is significantly dependent on our ability to meet evolving customer demands and expectations, as well as our ability to attract and retain customers.

Our continued success is significantly dependent on our ability to innovate in response to fierce market competition and shifting demands in the medical device industry. We may not fully meet evolving customer needs, and our existing R&D and distribution infrastructure may not be flexible enough to adapt to these changes. Furthermore, not all innovations may successfully integrate with or enhance our current products and operations, and we cannot guarantee that new developments will improve our operational efficiency, competitiveness, or reduce costs as anticipated.

While a substantial majority of our products were sold through distributors during the Track Record Period, part of our success rests on attracting new end clients and expanding cooperation with existing ones by offering unique and high-quality products and services. The effective and successful execution of our plans is not assured. If our marketing strategies do not yield the expected efficiency, we may face challenges in maintaining reasonable selling and marketing expenses. Moreover, if our products and services are not perceived as high-quality, we may encounter difficulties in attracting and retaining customers and encouraging their use or upgrade of our products. We may also fail to diversify our product offerings, pursue new business opportunities, or achieve further business growth. Any of these potential failures could have a material and adverse impact on our business, financial condition, and operational results.

We may be unable to develop or successfully market new or commercially viable products or improve our existing products and technologies in a timely manner, or at all.

Success in the medical device market depends on our foresight and agility in introducing innovative products that meet customer needs. However, the continuation of such innovation is not guaranteed. The development of new products and the identification of promising opportunities hinge on the effective allocation of technical, financial, and human resources. Despite our in-house R&D efforts and strategic collaborations, the outcome of these endeavors remains uncertain, influenced by our capacity to predict market needs, secure regulatory approvals, produce cost-effectively, protect our intellectual property, and capture market shares.

Even if we are able to develop new products and obtain the necessary registration certificates to commercialize such products, we cannot guarantee that our new products will be commercially successful or that such products will yield the anticipated returns to cover our prior investment or capital expenditure. Moreover, if imported medical products demonstrate a competitive advantage in markets we operate, or our competitors consolidate the market faster than we do, our business may not continue to grow as we expected. All of the above could affect the demand for our products or cause our products to become obsolete, and we may not be able to respond and adapt to the introduction of new treatments, products or technologies or develop products that continue to be in demand, in which case our business, results of operations and prospects will be materially and adversely affected.

In addition, our products may not gain the market recognition as we initially expected, or at all, from doctors or hospitals. Our competitors may launch new and competing products earlier than us, which may have a negative impact on the pricing, market share or demand for our products. We may focus our efforts and resources on pipeline products or other potential technologies that ultimately prove to be unsuccessful, and our business, financial condition and results of operations may be materially and adversely affected as a result.

We face intense competition from both domestic and international competitors and may not be able to keep pace with the rapid technological changes in the medical device industry.

The medical device markets in which we participate are highly competitive, with intense rivalry across our product lines and in every region where we have a presence. According to CIC, in 2024, the top ten market players accounted for approximately 49.3%, 75.5% and 75.8% of the life support, minimally invasive intervention, and in vitro diagnostics markets in China, respectively, in terms of sales. Our competitors include domestic and international medical device companies with extensive product portfolios and, in some cases, greater financial and marketing resources. We also face competition from non-medical device companies, including pharmaceutical companies and providers of various diagnostic tests, which may offer alternative therapies or diagnostics for disease states also amenable to treatment or diagnosis using our products. The competitive landscape of our products may intensify as a result of industry consolidation, the presence of specialized niche players and the emergence of new competitors. These could potentially include companies introducing innovative sales or distribution models to our industry or leveraging advanced.

In addition, the medical device markets in which we participate are characterized by extensive R&D, evolving industry standards, gradual rollout of new products and technological change. Developments by other companies of products and/or services, processes or technologies may make our products or proposed products obsolete or less competitive and may negatively impact our net sales. If we fail to develop or acquire new products or enhance existing products, such failure could have a material adverse effect on our business, financial condition or results of operations. In addition, a delay in the timing of the launch of next-generation products and the overall performance of, and continued physician confidence in, those products may result in declines in our market share and have an adverse impact on our business, financial condition or results of operations.

Failure to integrate acquired businesses into our operations, or challenges related to our strategic initiatives could adversely affect our business.

We have strategically integrated businesses that complement and synergize with our existing business lines and may make additional acquisitions and divestitures in the future. We completed two material acquisitions in 2022. We acquired the entire share capital of Intermed and its subsidiaries (including Penlon) for a consideration consisting of (1) cash of GBP17.00 million, which was paid in 2022; (2) cash contingent consideration of GBP4.02 million, which was fully paid in 2022 and 2024; and (3) non-monetary contingent consideration of GBP0.50 million, which are expected to be utilised from 2022 to 2026. We further acquired the entire share capital in Vedkang Medical for RMB1.7 billion in 2022. See "History, Development and Corporate Structure — Material Acquisitions." The integration of acquired businesses necessitates substantial coordination across multiple functions, leading to additional expenses and significant management involvement. This could potentially divert resources from other strategic initiatives. Failure to effectively manage the integration could negatively impact our business. Moreover, there is no certainty that acquired businesses will achieve or sustain profitability, given the influence of various market conditions, competitive dynamics, and regulatory changes. In addition, we may not be able to fully realize the potential synergies following a merger or acquisition. The integration of different corporate cultures, operational processes, or business models could be complex and time-consuming. These inherent risks associated with acquisitions should be carefully considered by potential investors when evaluating our business strategy and future growth prospects. Factors that will affect the success of our acquisitions include:

- the presence or absence of adequate internal controls and/or significant fraud in the financial systems of acquired companies;
- our ability or inability to integrate information technology systems of acquired companies in a secure and reliable manner;
- any decrease in customer loyalty and product orders caused by dissatisfaction with the combined companies' product lines and sales and marketing practices, including price increases;
- our ability to retain key employees;
- the integration of different operational systems might affect our operational efficiency and productivity;
- the risks about cross-culture integration and integration plan, especially the disparities in political and economic systems, business environments, and management compensation and incentive structures which might create complexities in harmonizing business strategies and business operations;
- the ability to achieve synergies among acquired companies, such as increasing sales of the integrated company's products, decreasing cost, and effectively combining technologies to develop new products.

If we lose our existing distributors and fail to secure new distributors, our business and sales of the relevant products could be adversely affected.

We primarily rely on third-party distributors to distribute our commercialized products, and certain of our distributors engage sub-distributors to on-sell such products. In 2023, 2024 and 2025, the revenue generated from our sales to distributors was RMB1,151.8 million, RMB1,179.8 million and RMB1,345.0 million, respectively, accounting for 87.8%, 84.3% and 83.1% of our total revenue in the same periods. As of December 31, 2023, 2024 and 2025, we had a total of 3,445, 3,694 and 3,707 distributors, respectively. See "Business — Sales, Distribution and Marketing." The

performance of these distributors, including, among others, their ability to on-sell our products, preserve our brand reputation, expand their businesses, and enhance their sales networks, are pivotal to our business growth and may directly influence our sales volume and profitability. Given our reliance on our distributors for the sale and distribution of our products and their role in hospital tender processes, reduction, delay or cancellation of orders from our distributors, or our failure to renew distribution agreements, maintain good relationships with existing distributors, or timely identify and engage additional or replacement distributors may cause material fluctuations or declines in our revenue or the sustainability of our growth and have substantial negative impact on our business, financial condition, and operational results. Furthermore, any decline in our distributors' performance could lead to a decrease in the productivity of our distributor network and could have a negative impact on our results of operations.

We may experience challenges when developing our network of distributors, especially in regions where we have relatively low or no presence. Competitors may require their distributors to sign exclusive distribution agreements that prohibit them from selling our products. This highly competitive environment could present substantial obstacles to our endeavors to broaden our distributor network and extend our market penetration.

We may fail to effectively manage our network of distributors and their sub-distributors.

We rely on the distribution agreements and the policies and measures we have in place to manage our distributors, including their compliance with laws, rules, regulations and our policies. See "Business — Sales, Distribution and Marketing." We cannot guarantee that we will be able to effectively manage our distributors, or that our distributors would not breach laws, rules, regulations, or our agreements and policies. If our distributors take one or more of the following actions, our business, results of operations, prospects and reputation may be adversely affected:

- breaching the distribution agreements or our policies and measures;
- maintaining excessive inventories resulting in channel-stuffing of our products;
- failing to adequately promote our products;
- failing to maintain the requisite licenses, permits or approvals, or failure to comply with applicable regulatory requirements when selling our products; or
- violating anti-corruption, anti-bribery, competition or other laws and regulations of China or other jurisdictions.

Any disputes between us and our distributors, complaints by our distributors, violation or alleged violation by our distributors of the distribution agreements, our policies or any applicable laws and regulations could result in the erosion of our goodwill, a decrease in the market value of our brand and an unfavorable public perception about the quality of our products, resulting in a material adverse effect on our business prospects, financial condition and results of operations. We also could be liable for damages or fines due to defects on the products marketed and sold by our distributors, which may have an adverse effect on our financial condition.

