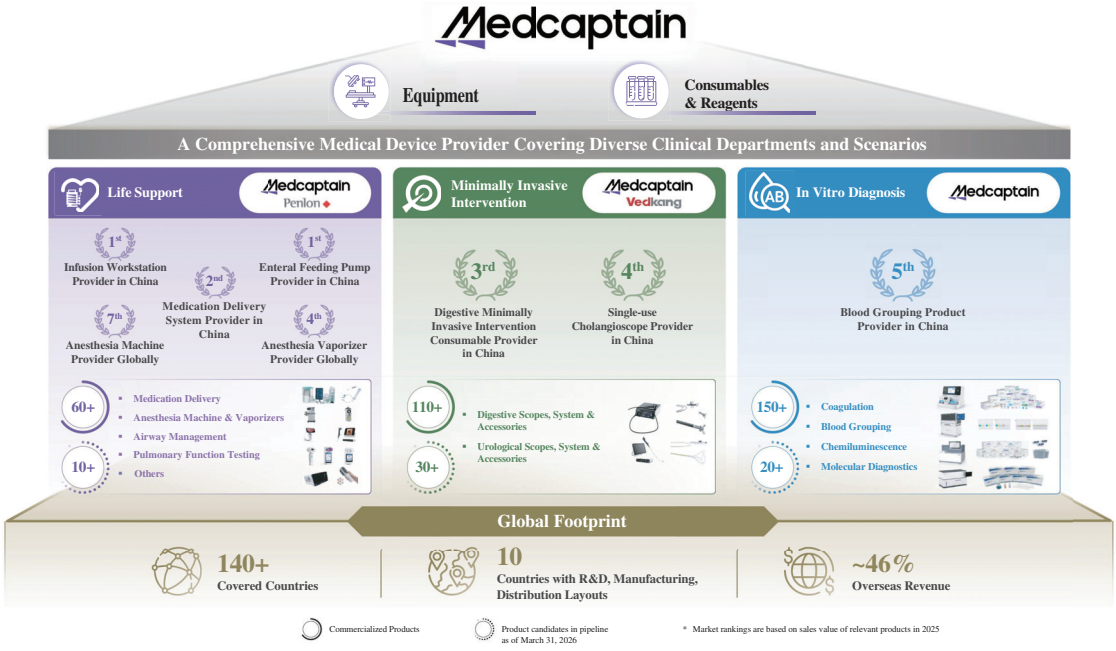
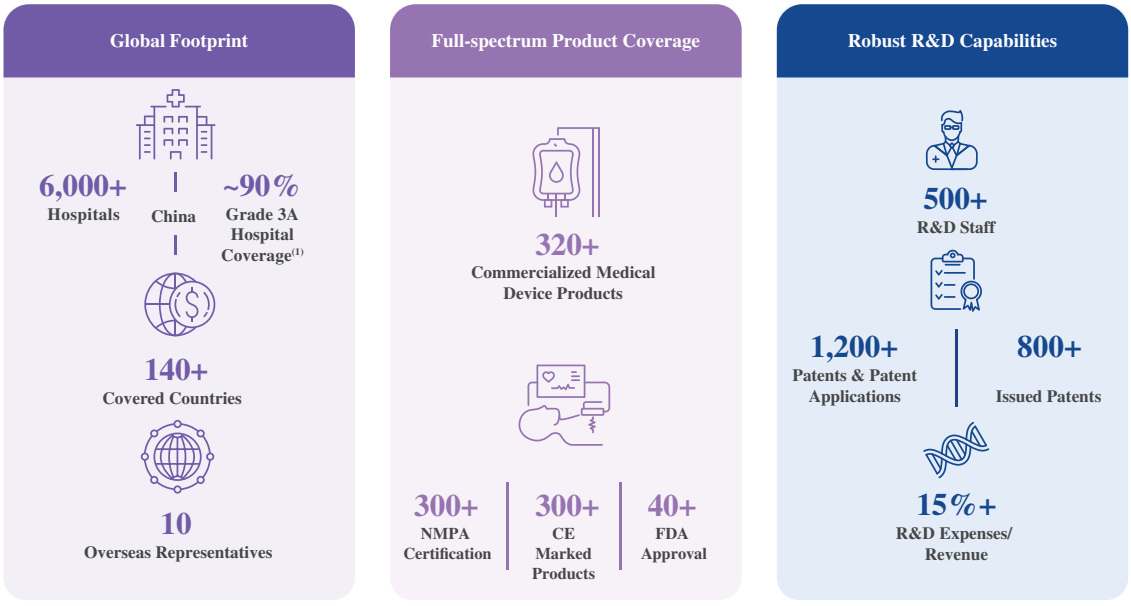
OVERVIEW

We are a global medical device provider, serving clinical needs across a wide range of clinical departments, wards and offices within medical institutions, as well as community health centers, testing facilities and home care scenarios. As of March 31, 2026, our product portfolio included over (i) 60 life support products, (ii) 110 minimally invasive intervention products, and (iii) 150 in vitro diagnostics products, available in multiple models to accommodate diverse application needs. Our products have cumulatively reached over 140 countries and regions globally. In China, our products have cumulatively reached over 6,000 hospitals, including approximately 90% of Grade 3A (三級甲等) hospitals, covering 31 provinces, municipalities and autonomous regions.



We have established a global footprint, with our medical products distributed across the APAC, EMEA and AMER regions. We have strategically positioned five R&D centers and six manufacturing centers across China and the UK. To enhance our international service capabilities, we have local representatives in strategic markets, including the UK, the Netherlands, Belgium, Turkey, India, Thailand, Indonesia, Mexico, Brazil and Colombia, enabling us to deliver timely and localized support to our global customer base. Backed by a strong global distribution network and regional service teams, we provide reliable sales and after-sales support across multiple time zones.



Notes:

(1) The number of Grade 3A hospital covered was 1,791 as of December 31, 2025.

We have experienced overall growth during the Track Record Period as our revenue increased from RMB1,313.3 million in 2023 to RMB1,619.2 million in 2025, and from RMB354.7 million for the three months ended March 31, 2025 to RMB422.3 million for the three months ended March 31, 2026. Furthermore, our gross profit margin improved throughout the Track Record Period, from 49.6% in 2023 to 53.7% in 2025 and further to 54.3% for the three months ended March 31, 2026. We achieved a turnaround to profitability in 2025, generating a net profit of RMB50.7 million. We recorded a net loss of RMB2.5 million for the three months ended March 31, 2026. Our adjusted EBITDA (non-IFRS measure) increased from RMB150.2 million in 2023 to RMB289.8 million in 2025, representing a CAGR of 38.9% from 2023 to 2025. For the three months ended March 31, 2026, our adjusted EBITDA (non-IFRS measure) increased to RMB75.3 million as compared with RMB52.1 million for the same period in 2025 and our adjusted EBITDA (non-IFRS measure) margin further increased to 17.8% as compared with 14.7% for the same period in 2025. For a reconciliation table of adjusted EBITDA (non-IFRS measure) and other non-IFRS measures that we employed, see "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss" in this document.

OUR COMPETITIVE STRENGTHS

An Integrated Medical Device Provider with Established Presence Across Life Support, Minimally Invasive Intervention and In Vitro Diagnostics

We are an integrated medical device provider with an established presence across life support, minimally invasive intervention and in vitro diagnostics, serving a wide range of clinical departments and application scenarios across more than 140 countries and regions. As of March 31, 2026, we offered over 320 products for key departments including the ICU, operating room, emergency department, anesthesiology, respiratory department, transfusion, gastroenterology, urology and laboratory. According to CIC, our innovative and high-quality medical products, along with our extensive coverage across clinical departments, position us as one of the most comprehensive medical device companies in China.

Our success is rooted in our innovative R&D platform, based on which we efficiently develop and upgrade products across business units. By translating clinical insights into innovation, we ensure our innovative products are inspired by and effectively address real-world healthcare needs. Building on this foundation, we have established competitive advantages in each of our medical domains. According to CIC, we have achieved the following:

- ***Life Support***. We have developed a series of innovative life support products that have shaped our leadership in this field. We launched the world's first remotely-controlled infusion system, and were the first domestic brand in China to introduce the in-house developed multi-channel infusion workstation, the infusion workstation compatible with MRI environments, the touchscreen infusion pump and the touchscreen enteral feeding pump. We (i) ranked first in China's infusion workstation market in terms of sales value in each year from 2018 to 2025, and (ii) ranked first in the enteral feeding pump market in terms of sales value in each year from 2021 to 2025.

- ***Minimally Invasive Intervention***. We are one of the few domestic brands in China with a proprietary endoscopic product portfolio, encompassing reusable and single-use endoscope systems, as well as related consumables. Among these, we (i) ranked among top three by sales value in China market for minimally invasive intervention consumables targeting the digestive system in each year from 2022 to 2025; and (ii) ranked among top five in the single-use cholangioscope market of China in terms of sales value in each year from 2023 to 2025.

- ***In Vitro Diagnostics***. We launched the world's first fully automated TEG analyzer in 2021. We ranked among top five in China's blood grouping device market in terms of sales value in 2025.

We focus on the evolving needs of medical institutions and aim to serve key clinical departments with advanced, domestically developed technologies. Meanwhile, we continue to expand our product portfolio to deliver comprehensive cross-departmental solutions tailored to diverse clinical scenarios. Our consistent pursuit of excellence and innovation has been widely recognized — we have been honored with the China National Brand Gold Award for Medical Equipment for nine consecutive years from 2017 to 2025 and ranked No. 1 in Industry Customer Satisfaction for eight consecutive years from 2018 to 2025.

Comprehensive Global Value Chain Capabilities to Drive Sustainable Expansion

Our products were distributed to over 140 countries and regions worldwide, with revenue generated from overseas markets accounting for 38.4%, 45.0%, 48.3% and 46.4% of our total revenue in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. According to CIC, we are one of the very few players in China to have achieved this extensive global network at scale, which offers significant advantages such as closer proximity to local customers worldwide and the diversification of regional and political risks. This global network of localized resources enables us to provide professional and culturally tailored services worldwide.

- ***Globally Recognized Brands***. Our global footprint encompasses three major brands, namely, Medcaptain, Penlon and Vedkang Medical, each of which has gained extensive international recognition. Medcaptain originated from medication delivery products, with its infusion pumps gaining prominence in Europe. Our pumps are comparable to those of leading international brands and represent the only Chinese brand to receive a four-star rating in the product evaluation by the Emergency Care Research Institute ("**ECRI**"). Penlon is a British anesthesia equipment brand which has won the Queen's Awards for Enterprise four times. The Queen's Awards for Enterprise is a UK's national awards program recognizing to businesses for outstanding achievement in international trade, innovation, sustainable development and promoting opportunity. Furthermore, Vedkang Medical has opened up the Asian, European and American markets for our minimally invasive intervention products.

- ***Global Sales and Service Capabilities***. By integrating the channel resources of Medcaptain, Penlon and Vedkang Medical, we have assembled an experienced sales team and developed a global sales network. As of March 31, 2026, we had established (i) a sales team of over 500 employees with core members having an average of over eight years of sales experience; and (ii) a global network of over 2,000 distributors spanning the APAC, EMEA and AMER regions. Moreover, with 31 domestic subsidiaries and branches and 10 overseas representatives, we provide around-the-clock rapid response services to our global clients, including regular equipment inspections, in-house MQT ("**Maintenance, Quality control, and Training**") services, endoscopic surgery bedside guidance, and full life-cycle after-sales monitoring for each order through our CRM service platform. In addition, we have established international training centers in the Netherlands, the UK, Colombia and India, to offer tailored professional training for local customers and distributors.

- ***Global R&D Strength***. We operate five R&D centers across China and the UK, combining strong engineering expertise with a global perspective. Our R&D teams maintain longstanding collaboration with leading experts and scholars both domestically and internationally, enabling us to stay attuned to local clinical practices, user preferences, and unmet clinical needs across different markets. Drawing on these insights, we are able to rapidly translate clinical needs into product development and continuously upgrade our portfolio with competitive and technologically advanced offerings.

- ***Global Regulatory Registration Expertise***. Our global regulatory registration team has extensive experience in regulatory registration and compliance across China and major overseas markets, ensuring timely updates and continued adherence to evolving market access requirements. As of March 31, 2026, we had secured over 300 NMPA medical device registration certificates, over 40 FDA approvals and over 300 CE-marked products.

- ***Global Production Centers***. Our six manufacturing centers in China and the UK uphold quality management systems compliant with NMPA, CE and FDA standards. This infrastructure enables us to offer stable, timely and cost-efficient global manufacturing capabilities.

Robust R&D Capabilities Empowered by an Integrated R&D Platform

Our R&D team possesses the capability to develop a diverse range of products, including equipment, consumables and reagents, and software systems across various business units. As of March 31, 2026, our in-house R&D team consisted of 502 members, accounting for 22.7% of our total workforce. Furthermore, we have established a comprehensive "Industry-Academia-Research-Application (產學研醫)" collaboration network, through which we collaborate with medical universities, research institutes and clinical experts on internship programs, research exchanges and technology development initiatives. This allows our R&D team to rapidly translate clinical needs into competitive medical products.

We have established a dynamic and scalable R&D platform that serves as a key driver of our product innovation and business expansion. Led by our Innovation Center, this platform consists of 11 specialized sub-departments, each contributing technical expertise and support across different stages of the R&D process. Meanwhile, our R&D platform is supported by three technical committees — the Hardware, Mechanical, and Software Technical Committees — each providing specialized technical support within their respective domains. This mechanism not only facilitates cross-business unit collaboration and product development, but also lays a solid foundation for the expansion of new business units and the smooth integration of acquired businesses. For details, see "— Research and Development — Our Innovative R&D Platform."

With a strong commitment to independent innovation, we emphasize original product development over replication, which has allowed us to steadily accumulate technological know-how and build a solid portfolio of intellectual property assets. As of March 31, 2026, we had 1,215 patents and patent applications in China, including 874 issued patents and 341 patent applications. Among our issued patents, there were 171 invention patents, 565 utility model patents and 138 design patents; and we had 60 overseas patents and patent applications, including six patent applications under the Patent Cooperation Treaty ("**PCT**").

Proven Commercialization Capabilities Evidenced by Expanding Regional Coverage and Customer Base

We have established a strong sales and marketing team to support both our domestic and international expansion. As of March 31, 2026, our in-house team comprised over 500 professionals and was supported by a network of over 2,000 distributors. Our products have cumulatively reached over 140 countries and regions globally. In China, our products have cumulatively reached over 6,000 hospitals, including approximately 90% of Grade 3A (三級甲等) hospitals, covering 31 provinces, municipalities and autonomous regions. This extensive footprint reflects the strength of our commercial infrastructure and our ability to scale efficiently across markets.

We work closely with frontline medical professionals through regular site visits and academic collaborations, which enables us to stay attuned to evolving clinical needs and tailor our products accordingly. By integrating real-world feedback into product design and development, we are able to deliver practical, high-performance products that align with daily medical workflows. This closed loop between field insights and product innovation enhances both our clinical relevance and customer loyalty. In addition, the widespread adoption of our products by top-tier hospitals — often following rigorous evaluation and admission processes — serves as strong validation of our quality and reliability, further accelerating adoption across primary and secondary healthcare institutions.

Internationally, we adapt our commercial strategies to the characteristics of each market, leveraging a flexible mix of distribution channels and direct sales models. In markets such as the UK, we engage in direct sales to hospitals through Penlon's local team, while in other regions, we collaborate with leading global medical brands and distributors. This adaptive and integrated approach enables us to effectively serve top-tier healthcare institutions around the world and deepen our presence in key strategic markets.

We also actively participate in major industry exhibitions and academic forums to enhance our brand recognition and build thought leadership. Our innovative products have gained strong visibility at globally recognized events such as MEDICA, CMEF, and Arab Health. These platforms not only showcase our technological strengths to global customers but also reinforce our positioning as a trusted brand in the international medical device community.

Proven Track Record of Acquisitions and Integrations to Expand Product Portfolio and Drive Business Growth

According to CIC, strategic acquisitions have emerged as a key growth strategy in the medical device industry, particularly among global players seeking to broaden their capabilities across multiple specialties and geographic markets. In an increasingly competitive and innovation-driven landscape, M&A plays a critical role in accelerating product diversification, enhancing clinical solutions, and unlocking access to new markets. Yet realizing the full value of acquisitions hinges not only on deal execution, but also on the ability to achieve operational integration, generate meaningful synergies, and align with a long-term strategic vision — capabilities that few companies master consistently.

Our acquisition strategy has been instrumental in creating a comprehensive product portfolio across multiple departments and scenarios. Oriented from clinical scenario and our technical capabilities, we strategically select high-quality acquisition targets that synergize with the technical capabilities or clinical scenarios of our existing products, gradually expanding our business boundaries under the premise of effective integration. Prior to the Track Record Period, we expanded our IVD business into the fields of blood grouping and molecular diagnostics through strategic acquisitions, thereby enhancing our capability to meet diversified diagnostic needs. We further broadened our business scope through (i) the acquisition of Penlon in January 2022, extending our life support business into the field of anesthesia devices, and (ii) the acquisition of Vedkang Medical in April 2022, enabling us to enter the minimally invasive intervention field. In September 2025, we acquired Caring Medical to extend our product offerings from flexible endoscopes to rigid endoscopes. Beyond product portfolio expansion, we also view strategic acquisitions as a way to build our operational infrastructure. To that end, we acquired a Belgian distributor in June 2025 to deepen our reach in international markets.

Following acquisitions, we leverage our technological and platform advantages to drive the continuous growth and innovation within the acquired entities. For details, see "— Material Acquisitions" in this section. We manage the acquired businesses by adopting an approach of "progressive integration (漸進式融合)." Following each acquisition, we provide R&D and technical support through our innovation platform, and operational support through our group-level management, manufacturing, sales, and marketing functions. To promote R&D synergy, we retain the R&D centers of acquired businesses, allowing for localized development under centralized coordination. Our Innovation Center offers comprehensive support across business lines, including safety and functional testing, mold management, industrial design, algorithm development, and the sharing of key know-how and technologies. We also emphasize the retention of core management and R&D talent of the acquired entities to preserve institutional knowledge and enhance integration effectiveness. For each acquisition, our management team tailors integration strategies based on the target's business scale, domain focus, industry characteristics, and R&D capabilities. In addition to technological integration, we actively pursue sales channel integration across Medcaptain, Penlon, and Vedkang Medical, leveraging each brand's strengths to facilitate cross-category sales and maximize the efficiency of our distributor network.