In addition, some of our distributors may engage sub-distributors to distribute our products. We mainly rely on our distributors to manage and control their sub-distributors in accordance with regulatory requirements, the terms of the distribution agreements we entered into with our distributors and our policies and measures that our distributors agree to comply with. We cannot assure you that we will be able to identify or correct all the sub-distributors' practices that are detrimental to our business in a timely manner or at all, which may adversely affect our results of operations and reputation. As there is no contractual relationship between us and these sub-distributors, we have no direct legal recourse against them if their activities cause harm to our business or reputation.

Our distribution network encompasses locations in a number of different jurisdictions. As a result, our arrangements with those distributors are thus subject to the respective laws and regulations of those particular jurisdictions. There can be no assurance that we will be successful in detecting any non-compliance by our customers with the provisions of their distribution agreement. The enforcement of our distribution agreements might involve complicated legal process, which may adversely impact our business prospects, financial condition and results of operations.

We are subject to a variety of risks associated with global operations and expansion that could adversely affect our profitability and operating results.

Our success depends upon our ability to expand in our existing overseas markets and enter into new markets. We have achieved a significant global footprint, offering products in over 140 countries and regions cumulatively. In 2023, 2024 and 2025, the revenue generated from overseas markets was RMB503.7 million, RMB629.8 million and RMB781.4 million, respectively, accounting for 38.4%, 45.0% and 48.3% of our total revenue for the same years. Our overseas revenue streams include the sales through distributors and direct channels, as well as the sales to ODM customers. To further promote our brand and generate demand for our products to attract distributors in international markets, we expect to spend significantly more on marketing and promotion than we do in our existing markets. We may be unable to attract a sufficient number of distributors, and our selected distributors may not be suitable for selling our products. If our expansion efforts in existing and new markets are unsuccessful, our profitability and prospects would be materially and adversely affected. We are exposed to other risks associated with international operations, including, among others:

- changes in a specific country or region's political and cultural climate or economic condition;
- foreign investment restrictions under applicable local laws;
- our ability to develop and maintain relationships with customers, suppliers and other local stakeholders;
- our ability to provide sufficient levels of technical support in different locations; economic instability and inflation, recession or interest rate fluctuations.
- our ability to effectively manage and coordinate our employees across different geographic locations;
- our ability to comply with different regulatory requirements and standards;
- variations and changes in laws and regulations applicable to our operations in different jurisdictions, including enforceability of intellectual property and contractual rights;
- trade restrictions, sanctions, political changes, disruptions in financial markets, and deterioration of economic conditions;
- customs regulations and the regulation of import and export of goods and raw materials;
- restrictions on our ability to transmit data internationally;
- our ability to obtain and renew licenses and other governmental authorizations that may be needed in international locations to support operations; and
- changes in tariffs, taxes and foreign currency exchange rates.

Our profitability and ability to implement business strategies, maintain market share and compete successfully in all major markets we operate may be compromised if we are unable to manage the foregoing and other risks related to regional or global operations successfully.

We may not be able to obtain, maintain or renew all the permits, licenses, and registration filings and certificates required for our business, operations and commercialization of our products in a timely manner.

Major aspects of our operations, including product registration or filing, manufacturing, packaging, sales and distribution, pricing, environmental protection, among other things, are regulated by comprehensive regulatory regimes of the jurisdictions where we operate. In addition, we need to complete regulatory filings or obtain registration certificates for our products from the NMPA or its local branches in China, or from the competent regulatory authorities in other jurisdictions where we sell our products. In China, medical devices are classified into Class I, Class II and Class III depending on the degree of risk associated with each medical device and the extent of control needed to ensure safety and effectiveness. See "Regulatory Overview — Laws and Regulations Relating to the Administration of Medical Devices — Classification, Registration and Filing of Medical Devices." The filing and registration process is unpredictable, and may be lengthy and costly, and depends on numerous factors, some of which beyond our control, including the discretion of regulatory authorities. Even if we succeed in obtaining the necessary registration certificates for our products, any safety issues identified subsequently could lead to the suspension of sales and marketing activities and cancelation the registration certificates for such products.

Our products were also sold to overseas markets. Regulatory authorities outside of China, such as the FDA and the European Medicines Agency, also have requirements for approval of medical devices that we must comply with to sell our products in those areas. In the EU, we are required to comply with the new Medical Device Regulation ("MDR") effective from May 2021, which replaces the previous Medical Device Directives, as well as the In vitro Diagnostic Medical Devices Regulation ("**IVDR**") effective from May 2022. These regulations require that medical device certifications be updated within specified timeframes to meet new compliance standards. We are currently transitioning our products in the EU to meet MDR and IVDR requirements, but this process will incur additional time and costs, and we cannot guarantee that all related products will successfully achieve new certification. If we encounter any delays or rejections during the certification transition, our business, financial condition, and results of operations may be adversely affected. In the U.S. under the Federal Food, Drug, and Cosmetic Act ("**FDC Act**"), medical devices must receive FDA clearance or approval or an exemption from such clearance or approval before they can be commercially marketed in the U.S. The process of obtaining the marketing approval or clearance could be time-consuming and resource-intensive. It may involve rigorous pre-clinical and clinical testing, limited indication expansion and increased post-market surveillance. Failure to obtain or maintain necessary approvals or licenses may materially and adversely affect our international expansion, limit our ability to access overseas markets, affect our global growth strategy and may have a material and adverse effect on our business, financial condition and results of operations.

Such permits, licenses and certificates that we hold are subject to periodic reviews and renewals by relevant government authorities, and the standards of such reviews and renewals may change from time to time. Failure to obtain or renew any permits, licenses and certificates necessary for our operations may result in penalties, fines, governmental sanctions, proceedings and/or suspension or revocation of our permits, licenses or certificates necessary to conduct our business, and may also result in being ordered to suspend or cease operations, which might significantly affect our business operations and financial situation. Furthermore, if the interpretation or implementation of existing laws and regulations changes or new regulations come into effect, we may be required to obtain additional permits, licenses or certificates, which may not be successful. Such changes may also result in increased compliance costs or prevent our successful development, manufacture or commercialization of products in China, which would adversely affect our business, financial condition and results of operations.

We are subject to extensive and evolving medical device regulatory environment in different jurisdictions and regulation regimes, which may impede or hinder the approval or sale of our products.

Our products, marketing, sales and development activities and manufacturing processes are subject to extensive and dynamic regulation by the regulatory authorities of the jurisdictions in which we operate. The regulatory framework of the medical device industry in the PRC addresses various aspects of a medical company's operations, including approval, production, licensing, certification requirements and procedures, periodic renewal and reassessment processes, registration of new medical devices, quality control, pricing and distribution of medical devices and environmental protection. In recent years, the PRC government implemented a pilot program, known as "Two-invoice System" (兩票制). The Notice on Printing and Distributing the Reform Plan for the Management of High-value Medical Consumables (《關於印發<治理高值醫用耗材改革方案>的通知》) issued on July 19, 2019 by the General Office of the PRC State Council (the "**Circular on High-Value Medical Consumables**") encouraged local governments to apply the "Two-invoice System" on high-value medical consumables on a case-by-case basis to promote the transparency of purchase and sales. See "Regulatory Overview — Laws and Regulations Relating to the Administration of Medical Devices — Two Invoice System" (兩票制) for Medical Devices." As the interpretation and enforcement of the "Two-invoice System" in the medical device industry are evolving, we cannot predict how the implementation and enforcement will evolve in different provinces in China, or whether and how that will affect our business and results of operations in the future. Furthermore, the Circular on High-Value Medical Consumables proposed to explore the classification of high-value medical consumables in accordance with the principles of volume-based procurement (帶量採購) policy, which refers to a procurement regime based on public tender processes to regulate prices of medical devices through group procurement. See "Regulatory Overview — Laws and Regulations Relating to the Administration of Medical Devices — Tender Management for Medical Device Procurement" for details. As of December 31, 2025, the volume-based procurement scope had covered in vitro diagnostics reagents and endoscope consumables in several provinces such as Anhui and Fujian, and it may also cover more regions and our products in the future. During the Track Record Period, we had over 80 products included in the volume-based schemes. For products covered by the volume-based procurement scope, we generally have a volume-based discount ranging from 30% to 70% off our standard ex-factory prices. As such, we may continue to experience downward pressure on the prices of these products, which in turn may have a material adverse impact on our revenue, financial condition and results of operation. In addition, the medical device manufacturing, medical device distribution, medical device retail, and the medical device industry in general in China are each subject to evolving government regulations and supervision. Any relevant unfavorable regulatory changes may increase our compliance burden. The Two-invoice System policy, including its promotion, interpretation, and application to a broader range of medical devices, may undergo changes, potentially extending to a broader range of medical device products. If a significant number of our products fail to be included in or renewed under relevant volume-based procurement programs, or where we fail to respond to material changes in volume-based procurement policies in a timely manner, there could be an aggregate impact that may become material to the our business, financial condition or results of operations. We cannot assure our capacity to effectively adapt to such changes.

Our global regulatory environment is becoming increasingly stringent and unpredictable, which could increase the time and complexity of obtaining regulatory approvals, as well as the clinical and regulatory costs of supporting those approvals. Several countries that did not previously have regulatory requirements for medical devices have established such requirements in recent years and other countries have expanded on existing regulations. Certain regulators are exhibiting less flexibility and are requiring local pre-clinical and clinical data in addition to global data. While harmonization of global regulations has been pursued, requirements continue to differ significantly among countries. We expect this global regulatory environment will continue to evolve, which could impact our ability, or increase the time and cost, to obtain future approvals for our products.

Our products may be subject to clinical trials and other analyses conducted by us, our competitors or other third parties, the results of which may be unexpected, or perceived as unfavorable by the market, and could have a material adverse effect on our business, financial condition or results of operations.

As a part of the regulatory process of obtaining the registrational certificates or marketing clearance for new products and new indications for existing products, we conducted and participated in clinical trials with a variety of study designs, patient populations and trial endpoints. Clinical trials are expensive and can take years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. Unexpected or inconsistent clinical data from existing or future clinical trials or other analyses conducted by us, by our competitors or by third parties, including our acquired businesses, or the regulatory agencies' or the market's perception of this clinical data, may adversely impact our ability to obtain product approvals, our position in, and share of, the markets in which we participate and our business, financial condition, results of operations or future prospects. Our future clinical trial results may thus not be favorable, which may materially and adversely affect our business, results of operations and prospects. However, we only have a small number of medical devices that need to undergo clinical trials.

We may not be successful in the public tender process. Lower bidding prices of our competitors and volume-based discounts and/or lower ex-factory prices offered by these competitors may undermine our position in the public tender process and in turn adversely impact our sales performance.

In 2004, the then Ministry of Health of the PRC issued the Medical Institutions High-value Medical Supplies Centralized Procurement Pilot Program of Eight Provinces and Cities to implement the centralized procurement pilot work in the field of high-value medical supplies. In 2007, the then Ministry of Health promulgated the Notice of the Ministry of Health on Further Strengthening the Administration of Centralized Procurement of Medical Devices to furtherly enhance the centralized procurement system of medical devices in order to better regulate and promote the centralized procurement of medical devices. Currently, certain of our products, such as in vitro diagnostics reagents and endoscope consumables, have been involved with the public tender process. We are responsible for participating in such public tender processes to secure the right to sell our products to the public hospitals within a particular region. After the completion of such processes, if our products win the bids, such products would be qualified for future procurement by public hospitals in that particular region, and our bidding prices generally determine our maximum retail prices. The public tender process requirements, such as those relating to volume-based procurement, may impact our sales and hinder our ability to expand our overall sales network, and in turn, materially and adversely affect our business and results of operations. Besides, public tender process could lead to increase price pressure for our Company, which would affect our profitability and financial position. We may face the challenge of balancing price competitiveness and product quality.

During the Track Record Period and up to the Latest Practicable Date, we participated in 37 rounds of regional volume-based procurement public tenders, among which our products were selected in 29 tenders, representing a successful rate of approximately 78.4%. As of the Latest Practicable Date, the results of one tenders had yet to be announced. For each tender, we typically submitted multiple product models, and the success rate refers to the proportion of tenders in which at least one product model was selected. Our bids during the public tender process may not be successful and our products may not be chosen for a number of reasons, including, among other things:

- our prices are not competitive;
- our products fail to meet the relevant technical or quality requirements or are less clinically effective than competing products;
- any other aspect of our operation fails to meet the relevant requirements;

- even if our products win the bids and are qualified for procurement by public hospitals in a particular region, there is no guarantee that such entities would purchase our products, as they have the sole discretion to select between our products and other qualified competing products; or

- our reputation is adversely affected by unforeseeable events.

The continuing development of our products necessitates stable cooperation with hospitals, doctors, medical and academic institutions, academics, principal investigators, professionals and KOLs. However, there is no guarantee that we will effectively expand and deepen hospital penetration.

Our cooperations with hospitals, doctors and academic institutions play an important role in our R&D, sales and marketing activities. By maintaining close ties with these stakeholders, we gain valuable insights into unmet clinical needs, doctors' preferences, and practice trends, enabling us to develop market-responsive products and enhance existing ones. These partnerships also provide access to professional expertise that supports the development and commercialization of our products, ensuring alignment with real-world clinical demands. We cannot assure you that we will be able to maintain or strengthen these cooperations, or that such efforts will yield the successful development of new products or increased sales. Even if they continue to cooperate with us, their market insights and perceptions may be inaccurate and lead us to develop products with limited market potential. Even if their insights are correct, we may fail to develop commercially viable products. Moreover, we cannot assure you that our academic promotion and marketing strategy will continue to serve as an effective marketing strategy. In addition, the hospitals, patients, doctors and academics that we focus on may not continue to have a significant demand for our products or service covered by our product lines. Besides, doctors and experts typically wield significant influence in the medical industry. Our reputation and influence could be weakened if we are unable to maintain our cooperations with them. If we are unable to develop new products or generate returns from our cooperations with industry participants as anticipated, or at all, our business, financial condition and results of operations may be materially and adversely affected.

We face risks associated with ODM sales, which may adversely affect our business, financial condition or results of operations.

During the Track Record Period, a small portion of our revenue was derived from ODM sales. We designed, manufactured and delivered medical products in accordance with the specifications of our ODM customers. We served 65, 87 and 89 ODM customers in 2023, 2024 and 2025, respectively, and our revenue from such sales amounted to RMB141.2 million, RMB172.6 million and RMB228.8 million, respectively, representing 10.7%, 12.3% and 14.1% of our total revenue for the same years. ODM customers may switch to other manufacturers that offer lower prices or more favorable terms. Furthermore, we may incur additional development costs or operational burdens to meet individual ODM customer requirements, and failure to meet such requirements could result in order cancellations or disputes. If we are unable to retain existing ODM customers, expand our ODM customer base, or negotiate commercially favorable terms with them, or if the sales performance of our ODM-designed products underperforms in the market, our business, financial condition or results of operations may be adversely affected.

Our success depends on our ability to retain key members of our management team and to attract, retain and motivate other key personnel and qualified personnel.

Our future success is significantly dependent upon the continued service of our key executives and other key employees. However, if we lose the service of any senior management or key R&D personnel, we may face difficulties in finding suitable or qualified replacements and may incur additional expenses to recruit and train new personnel. Furthermore, as we expect to continue to expand our operations and develop new products, our ability to attract, retain and motivate qualified personnel remains critical.

Competition for personnel in the medical technology field is intense, and the availability of suitable and qualified candidates could be limited. We compete to attract and retain qualified research and development personnel with other medical device companies, universities and research institutions. Competition for these individuals could cause us to offer higher compensation and other benefits in order to attract and retain them, which could materially and adversely affect our financial condition and results of operations. We may be unable to attract or retain the personnel required to achieve our business objectives and failure to do so could severely disrupt our business and growth.

We rely primarily on our manufacturing, assembly and storage facilities and are expanding our manufacturing facilities. Any disruption to our current manufacturing facility or in the build-out of the new or expanded capacity could reduce our sales and harm our reputation.

Our operations are significantly dependent on our manufacturing centers located in Shenzhen, Shanghai, Changzhou, Changsha in China, and Abingdon, Oxford in the UK. Overall, the utilization rates of our major product lines remained at high levels during the Track Record Period. For details, see "Business — Manufacturing." Any natural disaster or unanticipated catastrophic events, including power interruptions, water shortages, storms, fires, earthquakes, terrorist attacks and wars, could significantly impair our ability to manufacture our products and operate our business. Our manufacturing centers and certain equipment would be challenging to replace and could necessitate a substantial lead-time for replacement. Catastrophic events may also destroy any inventory located in our manufacturing centers. The occurrence of any such event could have a material and adverse impact on our business, potentially causing significant operational disruptions and financial losses.

In addition, as of the Latest Practicable Date, our new R&D and manufacturing center in Changzhou is under construction and expansion. However, the success of such expansion projects depends on a number of factors that are beyond our control, such as the construction progress of the third-party constructors, regulatory approvals, changes in local laws and regulations and government policies, the availability of low-cost skilled labor and changes in customer demands. Moreover, such expansion projects may increase our capital expenditure and operating costs, such as higher staff costs as well as depreciation for production equipment and facilities and increase our cash outflows for operating and investing activities.

If we fail to accurately project demand for our products, we may encounter problems of inadequate supply or oversupply, which would materially and adversely affect our financial condition and results of operations, as well as damage our reputation and brand.

We develop our production plans based on historical data, distributor feedback and anticipated hospital procurement cycles. Since our distributors typically place orders based on the actual needs of end users and the purchasing cycles vary, demand forecasting remains inherently uncertain.

Our projections of market demand for our products in international markets are less reliable than our domestic projections because we have less information available and have limited sources on which to base our projections. Specifically, we often lack extensive knowledge of the local market conditions and the purchasing patterns, preferences, or cycles of international distributors. Furthermore, because shipping finished products to international distributors typically takes more time than shipping to domestic distributors, inaccurate projections of international demand could more likely result in unmet demand.