Visionary, Dedicated and Experienced Management Team and Strong Support from Shareholders

We are guided by a mature, broad-based executive team with comprehensive expertise across key business lines in the medical device industry, including strategy, mergers and acquisitions, R&D, sales, production, and quality control. Executives managing these business lines have experience at renowned medical device companies, and have an average of over 20 years of professional experience, demonstrating both seasoned expertise and well-synchronized teamwork. Additionally, our robust talent development program ensures that we possess extensive technical knowledge, strong execution capabilities, and a sense of ownership, all of which are crucial for achieving synergies and integration during ongoing organic growth and acquisition-driven expansions.

Our sustained success is anchored by our management team, which has extensive industry experience and strategic acumen. Both Mr. LIU, our chairman and general manager, and Mr. ZHONG, our vice chairman and deputy general manager, have decades of leadership experience accumulated from domestic and international public medical device companies. Mr. LIU entered the medical device industry in 1994 and has since worked at multinational healthcare and medical device providers, gaining extensive leadership experience in the healthcare industry, an in-depth global perspective, expertise in mergers and acquisitions, and comprehensive management experience covering R&D, production, sales and business operations. Mr. ZHONG, who embarked on his career in the medical industry in 2000, has developed comprehensive leadership skills including product development, sales management, marketing strategy, cross-functional team leadership, cross-cultural management and business integration.

Moreover, since our inception, we have secured investments from industry-leading investors with deep insights into the biopharmaceutical sector. These esteemed shareholders not only validate our industry-leading position and growth potential, but also provide financial backing and industry resources to support our continuous growth.

OUR STRATEGIES

We aim to strategically allocate our R&D, production, and sales resources worldwide, and to continuously develop our businesses and expand our global presence. Accordingly, we plan to continue to implement the following strategic measures:

Further Developing Innovative Products to Strengthen Our Leadership

We are committed to developing innovative products and enhancing our product portfolio to meet diverse clinical and market demands. By maintaining a versatile platform that serves diverse departments and scenarios, we aim to drive sustainable growth and strengthen our leadership.

- ***Exploring Competitive Business Units***. We will strategically explore and enter new business units that complement our existing ones, fully utilizing our established technological expertise and platform resources. By doing so, we aim to extend our business reach to more clinical departments and scenarios, ensuring a comprehensive and versatile market presence.

- ***Refining Digitalized Medical Products***. We stay at the forefront of medical technology and concepts, continuously refining our product portfolio to offer more efficient and user-friendly experiences. So far, we have developed a series of information systems, such as iCMS, iHLive, iSpiro, and ELFensor, which enable centralized and real-time monitoring and management across various clinical application scenarios such as infusion and nursing care, in vitro diagnostic testing, respiratory chronic disease management and pain management. Building on this foundation, we plan to further enhance our digitalized systems and software by embedding AI-driven technologies, enabling smarter functionalities, real-time adaptability and broader deployment across diverse clinical environments.

- ***Advancing Integration Between Equipment and Consumables***. We will emphasize the integration between equipment and consumables to enhance our market presence, thereby reinforcing our leading position in both the equipment and consumables sectors. This approach will broaden our product offerings in each segment, deepen relationships with healthcare institutions, and establish new connections within the industry to ensure comprehensive market penetration.

We actively respond to national healthcare trends across our core fields of life support, minimally invasive intervention, and in vitro diagnostics. In the life support segment, recent government efforts to strengthen critical care infrastructure in hospitals, particularly through the expansion of ICU bed capacity, are driving substantial demand for advanced infusion and monitoring equipment. In minimally invasive intervention, we are pursuing an integrated strategy that combines equipment and consumables to deliver comprehensive clinical solutions tailored to evolving surgical needs. In in vitro diagnostics, continued regulatory optimization has accelerated the approval process for diagnostic products, enabling us to respond swiftly to market demands and scale this business with greater efficiency.

Further Enhancing Our Production Capabilities and Efficiency

We are establishing a new R&D and manufacturing center in Changzhou, with a planned gross floor area of 115,742 sq.m. As of March 31, 2026, the key production buildings, with a gross floor area of 93,485 sq.m., had been completed, and the relevant property ownership certificates had been

obtained and all required completion filings and operating permits had been duly completed. In addition, we are actively advancing the development of the new center, such as equipment procurement, intelligent production line planning, and construction of supporting facilities. This new center marks a significant step forward in our overall manufacturing capabilities, supporting higher sales targets and unlocking greater economies of scale. The new center is also expected to further streamline certain of our existing production facilities and resources, improve operational efficiency, and enhance synergies across our production lines. We also plan to continue to upgrade our production lines with a focus on automation and intelligent manufacturing, further improving both efficiency and product quality. In addition, we will seek opportunities to extend our presence upstream in the supply chain, achieving self-sufficiency in key raw materials for more stable product performance and more efficient cost control.

Our overseas production capacity, primarily for anesthesia machines and vaporizers in the UK, will be enhanced through the upgrades to production testing equipment to enhance product consistency and quality, and meet stringent international standards and certification requirements. We will also balance production needs between overseas and satisfy domestic bases, considering production costs and supply chain logistics, embodying the philosophy of leveraging advanced global experience to enhance "Made in China" capabilities for the global market.

Further Enhancing Our Global Brand Image with Localized Operations and International Sales Capabilities

We are committed to establishing a global brand image for Medcaptain, striving to become a go-to partner for healthcare institutions worldwide. To achieve this objective, we will continue to introduce innovative products to the global market and refine our global service system. Furthermore, we plan to progressively integrate our acquired brands with the Medcaptain brand to build an international brand portfolio. For instance, we will actively participate in renowned international exhibitions with our brands, including Medcaptain, Penlon and Vedkang Medical, to expand our customer base and consolidate the influence of each brand, ultimately strengthening Medcaptain's international brand image across our full product range. In addition, by staying attuned to global healthcare needs and preemptively implementing medical concepts, we aim to enhance our Medcaptain brand's recognition for innovation. We are building a commanding presence across industry, academia, research, and application fields, thereby strengthening our industry influence.

Our products are distributed to over 140 countries and regions worldwide. Leveraging this established global footprint, we are dedicated to further practicing global collaboration and localized operations, creating a flexible and efficient sales network to support our international sales endeavors. We plan to establish a sales network that swiftly responds to global clinical demands, working in tandem with our R&D and production departments that support rapid product iteration. Through global collaboration in R&D, production, and sales, we are committed to providing meticulous and high-quality services to our global customers. In addition, as we have developed a broad international sales channel network and established a European sales center, our future efforts will focus on expanding sales channels in Southeast Asia, the Middle East, and Latin America, and horizontally setting up regional sales centers to better serve local customers through localized operations. Ultimately, we will build a flexible and efficient matrix-style international sales structure, adeptly navigating the challenges of global operations. Moreover, we will also expand into developed markets with high entry barriers by leveraging our collaborative relationships with top international healthcare and medical stakeholders.

Seeking Strategic Acquisition and Investment Opportunities to Further Expand Our Business Landscape

Leveraging our proven track record in mergers and acquisitions and the unique foresight of our founders and management team, we will continue to identify and engage with innovative, product-focused, and like-minded medical device enterprises globally. Our objective is to select

targets that are synergistic with our existing business operations, possess a strong brand image in niche markets, and have significant growth potential. Through strategic acquisitions, we aim to swiftly enter diverse areas, generate additional revenue streams, effectively integrate complementary resources to enhance profitability, and mitigate risks from market volatility across various business units.

In addition, we plan to empower acquired businesses with our extensive experience in market demand analysis, product development, production management, and sales management, alongside relevant industrial and capital resources. Leveraging our R&D platform, which integrates general-purpose development capabilities and a mature product development workflow, together with our manufacturing base and global sales network, we are well-positioned to facilitate the integration and growth of our acquired businesses. Meanwhile, we will continue to strive to maintain the relative independence and stability of the original management teams and key personnel after acquisitions, ensuring their autonomy and flexibility in the management process, and supporting the sustainable development of the acquired entities.

Further Enhancing Our R&D Capabilities to Rapidly Achieve Product Upgrades and Iteration

We will continue to increase our investment in technological innovation, such as investing in digitalized diagnostic technology. Additionally, we plan to boost our investment in R&D infrastructure, such as upgrading the MCI digital system to improve the workflow of product development, data analysis capabilities, and platform security. These improvements will enhance development efficiency and quality while reducing costs. We will further utilize the complementary strengths across our business units to drive sustainable growth. By aligning the expertise of our professional teams with diverse product lines, we aim to foster synergies that enhance our R&D capabilities, strengthen our market position, and expand our influence in respective fields. This collaborative approach ensures that our solutions remain innovative and well-positioned to address evolving industry demands.

We will continue to advance the development and refinement of our product portfolio across all three business units. Leveraging the combined capabilities of our R&D teams in China and Europe, we are engaged in ongoing efforts to develop new products and enhance existing product series in the areas of life support, minimally invasive intervention, and in vitro diagnostics. These initiatives draw on our accumulated expertise in software, hardware, optics, and algorithms, and are intended to support the continuous evolution of our product lines.

Attracting Talent and Optimizing Our Human Resources System

Upholding a management philosophy that respects talent and creativity, we will strengthen cooperation with top universities globally, offering exceptional graduates with opportunities to excel. We aim to continuously attract R&D talent with expertise in mechanics, optics, electronics, and computing to support our product development. We also plan to attract global commercial talents to facilitate the global expansion of our products.

We will maintain incentive plans for outstanding employees to boost their motivation. We aim to enhance employees' alignment with our values and collective pursuit of industry leadership, thereby attracting, developing, and retaining core talent and attracting new talent. In addition, we will design multi-dimensional training courses focused on industry insights, technical skills, marketing promotion, and overall quality improvement to meet the diverse needs of new employees, existing employees, and management. This approach supports skill adaptation and maximizes individual contributions, aligning personal growth with the company's development objectives. Meanwhile, we will establish an integrated talent and knowledge system that spans all business units and departments across our Group to promote technical exchanges and knowledge sharing across different fields. This will facilitate mutual feedback among R&D, production, and sales, enabling more streamlined and efficient communication and enhancing overall operational efficiency.

OUR BUSINESS UNITS

We offer medical equipment and consumables across life support, minimally invasive intervention and in vitro diagnostics. The following table sets forth a breakdown of our revenue, gross profits and gross profit margins by business unit for the periods indicated:

	For the Year Ended December 31,									For the Three Months Ended March 31,					
	2023			2024			2025			2025			2026		
	Revenue	Gross profit	Gross margin	Revenue	Gross profit	Gross margin	Revenue	Gross profit	Gross margin	Revenue	Gross profit	Gross margin	Revenue	Gross profit	Gross margin
	Amount	*Amount*	*%*	*Amount*	*Amount*	*%*	*Amount*	*Amount*	*%*	*Amount*	*Amount*	*%*	*Amount*	*Amount*	*%*
	(RMB in thousands, except percentages)														
										(Unaudited)					
Life support	564,146	232,838	41.3	494,057	172,500	34.9	613,406	284,428	46.4	125,950	52,544	41.7	161,550	72,569	44.9
Minimally invasive intervention	586,545	324,125	55.3	721,327	416,078	57.7	812,207	482,694	59.4	187,570	110,174	58.7	208,619	128,858	61.8
In vitro diagnostics	162,606	94,473	58.1	183,977	106,494	57.9	193,539	102,538	53.0	41,223	19,077	46.3	52,153	27,777	53.3
Total revenue/ gross profit/ gross margin	**1,313,297**	**651,436**	**49.6**	**1,399,361**	**695,072**	**49.7**	**1,619,152**	**869,660**	**53.7**	**354,743**	**181,795**	**51.2**	**422,322**	**229,204**	**54.3**

Life Support

Life support medical devices are chiefly used in ICUs, operating rooms, and emergency rooms to manage and care for critically ill patients. Life support medical devices primarily include medication delivery products, anesthesia products, airway management products, pulmonary function testing products, VTE prevention products and other devices. These instruments are integral to maintaining vital functions and improving the chances of recovery for patients in critical condition, offering comprehensive support ranging from breathing assistance and life sustenance to continuous monitoring of vital signs, with major application scenarios including operating rooms, ICUs and emergency rooms. We have established a comprehensive life support product portfolio, offering over 60 life support products as of March 31, 2026. For details of the life support medical device market, see "Industry Overview — Life Support."

Medication Delivery

Our medication delivery product portfolio primarily consists of infusion and syringe pumps, infusion workstations, enteral feeding pumps, ambulatory pumps, intelligent centralized monitoring systems, remotely controlled management systems and matching consumables. Our medication delivery products enhance the precision and efficiency of infusion processes, streamline the operational and management workflows for the infusion process, and improve the treatment experience across each stage of perioperative care.

Infusion Workstation, Syringe Pump and Infusion Pump

We offer a comprehensive intelligent infusion product portfolio covering infusion workstations, infusion systems, infusion pumps and syringe pumps which provide a modern alternative to traditional gravity infusion methods. While conventional infusion methods rely on gravity to deliver fluids, our intelligent infusion products utilize electronic controls to regulate infusion rate and flow pressure, enhancing both infusion accuracy and the efficiency of medical personnel. To further enhance the convenience and accuracy of medication delivery, we have equipped our products with DoseControl, our proprietary Dose Error Reduction System ("**DERS**"). This system features a drug library capable of storing up to 12,000 drugs, enabling the safe and precise administration of dosages tailored to individual

patient conditions. We also offer consumable products that complement our infusion equipment products, providing healthcare professionals with a comprehensive product offering. As of the Latest Practicable Date, our portfolio included four infusion series: (i) SYS series, the first series we launched, (ii) MP series, which introduced China's first multi-channel infusion workstation, (iii) HP series, which introduced the first infusion workstation in China, and (iv) AP/XP series, which features the highest infusion accuracy and widest speed range in the industry.

By product type, our infusion products primarily include infusion workstations, syringe pumps, and infusion pumps:

- ***Infusion Workstations***. In 2014, we obtained the registration certificate for China's first multi-channel infusion workstation, the MP-80 Infusion Workstation. We then obtained the certificate for its updated version, the HP-80 Infusion Workstation in 2017, and the registration certificate for the AP/XP Infusion Workstation in 2024. Our infusion workstations are characterized by their modular design, allowing up to dozens of infusion and syringe pumps to be effortlessly stacked, without the need for any tools during assembly. They are equipped with the Relay Control module, which facilitates three types of relay models: the cascaded relay for sequential connection from top to bottom channels, the circular relay for up to three channels, and the customized relay, which permits operators to specify the sequence of channel operation. Furthermore, their capability for computer-controlled operation and network connectivity enables the centralized management of the infusion process. Our latest AP/XP series further enhances steady-state infusion management and automatic fluid management, upgrades the visual and operational experience, and advances the intelligence of the product.

  Furthermore, in 2020 we obtained the registration certificate for the HP-80 MRI Infusion Workstation, the first infusion workstation in China designed specifically for MRI environments. The workstation safeguards the pumps within it from magnetic fields up to 20 mT, ensuring that the infusion processes are shielded from magnetic field disturbances. It also prevents the administration process from interfering with the MRI imaging process, maintaining the quality and reliability of MRI scans. According to CIC, we ranked first in China's infusion workstation market in 2025, with a market share of 26.1% in terms of sales value.

- ***Syringe Pumps***. Our SYS series introduced the first touchscreen-equipped syringe pump in China's market, according to CIC. Our MP series syringe pumps have been further upgraded to integrate seamlessly with the infusion workstations of same series. They also support connection to the intelligent centralized monitoring system and other information systems. Our HP series syringe pumps have undergone a comprehensive functional upgrade, including: (i) a double-position detection system that enables the real-time monitoring of the syringe's plunger movement at two distinct points; (ii) a full-range syringe compatibility, accommodating eight different models suitable for requirements ranging from 2 ml to 60 ml; and (iii) an automatic/manual installation system whereby the manual mode reduces the injection time during emergency treatment while the automatic mode ensures steady and accurate injection. The HP series has also developed syringe pumps tailored for various patients and therapies, including (i) the HP-30 Neo Syringe Pump designed for small-dose injections by offering a rate setting starting from 0.01ml/h and ensuring a mechanical precision of ±0.5%; (ii) the HP TCI Syringe Pump equipped with multiple pharmacokinetic/pharmacodynamic models allowing for accurate dosing of propofol during total intravenous anesthesia through Target-Controlled Infusion; and (iii) the HP-30 Syringe Pump with the optional patient-controlled analgesia function, allowing patients to manage their pain relief within prescribed limits by self-administering doses of medication. Our AP/XP series

syringe pumps further improve the infusion precision and support a broader range of infusion speeds, and this series has been updated with DoseControl with a drug library capable of accommodating up to 12,000 drugs.

- ***Infusion Pumps***. Our SYS series introduced the first touchscreen-equipped infusion pump in China's market, according to CIC. Our MP series infusion pump is compatible with infusion workstations and supports the connection with the intelligent centralized monitoring system and the remote-controlled infusion system. Our HP-60 Infusion Pump has been further updated with the following features: (i) a one-step IV set installation mechanism that automatically identifies the tube status facilitating a quick and secure tube installation; (ii) an anti-bolus system that limits any bolus after occlusion release to a maximum of 0.2 ml to prevent a sudden surge of medication delivery; and (iii) a self-adapting peristaltic system that allows for automatic adjustments of the pump head's position and pressure suitable for a range of applications including fluid infusion, blood transfusion, total parenteral nutrition feeding and oncology therapy. The AP/XP series infusion pumps further improve the infusion precision and support a broader range of infusion speeds.

- ***Ambulatory Infusion Pumps***. Our ELFensor P series ambulatory infusion pump is designed for post-operative analgesia, labor analgesia, cancer pain management, chemotherapy and other acute or non-acute care management. It is the world's first portable infusion system supporting $EtCO_2$ and SpO_2 monitoring. It is suitable for use in hospitals, home healthcare, and for patient transport during ambulatory infusions. By integrating our ambulatory infusion pumps with iCMS and hospital information management systems, we provide patients and healthcare workers with an intelligent pain management system. This system offers closed-loop analgesia management across various settings, including in-hospital, out-of-hospital, and home care during the perioperative period.

Remotely-Controlled Infusion System

We developed and launched the world's first remotely controlled infusion system, the MS-100 Infusion System, according to CIC. This infusion system is capable of monitoring and controlling medication infusion remotely when used in conjunction with infusion workstations and medication delivery pumps, and it is designed to address the special needs in application scenarios such as ICUs, digital subtraction angiography ("**DSA**") operating rooms, hybrid operating rooms, and negative pressure isolation wards. It allows medical staff to remotely monitor and control the medication infusion status, addressing the critical need for safe operation in areas prone to radiation exposure and infection risk. This innovative feature not only minimizes the risk of cross-infection and radiation exposure for medical personnel but also enhances clinical workflow efficiency by ensuring precise and uninterrupted medication delivery, optimizing patient care.