If we overestimate demand, we may purchase more raw materials or components than required. If we underestimate demand, our third-party suppliers may have inadequate raw material or product component inventories, which could interrupt our manufacturing, and could result in lost sales. As we seek to balance inventory management and production flexibility, we may fail to accurately forecast demand and coordinate our procurement and production to meet demand on a timely basis, which could materially and adversely affect our financial conditions and results of operations.

Our results of operations could be negatively impacted by our inability to obtain raw materials in a timely and cost-effective manner.

We purchase raw materials and components from third party suppliers and manufacture and assemble our products at our manufacturing centers. The prices for these raw materials are subject to price volatility attributable to a number of factors that may be beyond our control, such as inflation, supplier capacity constraints, general economic conditions, demand from other industries for the same materials, the availability of complementary and substitute materials, and local and national regulatory requirements. In 2023, 2024 and 2025, we incurred raw material costs of RMB444.3 million, RMB467.1 million and RMB502.5 million, respectively, representing 67.1%, 66.3% and 67.0% of our cost of sales for the same years. In response to the risk of raw material price fluctuations, we keep abreast of market information about raw materials and take precautionary measures such as reservations and strategic stocking. Moreover, we strive to optimize our technological process, improve the utilization rate of raw materials, and strengthen management to strictly control production costs. However, these measures may not be effective. Any significant increases in our cost of raw materials may increase our cost of sales and negatively affect our profit margin and, more generally, our business, financial condition, results of operations and prospects.

Failure to maintain an effective quality control system could have a material adverse effect on our business, financial condition and results of operations.

We are subject to a variety of laws and regulations in the jurisdictions where our products are sold, and industry guidelines relating to product quality. Accordingly, we need to implement and maintain an effective quality control system to perform various inspections over the course of our entire manufacturing and assembling process. We cannot assure you that our quality control system will continue to be effective. Any significant failure or deterioration of our quality control system in respect of, among other things, our production and assembling process and product inspection, may seriously damage our product quality. A decline in product quality could negatively impact our reputation in the market and among our existing or prospective customers. This could lead to reduced orders or loss of customers, severely harming our business, financial conditions, and operational results. Moreover, a failure in our quality control system could potentially lead to product recalls or safety alerts, which could result in significant costs, legal liabilities, and damage to our reputation.

In July 2024, one of our subsidiaries was subject to administrative measures by the Guangdong Medical Products Administration following an on-site inspection that found its production quality management system not fully compliant with the relevant requirements of the Standards on Production and Quality Management of Medical Devices (《醫療器械生產質量管理規範》). The authorities required a suspension of production for a risk and hazard investigation and rectification. As of the Latest Practicable Date, our subsidiary had completed the rectification, submitted a rectification report, passed the re-inspection, and resumed production. For details of this incident, see "Business — Inventory and Quality Management" in this document. However, we cannot guarantee that we will not face similar or new quality management issues in the future. Any failure to maintain an effective quality control system could materially adversely affect our business, financial condition, and results of operations.

We may be subject to potential product liability claims, product recalls and other risks related to our business operations. Any product recall would damage our brand name and could have a material adverse effect on our reputation, business, financial condition and results of operations.

Product liability claims against our products may include allegations of defects in design and manufacturing, improper handling or transportation of products, negligence, strict liability and a breach of warranties. We may be subject to product liability claims and product recalls if our products have latent quality issues that were undetected during our inspections and quality control. Even if our products do not have latent defects, other factors that are out of our control, such as the quality and skill of medical professionals using our products, may affect the safety and outcome of the treatment. Regardless of the merits or eventual outcome, liability claims and product recalls can lead to decreased demand for our products, trigger product recalls, tarnish our reputation, and divert management's focus and resources, incurring significant litigation defense costs and potentially substantial monetary compensation. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material customer complaint or product return from customers.

During the Track Record Period, we voluntarily implemented two Class III recalls, including two batches of coagulation test kits and one batch of infusion equipment. Both recalls were initiated to update or revise the product labeling information. We informed customers of the correct labeling during the recall process and promptly updated the labels on the recalled products. Based on the Measures for the Administration of Medical Device Recalls (《醫療器械召回管理辦法》), a class III recall takes place where the use of the medical device presented a low probability of harm but still deemed necessary. For details, please refer to the paragraphs headed "Business — Inventory and Quality Management — Product Warranty, Return, Recall and Exchanges" in this document. Except for these two recalls, we had not experienced any other product recall during the Track Record Period. However, we cannot assure you that we may not face product liabilities claims or conduct product recalls in future, which, if occurs, may have a material adverse impact on our business, financial condition and results of operations.

We may not be able to seek compensation under our insurance policy for losses that we sustain as a result of product liability claims to all of our products. We may also be unable to acquire such insurance at a reasonable cost or in an amount adequate to satisfy any liability that may arise. In any such event, our business, financial condition and results of operations would be adversely and materially affected. For risks relating to our insurance coverage, see "— Risks Relating to Our Business and Industry — Our insurance coverage may not be sufficient to cover all losses associated with our business operations."

We may not be able to effectively manage our inventory levels.

Our inventories primarily include (i) finished goods and work in progress, mainly representing life support, minimally invasive intervention and in vitro diagnostics medical equipment and consumables; and (ii) raw materials, such as plastics, metals, sensors, and other auxiliary materials and components. We manage our inventory levels based on our forecasts of the procurement lead time for our raw materials and finished products, as well as customer demand for our products. Supply of raw materials and finished products may be impacted by factors such as commodity price levels and restrictions on international trade. Customer demand can be affected by uncertainties, including regulatory approvals, timing and success of clinical trials, international tension and conflict and other factors beyond our control. Our inventories amounted to RMB237.0 million, RMB230.2 million and RMB263.4 million as of December 31, 2023, 2024 and 2025, respectively. If we fail to manage our inventory levels effectively, we may be subject to a higher risk of inventory obsolescence, a decline in the value of inventories, and potential inventory write-downs or write-offs. Procuring additional inventories may also require us to commit substantial working capital, which would prevent us from using this capital for other purposes. Any of the foregoing may adversely affect our results of operations and financial condition.

We are exposed to credit risk of trade and bills receivables.

We are exposed to credit risk related to delays in payment and defaults of our customers. We cannot guarantee that all our customers will settle payment in full as it falls due. If any of our customers becomes insolvent or delays its payment for our products, our cash flow, financial position and results of operations could be materially and adversely affected. Our trade and bills receivables primarily consisted of amounts due from distributors and other customer for purchase of our products. During the Track Record Period, our trade and bills receivables recorded a steady increase, from RMB104.8 million as of December 31, 2023 to RMB133.1 million as of December 31, 2024, and further to RMB168.2 million as of December 31, 2025. See "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Trade and Bills Receivables." If we are not able to manage the credit risk associated with our trade and bills receivables effectively, our results of operations may be adversely affected.

We recognized substantial intangible assets during the Track Record Period and may incur impairment charges related thereto, which may adversely affect our results of operations.

Our intangible assets primarily included (i) patents for our medical products and R&D results; (ii) software, primarily including the enterprise management and financial software; (iii) customer relationship that represents the value derived from the interactions, loyalty, and connection our acquired businesses had with their customers; and (iv) brands that we acquired from the business combinations. As of December 31, 2023, 2024 and 2025, we had intangible assets of RMB597.4 million, RMB550.2 million and RMB515.1 million, respectively. We identified customer relationship and brands through business combinations. However, our acquired businesses may not generate the financial results that we expect, which could result in the occurrence of impairment charges. We periodically perform impairment tests. If we conclude that any of these intangible assets are impaired, we will write down the asset to its fair value and take a corresponding charge to our consolidated statements of profit or loss. As a result, in case of any significant impairment charges related to the aforementioned assets, our results of operations may be negatively affected.

Our sales depend to a certain extent on the level of insurance reimbursement patients receive for treatments using our products.

Our ability to sell our products depends to a certain extent on the availability of governmental and private health insurance in the countries where we have operations. We have pursued, and plan to actively pursue reimbursement opportunities globally. As of December 31, 2025, we had 100 products included in one or more provincial-level insurance reimbursement catalogues. However, we cannot be sure about the feasibility and extent of reimbursement. Reimbursement may impact the demand for, or the price of, any product for which we obtain regulatory approval. Obtaining reimbursement for our products may be particularly difficult because of the higher prices often associated with newly introduced technology or medical devices. In the absence of sufficient medical insurance coverage for the use of our products, patients may choose alternative treatment methods, and hospitals may recommend such alternative treatments, which would reduce demand for our products and our sales which could in turn materially and adversely affect our business prospects, financial condition, and results of operations. Moreover, we may need to lower the prices of our products in order to have them included in the medical insurance reimbursement list, and such price cut and reimbursement may not necessarily lead to increase in our sales and our results of operations may be adversely affected.

We may be unable to obtain and maintain effective and sufficient protection of intellectual property rights for our products and pipeline products in a timely manner and may be subject to intellectual property infringement claims or other disputes.

Effective and sufficient protection of our intellectual property is critical to maintaining our competitive position. For details of our intellectual property, see "Business — Intellectual Properties." However, due to the complexity of patent application, the issuance of a patent may not be conclusive as to its inventorship, scope, validity or enforceability, and our patent applications may be challenged in courts or patent offices. The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Consequently, we do not know whether any of our technologies or products will be protectable or remain protected by valid and enforceable patents. In addition, the scope of patent protection in various jurisdictions is uncertain. Changes in either the patent laws or their interpretation may diminish our ability to protect our inventions, obtain, maintain, defend, and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our patent rights. Even if we successfully obtain patent protection for our products, we may face competition from other market players once the patent has expired.

Proceedings to maintain our intellectual property and proprietary rights could result in substantial costs, and we may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Furthermore, our competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to jurisdictions where we have patent protection, but where enforcement rights are not strong. These products may compete with our products or pipeline products and our patent rights or other intellectual property rights may not be effective or adequate to prevent them from competing.

In addition, we may from time to time collaborate with medical institutions, academic institutions, and/or third-party organizations. In 2023, 2024 and the 2025, we incurred RMB1.6 million, RMB0.2 million and RMB1.5 million, respectively, for the collaborations with such external parties. Should any ambiguity or disputes arise regarding intellectual property rights and commercialization rights of the R&D outcomes with our collaborators, or if these rights are not clearly defined in our collaboration agreements, this could impede our ability to fully utilize the IP for commercial purposes. Besides, we design and manufacture products that are labeled with customers' own brands and trademarks in our overseas ODM sales. We may not be able to verify or guarantee that these customers legally own or have the right to use such brands or trademarks, and we may be unknowingly infringing upon third party intellectual property rights by manufacturing the ODM products. Such third parties might resort to litigation against us or other parties we have agreed to indemnify, which litigation could be based on either existing intellectual property or intellectual property that arises in the future.

We could in the future be subject to claims that we or our current or former employees, consultants or advisors have inadvertently or otherwise used or disclosed alleged intellectual property rights, trade secrets or other proprietary information of current or former employers, competitors or other third parties.

As of the Latest Practicable Date, we had not received any notices of material claims or complaints against us for intellectual property infringement. However, we cannot assure you that we will not be subject to any such intellectual property rights claims in the future. Involvement in such litigations and legal proceedings may also cause us to incur substantial expenses, divert the time and attention of our management or subject us to injunctions prohibiting the distribution and marketing of our products. Any such event could have a material and adverse effect on our business, financial condition and results of operations.

We typically undertake to defend, indemnify and hold our customers harmless from and against any liabilities and damages (including legal fees) resulting from any third-party claims, demands, suits or proceedings to the extent arising out of our products, or relating to our negligence or willful misconduct, or breach of contract. As a result, if any aspect of the products we sold to a customer infringes a third party's intellectual property rights, we could be exposed to substantial liability. Any material intellectual property infringement claim raised against us could have a material adverse impact on our reputation, business, financial condition and results of operations.

If our trademarks, trade names and other proprietary rights are not adequately protected, we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

We own a number of trademarks in China and overseas. Our trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks, which may harm our brand and reputation. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively, and our business may be adversely affected. Moreover, we cannot assure you that our trademarks will not be imitated, or there will be no counterfeits sold to our customers under our trademarks. Customer may suffer from safety incidents caused by counterfeit products, which may subject us to costly investigations and counterfeit crack downs. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our competitive position, business, financial condition, results of operations, and prospects.

Any failure to maintain the confidentiality of our trade secrets could harm our reputation, business and competitive position.

We seek to protect our proprietary technologies, in part, by entering into confidentiality agreements with parties that have access to them, such as our employees and certain other third parties. If any of our employees or other third parties who are parties to these agreements breach or violate the terms of any of these agreements or otherwise disclose our proprietary information, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets, which could materially and adversely affect our business and competitive position. Enforcing a claim that a third party illegally disclosed or misappropriated our trade secrets is difficult, expensive, and unpredictable. We are unable to prevent or prohibit other third parties from acquiring technology that is identical or similar to our trade secrets through their own research and development or reverse engineering effort, which could significantly undermine our business operations and competitive advantages.

If we or our acquired business become subject to litigation, legal or contractual disputes, governmental investigations or administrative proceedings, our management's attention may be diverted and we may incur substantial costs and liabilities.

We may from time to time become subject to various litigation, legal or contractual disputes, investigations or administrative proceedings arising in the ordinary course of our business. On-going or threatened litigation, legal or contractual disputes, investigations or administrative proceedings may divert our management's attention and consume their time and our other resources. Furthermore, any litigation, legal or contractual disputes, investigations or administrative proceedings which are initially not of material importance may escalate and become important to us, due to a variety of factors, such as the facts and circumstances of the cases, the likelihood of loss, the monetary amount at stake and the parties involved. If any verdict or award is rendered

against us or if we settle with any third parties, we could be required to pay significant monetary damages, assume other liabilities and even to suspend or terminate the related business projects. In addition, negative publicity arising from litigation, legal or contractual disputes, investigations or administrative proceedings may damage our reputation and adversely affect the image of our brands and products. Consequently, our business, financial condition and results of operations may be materially and adversely affected.

Besides, we have strategically incorporated businesses that enhance and synergize with our existing operations, and we may consider further acquisitions and divestitures in the future to optimize our portfolio. Unforeseen liabilities or legal issues associated with acquired businesses could lead to liabilities, claims, litigation, investigations, or other adverse developments relating to acquired shares, acquired businesses or the business practices of acquired companies. We may assume liability for any litigation, legal or contractual disputes, arbitrations, or claims related to the acquired business that arose before our acquisition. If we were to be unsuccessful in such proceedings, our mergers and acquisitions could be jeopardized or invalidated, potentially hindering our ability to secure the shares or interests of the acquired enterprise. Moreover, the equity we have already obtained through these mergers and acquisitions could be declared invalid, leading to the loss of our ownership or control in the acquired company and potentially resulting in the failure of the merger and acquisition. We also could experience negative effects on our business, results of operations, financial condition, and cash flows from acquisition-related charges, amortization of intangible assets and asset impairment charges.

Illegal actions, misconduct or any failure by our employees or third parties, particularly suppliers, distributors or other business partners, could materially and adversely affect our business, results of operations and reputation, and we may not be fully indemnified by such parties.

Our reputation and operations may be harmed by illegal actions or unsatisfactory performance by our suppliers, distributors and other business partners. We cannot guarantee our suppliers', distributors' and other business partners' compliance with laws, and we may be subject to claims arising from their non-compliance. In such situations, if no claim can be asserted by us against a supplier, distributor or other business partners, or if the amounts that we claim cannot be fully recovered from them, we may have to bear the losses, which could have a material and adverse effect on our business, financial condition and results of operations.

We may experience fluctuations in labor costs or labor shortages.

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees. In 2023, 2024 and 2025, we incurred direct labor costs of RMB62.3 million, RMB61.7 million and RMB66.2 million, respectively. Increasing market competition may cause market demand and competition for qualified employees to intensify. If we face labor shortages or significant increases in labor costs caused by the intense competition, higher employee turnover rates, increases in wages or other employee benefit costs or changes to labor laws and regulations, our operating costs could increase significantly, which could materially and adversely affect our results of operations.

If labor disputes occur, we may be subject to fines, incur settlement costs, inflict reputational damage and experience operational disruptions, which may have a material and adverse effect on our business, financial condition and results of operations.

A breach, cyber-attack or other disruption to these systems or data could materially and adversely affect our business, financial condition or results of operations.

We rely on our information technology systems to effectively manage accounting and financial functions, product orders, inventory, and our research and development data. We also rely on our information technology systems to collect and store data and information we obtain in the

ordinary course of our business. Our information technology systems may be disrupted by (i) damage or interruptions from earthquakes, fire, flood and other natural disasters; (ii) attacks from computer viruses or hackers, power loss; and (iii) computer system, Internet, telecommunications or data network failure. We could be subject to risks caused by misappropriation, misuse, leakage, falsification or intentional or accidental release or loss of information maintained in our information systems. If a material breach of our information technology systems occurs, market perception of the effectiveness of our security measures could be harmed and our reputation and credibility could be damaged. We could be required to expend significant amounts of money and other resources to repair or replace information systems and be subject to regulatory actions and/or claims involving privacy issues related to data collection and use practices and other data privacy laws and regulations. Any of the foregoing could disrupt our business and product development, result in decreased sales and increased overhead costs and adversely affect our business, financial condition and results of operations.

Compliance with applicable data-related laws and regulations could require additional expenditures and consequently affect our business, financial condition and results of operations.

We are subject to various PRC cybersecurity, data security and personal information protection laws and regulations. See "Regulatory Overview — Other Laws and Regulations — Laws and Regulations on Information Security and Data Privacy" and "Regulatory Overview — Other Laws and Regulations — Laws and Regulations on Overseas Securities Offering and Listing by Domestic Companies" for details.