The MS-100 Infusion System is primarily designed to be paired with our MP and HP series pump products. With the launch of our AP/XP series, we developed a next-generation AP/XP Infusion System specifically designed to complement the syringe pumps and infusion pumps in this series. In September 2024, we obtained the registration certificate for a next-generation infusion information collection system for our AP/XP infusion series.

iCMS: Intelligent Central Monitoring System

The iCMS is an intelligent central monitoring system that provides a comprehensive intelligent platform for hospital information management. It incorporates the following modules and functions: (i) the monitoring module centralizes the management of patient information, drug prescriptions, real-time infusion status and alarm information. It integrates with hospital HIS and CIS systems to access prescription data, enabling closed-loop management of patient infusion status; (ii) the DoseControl module enables medical staff to edit and upload the appropriate drug library dataset and its related profiles from iCMS into the pumps. It meets the requirements of different clinical care areas and facilitates intelligent medication management across various departments and wards; (iii) the continuous quality improvement module aids in the collection and automatic evaluation of infusion data, identifies dose failures, and in turn, further refines the accuracy of the DoseControl module; and (iv) the connectivity function that supports connectivity and data transmission between iCMS and HIS, CIS and other information systems authorized by hospitals via either WIFI or LAN.

Enteral Feeding System

Our enteral feeding products include the enteral feeding pump, the enteral syringe, the giving set, the nasogastric tubes and the feeding catheter, for patients who suffer from impaired digestion or various GI dysfunctions. We obtained the registration certificate for our first enteral feeding system, EP-60, in 2019, and obtained the registration certificate for an updated EP-90 enteral feeding system in 2024. According to CIC, we ranked first in China's enteral feeding pump market in 2025, with a market share of 26.9% in terms of sales value.

Furthermore, we obtained the registration certificate for our innovative ultrasound-guided nasogastric and nasojejunal tubes in June 2024. This product enables full ultrasound guidance throughout the tube placement process, effectively addressing the limited visibility typically associated with nasoenteric intubation and enhancing the accuracy of tube positioning through ultrasound.

Anesthesia Machine

The anesthesia machine is a primary piece of equipment in hospital operating rooms and a key life support product. Its basic function is to facilitate ventilation for surgical patients and accurately deliver volatile anesthetic medicine to achieve the appropriate state of general anesthesia for patients. To further expand our market presence in life support and enhance the synergistic effect of our product lines, we strategically acquired Penlon in 2022. Penlon, a British medical device company, specializes in anesthesia and respiratory solutions, offering anesthesia machines and core components, such as vaporizers. This strategic move (i) enables us to swiftly capture market opportunities and expand into new life support markets by integrating anesthesia products with our existing infusion products, thereby offering a more comprehensive life support product portfolio for our targeted departments; (ii) deepens our global presence, providing closer proximity to European markets; and (iii) provides a solid foundation for efficiently performing iterative upgrades on the anesthesia machines. This acquisition not only reinforces our commitment to providing a comprehensive life support product portfolio but also aligns with our goals to deliver advanced medical technology globally. Following the acquisition, we are developing the next generation of anesthesia machines and actively advancing the technological upgrade of anesthesia equipment.

Prima 450/460 Anesthesia Machine

Sigma Series Vaporizers

Prima 451 MRI Anesthesia Machine

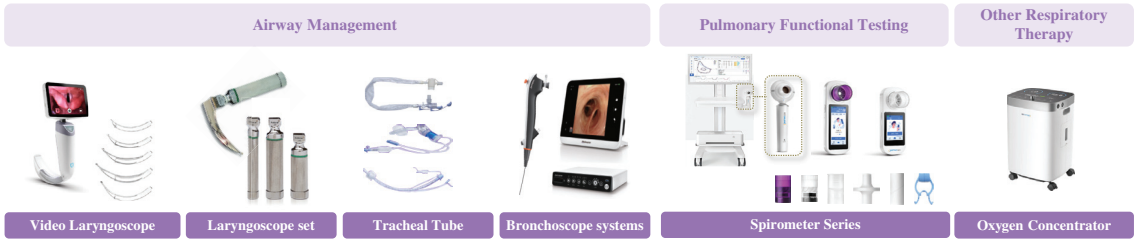
HP-80 MRI Infusion Workstation

Our anesthesia products primarily include the Prima series anesthesia machines and Sigma series vaporizers. Designed to support a full range of surgical anesthesia needs, these products feature advanced ventilation control, precise and safe delivery modes, and intuitive user interfaces that enhance clinical efficiency and patient safety. In particular, the Prima 460 is the only anesthesia machine in China equipped with the exclusive synchronized mandatory minute ventilation mode. This mode is especially beneficial during the recovery phase for patients with weak spontaneous breathing. It supplements the insufficient minute ventilation volume in each breathing cycle, ensuring adequate total minute ventilation while improving synchrony and patient comfort.

The Prima 451 is a compact MRI-compatible anesthesia machine designed to meet the specific needs of MRI suites. It works in conjunction with our HP-80 MRI Infusion Workstation and the remote-controlled infusion system to provide a comprehensive life support product portfolio for the MRI environment. It was first launched in Europe and further obtained its NMPA registration certificate in September 2025. In addition, we separately provide the key components of anesthesia machines, including vaporizers, further solidifying our position in the medical technology market.

Other Life Support Products

We provide patients with comprehensive airway management and pulmonary function testing products, enabling unobstructed breathing across various clinical applications. The diagram below shows our comprehensive airway management and pulmonary function testing product portfolio:



- ***Airway Management***: Airway management devices are essential for providing respiratory support and performing airway examinations in patients undergoing surgical anesthesia, as well as those with respiratory issues. With five sizes of laryngoscope blades suited for different patient types, our video laryngoscope offers healthcare professionals a safe, convenient, and visual solution for endotracheal intubation, enhancing patient care and improving procedural outcomes. We also offer traditional laryngoscope sets and tracheal tubes, catering to a wide range of clinical scenarios and treatment needs.

  Our bronchoscope system comprises a single-use video bronchoscope, coupled with an image processor and monitor, offering a visual solution for observation, diagnosis, and treatment of bronchial conditions. Our single-use endoscope features a 120-degree field of view and megapixel-level resolution, offering clear and wide-angle visualization. The image processor captures, processes and transmits real-time images, featuring adaptive brightness adjustment and advanced image enhancement algorithms to improve the visualization of tissues and mucosal vasculature.

- ***Pulmonary Function Testing***: Spirometry is essential for the diagnosis and management of asthma, chronic obstructive pulmonary disease and other respiratory conditions. Our spirometry testing products comprise SpiroSuite VC-10, 20, and 30 Series Spirometers, meeting various testing needs from hospitals, clinics and home-use settings. Based on the SpiroSuite Series Spirometers, we have developed the iSpiro Respiratory Chronic Disease Management System. It supports the collection and management of pulmonary function data obtained through our lung function testing products in both in-hospital and out-of-hospital settings.

- ***Other Respiratory Therapy***. We also offer other products for respiratory therapy, such as oxygen concentrator. It is a compact oxygen concentrator, providing high-purity oxygen for comfortable and safe treatment. It is especially suitable for patients with respiratory system diseases such as asthma and chronic obstructive pulmonary disease, as well as the elderly, enhancing their quality of life by ensuring a reliable oxygen supply.

In addition, we provide a broader range of life support medical devices and consumables. Below are additional representative life support products we currently offer: (i) ***DVT Prevention Products***. We offer deep venous thrombosis ("**DVT**") prevention products, including sequential compression systems and DVT prevention pumps. (ii) ***Vein Illuminators***. We offer vein illuminator that projects images of veins onto the skin during venipuncture, providing real-time, accurate visualization of the patient's vasculature. (iii) ***Monitors***. We offer a range of portable patient monitors designed for diverse parameter measurements, such as electrocardiogram, SpO_2, and temperature, suitable for multiple applications from spot checks to continuous monitoring. (iv) ***Veterinary Life Support Products***. We have also developed veterinary infusion pumps, anesthesia machines, and oxygen concentrators tailored for veterinary hospitals.

Minimally Invasive Intervention

We are one of the few domestic brands in China with a proprietary endoscopic product portfolio, encompassing reusable and single-use endoscope systems, as well as consumables, used primarily in the gastrointestinal and urological procedures. As of March 31, 2026, we had over 110 minimally invasive intervention products. For details of the minimally invasive intervention market in China and globally, see "Industry Overview — Minimally Invasive Intervention."

In 2022, we acquired Vedkang Medical, a Jiangsu-based medical device company primarily engaged in the production of endoscopic consumables. Following the acquisition, we leveraged our engineering and technological capabilities, as well as our extensive experience in equipment development, to accelerate the development of endoscopic equipment and broaden Vedkang Medical's product portfolio. In addition, to further strengthen our presence in the endoscopic market by expanding our product offerings from flexible endoscopes to include rigid endoscopes, in September 2025, we acquired Caring Medical, which is a medical device company focusing on the development, production and sales of intelligent endoscopic systems.

Products Targeting Digestive Systems

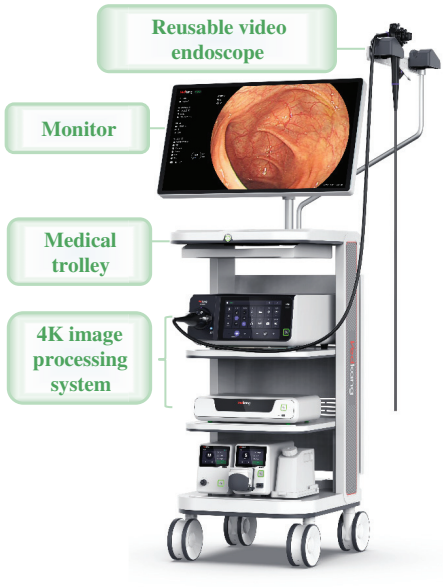
We offer a wide range of products targeting digestive system, including the reusable and single-use GI endoscopic systems, the cholangioscope direct visualization system, as well as consumables for the diagnosis and treatment of the digestive system conditions.

Reusable GI Endoscopic System

Building on our experience in single-use endoscopes and expanding into the reusable segment to strengthen our position in the minimally invasive intervention market, we developed a reusable GI endoscopic system for which we obtained an NMPA registration certificate in June 2025. The system includes both upper and lower GI video endoscopes, paired with an advanced 4K electronic image processing system, and is designed for visual examination, diagnosis, and therapeutic procedures in the upper and lower GI tracts.

Our reusable GI endoscopes feature a wide field of view of up to 145° for gastroscopes and 170° for colonoscopes, as well as a maximum upward angulation of 210°, enabling enhanced maneuverability and visualization. Available in multiple models with varied working channel configurations and outer diameters, the product line meets a broad range of diagnostic and therapeutic needs. The lower GI endoscope further incorporates advanced features such as synchronous transmission, variable stiffness, and passive bending, significantly improving procedural efficacy and patient comfort.

The accompanying image processor supports 4K ultra-high-definition imaging and is equipped with five independent LED light sources, enabling optimal illumination tailored to diverse clinical settings. The system also integrates a built-in workstation with ample storage capacity, providing an all-in-one solution from endoscopic procedures to file storage, report generation, and printing.



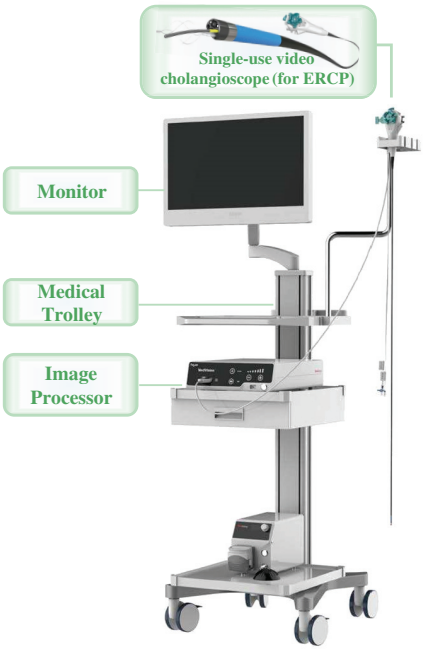
Reusable GI Endoscopic System

Cholangioscope Direct Visualization System

Our cholangioscope direct visualization system paired with our single-use video cholangioscope, image processor and monitor, provides visual support for safe and precise insertion through the mouth and duodenum into the common bile duct and intrahepatic bile ducts.

The direct visualization system employs image software algorithms to provide high-definition, real-time images of the biliary ducts, facilitating the diagnosis and treatment of both biliary and pancreatic duct conditions. The system supports various minimally invasive procedures, including flushing, suction, stone retrieval, and biopsy, providing comprehensive functionality for complex biliary interventions.

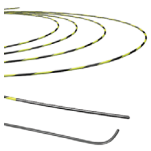
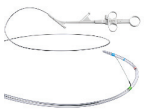
According to CIC, since its launch in 2023, this product has maintained a top-five position in China's single-use cholangioscope market by sales value. In 2025, it accounted for approximately 7.5% of the market share, ranking fourth nationwide.

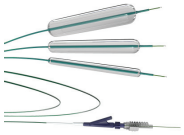
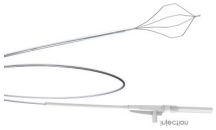
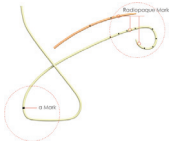
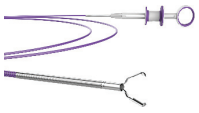
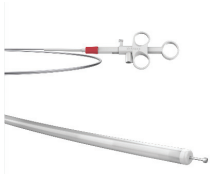
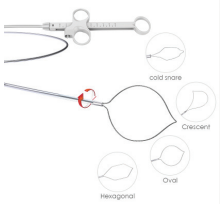
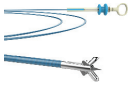


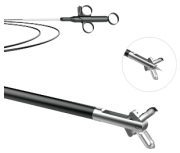
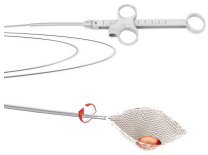
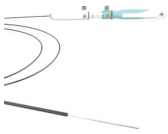
Cholangioscope Direct Visualization System

Consumables

We offer a wide range of consumables for various GI endoscopic procedures such as ERCP and ESD. According to CIC, we ranked third by sales value in China's market for minimally invasive interventional consumables targeting the digestive system, with a market share of 21.5% in terms of sales value, in 2025. The table below details our major types of digestive system endoscopic products. Each product category comprises various models, specifications and subtypes, which are designed to address diverse application needs across different clinical settings.

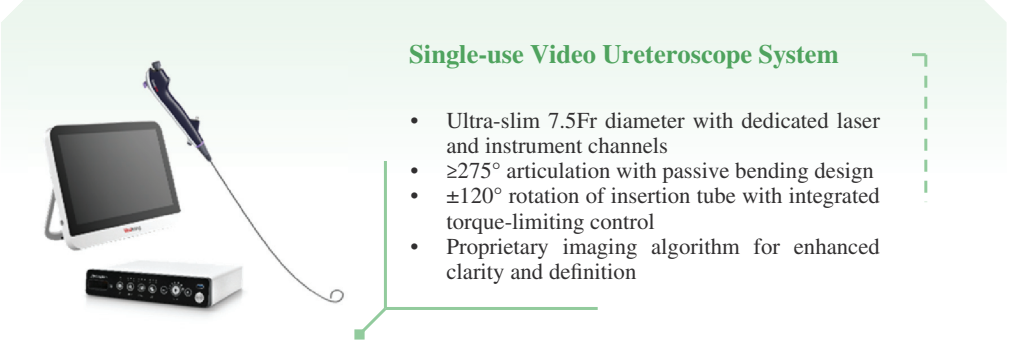
Product	Product name	Application
	Single-use video cholangioscope (for percutaneous use)	Used for diagnostic and therapeutic procedures in the biliary and pancreatic ducts
	Non-vascular guidewire	Used to guide catheters and insertion devices in non-vascular procedures
	Disposable sphincterotome	Used for endoscopic cannulation of the ductal system and sphincterotomy

Product	Product name	Application
	GI and biliary balloon catheter (with various types)	Used for dilation or auxiliary dilation of digestive tract
	Stone extraction balloon	Used for removing stones in biliary duct, including muddy stone, residual stones left in the biliary duct after mechanical lithotripsy
	Stone extraction basket	Used for removal of gallstones in biliary duct, or foreign bodies in upper and lower digestive tract
	Disposable nasal biliary drainage tube	Used for drainage of bile in cases involving inflammation of biliary tract, hepatic tract, pancreas or calculus
	Disposable endoscopic hemoclip	Used for clipping of the soft tissue in GI tract
	Disposable ESD knife (with different types)	Used for performing marking, incision, dissection and hemostasis in GI mucosa and submucosa
	Disposable endoscopic poly snare	Used for cutting polyps or other redundant tissues with high-frequency current in the digestive tract
	Injection needle	Used for GI polyps or submucosal tumors and in procedures for patients with GI varicose veins
	Disposable non-electric biopsy forceps (with different types)	Used for tissue sampling from alimentary tract or respiratory tract

Product	Product name	Application
	Disposable hot biopsy forceps	Used with high-frequency instrument to conduct electricity burning, coagulation and hemostasis
	Disposable grasping forceps (with various types)	Used for removing foreign bodies from human body
	Intestinal stent system	Used for the expansion treatment of intestinal stenosis or obstruction caused by malignant lesions
	Disposable ultrasound biopsy needle	Used in conjunction with endoscopic ultrasound, for exploring organizations and sampling under the endoscope during surgery
	Disposable multiple band ligator	Used for endoscopic ligation of esophageal varices and anorectal hemorrhoids

Products Targeting Urological System

We offer ureteroscope systems and consumables for the diagnosis and treatment of conditions relating to the urological system.



Our ureteroscope system consists of a single-use video ureteroscope paired with our image processor and monitor, providing a visualization solution for ureteroscopy procedures. This integrated system enhances procedural precision and efficiency by delivering clear, real-time images to surgeons.

In addition, we have a comprehensive portfolio of consumables targeting the urological systems, including: (i) single-use video cholangioscopes (for percutaneous use), designed for endoscopic procedures in conjunction with J-type catheters and minimally invasive dilation drainage kits, providing support and guidance; (ii) disposable urinary catheters, intended for transluminal dilation of ureteral strictures or ureterectasia prior to ureteroscopic examination or stone removal procedures; (iii) disposable stone retrieval baskets, used under endoscopy for urinary diagnosis and treatment, facilitating the grasping, manipulation, and removal of stones and other foreign bodies; (iv) disposable ureteral sheaths, designed to establish a channel for instruments and endoscopes to access the ureter during urinary surgeries; (v) nitinol urological retrieval coils, compatible with endoscopes for grasping and removing urinary stones and other foreign bodies from the urinary system; and (vi) disposable ureteral stents, intended for placement between the ureteropelvic junction and the bladder, serving as a stent and drainage conduit.

In Vitro Diagnostics

We offer a comprehensive portfolio of in vitro diagnostics products, both equipment and consumables, spanning coagulation, blood grouping, chemiluminescence and molecular diagnosis. We design and develop our products to be suitable for both POCT and laboratory testing. As of March 31, 2026, we had over 150 in vitro diagnostics products that support a testing menu of over 800 in vitro diagnostics test items, offering comprehensive diagnostic solutions for a wide range of testing needs. For details of the in vitro diagnostics market in China and globally, see "Industry Overview — In Vitro Diagnostics."

Coagulation

Coagulation testing evaluates a patient's coagulation function and identifies the risk of bleeding or thrombosis. TEG is a detection technology that dynamically assesses the coagulation process and evaluates a patient's overall coagulation status.

We entered the in vitro diagnostics market through the development and launch of TEG analyzers. In the course of supplying clinical departments with infusion and life support products, we identified an unmet need for timely perioperative bedside blood testing, which prompted us to initiate R&D on TEG analyzers. Our presence in coagulation diagnostics began in 2018 with the registration of our semi-automated TEG analyzer, Haema T4. In 2021, we launched Haema TX, the world's first fully automated TEG analyzer, marking a significant breakthrough in TEG technology. In 2025, we further broadened our product offering with the introduction of Haema N9, a fully automated coagulation analyzer for conventional coagulation testing, strengthening our position across both advanced and routine diagnostic applications. Additionally, our coagulation test kits offer a comprehensive test menu that includes TEG analysis and conventional coagulation tests such as FIB.

Semi-automated
Haema T4

Fully automated
Haema TX

Fully automated
Haema N9

Coagulation reagents &
test kits

- ***Semi-automated Haema T4***. It is a semi-automated TEG analyzer that features an integrated design with four independent channels and four built-in incubators. Its all-in-one structure, combined with an intuitive touchscreen interface, streamlines the testing process. Additionally, the Haema T4 stands out for its portability and readiness for immediate use without the need for stabilization, effectively meeting mobile POCT demand.

- ***Fully automated Haema TX***. It is the world's first fully automated TEG analyzer. The Haema TX streamlines the entire testing workflow by automating each step, from drawing the sample and preparing the reaction cup, to shaking and loading samples and reagents, and finally, compiling reports. Haema TX also features high throughput with 12 independent channels capable of conducting over 48 tests per hour and accommodates up to 60 reaction cups and 30 samples simultaneously, enhancing the efficiency of the testing process.

- ***Fully automated Haema N9***. To further expand our coagulation testing solutions, we introduced Haema N9, a fully automated coagulation analyzer designed for conventional coagulation testing. This analyzer supports seven types of tests, including routine screening, fibrinolysis marker detection, anticoagulant drug monitoring, von Willebrand disease testing, coagulation factor analysis, thrombophilia screening, and antiphospholipid syndrome testing, supporting fast and convenient diagnostics.

- ***Coagulation Reagents and Test Kits***. Our coagulation test kits offer a versatile range of reagents and assays, such as kaolin activation reagent, rapid kaolin reagent, heparin assay, and thromboelastographic platelet assay. They also include reagents suitable for conventional coagulation tests, such as FIB.

We further developed the iHLive Management System, which primarily facilitates the management of testing information across hospital departments that use TEG, including physicians' offices, transfusion departments, and operating rooms. Key functions of this system include: (i) managing test results with comparison and trend analysis capabilities, allowing for comprehensive monitoring and evaluation of patient conditions over time; and (ii) offering intelligent centralized management of TEG analyzers across various departments, ensuring seamless equipment operation and maintenance, enhancing efficiency and accuracy in clinical diagnostics.

Blood Grouping

Blood grouping tests, which classify blood based on antibodies and antigens, are extensively utilized in scenarios such as blood transfusions, blood collection, the diagnosis of neonatal hemolytic disease, and pre-transplant testing. They are also employed in paternity testing, forensic identification, and investigations related to specific diseases. As of March 31, 2026, we had launched two series of fully automated blood grouping analyzers, together with gel cards.

- ***BT-70***. It is a fully automated blood grouping analyzer designed to integrate and streamline various functionalities, including test sample management, reagent management, gel card management, indicator light management, the centrifuge system and the pipetting system. It is equipped with six sample racks and can accommodate up to 96 samples, 14 reagent vials, and 240 gel cards. Built-in features include two independent centrifuge systems, each capable of handling 24 gel cards, and two high-quality robotic pipetting arms, which enhance testing accuracy and efficiency.

- ***BT-30***. It is a fully automated blood grouping analyzer featuring a compact, portable size. It features 48 sample positions, 120 gel card positions, and 14 reagent positions, with a throughput of 90 ABO forward tests per hour. It is equipped with two independent sampling channels, a sampling range of 10-100 μL, and an independent centrifugation system capable of centrifuging 12 cards at once, with a centrifugation speed of 0-3,000 rpm, thereby further enhancing the testing efficiency.

- ***Gel Cards***. Our gel cards adopt microcolumn gel technology to support various blood tests. Our gel cards include forward test cards, forward/reverse test cards, irregular antibody screening cards, blood cross-match test cards and Rh phenotyping cards.

Chemiluminescence

We also offer CLIA testing analyzers and reagent kits, supporting a comprehensive test menu.

- ***Immu F6***. It is a fully automated POCT CLIA analyzer that employs acridinium ester direct chemiluminescence technology. It supports testing using serum and plasma, as well as direct whole blood samples, delivering rapid, accurate, and quantitative results and is suitable for acute care settings and laboratory use. It simplifies the testing process to three steps and reduces the time to produce results to just 15 minutes.

- ***Immu F200***. It is a multi-sample CLIA analyzer supporting up to 200 tests per hour with the ability to deliver initial results in just 12 minutes, making it suitable for high-volume testing scenarios. The Immu F200 is equipped with an automatic quality control testing system to support the testing process.

- ***Reagent kits and packs***. We offer single-use reagent kits for use with the Immu F6 and multi-use reagent packs for use with the Immu F200. Our testing menu supports a broad range of biomarker testing, covering various medical conditions and physiological states such as cardiac health, inflammation, fertility, hormones, metabolism, brain injury, coagulation conditions, thyroid function, tumors and anemia.

Molecular Diagnostics

We offer molecular diagnostics equipment and test kits supporting more than 800 test items across a broad range of testing areas, including, among others, respiratory-transmitted pathogens, infectious diarrhea viruses, vector-borne pathogens, enteroviruses, foodborne pathogens and animal infectious diseases, a comprehensive menu designed for precision diagnostics. We are also conducting limited pilot sales of a new generation droplet digital PCR system for research use, which represents the forefront of our innovation efforts. According to CIC, PCR has been widely used as a standalone molecular diagnostic technique and serves as a crucial amplification step in next-generation sequencing. Since 2018, the PCR market has experienced rapid development and technological evolution, with digital PCR emerging as a field with significant market potential.

Product Pipeline

Building on our existing product lines — life support, minimally invasive intervention and in vitro diagnostics, we are committed to addressing continuously evolving market demands through our in-house R&D efforts and technological advancements. Our strategy encompasses both the innovation and enhancement of current products and the continuous development of new products and digital technology-based systems, while also exploring potential avenues for business expansion. As of March 31, 2026, we had over 60 product candidates in the pipeline, including over 10 life support products, over 30 minimally invasive intervention products, and over 20 in vitro diagnostics products.

The following table sets forth our product candidates for which we have obtained, or expect to obtain marketing approvals in 2026:

Product candidates	Business unit	Development stage	Actual/Expected marketing approval
An anesthesia machine	Life support	Under R&D	NMPA approval CE marking
A central monitoring system	Life support	Under R&D	NMPA approval
A new series of infusion pumps	Life support	Under R&D	NMPA approval CE marking
A new series of syringe pumps	Life support	Under R&D	NMPA approval CE marking
Rapid-exchange consumables	Minimally invasive intervention	Sample testing	NMPA approval CE marking
Single-use endoscopic cystotome	Minimally invasive intervention	Sample testing	NMPA approval
Upper and lower gastrointestinal endoscopes (dual-focus)	Minimally invasive intervention	Sample testing	CE marking NMPA approval
Upper and lower gastrointestinal endoscopes (magnifying)	Minimally invasive intervention	Sample testing	CE marking NMPA approval
Gastrointestinal diagnostic monitoring software	Minimally invasive intervention	Registration stage	NMPA approval
TEG Platelet function test reagent	In vitro diagnosis	Under R&D	NMPA approval
Laboratory automation system	In vitro diagnosis	Under R&D	NMPA approval

MATERIAL ACQUISITIONS

Strategic acquisitions have been one of our core means to achieve strategic growth of our business through enhancing our product portfolio across multiple departments and scenarios and expanding our market reach in domestic and foreign markets. In identifying suitable acquisition targets, we prioritize targets in market segments where our pre-existing engineering and technological strengths can be leveraged, and those with limitations on their own R&D capabilities, such that there is room for us to apply our R&D and engineering expertise to initiate our R&D initiatives to expand in the relevant sector beyond the scope of the acquired business's original portfolio. We also prefer the existing product portfolio of the target to have clinical applications and departments that has commonalities with its existing business units, which could enable effective use of established sales channels and customer base. In line with this growth strategy, we completed the acquisitions of Penlon and Vedkang Medical in 2022.

- **Acquisition of Penlon.** On November 5, 2021, we entered into a share purchase agreement with BPL Medical Technologies Private Limited ("BPL"), an Independent Third Party distributor to our Group, for the acquisition of Intermed and its subsidiaries (including Penlon). To the best knowledge of our Directors, the ultimate beneficial owner ("UBO") of BPL was Goldman Sachs Group, Inc. Our Directors confirm that, to their best knowledge having made reasonable enquiries, except that BPL is an Independent Third Party distributor to our Group, they are not aware of any other past or present relationships (including business, employment, family, trust and financing) between our Group and BPL, its UBO, substantial shareholders, directors, supervisors or senior management, or any of their respective close associates. Pursuant to this share purchase agreement, we acquired the entire share capital of Intermed and its subsidiaries (including Penlon) for a purchase consideration consisting of (i) cash of GBP17.00 million, which was paid in 2022; (ii) cash contingent consideration of GBP4.02 million, which was fully paid in 2022 and 2024 respectively; and (iii) non-monetary contingent consideration of GBP0.50 million, which are expected to be utilized from 2022 to 2026. The consideration for the acquisition was determined after arm's length negotiation among the parties, taking into account the business operations and assets of Intermed and Penlon. The cash consideration was financed through cash generated from our operations and bank borrowings. The contingent consideration depends on the revenue and gross profit of Penlon during the twelve-month period from April 1, 2021 to March 31, 2022 and from April 1, 2022 to March 31, 2023. The financial liabilities related to the contingent consideration were RMB18.4 million, RMB1.0 million, RMB0.2 million and nil for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively.

  Our Directors are of the view that the acquisition of Intermed and Penlon has enabled us to achieve synergies by (i) capturing market opportunities and branching into new life support markets to complement our existing business lines; (ii) deepening our global presence and bringing us closer to European markets with a deeper understanding of the market needs; and (iii) providing a solid foundation for efficient iterative upgrades to anesthesia machines.

- ***Acquisition of Vedkang Medical***. On April 12, 2022, we entered into a share transfer agreement with Vedkang Medical and its selling shareholders, namely ZHUANG Xiaojin, MIAO Donglin, SONG Yinping, Changzhou Beiruishi Corporate Management Co., Ltd. ("Changzhou Beiruishi"), Changzhou Yisiyuan Corporate Management Co., Ltd. ("Changzhou Yisiyuan"), Changzhou Zixi and Changzhou Zijing. To the best knowledge of our Directors, the UBOs of Changzhou Beiruishi, Changzhou Zixi and Changzhou Zijing is ZHUANG Xiaojin and the UBO of Changzhou Yisiyuan is MIAO Donglin. Our Directors confirm that, to their best knowledge having made reasonable enquiries, they are not aware of any past or present relationships (including business, employment, family, trust and financing) between our Group and the sellers, their respective UBOs, substantial shareholders, directors, supervisors or senior management, or any of their respective close associates. Pursuant to this share transfer agreement, we agreed to acquire the entire share capital of Vedkang Medical for RMB1.7 billion. Half of the consideration was settled by issuing a total of 53,124,999 Class B Shares to ZHUANG Xiaojin, MIAO Donglin, Changzhou Zixi and Changzhou Zijing collectively at a price of RMB16 per Share, while the other half was paid in cash to the selling shareholders. The cash consideration was financed through cash generated from our operations and bank borrowings. The acquisition consideration for Vedkang Medical was determined after arm's length negotiation with reference to the valuation report issued by Zhongshui Zhiyuan Assets Appraisal Co., Ltd. (中水致遠資產評估有限公司), an Independent Third Party valuer, regarding the total equity value of Vedkang Medical, taking into account its business prospects, market position, results of operations and financial position.

Strategic acquisitions have emerged as a key strategy for major players in the medical device market seeking to enter the minimally invasive intervention market, according to CIC. This is because strategic acquisitions provide immediate access to proprietary technologies and established intellectual property that would be time-consuming and expensive to develop internally. Furthermore, this approach allows the buyer to benefit from existing regulatory approvals and established clinical relationships, securing an immediate competitive position in a developing market. Prior to the acquisition, Vedkang Medical had been dedicated to the minimally invasive intervention industry for more than two decades and ranked second within the digestive system minimally invasive interventional consumables sector in terms of revenue in 2021, according to CIC, reflecting its leading market position. Vedkang Medical's market position was underpinned by a team of industry veterans with extensive expertise in the sales, manufacturing and development of minimally invasive intervention products. These industry veterans had been with Vedkang Medical for at least five years by the time of the acquisition in April 2022 and remained with us as the senior management of Vedkang Medical.

Through more than two decades of dedication to the minimally invasive intervention industry, Vedkang Medical had also accumulated extensive product development and other operational capabilities. As of December 31, 2021, Vedkang Medical had obtained 50 Class II/ III and four Class I medical device registration certificates issued by the NMPA, and 43 CE certificates. As of the same date, Vedkang Medical also held the material licenses and permits required to engage in the development, manufacturing and sales of minimally invasive intervention products; certain of these licenses and permits would require years of relevant expertise to apply for or obtain. Vedkang Medical's operational capabilities were further complemented by its established production capacity. As of December 31, 2021, Vedkang Medical had well-established production facilities in Changzhou, Jiangsu, China, with an aggregate gross floor area of approximately 32,870 sq.m.

Vedkang Medical's sales network and customer relationships also served as a cornerstone of its commercial success. Prior to the acquisition, downstream customers of Vedkang Medical primarily included distributors and ODM companies in the minimally invasive intervention industry. For the year ended December 31, 2021, Vedkang Medical served 398 medical device distributors and 41 ODM companies, including various China-based distributors with established market positions in the medical device industry, as well as leading players in overseas markets — such as a Europe-based distributor with a leading market share in Spain, and a Europe-based ODM with a leading market share in France. For the same year, Vedkang Medical had customers across multiple geographies, reaching 31 provinces in China and 62 overseas countries and regions overseas. End customers of Vedkang Medical's products were primarily hospitals.

The valuer placed greater emphasis on the future operations and profit-generating capacity of Vedkang Medical, incorporating the value of intangible resources such as management expertise, talent teams, sales networks, brands, and customer relationships, which provided an objective and comprehensive reflection of the Vedkang Medical's market value. The appraised value was determined based on the income approach using after-tax cash flow projections based on financial forecasts covering a five-year period approved by senior management. The after-tax discount rate applied to the cash flow projections was 11.95%. The growth rate used to extrapolate the cash flows beyond the five-year period was 0%. On a consolidated basis, as of December 31, 2021, being the valuation benchmark date, Vedkang Medical had total assets of RMB348.1 million, total liabilities of RMB116.3 million and net assets of RMB231.8 million. For the year ended December 31, 2021, its consolidated revenue and net profit were RMB462.3 million and RMB31.2 million, respectively. In addition, as of December 31, 2021, the principal

assets of Vedkang Medical on a consolidated basis comprised, among others, inventories, property, plant and equipment, and trade receivables, over 140 patents and patent applications, as well as other intangible assets such as application software. Upon completion of the acquisition on April 12, 2022, Vedkang Medical became a wholly owned subsidiary of our Company.

Our Directors are of the view that the acquisition of Vedkang Medical has enabled us to achieve synergies by diversifying our product offerings and expanding our portfolio and pipeline in the field of minimally invasive intervention. Following the acquisition, we have leveraged our R&D capabilities to drive the development of minimally invasive devices, such as endoscopic systems, while also capitalizing on the combined sales and service networks of both parties. This integration has strengthened our commercial execution capabilities and further solidified our customer base across relevant clinical departments.

Post-Acquisition Brand Management and Business Integration

Following the acquisitions of Penlon and Vedkang Medical, we have adopted a focused integration strategy that preserves their core strengths while promoting synergies across the Group:

- ***Multi-brand positioning***. We retain the original brand of Penlon and Vedkang Medical to preserve their established market recognition and differentiated positioning. According to CIC, this approach is in line with industry practice among multinational medical device companies, and is intended to preserve the differentiated brand positioning and competitive advantages each brand has developed over time. For example, Penlon has a longstanding reputation and brand equity in anesthesia products, particularly in the U.K. and other European markets, while Vedkang Medical is recognized in the minimally invasive intervention market in China. Operating these entities under their original brand identities allows us to better target distinct customer groups, retain brand loyalty, and maximize synergies across complementary market segments.

- ***R&D integration***. We have retained the core R&D teams of Penlon and Vedkang Medical to ensure continuity in their respective areas of expertise. At the same time, we have integrated these teams into our Group-level R&D platform, enabling cross-business unit collaboration and facilitating product development through shared technologies, accumulated know-how, and centralized resources. Such integration allows us to simultaneously preserve the acquired entities' innovation strengths while enhancing them with our Group-wide capabilities. For further details, see "— Research and Development."