Changes and developments in the enforcement of cybersecurity, data security and personal information protection laws and regulations present challenges in ensuring comprehensive compliance and increase our operational costs, as we must allocate time and resources to address various compliance requirements. While we have implemented rigorous and comprehensive policies regarding the collection, processing, sharing, disclosure, authorization and protection of data usage and privacy, and have taken necessary measures to comply with applicable cybersecurity, data security and personal information protection laws and regulations, given the evolving legal and regulatory landscape, no assurance can be given as to the effectiveness of these policies and measures adopted by us or our suppliers or other business partners. Any non-compliance or perceived non-compliance by us with any applicable cybersecurity, data security or personal information protection regulations, any such non-compliance by our business partners, or any failure or perceived failure by our employees to adhere to our internal control measures, may result in negative publicity against us, as well as legal proceedings or regulatory actions. Such outcomes could lead to the imposition of fines, revocation of licenses, suspension of relevant operations, or other legal or administrative penalties, which may damage our reputation, deter existing and potential customers, and expose us to fines and damages. Consequently, these matters could have a material adverse effect on our business, financial condition and results of operations.

Any failure to fully comply with labor-related laws in the countries and regions where we operate may subject us to government investigations or require us to incur additional expenditures.

Companies operating in China are required to participate in various government sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of its employees up to a maximum amount specified by the relevant local government from time to time. The employee benefit plan requirement, however, has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. We did not make full contributions to the social insurance and housing funds for our employees in accordance with the relevant PRC laws and regulations during the Track Record Period. During the Track Record Period and as of the Latest Practicable Date, we had not made social insurance and housing provident funds for some

of our employees in full in accordance with the relevant PRC laws and regulations. We estimate that the shortfall amounted to RMB11.7 million, RMB17.1 million and RMB17.6 million in 2023, 2024 and 2025, respectively. For details, see "Business — Employees — Non-compliance of Social Insurance and Housing Provident Funds." As a result, we may be required to pay the shortfall in social insurance contributions and housing funds contributions within a prescribed time period and even to pay penalties if we fail to do so.

Our leased property interests may be defective and our right to lease or use the properties may be challenged.

For real properties that we construct on our own, including those related to our manufacturing activities and offices, we must obtain various permits, certificates and other approvals from the relevant government authorities at various stages of property development, including the land use right certificates, planning permits, construction permits and building ownership certificates. For real properties that we use or lease, we are also subject to various PRC laws and regulations, including the requirement to register our lease agreements with the local housing bureau within 30 days after signing the lease agreements.

As of December 31, 2025, relevant lessors of our seven leased properties for operational purposes have not provided relevant title ownership certificates or other similar proofs of such leased properties to us. These properties are primarily used as our offices. We cannot assure you that such lessors are entitled to lease the relevant property to us. If any of such lessors is not entitled to lease the property to us and the owner of the respective property declines to ratify the lease agreement, we may not be able to enforce our rights to lease such property under the respective lease agreement against the owner. As of the Latest Practicable Date, we were not aware of any claim or challenge brought by any third parties concerning the use of our leased properties without obtaining proper ownership proof. If we are forced to vacate from our leased properties, although we believe suitable alternative locations are readily available on commercially reasonable terms, our business operations may be interrupted.

In addition, pursuant to applicable PRC laws and regulations, property lease agreements must be filed with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of December 31, 2025, lease agreements for our 31 leased properties for operational purposes in China had not been registered with the relevant PRC governmental authorities. According to our PRC Legal Adviser, the failure to make the relevant filings does not in itself invalidate the leases, but we may be ordered by the relevant PRC governmental authorities that the filings be made within a given period of time, failing which, we may be subject to fines ranging from RMB1,000 and RMB10,000 for each of our unregistered lease agreements. We cannot assure you that we will not be subject to any penalties arising from the non-registration of our lease agreements and any disputes arising out of our leased properties in the future.

Our insurance coverage may not be sufficient to cover all losses associated with our business operations.

We maintain different types of insurance policies, including social insurance for our employees, property insurance, product liability insurance and cargo insurance. See "Business — Insurance." In line with industry practice, we have elected not to maintain certain types of insurances, such as business interruption insurance, and we cannot assure you that our insurance coverage is sufficient to prevent us from any loss, or that we will be able to successfully claim our losses under our current insurance policies 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, financial condition and results of operations could be materially and adversely affected.

We are subject to environmental protection and health and safety laws and regulations, and may be exposed to potential compliance costs and liabilities in relation to, among others, contamination, biological or chemical hazards, or personal injury.

Our operations are subject to national, provincial and local laws with respect to environmental protection, health and safety, including the treatment and discharge of pollutants into the environment and the use of toxic and hazardous chemicals. In addition, any of our construction projects can only be put into operation after the relevant administrative authorities in charge of environmental protection and health and safety have examined and approved the relevant facilities in certain jurisdictions. As requirements imposed by these laws and regulations may change and more stringent laws or regulations may be adopted, we may not be able to comply with, or accurately predict any potential substantial cost of complying with, these laws and regulations.

As the production of medical devices will generate wastewater, chemical contaminant, and waste gas, we cannot fully eliminate the risk of accidental contamination, biological or chemical hazards or personal injury at or in the vicinity of our manufacturing facilities during the process of our operations. We could be held liable for damages and clean-up costs which, could harm our business. Other adverse effects could result from such liability, including reputational damage resulting in the loss of business from customers. We may also be forced to close or suspend operations at certain affected facilities. All of the foregoing could have a material and adverse impact on our business, financial condition, results of operations and prospects.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any major accidents or employee casualties in our manufacturing facilities. Workplace incidents may take place for various reasons, including as a result of non-compliance with safety rules and regulations. As a result, we may be liable under applicable occupational health and safety laws and may be subject to significant penalties and/or compensation, which may materially and adversely affect our financial position and profitability.

Negative publicity may adversely affect our reputation and our business prospects.

Any negative publicity or other public disclosures concerning us, our affiliates or subsidiaries, or third parties we cooperate with, or our industry generally, even if untrue, partially true or inconsistent, could adversely affect our reputation and business prospects, which could damage our brand image, our business, results of operations and financial condition.

Given the nature of our industry and our specialized target customer base, customer referrals and word-of-mouth marketing have contributed to our ability to acquire customers. Damage to our reputation could be difficult, expensive and time consuming to remedy and could result in a loss of business, and could also reduce the value and effectiveness of our brand and investors' confidence in us, adversely affecting the price of our Shares.

We may be unable to obtain additional funding in a timely manner or on acceptable terms.

In order to expand our capacity, undertake desirable acquisitions, develop new products and remain competitive, we may require additional capital. We expect to satisfy any such capital commitments using part of the [**REDACTED**] from the [**REDACTED**] to be received by us, cash flow generated from our operations, bank facilities available to us and cash and cash equivalents on hand. To the extent we need additional financing, financing may be unavailable in amounts or on terms acceptable to us. Our ability to obtain additional capital is subject to a variety of uncertainties, including our future financial conditions, results of operations and cash flows, general market conditions for capital raising activities, and global economic, political and other conditions. The sale of additional equity or equity linked securities could result in dilution to the Shares held by our Shareholders. The incurrence of indebtedness would result in increased debt service

obligations and could result in operating and financing covenants restricting our operations or our ability to make acquisitions or pay dividends. Any failure to acquire sufficient additional capital to meet our capital requirements may materially and adversely affect our business, financial condition and results of operations.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws.

In China, any non-compliance with anti-corruption, anti-bribery, anti-money laundering or financial and economic sanctions laws could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses. In addition, many of our customers, including those in China, require us to follow strict anti-bribery and anti-money laundering policies as part of doing business with us. Our procedures and controls to monitor anti-bribery and anti-money laundering compliance may fail to protect us from reckless or criminal acts committed by our employees or agents. If we fail to comply with applicable anti-bribery laws and anti-money laundering laws, we may be subject to criminal and civil penalties and sanctions, incur significant expenses, our reputation could be harmed and our customers could cancel or not renew contracts for our services, all of which could have a material adverse effect on our business, financial condition and results of operations.

Certain countries, regions, or individual counterparties with which we trade or operate in, or may trade or operate in the future, may be or become the subject of economic sanctions of one or more countries that may have jurisdiction over all or portions of our operations. During the Track Record Period, certain of our medical device products had been distributed to certain countries that currently or used to be subject to territorial broad-base general and comprehensive sanctions, Iran and Syria. As confirmed by Hogan Lovells, our legal advisor as to International Sanctions law, given that our sales of medical equipment and accessories to these sanctioned countries do not represent a violation of the applicable international sanctions, we would not appear to have violated applicable sanctions law or regulation in the relevant jurisdictions, nor could that result in any material sanctions risk. However, as the regulatory regimes may change from time to time, there is no assurance we will be in complying with the sanctions programs going forward. The number of authorities imposing and enforcing these types of sanctions has grown in recent years, and the complexity of the sanctions regimes has increased, making compliance with them more onerous and uncertain. Any violation of economic sanctions, or even an alleged or suspected violation, could harm our reputation and cause financial institutions or other counterparties to refuse to do business with us, which may negatively affect our business, our results of operations, or the [**REDACTED**] of our Shares. In addition, changes in economic sanctions laws in the future could also adversely impact our business and [**REDACTED**] in our Shares.