- ***Sales coordination***. Our post-acquisition strategy emphasizes preserving the core commercial and operational advantages of Penlon and Vedkang Medical, while enabling them to contribute to the broader Group. Penlon's sales team continues to focus on its anesthesia product line and maintain its established customer relationships in Europe, which strengthens the Group's position in overseas markets. The integration has also created opportunities for cross-selling and market expansion. Penlon's established presence in Europe has facilitated the introduction of our other product lines into these markets, while our domestic sales network can support the rollout of Penlon's products in China.

  Following our acquisition of Vedkang Medical in April 2022, the downstream customer portfolio of Vedkang Medical did not experience any material change, evidencing our preservation of the core commercial and operational advantages of Vedkang Medical. Following the acquisition, we secured a high key customer retention rates, expressed as the percentage of key customers (i.e., customers that in aggregate generated more than

90.0% of Vedkang Medical's total revenue in the immediately preceding year) that remained as our customers for a given year. In 2023, 2024 and 2025, the key customer retention rates of Vedkang Medical amounted to approximately 91.1%, 89.5% and 91.4%, respectively.

Post-Acquisition Business Performance

Following the acquisitions of Penlon and Vedkang Medical, we have leveraged our engineering capabilities to support the enhancement of their respective product portfolios and the development businesses. With respect to Penlon, we are developing digital anesthesia machines and electronic vaporizers, and supporting the expansion of Penlon's existing product offerings in the PRC market. For instance, we have obtained the NMPA registration certificates for certain anesthesia machines. In particular, we have recently obtained the NMPA registration certificate for Prima 451, an MRI-compatible anesthesia machine, in September 2025, enabling its entry into the Chinese market. After our acquisition of Penlon and up to the Latest Practicable Date, we had also filed over 40 patent applications relating to anesthesia machines. With respect to Vedkang Medical, we have facilitated the development of a range of minimally invasive endoscopic systems, including the cholangioscope direct visualization system, bronchoscope system, ureteroscope system and reusable GI endoscope system, for all of which NMPA registration certificates had been obtained as of the Latest Practicable Date. After our acquisition of Vedkang Medical and up to March 31, 2026, Vedkang Medical had obtained 55 NMPA registration certificates, reflecting our continued product development efforts and regulatory progress.

The following table sets forth a breakdown of our revenue, gross profit and gross profit margin for Penlon and Vedkang Medical, respectively, for the periods indicated:

	For the Year Ended December 31,									For the Three Months Ended March 31,					
	2023			2024			2025			2025			2026		
	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin
	Amount	*Amount*	*%*	*Amount*	*Amount*	*%*	*Amount*	*Amount*	*%*	*Amount*	*Amount*	*%*	*Amount*	*Amount*	*%*
	(RMB in thousands, except percentages)														
										(Unaudited)					
Penlon	187,437	50,263	26.8	208,286	50,382	24.2	174,109	50,666	29.1	39,958	10,845	27.1	33,133	6,094	18.4
Vedkang Medical	586,545	324,125	55.3	721,327	416,078	57.7	809,480	499,866	61.8	187,570	110,173	58.7	197,377	123,380	62.5

Revenue from Penlon increased from RMB187.4 million in 2023 to RMB208.3 million in 2024. The gross profit of Penlon increased from RMB50.3 million in 2023 to RMB50.4 million in 2024. Its gross profit margin, however, experienced a temporary decline, decreasing from 26.8% in 2023 to 24.2% in 2024, primarily attributable to transitional costs in the post-acquisition integration process, such as the ramp-up of internal quality control, operational and reporting mechanisms, and realignment of supply chain resources across jurisdictions. Penlon's revenue decreased from RMB208.3 million in 2024 to RMB174.1 million in 2025, primarily due to selective pricing adjustments as a measure to counter fluctuations in market demand. However, its gross profit increased from RMB50.4 million to RMB50.7 million and its gross profit margin improved from 24.2% in 2024 to 29.1% in 2025, as a result of a combination of product mix optimization and reductions in certain raw material costs. During the Track Record Period, the revenue, gross profit and gross profit margin from Vedkang Medical substantially corresponded to those of our minimally invasive intervention business unit. For details, see "Financial Information — Period-to-Period Comparison of Results of Operations."

BUSINESS SUSTAINABILITY

We have achieved continuous business growth and reached profitability during the Track Record Period. Our Directors believe that such performance is underpinned by our commitment to product innovation, operational efficiency, and long-term value creation.

Our revenue increased from RMB1,313.3 million in 2023 to RMB1,619.2 million in 2025, and increased from RMB354.7 million in the three months ended March 31, 2025 to RMB422.3 million in the three months ended March 31, 2026. Correspondingly, our gross profit margin improved throughout the Track Record Period, from 49.6% in 2023 to 53.7% in 2025 and further to 54.3% in the three months ended March 31, 2026, reflecting a better product mix and improved economies of scale.

In terms of profitability, we recorded a net profit of RMB50.7 million in 2025, as compared with the net losses of RMB64.5 million and RMB96.6 million in 2023 and 2024, respectively. For the three months ended March 31, 2026, we recorded a net loss of RMB2.5 million, primarily because we made share-based payments of RMB25.1 million substantially under the [**REDACTED**] Share Option Scheme and incurred [**REDACTED**] expenses of [**REDACTED**] million. The turnaround from net losses in 2023 and 2024 to net profit in 2025 reflects our continued revenue growth, improved cost efficiency, manufacturing productivity and strategic resource allocation. The net losses in 2023 and 2024 were primarily due to the broader challenging market environment (including a temporary reduction in procurement demand as hospitals worked through excess inventory accumulated during COVID-19), our continued investments in business expansion (such as cross-selling initiatives, leveraging Penlon's established presence to expand our product lines into European markets, and utilizing our domestic network to roll out Penlon's products in China) and product development (including advancing anesthesia machines in the life support segment, and minimally invasive endoscopic systems in the minimally invasive intervention segment), and the fact that our business had not yet reached sufficient scale to fully realize operating leverage, resulting in a relatively lower gross profit margins of 49.6% and 49.7% in 2023 and 2024, respectively, and higher expense ratios with selling and marketing expenses accounting for 25.0% and 23.8% of our total revenue in 2023 and 2024, respectively; administrative expenses accounting for 11.1% and 12.6%, respectively; and research and development expenses accounting for 21.4% and 20.8%, respectively. Transitional costs incurred during the post-acquisition integration of Penlon and Vedkang Medical also contributed to such lower gross profit margins, including costs associated with the ramp-up of internal quality controls, operational mechanisms, and the realignment of cross-jurisdictional supply chain resources. Furthermore, our accumulated losses at the beginning of the Track Record Period were primarily driven by (i) the upfront investments made before the Company reached economies of scale, such as selling and distribution expenses and research and development expenses, (ii) temporary fluctuations in market demand due to COVID-19; and (iii) non-cash items, such as equity-settled share-based payments and the amortization of intangible assets arising from our past acquisitions. However, our financial performance and core profitability improved substantially in 2025, driven by revenue growth, an improved product mix, greater economies of scale, enhanced sales efficiency and disciplined cost optimization, as our prior investments began to generate returns. In addition, our net losses in 2023 and 2024 were significantly affected by non-cash items, amounting to RMB179.9 million and RMB176.1 million in 2023 and 2024, respectively, primarily including the amortization of intangible assets, depreciation of property, plant and equipment and right-of-use assets, and equity-settled share-based payments, which did not involve cash outflows and therefore did not adversely affect our liquidity position. Despite such accounting losses, the sustainability and resilience of our business operations are demonstrated by our strong cash-generating capability and improving working capital position, as reflected in our positive and steadily increasing net cash flows from operating activities from 2023 to 2025, as well as the continued improvement in our net current asset position during the same period. We recorded net loss of RMB2.5 million in the three months ended March 31, 2026, primarily because we made share-based payments of RMB25.1 million substantially under the [**REDACTED**] Share Option Scheme and incurred [**REDACTED**] expenses of [**REDACTED**] million.

Our business sustainability is further supported by the following factors:

- ***Strong and Diversified Product Portfolio***: We provide integrated solutions covering life support, minimally invasive intervention, and in vitro diagnostics. As of March 31, 2026, our portfolio included over 320 products and over 60 pipeline product candidates.

- ***Synergistic R&D Platform***: Our cross-business unit R&D platform enables both self-developed and acquired businesses to leverage shared resources and engineering capabilities, driving efficient product development and commercialization.

- ***Global Market Presence and Scalable Operations***: We serve over 6,000 hospitals in China and export to over 140 countries and regions. Our international footprint is supported by local representatives in key markets and a growing overseas distribution network.

- ***Operational Efficiency***: Our operating expenses, which include research and development expenses, selling and marketing expenses and general and administrative expenses, as a percentage of revenue declined from 57.5% in 2023 to 57.2% in 2024, to 50.3% in 2025 and then increased to 52.8% in the three months ended March 31, 2026. We continue to optimize spending across R&D, sales, and administrative functions, while investing in automation, digitalization and centralized procurement to reduce per-unit costs. Specifically, to control our selling and marketing expenses, we will continue to improve the productivity and operational efficiency of our sales team through continuous training, refined performance evaluation mechanisms, and more targeted sales strategies. To control our research and development expenses, we will focus our R&D resources and capital investments on high-priority and core initiatives that align with our commercialization strategy, dynamically reallocate our R&D personnel to our most critical projects, and strategically reduce the workload, material consumption and capital expenditures associated with non-core R&D initiatives.

- ***Human Capital Development***: Our investment in talent has strengthened our core capabilities. While employee benefit expenses historically accounted for a sizable portion of operating costs, we expect such expenses to grow at a slower pace as we scale.

We believe our strategic initiatives and solid fundamentals have positioned us for long-term profitability and sustainable development.

RESEARCH AND DEVELOPMENT

Our R&D Team

As of March 31, 2026, our in-house R&D team consisted of 502 members, accounting for 22.7% of our total workforce. Our R&D strength is further enhanced by the leadership of Mr. Liu and Mr. Zhong, who contribute their extensive engineering expertise and substantial industry experience to drive our innovation and development. Mr. Liu obtained his Bachelor of Engineering in Optical Instruments from Zhejiang University, a master of science in optics from the Anhui Institute of Optics and Fine Mechanics, Chinese Academy of Sciences, and an MBA degree from the University of Michigan, and has accumulated around 30 years of experience in the medical device industry. Mr. Zhong obtained a Bachelor of Biomedical Engineering from Southeast University and an EMBA degree from the China Europe International Business School and has accumulated over 20 years of experience in the medical device industry. For details of their background, see "Directors and Senior Management" in this document. The heads of our R&D teams for the three business units, Mr. Yazhou TANG, Mr. Qisong LIU, and Mr. Hai WANG, possess an average of 15 years of industry experience. This extensive expertise significantly contributes to our innovative capabilities and product development. Members of our R&D team are devoted to in-house development and innovation, while maintaining close communication with KOLs in academia and industry, who provide valuable guidance and insights in the research, development, application and performance of our technologies and products. Our R&D staff were recognized by governmental authorities, with six of our R&D experts awarded Certificates of High-level Professionals in Shenzhen (深圳市高層次專業人才證書) and two awarded Certificates of Overseas High-caliber Personnel (深圳市海外高層次人才證書) issued by the Human Resources and Social Security Administration of Shenzhen Municipality (深圳市人力資源和社會保障局).

Our R&D Centers

As of the Latest Practicable Date, we had established five R&D centers in Shenzhen, Changzhou, Nanjing, Shanghai, and the UK to support our product R&D activities. The Shenzhen R&D center primarily focuses on the development of life support and in vitro diagnostics products. The Changzhou R&D center is dedicated to the development of minimally invasive intervention products. The Nanjing R&D center specializes in the development of medical device systems. The Shanghai R&D center concentrates on the development of blood grouping cards, and the UK R&D center is primarily responsible for the development of anesthesia machines and vaporizers.

Our Innovative R&D Platform

Our R&D platform is distinguished by its integrated structure, under which the Innovation Center provides critical shared support to each of our business units, complemented by extensive cross-business unit collaborations. Besides, we integrate external parties' feedback with our R&D platform, creating an ecosystem that ensures our ability to continuously translate innovations into commercial products and product candidates.

The structure of our R&D platform comprises several distinctive features, as further elaborated above:

- ***Innovation Center Providing Shared Support***. The Innovation Center extracts common elements from the R&D processes across various business units and manages them through specialized departments within the division. This arrangement allows existing and, as we expand into other types of medical devices, future business units to more efficiently obtain shared R&D support from a team of personnel who have accumulated experience in managing specific aspects of the entire R&D process. As of March 31, 2026, our Innovation Center comprised 11 specialized sub-departments covering different parts of the R&D process. Our sub-departments encompass a wide range of specialized areas, including PCB design, industrial design, technology reliability testing, algorithm research, whole-machine testing, intellectual property management, product safety testing, clinical trial management, quality control, regulatory compliance, and product informatization.

- ***Cross-business Unit Collaboration***. Our R&D platform has established mechanisms to foster cross-business unit collaborations, by facilitating the exchange of information, technology, and resources among business units, thereby enhancing R&D outcomes and efficiency. The specific design of such mechanism comprises three major technical committees, for the Hardware Technical Committee, the Mechanical Technical Committee, and the Software Technical Committee, which were set up as an overarching structure over the "Innovation Center-plus-separate business units" platform infrastructure. Each of the aforementioned committees comprises management level R&D members from each business unit and from the Innovation Center. Through inter-business unit communication and management by these committees, resources can be efficiently allocated across business units, difficulties in R&D challenges and troubleshooting experience encountered by one business unit can be shared with another business unit, which reduces resource waste and improves product development efficiency across all business units, including both our original and acquired business units.

- ***MCI System as a Resource Hub Supporting the Operation of Our R&D Platform***. Underlying the structure of our R&D platform, our R&D process is also supported by our software infrastructure. Specifically, the Medcaptain Continued Innovation System ("**MCI System**") acts as a central hub for management and operation, and is used by our R&D personnel throughout the entire product development lifecycle. This system supports all stages of product development, from concept design, development planning and reviews, through to design development, design output, prototype production and validation, design verification, design transfer reviews, pilot production, commercial production, post-market maintenance, and product iteration. Additionally, the MCI System enables the storage and management of relevant hardware, software, and mechanical data generated by our R&D division. Data storage is linked to the corresponding development stage or component, ensuring that the software, hardware, and mechanical modules produced by our business units during their respective product development processes are organized into dedicated folders within the appropriate categories. As a result, our R&D personnel can easily access the specific resources they need for new product development on this centralized management platform, significantly enhancing the efficiency of our R&D process.

- ***Clinical Need-Driven R&D Path***. In addition to the development capabilities fostered by internal interactions within our R&D platform, we also integrate external feedback into our R&D process to transform intellectual property and technologies into innovative products that can be commercialized to address unmet clinical needs. This integration supports an R&D ecosystem that enables us to generate a continuous stream of innovation, which can be converted into commercialized products and product candidates. Once user needs have been identified and analyzed, we further leverage our network spanning the "Industry-Academia-Research-Application (產學研醫)" process to transform frontline insights into tangible innovations. This model integrates industrial production, academic research, practical application, and direct clinical feedback, ensuring that our innovations are both technically sound and clinically relevant. Our strategic partnerships with national clinical research centers support clinical research and technological development across various medical fields. Additionally, we have established the Perioperative Innovative Technology Committee with national experts to enhance industry communication and we actively participate in medical device exhibitions and seminars to deepen market understanding and enhance product recognition. To remain at the forefront of the medical industry, we actively participate in domestic and global industry conferences, summits, and exhibitions. These opportunities not only allow us to showcase our innovative achievements but also to gather insights and suggestions to support further innovation.

Our Proprietary Intelligent Information Systems

We place significant emphasis on the development and application of digital product capabilities. Our key information management systems primarily include: (i) iCMS, an intelligent management system for hospital information management, (ii) iHLive, an in vitro diagnostics information management system that focuses on the integration and management of in vitro diagnostics data, facilitating accurate and timely diagnostic results; (iii) iSpiro, a respiratory chronic disease management system that focuses on the continuous monitoring and management of chronic respiratory conditions, and (iv) ELFensor, a pain management system that monitors pain management infusion status and medication efficacy. For details of these systems, see "— Our Business Units" in this section. As we continue to expand into new medical domains, we expect to develop more information management systems that cater to a broader range of application scenarios and medical needs.

SALES, DISTRIBUTION AND MARKETING

Our Sales and Marketing Platform

We have developed a global sales and marketing platform that closely aligns with academia, industry, and market dynamics. Leveraging our high-quality, innovative medical products that address the unmet clinical needs, we have made significant inroads into Grade 3A hospitals. As of March 31, 2026, through our sales network, our products reached over 6,000 hospitals in China, including approximately 90% of Grade 3A hospitals, covering 31 provinces, municipalities, and autonomous regions. Additionally, we have established a global footprint, offering products and services in over 140 countries and regions, with significant penetration in top international medical institutions.

We place a strong emphasis on academic promotion and actively engage in industry conferences, summits and fairs. These initiatives not only allow us to showcase our products and maintain close communication with regional markets, but also help us to capture new market opportunities. On the distribution front, by establishing a vast network of domestic and overseas distributors, we are dedicated to fostering trust and customer loyalty among our distributor customers, enabling faster delivery of our products to end users through our sales network.

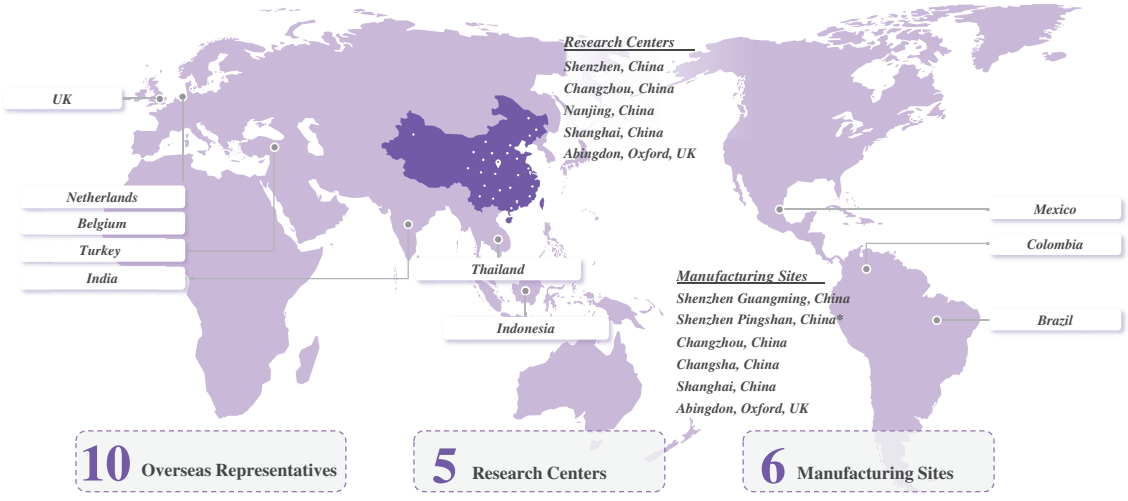
Additionally, we utilize the sales channels of our subsidiaries located in various regions and countries to create synergies. Through team integration, resource sharing, and joint participation in exhibitions, we not only capitalize on regional advantages but also maximize collaborative benefits. This integrated approach underpins our sales and marketing platform, helping us maintain a strong presence in the competitive medical device market.

Our Sales and Marketing Force

Our marketing strategies are implemented by our in-house sales and marketing team, which is organized across various geographic regions. As of March 31, 2026, our sales and marketing team consisted of over 500 employees. Our sales team members possess in-depth knowledge and understanding of the industry and our product offerings, and our key sales members have over eight years of sales experience on average. We implement an evaluation system to comprehensively assess the performance of our sales personnel and reward outstanding performers. To retain high-quality and experienced sales staff, we provide comprehensive training, career development guidance and ample opportunities for internal promotion. Key performance indicators, particularly those related to sales performance, are also used to determine internal promotions. We also from time to time provide training sessions for our employees to enhance their awareness of, and compliance with, applicable laws and regulations and our internal policies, and to reinforce standards of conduct. We categorize our sales and marketing personnel into different levels based on their experience and capabilities and design mandatory and elective trainings tailored to their respective levels.

Sales and Distribution Network

We have established an extensive sales network and distributed our products in over 140 countries and regions. The diagram below sets forth our global footprint:



* We have closed our Pingshan manufacturing center following the expiry of its lease at the end of June 2026.

In line with the medical device industry norm, we sell our products through either direct sales or a distribution model. We believe the combination of distribution and direct sales provides us with a more flexible and effective sales strategy in our existing and new target markets. During the Track Record Period, a substantial majority of our products were sold through distributors. To fully leverage the strengths of our sales channels, we not only sell our proprietary branded products but also a limited portion of third-party branded products. The third-party branded products we sell are primarily complementary to our proprietary product lines, enhancing the overall breadth of our

product portfolio. According to CIC, such sales arrangements are consistent with the industry norm. Revenue from sales of third-party branded products accounted for less than 5% of our total revenue for each period during the Track Record Period. To a lesser extent, we sold products directly to hospitals and other end customers, and also sold products to ODM customers outside China. For details of our revenue breakdown by sales channels, see "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss — Revenue — Revenue by Sales Channel."

Sales to Distributors

During the Track Record Period, we maintained an extensive sales network. We had 2,538, 2,791, 2,773, 1,430 and 1,532 active domestic distributors, and 907, 903, 934, 469 and 497 active overseas distributors in 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026, respectively. Our distribution network covered 31 provinces, municipalities and autonomous regions in China, as well as over 140 countries and regions globally.

In line with the medical device industry norm in China and overseas, we adopt a distributorship model, which we believe allows us to leverage the distributors' customer bases and expertise in local markets. The following table sets forth the changes in the number of our distributors that purchased our products in the period indicated:

	As of/For the Year Ended December 31,			As of/For the Three Months Ended March 31,	
	2023	2024	2025	2025	2026
Domestic:					
Number of distributors that contributed revenue in the preceding year	1,972	2,538	2,791	2,791	2,773
Add: active distributors[(1)]	1,358	1,527	1,496	466	386
Less: inactive distributors[(2)]	(792)	(1,274)	(1,514)	1,827	1,627
Number of distributors that contributed revenue in the current year	2,538	2,791	2,773	1,430	1,532
Overseas:					
Number of distributors that contributed revenue in the preceding year	923	907	903	903	934
Add: active distributors[(1)]	423	536	465	137	95
Less: inactive distributors[(2)]	(439)	(540)	(434)	571	532
Number of distributors that contributed revenue in the current year	907	903	934	469	497
Total	**3,445**	**3,694**	**3,707**	**1,899**	**2,029**

Notes:

(1) Added active distributors are distributors with whom we had sales in the year indicated but not in the preceding year.

(2) Inactive distributors are distributors with whom we did not have sales in the year indicated but had sales in the preceding year.

Given the nature of our products and the diverse market dynamics across regions, we typically engage with small- to medium-sized local distributors. During the Track Record Period, the number of distributors in our sales network generally aligned with our sales planning and reflected regional market demand.

Overall, our distributor base expanded from 2023 to 2025 to support our broader product portfolio and geographic reach. Historically, we experienced moderate fluctuations in the number of newly added active distributors, as our distribution agreements typically have a term of up to one year, allowing us to adjust our arrangements with distributors in line with our overall sales and marketing strategies.

The number of inactive distributors during the Track Record Period was relatively high primarily because, under our definition, distributors that made purchases in the preceding period but not in the current period are classified as inactive distributors for the current period. Given the differences in product useful life, regional market conditions and hospital procurement schedules, certain distributors may not make purchases in a particular period due to demand cycles and may resume purchases in subsequent periods. For our overseas distributors, their procurement activities tend to follow a more measured pace, subject to a series of structural factors associated with cross-border transactions, such as limited warehousing flexibility, more complex logistics arrangements, and longer turnaround times for returns and exchanges. These distributors typically place orders only upon receiving confirmed purchase requests from their end customers, which results in longer procurement cycles. In addition, we review distributor performance on an ongoing basis and may elect not to renew agreements with distributors that underperform or are no longer strategically aligned, which also contributed to the number of inactive distributors during the Track Record Period. For the same reasons as stated above, the number of our inactive distributors fluctuated during the Track Record Period.

Based on our industry experience and confirmed by CIC, our distributor collaboration model is consistent with industry practice and well aligned with our sales strategy. We believe that our order volumes during the Track Record Period reasonably reflect market demand, considering our strict return and exchange policies, relatively tight payment terms, and the shelf life of our products. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disputes with distributors relating to the termination of distributor relationships. For risks relating to the maintenance of relationships with distributors, see "Risk Factors — Risks Relating to Our Business and Industry — If we lose our existing distributors and fail to secure new distributors, our business and sales of the relevant products could be adversely affected."

Selection of Distributors

We primarily sell our products through a broad network of small- to medium-sized local distributors with valid distribution qualifications. These distributors are typically identified through various commercial channels, such as referrals from existing partners, industry exhibitions and conferences, and inquiries from local distributors in target markets. Our relationship with distributors is that of a supplier and a customer, and not a principal-agent relationship. As our products span a wide range of categories and are sold across over 140 countries and regions, our distributor base is highly diversified. As a result, we have a low level of distributor concentration risk. Revenue generated from our largest distributor in each period accounted for 2.5%, 2.8%, 2.7% and 7.2%, respectively, of our total revenue in 2023, 2024 and 2025 and the three months ended March 31, 2026. Revenue generated from our ten largest distributors in each period accounted for 12.3%, 15.5%, 12.2% and 20.3%, respectively, of our total revenue during the same periods. We select our distributors based primarily on their business credentials, market presence, distribution capabilities, and compliance record. Before we engage new distributors, we review their qualifications to ensure that they have the appropriate licenses and background. In addition, we conduct a thorough assessment, including the distributor candidate's financial capability, creditworthiness, sales channels and capabilities. We also assess relevant candidates' ability to achieve our targeted sales volume and to implement our pricing strategies in relevant territories, their number and qualifications of their sales personnel, the credibility of their founders and senior management. These criteria are discussed at an early stage before onboarding and apply to all of our distributors. During the Track Record Period, to the best of our Directors' knowledge, save for Vedefar which became our subsidiary following our acquisition in the first half of 2025, all of our distributors were Independent Third Parties who were not controlled by our former or current

employees, did not use our brand or name or receive any material advances or financial assistance from us. Our Directors confirm that, to the best of their knowledge having made reasonable inquiries, they are not aware of any other past or present relationships (including business, employment, family, trust and financing) between our Group and our distributors, their respective substantial shareholders, directors, supervisors or senior management, or any of their respective close associates during the Track Record Period, save that BPL Medical Technologies Private Limited, from which we acquired Intermed and its subsidiaries (including Penlon), later became one of our distributors following the completion of the acquisition. For details, see "Business — Material Acquisitions."

Principal Terms of Distribution Arrangements

We typically enter into written purchase orders or similar purchase agreements with our distributors when fulfilling product sales. Based on our assessment of the sales performance of our distributors, and taking into account their preferences and customary business practices, we may also selectively enter into written framework distribution agreements. These agreements further specify the terms of our cooperation and tailored arrangements, such as minimum purchase commitments and preferential commercial terms, which promote our long-term and stable relationships with such distributors. In line with the industry practice, we generally do not prohibit our distributors from engaging sub-distributors in their respective authorized distribution territories.

The following sets forth our key contractual arrangements with domestic distributors:

- *Authorized Products.* The types of products that the distributors are entitled to sell are specified in the agreements.

- *Term*. The duration of the distribution agreements is typically up to one year subject to renewal.

- *Designated Region*. Distributors are permitted to sell our products only within the designated region and to the designated hospitals as stipulated in the distribution agreement.

- *Payment and Credit Terms*. We typically require advance payments prior to delivery. Payments shall be settled via wire transfer.

- *Shipment and Risk Transfer*. We are responsible for delivering the products to the locations as designated by the distributors. The associated transportation costs are borne by us and/or the distributors as agreed in the distribution agreements.

- *Warranty Period*. Depending on the product type, we typically provide a warranty period ranging from 12 to 60 months, subject to product type.

- *Product Returns*. We ensure the quality of our products and generally do not accept product returns except for defective products within the warranty period.

- *Regulatory Compliance*. Both parties shall comply with all applicable laws and regulations, including but not limited to those relating to anti-bribery and anti-kickback matters.

- *Breach and Termination*. The breaching party shall be liable for losses and penalties as stipulated in the agreement. In the event of a material breach, the non-breaching party may terminate the agreement.

The following sets forth our key contractual arrangements with overseas distributors.

- *Authorized Products*. The types of products that the distributors are entitled to sell are specified in the agreements.

- *Term*. The duration of the distribution agreements is typically one year subject to renewal.

- *Designated Territory*. Overseas distributors are only authorized to sell our products within the designated territory as defined in the agreement.

- *Payment and Credit Terms*. We usually grant a credit term of 30 to 90 days, depending on the credit history and payment capacity of the overseas distributors. Payments shall be settled via wire transfer.

- *Shipment and Risk Transfer*. We are responsible for shipping and delivering the products to the designated locations. Freight, insurance, and other applicable charges are stated separately on the invoices. Title and risk of loss or damage pass to the distributor upon delivery in accordance with the trade terms specified in the corresponding purchase order.

- *Warranty Period*. Depending on the product type, we generally offer a warranty period ranging from 12 to 24 months, subject to product type.

- *Product Returns*. We ensure the quality of our products and generally do not accept product returns except for defective products within the warranty period.

- *Regulatory Compliance*. Both parties shall comply with all applicable laws and regulations, including but not limited to those relating to anti-bribery and anti-kickbacks.

- *Breach and Termination*. The breaching party shall be liable for losses and penalties as stipulated in the agreement. In the event of a material breach, the non-breaching party may terminate the agreement.

Target Sales and Rebate Arrangement

We usually set an annual sales target for our distributors under our framework distribution agreements. The amounts of such annual targets are determined on a case-by-case basis, with reference to factors such as the scope of the authorized sales territory, the product types involved and the applicable product pricing. During the Track Record Period, the annual target sales amounts set out in our distribution agreements varied significantly, ranging from approximately RMB0.3 million to RMB48.0 million, depending on factors such as the size of the distributor, the scope of the authorized territory, and the types and range of authorized products. The primary purpose of such targets is to assist us in evaluating the sales performance of our distributors and planning our production and distribution resources accordingly. We do not typically impose penalties on distributors solely for failing to meet their sales targets.

In addition, we entered into volume-based rebate arrangements with certain distributors, under which rebates were granted on a quarterly or annual basis, depending on the achievement of their respective sales targets and the terms of the relevant agreements. During the Track Record Period, we generally offered tiered volume rebates ranging from 3% to 8% of the eligible sales amount as defined in the relevant agreement. In 2023, 2024 and 2025 and the three months ended March 31, 2026, we granted rebates to 43, 46, 43 and 48 distributors, respectively, and the total amount of rebates granted and offset against revenue was RMB3.7 million, RMB6.9 million, RMB3.0 million and RMB1.4 million, respectively. The higher rebate amount in 2024 was primarily attributable to the timing of settlement. A larger portion of rebates for 2023 was settled in 2024 due to a higher proportion of annual settlement arrangements for 2023, whereas a greater share of 2024 rebates were settled within the same year under quarterly arrangements.

We have established a series of effective control measures to address and mitigate potential channel stuffing risks that may result from the implementation of sales target and rebate mechanisms, including the following:

- *Rebate eligibility tied to product activation*. For our equipment products, rebate eligibility is assessed based not only on sales volumes but also on the insurance card activation rate for the relevant products. These cards are typically activated by end customers upon installation and use, serving as a reliable proxy for actual delivery and use at the hospital level. This mechanism discourages distributors from overstocking solely to qualify for volume-based rebates and ensures that rebates are more closely linked to actual market demand and clinical usage.

- *Inspection measures*. We have adopted multiple measures to identify and mitigate the risk of channel stuffing. We may from time to time request our distributors to provide sales invoices issued to their downstream customers to assess their actual sales performance. We may also carry out warehouse inspections and on-site visits by our sales staff, and maintain regular communication with distributors to monitor inventory levels.

- *Payment requirement*. For domestic distributors, we generally require advance payment before shipment, which reduces their incentive and ability to stockpile excess inventory. For overseas distributors, although we may grant limited credit terms based on their historical transaction performance and creditworthiness, cross-border transaction complexities and associated risks may naturally limit their willingness to overstock.

- *Diversified distributor base*. As of March 31, 2026, we had 2,029 active distributors across over 140 countries and regions. Our distributor base is geographically diverse and decentralized. Our low level of distributor concentration effectively mitigates the risk of excessive inventory accumulation at the channel level.

- *Strict return policy*. We typically do not allow product returns except for defective products within the warranty period. This further reduces the likelihood of inventory buildup. In 2023, 2024 and 2025 and the three months ended March 31, 2026, the amount of our products returned was RMB1.8 million, RMB0.2 million, RMB1.2 million and RMB0.1 million, respectively, accounting for 0.14%, 0.01%, 0.07% and 0.02%, respectively, of our total revenue for the respective periods.

Management of Distributors

The goals of our management of distributors are to ensure a healthy and orderly market for our products, to maintain clear visibility into and an accurate understanding of, the sales performance of our distributors and demand for our products, and to build and protect our product and brand reputation. Through the comprehensive measures that we adopt to manage distributors, as well as strict penalties we impose on non-compliant distributors, such as monetary penalties or termination of relevant distribution agreements, we are able to monitor the compliance with terms of distribution agreements. During the Track Record Period and up to the Latest Practicable Date, we had not terminated any distributors due to material breaches of their distributorship agreements.

Prevention of Cannibalization

We generally grant exclusivity for a specified country/region/hospital(s) to each distributor in the distribution agreement. The duration of such exclusivity arrangements is generally one year, depending on the relevant market, and may be renewed upon mutual agreement. Therefore, we do not expect cannibalization issues to arise between different distributors in their authorized territories. Once we identify any unauthorized cannibalization activities by our distributors, we reserve the right to penalize them for breach of contract or even terminate the distribution agreement.

We have implemented measures to manage potential channel cannibalization between our direct sales and distributor networks. In particular, when authorizing distributors, we clearly define their designated territories and customer scope, and exclude hospitals or regions covered by our direct sales team to avoid overlap. Internally, we coordinate sales efforts and regularly review customer allocations to ensure delineation between channels. We also monitor sales activities and feedback to make adjustments where necessary, helping to maintain an orderly and complementary relationship between our direct and distributor sales channels.

Inventory Management and Control

Our distributors generally place orders based on actual demand from end customers and historical order volume. As our distributors are largely small- to medium-sized distributors, they do not have sizeable warehouses and storage capacity to accommodate large inventories and generally place orders based on the demand of their end customers. In addition, by implementing the following policies and measures, we believe we are able to ensure that our sales to distributors reflect genuine market demand and prevent channel-stuffing of our products:

- *Close monitoring.* We collect information about our distributors' sales performance from time to time as well as information about the demand of hospitals they cover and their procurement practices. If a distributor places noticeably large orders or orders that are inconsistent with its normal practice, we check with this distributor and review its downstream sales to ensure its order volume is in line with the actual demand of hospitals within the distributor's authorized region. During the Track Record Period and up to the Latest Practicable Date, we did not notice any unusually large orders.

- *Frequent communications.* We communicate frequently with our distributors to understand the feedback from end customers and anticipate their needs. In our day-to-day management, we communicate directly with the distributors' sales personnel and with different sales and marketing teams of larger distributors, in order to closely monitor their sales. We require distributors to provide us with details of their sales volume to hospitals and periodically assess the data collected to review actual market demand for our products and distributors' performance.

- *Strict product return policy.* We maintain a supplier-customer relationship with our distributors and recognize revenue from sales to our distributors when control of goods is transferred to them. We generally do not allow distributors to return unsold goods unless there are quality defects within the warranty period.

Anti-corruption, Anti-bribery and Sanction Risk Control Measures

Distributors are subject to anti-bribery obligations pursuant to the Partner Code of Conduct (《合作夥伴行為準則》) signed by our distributors, under which they are (i) prohibited from providing or promising any form of improper benefits, directly or indirectly, to persons who may influence or make decisions regarding cooperation with us; (ii) required to comply with the applicable anti-bribery laws and regulations and ensure their employees comply with such laws and regulations; and (iii) required to inform us of any non-compliance by them or their related personnel. Additionally, the National Health and Family Planning Commission of China published Provisions on the Establishment of Commercial Bribery Blacklist in the Pharmaceutical Purchase and Sales Industries (《關於建立醫藥購銷領域商業賄賂不良記錄的規定》) in 2013 with respect to anti-corruption and anti-bribery compliance by distributors, which came into effect in March 2014 and stipulates that public medical and health institutions, in their medical procurement processes, will not purchase from or will give lower bid ranking to parties who are included in this blacklist depending on the occurrences of commercial bribery. To the best of our knowledge, none of our employees or distributors was or has been the subject of, or otherwise involved in, complaints, investigations, or regulatory enquiries in relation to, any bribery or kickback arrangements during the Track Record Period and up to the Latest Practicable Date.