Changes in cross-border trade policies and international trade barriers, export control restrictions or the escalation of trade tensions, may adversely affect our business.

Recent international trade disputes and the uncertainties created by such disputes may disrupt the transnational flow of goods and significantly undermine the stability of the global and Chinese economy, thereby harming our business. Changes to trade policies, treaties and tariffs in the jurisdictions in which we operate or are contemplating operating, or the perception that these changes could occur, could adversely affect cross-border operations, our financial condition and results of operations. For example, trade disputes, increased tariffs or other restrictive trade policies between other countries and China may inhibit our ability to import and trade goods, and could materially impact our business. We may face an inability to meet customers' demands, or experience an increase in our operating costs, which may lead to in a decrease in our profits.

There is currently significant uncertainty about the future relationship between China and certain other countries, such as the United States, with respect to trade policies, treaties, government regulations and tariffs. The United States has, through several rounds of increases,

imposed higher tariffs on a wide range of goods imported from multiple countries, with most of these actions taking place in early 2025. The tariff increases on goods from China are particularly high, with most goods subject to tariffs of 145% since April 9, 2025. While some of these measures, but not those applicable to Chinese goods, have been suspended, U.S. tariff rates remain at historically high levels. China responded to the U.S. actions with retaliatory tariffs on most U.S. goods of 125% from April 12, 2025; China also implemented export restrictions on certain critical minerals and related products and took other regulatory measures aimed at the Unites States. On May 12, 2025, the United States and China jointly announced that each country would reduce its tariffs on goods of the other country by 115% for a 90-day period beginning May 14, 2025 and that the two sides would continue negotiations. On August 11, 2025, such tariff suspension was further extended for another 90 days. It remains unclear what additional actions, if any, will be taken by the U.S. or other governments regarding tariffs or other trade policies. In addition, as of September 29, 2025, the Bureau of Industry and Security ("BIS") has implemented a final rule clarifying that any entity in which one or more parties on the BIS Entity List own in aggregate 50% or more of the voting interests, whether directly or indirectly, is also subject to the restrictions applicable to entity list entities. These trade restrictions are expected to reduce trade volumes, cross-border investment, technological exchange, and other economic activities between major economies, and have a material adverse effect on global economic conditions and the stability of global financial and stock markets. Further governmental action related to tariffs or international trade policies, or additional tax or other regulatory changes of international trade industry in the future could occur, which could adversely impact our business, results of operations, financial condition and prospects.

We face risks associated with public health crises, force majeure events, severe weather conditions and other natural disasters, which could significantly disrupt our business operations.

Our operations, and those of our third-party research institution collaborators, suppliers and other contractors and consultants, may be under the threat of natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic, such as swine flu, avian influenza, severe acute respiratory syndrome, or SARS, Ebola, Zika, COVID-19, force majeure events such as power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or potential wars or terrorist attacks.

The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments could materially disrupt our business and operations. There also could occur serious natural disasters, which may result in loss of lives, injury, destruction of assets and disruption of our business and operations. Damage or extended periods of interruption to our corporate, development, research or manufacturing facilities due to fire, disaster, epidemics, power loss, communications failure, unauthorized entry or other events could cause us to cease or delay the development or commercialization of our products. As we rely on third parties on various services and supplies, the occurrence of any of the foregoing events could seriously harm our ability to obtain services or supplies if such third parties are affected by disasters, epidemics, business interruptions and other force majeure events. In addition, our insurance might not cover all losses under such circumstances and our business may be seriously harmed by such delays and interruption. Acts of war or terrorism may also injure our employees, disrupt our business network and destroy our markets. Any of the foregoing events and other events beyond our control could have an adverse effect on the overall business sentiment and environment, cause uncertainties in the regions where we conduct business and materially and adversely impact our business, financial condition and results of operations.

We incurred net losses during the Track Record Period and may incur net losses for the foreseeable future.

We continue to incur significant expenses related to our ongoing operations, and as a result, we incurred net losses of RMB64.5 million and RMB96.6 million, respectively, in 2023 and 2024. Although our financial performance turned into a net profit of RMB50.7 million in 2025, we cannot assure you that we will not incur losses in the foreseeable future. In addition, we will start incurring costs associated with being and maintaining the status of a public company in Hong Kong after the [**REDACTED**]. The size of our future net losses will depend, in part, on the number and scale of our product development programs and the associated costs of those programs, the cost of commercializing any products, our plan on strategic acquisitions and other expenses in relation to our business operations. Our failure to become and remain profitable would decrease our value and could impair our ability to raise capital, maintain our R&D efforts, expand our business or continue our operations.

The historical results of operation and financial performance of our Company and our acquired businesses may not be indicative of our future growth.

In 2023, 2024, and 2025, our revenue amounted to RMB1,313.3 million, RMB1,399.4 million and RMB1,619.2 million, respectively; and our gross profit amounted to RMB651.4 million, RMB695.1 million and RMB869.7 million, respectively. However, our historical revenue and gross profit may not be indicative of our future growth. In addition, we conducted a major transaction of acquiring Vedkang Medical during the Track Period Record. The historical financial information of Vedkang Medical as set forth in Note 36 of the Appendix I to this document is derived from separate financial statements prior to our acquisition. Accordingly, the historical, [**REDACTED**] and other financial information included in this document may not reflect what our financial condition would have been had we been a combined entity during the years presented, or what our financial condition will be in the future.

Furthermore, as the market and our business evolve, we may modify our operations, data and technology, sales and marketing, solutions and services. These changes may not achieve expected results and may have a material and adverse impact on our results of operations and financial condition. Our expenses may grow faster than our revenue, and our expenses may increase or may be greater than we expected. We cannot assure you that we will be able to achieve similar results or grow at the same speed as we did in the past or at all. Rather than relying on our historical operating and financial results to evaluate us, you should consider our business prospects in light of the risks and difficulties we may encounter as a company operating in emerging markets and dynamic industries, including, among other factors, (i) macroeconomic and other factors that affect the medical device markets in the countries and regions where we operate, (ii) our ability to expand our customer base, and to retain and grow the wallet share of our existing customers, (iii) our ability to maintain and expand our business infrastructure and networks, (iv) our ability to manage and further improve operational efficiency, and (v) our ability to execute acquisitions and investments, as well as successful integration. We may not be able to successfully address these or other challenges, which could adversely impact our business, results of operations and financial condition.

We have been and will continue investing heavily in our research and development, and such investment may negatively impact our profitability in the short term and may not generate the results we expect to achieve.

We have been investing heavily in our R&D efforts. Our R&D expenses amounted to RMB281.1 million, RMB290.5 million and RMB274.2 million, representing approximately 21.4%, 20.8% and 16.9% of our revenue in 2023, 2024 and 2025, respectively. The industry in which we operate is evolving quickly in terms of technological innovation. We expect that our R&D expenses will continue to increase in the future. The inherent uncertainties associated with development activities could pose challenges in obtaining and retaining adequate resources, including the

engagement of qualified research and development personnel. Furthermore, even if our R&D efforts are successful and yield the expected results, we may still encounter practical difficulties in the commercialization of these outcomes. The process of transitioning from product development to market commercialization is complex and can present potential obstacles, which could impact our ability to realize a return on our research and development investments. Despite substantial resource allocation and concerted efforts towards R&D, we cannot guarantee that our technology will consistently maintain its leading position. Our competitors may develop more advanced or effective technologies, or the advent of new technologies could potentially render our existing products obsolete or less competitive.

We may incur impairment losses on our goodwill in the future.

We recorded goodwill of RMB905.5 million, RMB905.5 million and RMB928.2 million as of December 31, 2023, 2024 and 2025, respectively, which primarily arose from our acquisition of Penlon, Vedkang Medical and Vedefar. See "History, Development and Corporate Structure" for details. Such goodwill recorded reflected the excess of the total acquisition consideration in the acquired company over the total fair value of identifiable net assets of the acquired company. We determine whether goodwill is impaired at least on an annual basis. There is no assurance that we will not incur impairment loss on goodwill going forward. Any significant impairment of our goodwill could have a material adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO DOING BUSINESS IN COUNTRIES AND REGIONS WHERE WE OPERATE

Any adjustment embedded in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

Our operations span across various geographic markets, each with its unique legal system. We acknowledge the inherent uncertainties within the legal frameworks of some of the markets we operate. Newly enacted laws and regulations may not comprehensively address all facets of economic activities in these markets. The interpretation and enforcement of such laws and regulations in these markets remain unsettled. As local authorities and courts have broad discretion to interpret and implement statutory provisions and contractual terms, the outcomes of administrative and court proceedings, including the enforcement of foreign or arbitration awards may be difficult to predict. Such uncertainties may impact our understanding of legal requirements and enforce our contractual rights, and may expose us to unmerited or frivolous legal actions, claims concerning third party conduct, or threats.

Additionally, many of the legal systems in our operational markets are influenced by their respective government policies and internal rules. Some of these policies and rules may not be published promptly or at all, and could have retroactive effects. There are instances where key regulatory definitions are ambiguous, imprecise, or absent, or where regulatory interpretations diverge from court interpretations in analogous cases. Consequently, we may inadvertently violate certain policies or rules, only becoming aware of such violations after the fact. Furthermore, administrative and court proceedings in some of our markets may be prolonged, leading to significant costs and diversion of resources and management attention.

We recognize the possibility of new laws and regulations being adopted or interpreted as applicable to us in our geographic markets and elsewhere, which could impact our businesses and operations. The industries in which we operate may face increased scrutiny and regulation, necessitating the allocation of additional legal and other resources to comply with these regulations. Changes in existing laws or regulations, or the introduction of new laws and regulations in our markets, could potentially impede the growth of the medical devices industry and affect our business, financial condition, and operational results.

It may be difficult to effect service of process upon us or our directors or officers named in this document or to enforce foreign court judgments against them.

We are a company incorporated under the laws of China, and a majority of our assets are located in China. In addition, most of our Directors and senior management reside within China, and the assets of our Directors and senior management are likely to be located within China. As a result, it may be difficult for you to effect service of process China. Moreover, China does not have treaties with certain other jurisdictions that provide for the reciprocal recognition and enforcement of judicial rulings and awards.

We cannot assure you that we will declare and distribute any amount of dividends in the future.

There can be no assurance that we will declare and pay dividends because the declaration, payment and amount of dividends are subject to the discretion of our Directors, depending on, among other considerations, our operations, earnings, cash flows and financial position, operating and capital expenditure requirements, our strategic plans and prospects for business development, our constitutional documents and applicable law. For more details on our dividend policy, see "Financial Information — Dividend" in this document.

Furthermore, under the PRC law and regulations, we may only pay dividends out of distributable profits. Distributable profits are our after-tax profits, 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 or any distributable profit to enable us to make dividend distributions to our Shareholders, including in periods for which our financial statements indicate we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years.

We are a PRC enterprise and we are subject to PRC tax on our global income, and any gains on the sales of our H Shares and dividends paid to investors may be subject to PRC income taxes.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. 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 business, results of operations, financial condition and prospects, as well as our reputation. Furthermore, PRC tax laws and regulations may be adjusted from time to time. Our ability to attract and retain highly skilled foreign scientists and research personnel to work in China may be materially affected by such tax regulations and may also have an adverse effect on us.

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.

According to the Individual Income Tax Law of the PRC and the Implementation Regulations for the Individual Income Tax Law of the PRC, both came into effect on January 1, 2019, the tax applicable to non-PRC resident individuals is proportionate at a rate of 20% for any dividends obtained from within China or gains on transfer of shares and shall be withheld and paid by the withholding agent. Pursuant 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 (the "**Arrangements**") executed on August 21, 2006, the PRC Government may levy taxes on the dividends paid by PRC companies to Hong Kong residents in

accordance with the PRC laws, but the levied tax (in the case the beneficial owner of the dividends are not companies directly holding at least 25% of the equity interest in the company paying the dividends) shall not exceed 10% of the total dividends.

According to the Enterprise Income Tax Law of the PRC, which was newly revised and implemented on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC, which was newly revised and implemented on April 23, 2019, if a non-resident enterprise has no presence or establishment within China, or if it has established a presence or establishment but the income obtained has no actual connection with such presence or establishment, it shall pay an enterprise income tax on its income derived from within China with a reduced rate of 10%. Pursuant to the Arrangements, dividends paid by PRC resident enterprises to Hong Kong residents can be taxed either in Hong Kong or in accordance with the PRC laws. However, if the beneficial owner of the dividends is a Hong Kong resident, the tax charged shall not exceed: (i) 5% of the total amount of dividends if the Hong Kong resident is a company that directly owns at least 25% of the capital of the PRC resident enterprise paying dividends; (ii) otherwise, 10% of the total amount of dividends.

Considering the above, non-PRC resident holders of our H Shares should be aware that they may be obligated to pay PRC income tax on the dividends and gains realized through sales or transfers by other means of the H Shares.

We may be affected by currency exchange regimes and exchange rate fluctuations.

Conversion of Renminbi into foreign currencies and remittance foreign currency out of the PRC under certain circumstances shall be conducted in accordance with certain laws and regulations with respect to foreign exchange. Under current PRC foreign exchange regulations, certain current account transactions like profit distributions, interest payments, and trade-related expenses can be conducted in foreign currencies without prior approval from the SAFE, as long as certain procedural requirements are met. However, capital account transactions such as capital transfers, direct investments, securities investments, and repayment of borrowings are subject to foreign exchange policies and require prior approval from SAFE or registration with SAFE or authorized banks. If the foreign exchange regulatory system affects our access to sufficient foreign currency to meet our currency needs, we may face challenges in paying our expenses as they become due.

Fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi terms of the [**REDACTED**] from the [**REDACTED**], cause us to incur foreign exchange losses, and affect the relative value of any dividend we may issue. Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China's foreign exchange regime and policy. With the development of the foreign exchange market and progress towards interest rate liberalization and renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the renminbi will not appreciate or depreciate significantly in value against other currencies in the future. It is difficult to predict how market forces or relevant government policies may impact the exchange rate between the renminbi and other currencies in the future. As of the Latest Practicable Date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risks. In any event, the availability and effectiveness of these hedges may be limited, and we may not be able to hedge our exposure successfully, or at all.

RISKS RELATING TO THE [REDACTED]

No public market currently exists for our H Shares, and an active trading market for our H Shares may not develop and the market price for our H Shares may decline or become volatile.

Prior to the completion of the [**REDACTED**], there has been no public market for our H Shares. The [**REDACTED**] for our H Shares was the result of negotiations among us and the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), and the [**REDACTED**] may differ significantly from the [**REDACTED**] for our H Shares following the [**REDACTED**]. We have applied to [**REDACTED**] and [**REDACTED**] our H Shares on the Stock Exchange. We cannot assure you that the [**REDACTED**] will result in the development of an active, liquid public trading market for our H Shares. In addition, the [**REDACTED**] and [**REDACTED**] volumes of our H Shares may be volatile and could be fluctuate widely in response to factors beyond our control, such as the general market conditions of securities in Hong Kong and elsewhere in the world, the operating and stock price performance of other companies in our industry, or whether securities or industry analysts publish research reports regarding or recommend investment in our H Shares.

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

The market price 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 public market, 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 of 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 our H Shares.

According to the stipulations by the State Council's securities regulatory authority and the Articles of Association, our Unlisted Shares may be converted into H Shares and such converted H Shares may be listed or traded on an overseas stock exchange, provided that prior to the conversion and trading of such converted shares, the requisite internal approval processes have been duly completed and the filing with the relevant PRC regulatory authorities, including the CSRC, have been obtained. In addition, such conversion, trading and [**REDACTED**] must comply with the regulations prescribed by CSRC and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. We can apply for the conversion of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of shares for entry on the [**REDACTED**]. This could increase the supply of H Shares in the market, and future sales, or perceived sales, of the converted H Shares may materially and adversely affect the trading price of our H Shares.

We have significant discretion as to how we will use the [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the [**REDACTED**] from the [**REDACTED**], with significant discretion, in ways you may not agree with or that do not yield a favorable return. See "Future Plans and Use of [**REDACTED**]." You are entrusting your funds to our management, upon whose judgment you must depend, for the specific use we will make of the [**REDACTED**] from this [**REDACTED**].

You may incur immediate and significant dilution and may experience further dilution if we issue additional H Shares or other equity securities in the future, including pursuant to the share incentive schemes.

The [**REDACTED**] of the [**REDACTED**] Shares is higher than the net tangible asset value per Share immediately prior to the [**REDACTED**]. Therefore, purchasers of the [**REDACTED**] in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] net tangible asset value. In order to expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the [**REDACTED**] 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. Furthermore, we may issue Shares pursuant to the share incentive schemes, which would further dilute Shareholders' interests in our Company.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain [**REDACTED**] information and other matters.

The words "anticipate," "believe," "could," "potential," "continue," "expect," "intend," "may," "plan," "seek," "will," "would," "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessary estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set out in "Risk Factors" in this document. Accordingly, such statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

Certain facts and statistics derived from government sources contained in this document may not be reliable.

We have derived certain facts and other statistics in this document, particularly those relating to the general economy, the medical device industry, from information provided by various public sources, industry associations, independent research institutes and other third-party sources, including a report prepared by CIC that we commissioned. We have not independently verified information and statistics from official government sources. While we have taken reasonable care in the reproduction of the information, we cannot assure you as to the accuracy and reliability of such facts and statistics. 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 facts or statistics.

You should read the entire document carefully and only rely on the information included in this document to make your investment 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].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [**REDACTED**]. Prior to the publication of this document, there may have been press and media coverage regarding us and the [**REDACTED**]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information.