In addition, we have established guidelines for controlling economic sanctions risks. Pursuant to these guidelines, we take prudent measures to screen our counterparties, including conducting screenings against sanctions lists, staying updated on the latest sanctions policies, providing regular internal training, maintaining relevant records, and conducting periodic reviews and risk assessments. For details, see "— Risk Management and Internal Control" in this section.

Management of Sub-distributors

During the Track Record Period, certain of our distributors engaged sub-distributors from time to time, which then on-sold our products to hospitals. We only enter into bipartite distribution agreements with distributors, and do not enter into tripartite distribution agreements with distributors and their sub-distributors. Our distributors are responsible for verifying the sub-distributors' qualifications, financial conditions and compliance history. After the engagement of a sub-distributor, we require our distributors to regularly monitor the sub-distributor's compliance status, sales performance, inventory levels and any breaches of the sub-distributorship agreement.

Compliance With Two-Invoice System Under Sub-distribution Model

While we do not prohibit our distributors from further engaging sub-distributors, we believe that such arrangements do not compromise our compliance with the Two-Invoice System requirements applicable in certain regions of the PRC, based on the following:

- *Limited scope of application*. As of the Latest Practicable Date, the Two-Invoice System applies only to public hospitals in selected provinces in the PRC and covers only specified categories of medical devices and/or high-value consumables. During the Track Record Period and up to the Latest Practicable Date, only certain consumable products sold by us were subject to the Two-Invoice System in the provinces of Anhui, Fujian and Shaanxi (collectively, the "Relevant Regions"). Our sales to sub-distributors outside the Relevant Regions or involving products not subject to the Two-Invoice System therefore do not trigger compliance concerns under such regime.

- *Institutional controls and regulatory safeguards*. For products subject to the Two-Invoice System, the regulatory framework in the Relevant Regions has established stringent enforcement and verification mechanisms. Public hospitals are typically required to conduct thorough checks during product acceptance, including verifying that the invoices presented match the purchase orders and products delivered. Specifically, public hospitals are required to obtain from the distributor a copy of the manufacturer-issued invoice and supporting documentation, and ensure consistency among product name, specifications, batch number and pricing across all documents. These hospitals are also subject to oversight by the relevant local authorities, and any non-compliant procurement practices may result in administrative penalties or negatively impact their performance assessments.

- *Ongoing compliance monitoring*. We closely monitor updates to the Two-Invoice System regime, including any changes to the list of applicable regions and the scope of covered product types, by reviewing announcements and policy updates from the National Medical Products Administration and local regulatory authorities to ensure timely compliance with any new developments.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalties for non-compliance with the Two-Invoice System. To the best of our knowledge, none of our distributors had been found in violation of relevant policies in connection with their engagement of sub-distributors. For other details of our compliance with the Two-Invoice System, see "— Pricing — Compliance with Two-Invoice System" in this section.

Enhanced Monitoring Measures

To strengthen the oversight of our distribution network and monitor the number of new sub-distributors, we formulated the Guide for Domestic Distributor Management and the Guide for Overseas Distributor Management, which set out comprehensive internal control measures, including but not limited to: (i) conducting background checks and qualification reviews to ensure that our distributors hold valid licenses and certifications, (ii) specifying the designated geographic areas for distribution in agreements with distributors, with provisions to terminate the relevant distribution agreement in the event of violations, (iii) reviewing records of sales destinations, where available, to detect irregularities in the distribution chain, (iv) conducting regular audits and spot checks of sales channels, so as to ensure that distribution activities are carried out in accordance with the agreements, and (v) stipulating in the distribution agreements that we reserve the right to require distributors to provide sales reports setting forth sales channels (i.e., direct sales to end customers or sub-distribution), sales volumes and transaction prices by product category, inventory levels, customer feedback and market dynamics.

Direct Sales

In addition to our distribution network, we also maintain an experienced dedicated sales team and conduct direct sales to hospitals and other end customers primarily in China and the U.K. Our highly trained sales team collaborates with our global marketing team to proactively identify market opportunities, design sales strategies, and provide product trainings to physicians. By working closely with the physicians, we in turn gain valuable insights into the operations of each local market and the physicians' needs. In 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026, our direct sales amounted to RMB20.3 million, RMB47.0 million, RMB45.4 million, RMB6.9 million and RMB9.2 million, accounting for 1.5%, 3.4%, 2.8%, 2.0% and 2.2% of our total revenue for the respective periods.

We determine the appropriate sales model, whether through direct sales or via distributors, based on a range of factors, including product characteristics, the procurement preferences and practices of end customers (such as whether centralized tendering is required), the expected sales volume, and the level of technical support or after-sales service required in a particular market. Our key contractual arrangements for direct sales are as follows:

- *Products*: The agreements specify the types, models, prices and quantities of products to be procured by the customer.

- *Quality Standards*. Products are manufactured and delivered in accordance with applicable international and national standards. Where the buyer has specific requirements, the products will conform to the technical specifications, conditions, samples or supplemental requirements as agreed in the agreement.

- *Packaging and Delivery.* We are responsible for packaging the products as agreed and delivering them to the designated location of the customer. We typically bear the transportation costs.

- *Title and Risk Transfer.* Title and risk of loss or damage pass to the customer upon delivery and acceptance.

- *Warranty Period*: Depending on the product type, we typically provide a warranty period ranging from 12 to 60 months, subject to product type.

- *Payment.* Customers are required to pay instalments and we usually grant a credit term of 30 days.

- *Product Returns.* We ensure the quality of our products and generally do not accept product returns except for defective products within the warranty period.

- *Regulatory Compliance*. Both parties shall comply with all applicable laws and regulations, including but not limited to those relating to anti-bribery and anti-kickback matters.

- *Breach and Termination*: The breaching party shall be liable for losses and penalties as stipulated in the agreement. In the event of a material breach, the non-breaching party may terminate the agreement.

ODM Sales

During the Track Record Period, we also operated under an ODM model and conducted direct sales to ODM customers outside China, most of which are overseas medical device companies with well-established brands within the relevant regional/local markets. In contrast to our distribution sales where we sell products under our own brand, the products sold under the ODM model are labeled with customers' own brands and trademarks. Under this sales model, our overseas customers place orders with us, and we design and manufacture the products based on their specifications. According to CIC, such sales arrangements are consistent with industry norms. In 2023, 2024 and 2025 and the three months ended March 31, 2026, we served 65, 87, 89 and 42 ODM customers respectively. In 2023, 2024 and 2025 and the three months ended March 31, 2026, our revenue generated from sales to ODM customers amounted to RMB141.2 million, RMB172.6 million, RMB228.8 million and RMB41.5 million, respectively, representing 10.7%, 12.3%, 14.1% and 9.8% of our total revenue for the respective periods.

Our key arrangements with ODM customers are as follows:

- ***Term***. Our ODM agreements generally have a term of one to five years.

- ***Order placement***. ODM customers place purchase orders specifying product details, quantities, requested delivery dates and shipping addresses.

- ***Design and change control***. We are responsible for the design, development and manufacturing processes of the products.

- ***Quality assurance***. We warrant that the products comply with the agreed quality standards and specifications.

- ***Product inspection and verification***. We inspect the products in accordance with the agreed testing protocols and provide the relevant documentation to ODM customers.

- ***Packaging, storage and transportation***: We are responsible for packaging and delivering the products to locations designated by the ODM customers. Upon delivery, the responsibility for storage and custody is transferred to the ODM customers.

- ***Payment and credit term***. We may offer credit terms ranging from 30 to 90 days, depending on the creditworthiness and payment history of the ODM customers. Payments are generally settled via wire transfer.

- ***Regulatory Compliance***. The manufacturing, transportation, inspection and associated documentation of the products must comply with applicable laws and regulations in the designated jurisdictions to ensure that the products can be registered and marketed by the ODM customers in their respective markets.

- ***Breach and Termination***. The breaching party shall be liable for losses and penalties as stipulated in the agreement. In the event of a material breach, the non-breaching party may terminate the agreement.

We generally prioritize the development and promotion of our owned brands. To that end, we adopt a strict, tiered assessment approach with respect to target markets, distribution channels and product positioning when considering cooperation with ODM customers outside China, particularly when expanding into new geographical markets. Any potential risk of competition between our own-branded products and products sold by the ODM customers outside China is effectively managed through contractual provisions that impose clear restrictions on sales territories, product positioning and distribution channels.

PRICING

Regulations that Impact Product Pricing

Participation of Volume-based Procurement Process

Under the medical procurement system of the PRC, "high-value medical consumables" may be procured through different mechanisms, including centralized volume-based procurement ("**VBP**"), depending on the nature of the procurement. These consumables are medical supplies that act directly on the human body, are subject to strict safety requirements, have high clinical utilization, carry relatively high prices and impose a significant financial burden on the public. See "Regulatory Overview — Laws and Regulations Relating to the Administration of Medical Devices — Tender Management for Medical Device Procurement." The VBP regime typically comprises two layers of procurement processes, one administered by national, regional, or provincial regulatory authorities, and the other conducted by public hospitals: (i) At the national, regional or provincial level, VBP tenders are organized by designated regulatory authorities, and the bidding parties are typically medical product manufacturers or product registration certificate holders. Multiple suppliers may be selected within the same product category. Upon successful selection, the relevant products are included in the centralized procurement platform of the relevant region for procurement by public hospitals within that same region. Depending on the terms of each tender, a product selected through VBP may either be allocated a committed purchase volume or granted priority access for procurement by public hospitals in the relevant region. (ii) At the hospital level, it is typically the distributors, rather than the manufacturers, who participate in and execute the procurement process. For details of the VBP schemes, see "Regulatory Overview — Centralized Volume-Based Procurement." During the Track Record Period and up to the Latest Practicable Date, we had participated in 37 rounds of regional VBP public tenders, of which our products were successfully selected in 30 tenders, representing a success rate of approximately 81.0%. 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. As of the Latest Practicable Date, we had over 90 products included in one or more VBP schemes. Except for one national VBP tender in January 2026 in which six of our products were selected and three were cancelled, during the Track Record Period and up to the Latest Practicable Date, we did not participate in any national VBP program. The table below sets forth our VBP-eligible products (i.e., the products selected in any VBP tenders) and the relevant regions as of the Latest Practicable Date:

Relevant Region[(1)]	Number of products selected
Anhui province	21
Chongqing municipality	1
Fujian province	4
Guangdong province	6
Hebei province	6
Henan province	2
Hubei province	2
Jiangxi province	1

Relevant Region[1]	Number of products selected
Liaoning province	1
Shandong province	2
Shanghai municipality	2
Yunnan province	2
Xinjiang Uyghur Autonomous Region	56
Zhejiang province	6
National	3
Total	**115**

Note:

1. For each of the regions set out above, our products have been selected in one or more provincial, regional or national-level VBP tenders. Moreover, certain VBP tenders were organized by a single province but their selection results are applicable across a broader designated region. In respect of such tenders, the disclosure above includes only the relevant province responsible for organizing the relevant VBP tender.

For products within the scope of VBP, we generally offer volume-based discounts ranging from 30% to 70% off our standard ex-factory prices. While we endeavor to track downstream sales of our products, in practice, it is common in the medical device industry that downstream sales information is not always provided by distributors in a timely manner. Accordingly, we assessed the potential impact of the VBP programs based on (i) our total sales of VBP-eligible products to distributors and (ii) downstream sales information available to us, to the extent practicable, in respect of sales under the VBP programs. Based on such assessment, for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026: (i) VBP-eligible life support products accounted for nil, 0.5%, 0.7% and 0.3% of our revenue from life support products, respectively; (ii) VBP-eligible minimally invasive intervention products accounted for 1.7%, 5.5%, 10.5% and 13.1% of our revenue from minimally invasive intervention products, respectively; and (iii) VBP-eligible in vitro diagnostics products accounted for 4.1%, 4.9%, 2.9% and 3.9% of our revenue from in vitro diagnostics products, respectively.

We intend to continue proactively participating in future VBP public tenders across our three business segments to further consolidate our market position and expand our patient reach. Based on our current best estimate, and subject to factors outside our control, including tender outcomes, pricing dynamics and the timing and scope of future VBP cycles, we expect our revenue attributable to VBP under minimally invasive intervention products to continue an upward trend and the other two segments to remain stable. To mitigate potential pricing pressures, we remain committed to strengthening our R&D pipeline, diversifying our product portfolio and expanding overseas market. Therefore, we believe we are well-positioned to navigate the evolving regulatory landscape while sustaining long-term revenue growth and operational stability.

We have adopted a dynamic approach to managing VBP participation, taking into consideration market demand, pricing competitiveness, product specifications, and evolving regulatory requirements. Given our broad product portfolio, comprising hundreds of products across multiple business units and numerous specifications and models under each product, we assess on a case-by-case basis whether to submit all or selected models of a given product to a particular VBP public tender.

As for hospital-level procurement under the VBP regime, we exercise oversight in accordance with our Guide for Domestic Distributor Management. In particular: (i) We grant hospital-level sales authorizations to distributors and set agreed performance targets, which may include sales targets and hospital admission plans. Distributors that fail to meet such targets are required to

provide explanations, and where a distributor fails to meet the agreed performance targets for two consecutive quarters, we may adjust the relevant hospital-level sales authorization. (ii) Distributors are required to assist us with hospital-level tender submissions for our products within their authorized territories.

The Directors are of the view that the VBP policy has not had a material adverse impact on our overall business operations or financial performance, having considered the results of operations as discussed above and as further detailed in the section headed "Financial Information" in this document, as well as the following: (i) our diversified product portfolio with no reliance on any single product or tender. During the Track Record Period, we offered a broad portfolio of products across multiple business units, comprising several hundred product models. No individual product model accounted for more than 10% of our total revenue in any year during the Track Record Period; (ii) our extensive and diversified domestic sales network with no material regional concentration. As of March 31, 2026, we maintained a sales network of 1,532 active domestic distributors, covering 31 provinces, municipalities and autonomous regions in China, thereby mitigating reliance on any single region or tender; and (iii) our significant overseas operations providing geographic diversification. Our international sales further mitigate the potential impact of the VBP regime in China. We sold products to customers in over 140 countries and regions, and in the three months ended March 31, 2026, revenue from overseas markets accounted for 46.4% of our total revenue.

Compliance with Two-Invoice System

In China, certain provinces and regions implement the Two-Invoice System for the procurement of the high-value medical consumables by public medical institutions. This system allows only one distributor layer between the medical device manufacturer and the public medical institutions. During the Track Record Period, over 30 of our products, primarily minimally invasive interventional consumables, were subject to the Two-Invoice System in certain regions, including Anhui, Fujian and Shaanxi, and the revenue derived from these products represented an immaterial amount of our total revenue in the respective periods.

In regions where the Two-Invoice System has been adopted and applies to medical device products, compliance with this system is a prerequisite for medical device companies to participate in the tender and procurement processes of public hospitals. Manufacturers and distributors that fail to comply with the Two-Invoice System may lose their qualifications to participate in the tender and procurement process and may also be blacklisted from engaging in sales to public hospitals. Our Directors confirmed that, to their best knowledge, during the Track Record Period and up to the Latest Practicable Date, we had complied with the Two-Invoice System policy in all material aspects as we (i) had not been deemed to have violated or circumvented any law, regulations, rules or policies in relation to the Two-Invoice System, (ii) had not been disqualified from participating in public tendering processes in any province, (iii) were not subject to any administrative fines or penalties by the competent authorities in relation to the Two-Invoice System, and (iv) had not received any warning or notice from any competent authorities in relation to the compliance of the Two-Invoice System.

Going forward, we will closely monitor the adoption of the Two-Invoice System across different regions in China and assess whether the medical device products we sell fall within its scope. This will help ensure our continued compliance with the requirements of the Two-Invoice System and other applicable laws and regulations.

Pricing Policy for Distributors

We sell products to our distributors at prices mutually agreed upon by both parties. In determining prices of our products, we consider various factors, including the advantages of our products, our production costs, the prices of competing products, and the differences in features between our products and those of our competitors. Under the distribution model, a substantial majority of our products are sold by distributors to public hospitals through public tender processes.

If our products win the bids, such products would be qualified for future procurement, and the bidding prices would generally be one of the important factors for us to determine the price we sell our products to the distributors. For details of the public tender process, see "Regulatory Overview — Laws and Regulations Relating to the Administration of Medical Devices — Tender Management for Medical Device Procurement" in this document.

Pricing Policy for Direct Sales

For direct sales to hospitals, we generally sell products through public tender processes under the centralized procurement regimes established within the relevant regions. Our sales team handles the entire process and prepares bidding materials for tender submission. Once the price is set and we are confirmed as the winning bidder, our product will be admitted into the hospital's qualified product pool for future procurement. Direct sales to private hospitals usually involve direct negotiations with the hospitals and rarely involve tender process.

Our pricing strategies are also influenced by regulatory policies. For instance, in China, the governments implement a centralized procurement system which controls end prices of the high-value medical consumables if the products are included in the scope of the centralized procurement. For details of the centralized procurement policies, please refer to the paragraph headed "Regulatory Overview — Laws and Regulations Relating to the Administration of Medical Devices — Tender Management for Medical Device Procurement" in this document.

Pricing Policy for Overseas Sales

For our sales to overseas distributors and ODM customers, we determine prices through commercial negotiations with customers based on a number of factors, primarily including the specific market conditions of each overseas market, product specifications, the business scale and growth potential of overseas customers, our relationships with them and their order volumes. We believe that we have implemented an effective pricing strategy. We believe that our high-quality products are well received by end customers and distributors. In addition, our brand reputation as well as effective academic promotion and marketing strategies enhance our strong bargaining power. During the Track Record Period, we did not experience any material fluctuations in ex-factory prices of our major product categories.

CUSTOMERS

During the Track Record Period, our customers were primarily distributors, who purchased and distributed our products. Revenue generated from our five largest customers accounted for 10.6%, 13.5%, 14.4% and 15.5%, respectively, of our total revenue in 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively. Revenue generated from our largest customer accounted for 3.0%, 3.8%, 5.9% and 7.2%, respectively, of our total revenue in 2023, 2024 and 2025 and the three months ended March 31, 2026. For details of our sales arrangement with distributors and other customers, see "— Sales, Distribution and Marketing" in this section.

Our revenue generated from Chinese Mainland accounted for 61.6%, 55.0%, 51.7% and 53.6% of our total revenue in 2023, 2024, and 2025 and the three months ended March 31, 2026, respectively. Except for Mexico which accounted for 7.2% of our revenue for the three months ended March 31, 2026, no single country or region outside Chinese Mainland accounted for more than 5.0% of our total revenue in any period during the Track Record Period. As of March 31, 2026, our products had been ultimately sold to over 6,000 hospitals in China, including approximately 90% of Grade 3A hospitals, covering 31 provinces, municipalities and autonomous regions in China. In addition, we generated 38.4%, 45.0%, 48.3% and 46.4% of our revenue from overseas sales in 2023, 2024, and 2025 and the three months ended March 31, 2026, respectively. Our overseas customers primarily comprise distributors and a small number of direct customers, in markets across the EMEA, APAC and AMER regions, covering over 140 countries and regions worldwide. As of March 31, 2026, we had 497 active overseas distributors. The end customers of our products were primarily hospitals and medical institutions.

As of the Latest Practicable Date, none of our Directors, their associates or any other Shareholder which, to the knowledge of our Directors, owned more than 5% of our share capital had any interest in any of our top five customers. None of our five largest customers, or any of their shareholders, directors, senior management or any of their respective associates, have any past or present relationship (family, employment, trust, financing or otherwise) with us, our subsidiaries, our Shareholders, Directors, senior management or any of their respective associates.

Our Customer Services

We provide comprehensive customer service to our direct customers, as well as hospitals and other end users, including product usage training and consultation, product maintenance and care, as well as the prompt collection of user feedback for product upgrades. We also conduct regular inspections to ensure the proper use of our medical devices and carry out in-hospital MQT services to assist hospitals in equipment management. We maintain overseas representatives and training centers in the UK, the Netherlands, Colombia, and other countries to offer product and technical training and services to our local customers. These services are generally provided free of charge. In certain markets or for specific products, we may offer paid training programs on a limited basis. Our training center network currently spans overseas markets including the EMEA, APAC and AMER regions, allowing us to provide timely product and technical support to local customers. In selecting the location of training centers, we consider a number of factors, including (i) the region's ability to serve as a hub for surrounding markets, (ii) the level of market maturity and product penetration, (iii) the degree of customer familiarity with our product categories, and (iv) the presence of ongoing training demand from local customers. For instance, we established an overseas office and training center in Colombia to serve the AMER market. In addition, Colombia was considered a suitable location for a training center given the region's relatively early stage of development and greater need for end-user education. By offering localized support, we are able to facilitate product adoption and deepen engagement with our customers in the local markets. In addition, we provide customer support services through our subsidiaries and branches in China covering major cities including Beijing, Shanghai, Guangzhou, Shenzhen, Hefei, Chengdu, Nanjing, Zhengzhou, Wuhan, Guiyang, Jinan, Chongqing, Shenyang, Changsha, Xi'an, Changzhou and Kunming.

MANUFACTURING

Manufacturing Centers

We are committed to in-house production and have developed strong manufacturing capabilities. During the Track Record Period, we operated six major manufacturing centers: (i) the Shenzhen Guangming manufacturing center, primarily focusing on the manufacturing of medical equipment and reagents, as well as supply chain management; (ii) the Shenzhen Pingshan manufacturing center, primarily focusing on the manufacturing of life support consumables; (iii) the Abingdon manufacturing center in Oxford, U.K., primarily focusing on the manufacturing of anesthesia machines and vaporizers; (iv) the Jiangsu Changzhou manufacturing center, primarily focusing on the manufacturing of minimally invasive intervention products; (v) the Shanghai Chongming manufacturing center, primarily focusing on the manufacturing of gel cards; and (vi) the Hunan Changsha manufacturing center, primarily focusing on the manufacturing of minimally invasive intervention products. Each of these centers plays a crucial role in our comprehensive manufacturing ecosystem, enabling us to deliver high-quality medical products across different categories. During the Track Record Period and up to the Latest Practicable Date, we primarily relied on in-house manufacturing, with limited external production arrangements based on regional market considerations.

Guangming, Shenzhen

Pingshan, Shenzhen*

Abingdon, Oxford, U.K.

Changzhou, Jiangsu

Chongming, Shanghai

Changsha, Hunan

* We closed our Pingshan manufacturing center following the expiry of its lease at the end of June 2026.

Our manufacturing system incorporates advanced methodologies to ensure quality and production efficiency. We employed (i) a DMAIC-based Six Sigma Quality Management System, which uses data-driven techniques to improve processes and reduce defects, and (ii) a Lean Intelligent Production System that adopts Just-In-Time and Single-minute Exchange of Die methodologies, enabling us to streamline production, minimize waste, and increase flexibility in our operations. To further enhance operational efficiency, we integrate the warehouse management system ("**WMS**") and ERP system, along with other automated logistics and manufacturing technologies. These integrations provide real-time data and analytics, facilitating better decision-making and more efficient management of resources across our production centers. This combination of sophisticated systems and practices ensures that our manufacturing processes are effective and responsive to market needs, maintaining high standards of quality and meeting our commitments on time.

We procure manufacturing machinery and equipment from time to time based on our production needs. Our equipment and machinery primarily consist of cutting machines, welding equipment, assembly lines, sterilization equipment, packaging machines, molds and tools. As of the Latest Practicable Date, we owned all of our machines which had estimated useful lives of approximately three to ten years, respectively. We perform routine and preventive maintenance on our manufacturing machinery and equipment to ensure their proper functioning. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material interruption to our production process due to machinery or equipment failure.

The following table sets forth the production capacity, actual production volume, and utilization rate of our manufacturing centers by major product type for the periods indicated:

	For the Year Ended December 31,									For the Three Months Ended March 31,		
	2023			2024			2025			2026		
	Production capacity[1]	Production volume	Utilization rate[2]	Production capacity[1]	Production volume	Utilization rate[2]	Production capacity[1]	Production volume	Utilization rate[2]	Production capacity[1]	Production volume	Utilization rate[2]
	(in thousands)	*(in thousands)*	*(%)*	*(in thousands)*	*(in thousands)*	*(%)*	*(in thousands)*	*(in thousands)*	*(%)*	*(in thousands)*	*(in thousands)*	*(%)*
Life support												
– Medication delivery equipment products[3]	148.0	130.5	88.2	96.5	86.8	89.9	125.0	122.0	97.6	31.6	30.7	97.3
– Anesthesia machines	0.84	0.78	92.9	0.60	0.47	78.2	0.60	0.47	78.5	0.14	0.12	82.1
– Vaporizers	9.50	9.14	96.2	9.00	8.92	99.1	8.12	7.65	94.2	1.5	1.02	67.9
– Other equipment products[4]	3.56	3.38	95.2	3.00	2.85	95.0	4.6	4.5	98.1	1.2	1.2	100.0
Minimally invasive intervention												
– Endoscope systems	0.53	0.12	22.3	0.75	0.34	45.6	0.91	0.68	74.3	0.14	0.13	97.1
– Consumables	13,541.5	13,563.5	100.2	16,534.4	17,356.5	105.0	21,891.1	20,869.5	95.3	5,001.6	4,510.6	90.2
In vitro diagnostics												
– Analyzers	0.79	0.79	99.6	1.00	0.90	89.5	1.00	0.90	94.2	0.30	0.27	91.0
– Gel cards	3,150.0	3,102.5	98.5	4,000.0	4,161.4	104.0	4,791.4	4,778.5	99.7	1,386.0	1,223.3	88.3
– Test reagents[5]	3,823.9	2,515.8	65.8	4,134.1	3,592.1	86.9	5,235.2	4,262.6	81.4	1,325.6	985.5	74.3

Notes:

* Figures are rounded to two decimal places for numbers below 10, and to one decimal place for numbers equal to or greater than 10.

(1) The production capacity is calculated based on the number of employees per production line, average working hours and individual output per unit of time.

(2) The utilization rate equals actual production volume divided by the production capacity in the relevant year.

(3) Medication delivery equipment products primarily include SYS series infusion products, MP series infusion products, HP series infusion products and enteral feeding pumps.

(4) Other equipment products primarily include video laryngoscopes, DVT preventive pumps, vein illuminators and oxygen concentrators.

(5) The production volumes of gel cards and test reagents are calculated based on one test per individual. The test reagents primarily include those used for TEG testing, chemiluminescence detection, and molecular testing.

Our production capacity is designed to be flexible and we periodically reallocate resources based on our internal assessment of sales performance in the prior year, expected order volumes, distributor engagement, and overall business planning. Leveraging shared production lines and workforce, we are able to dynamically adjust production capacity among different business units to align with market conditions and operational priorities. In 2024, we reduced the capacity allocated to our life support business unit, primarily due to a short-term change in market demand. Adjustments in the capacity of other business units were also made in line with changes in expected sales volumes and order fulfillment requirements. These adjustments were part of our ordinary production planning process and were generally consistent with the revenue performance of each business unit during the Track Record Period. For details, see "Financial Information — Revenue — Revenue by Business Unit."

Under our production plan, we adjust production capacity by managing workforce allocation and working hours. Overall, the utilization rates of our major product lines remained at high levels during the Track Record Period. Certain minimally invasive intervention and IVD product lines recorded utilization rates exceeding 100.0%, as we met strong demand by extending working hours through overtime, resulting in actual output surpassing our planned capacity based on standard working hours. To address this situation, we are expanding our production facilities. For details, see "— Manufacturing — Future Plan" in this section.

Life Support Product Lines. The utilization rate of the production capacity for our medication delivery products increased from 88.2% in 2023 to 89.9% in 2024, to 97.6% in 2025, and further to 97.3% in the three months ended March 31, 2026, remaining at a high level. The utilization rate of the production capacity for our anesthesia machines reached 92.9% in 2023, before declining to 78.2% in 2024 and remaining broadly stable at 78.5% in 2025 and 82.1% in the three months ended March 31, 2026, primarily due to a planned adjustment based on our inventory levels and market demand. The utilization rate of the production capacity for our vaporizers remained consistently high, reaching 96.2%, 99.1%, 94.2% and 67.9% in 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively, primarily due to the change of market demand. The utilization rate of the production capacity for other life support equipment, such as oxygen concentrators and vein illuminators, remained at a relatively high level throughout the Track Record Period.

Minimally Invasive Intervention Product Lines. The utilization rate of the production capacity for our endoscope systems was relatively low at 22.3% in 2023, as the product was launched at the end of 2022 and was in its initial commercialization phase. Benefiting from our proactive market promotion and growing market penetration, the utilization rate of this production line improved to 45.6% in 2024 and further ramped up to 74.3% in 2025 and further to 97.1% in the three months ended March 31, 2026, to meet the growing market demand for our endoscope systems. Throughout the Track Record Period, the utilization rate of the production capacity for our minimally invasive intervention consumables exceeded or approached full capacity, driven by sustained strong market demand.

In Vitro Diagnostics Product Lines. The utilization rate of the production capacity for our testing analyzers remained at a high level throughout the Track Record Period, reaching 99.6%, 89.5%, 94.2% and 91.0% in 2023, 2024, and 2025 and the three months ended March 31, 2026, respectively. The utilization rate of the production capacity for our gel cards was 98.5%, 104.0%, 99.7% and 88.3% in 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively. The utilization rate of the production capacity for our test reagents increased from 65.8% in 2023 to 86.9% in 2024, and then decreased to 81.4% in 2025 and then decreased to 74.3% in the three months ended March 31, 2026, which was in line with market demand.

During the Track Record Period and up to the Latest Practicable Date, we had completed core manufacturing steps in-house. We believe that our current manufacturing capacity is able to meet our short-term commercial needs. Moreover, our locations provide us with a manufacturing advantage over our competitors, as we have access to China's vast labor pool and well-developed manufacturing base, making it easier for us to hire personnel with the appropriate production skills.

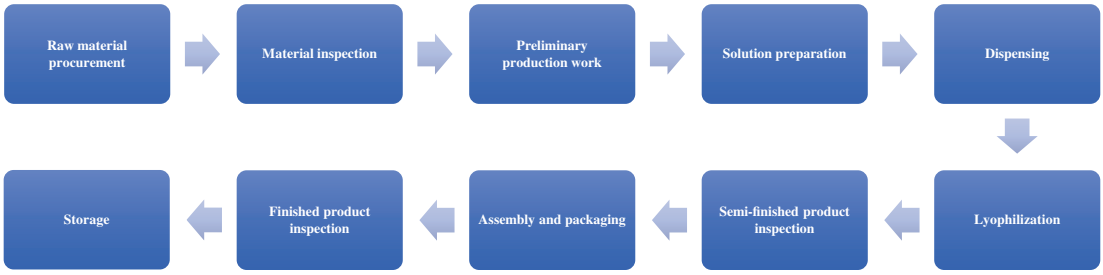
Manufacturing Process

Given the diverse range of our medical products spanning life support, minimally invasive intervention and in vitro diagnostics, our manufacturing processes vary by product type, and our tailored production steps are designed to ensure the quality and reliability of our medical products.

The following diagram summarizes the key manufacturing process for our life support equipment products:

The following diagram summarizes the key manufacturing process for our minimally invasive intervention consumables:

The following diagram summarizes the key manufacturing process for our in vitro diagnostics reagents:



Production Collaboration

To utilize our production capacity more effectively and ensure the quality and efficiency of our core component manufacturing, we outsource a very limited number of non-core production processes and certain legacy products to qualified third-party manufacturers. Our Directors consider that investing in machinery and labor for such processes is not an effective use of funds and resources, while subcontracting is more cost-effective and time-efficient. According to CIC, such production arrangement is in line with the industry norm.

We select our production partners based on several key factors, including their location, qualifications, production capacity, and price. We typically screen multiple qualified candidates before finalizing our production partners. Our partners are usually responsible for sourcing materials required for the relevant production processes. We may conduct on-site inspections of their production facilities to perform quality checks during the production process. Furthermore, we carry out quality control tests on the semi-finished or finished products before incorporating them into our production process. All production partners we engage are Independent Third Parties.

During the Track Record Period, our outsourced manufacturing costs amounted to RMB14.2 million, RMB29.2 million, RMB34.4 million and RMB11.3 million in 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively, accounting for 2.1%, 4.1%, 4.6% and 5.9% of our cost of sales for those periods. During the Track Record Period, we did not experience any difficulties in procuring services from production partners, nor did we encounter any material delay in their provision of services that caused material disruption to our operations.

Future Plan

We are proactively expanding our production capacity and upgrading our manufacturing centers to accommodate our increasingly diversified product pipeline and growing market demand. We are establishing a new R&D and manufacturing center in Changzhou, with a planned gross floor area of 115,742 sq.m. As of March 31, 2026, the key production buildings, with a gross floor area of 93,485 sq.m., had been completed, and the relevant property ownership certificates had been obtained and all required completion filings and operating permits had been duly completed or obtained, as applicable. Furthermore, we commenced operation of certain production lines at the site by the end of September 2025. In addition, we are actively advancing the center's development, such as equipment procurement, intelligent production line planning, and construction of supporting facilities. The new center will enable us to further consolidate our existing production facilities and resources, streamline operational management, improve efficiency, and enhance synergies across our production lines. Established overseas production bases, such as our anesthesia equipment manufacturing facility in the UK, will remain in operation given their technical specialization and strategic importance in serving local and international markets. We closed our Pingshan manufacturing center following the expiry of its lease at the end of June 2026. Our manufacturing center in Changzhou is expected to take over the orders currently handled by the Pingshan center. We do not expect the wind-down of the Pingshan center to disrupt our manufacturing arrangements or order deliveries, as the Pingshan center has relatively limited production capacity and is used only for the manufacture of certain life support disposables. We believe this transition will allow us to better utilize the capacity of our Changzhou manufacturing center, streamline our production footprint and improve overall operational efficiency.

The new R&D and manufacturing center is still under construction and the production lines are under further expansion, which will require further capital expenditures in the foreseeable future. We expect to fund these capital expenditures using [**REDACTED**] from the [**REDACTED**] and our cash flows from operations. See "Future Plans and Use of [**REDACTED**]" for details.

INVENTORY AND QUALITY MANAGEMENT

Inventory Control

Our inventories primarily include (i) finished goods and work in progress, mainly comprising medical equipment and consumables for life support, minimally invasive intervention and in vitro diagnostics; and (ii) raw materials, such as plastics, metals, sensors, and other auxiliary materials and components. As of December 31, 2023, 2024 and 2025 and March 31, 2026, we had inventories of RMB237.0 million, RMB230.2 million, RMB263.4 million and RMB253.8 million, respectively. Under our inventory control policy, we regularly monitor and analyze our historical procurement, production and sales data and adjust our inventories to meet customer demand in a timely manner while avoiding excessive inventory accumulation. As of December 31, 2023, 2024 and 2025 and March 31, 2026, we had impairment allowances on inventories of RMB15.6 million, RMB26.5 million, RMB31.3 million and RMB34.6 million, respectively.

To ensure the quality of our inventory, our storage spaces are temperature- and humidity-controlled. Our warehouse management team conducts regular inspections to identify products that are damaged, obsolete or near expiration, and disposes of them or makes provisions for them. The team is required to conduct inventory checks and report stock levels in a timely manner in case of any shortage in supply or overstock of inventory. Furthermore, we have implemented a locally deployed warehouse management system for automation and utilize automated guided vehicles to enhance storage management efficiency. For details of our inventory control measures in respect of products sold to distributors, see "— Sales, Distribution and Marketing — Sales to Distributors — Management of Distributors" in this section.

Quality Control

Our quality control team is involved in every aspect of our daily operations. Our quality control system complies with legal and regulatory requirements in China, the EU and other operating regions, as well as pertinent international quality certification standards. It encompasses various stages of the product life cycle, including design and development, raw material sourcing and procurement, manufacturing and delivery, and after-sales service. This comprehensive oversight ensures that our products meet applicable IEC, ISO and other quality management standards. Our quality assurance team, comprising approximately 72 experienced professionals, oversees and manages all aspects of quality control across our operations.

In July 2024, our subsidiary Mabsky was subject to administrative measures imposed by the Guangdong Medical Products Administration following an on-site inspection, which identified certain deficiencies in its production quality management system. Specifically, certain production lines were found not to be fully compliant with the Standards on Production and Quality Management of Medical Devices (《醫療器械生產質量管理規範》), and Mabsky was ordered to suspend production accordingly. In response, we established an inspection team to assess potential product risks and conduct a thorough review of our production processes. The deficiencies primarily related to the management of materials, products and equipment, documentation, and transportation control. We promptly carried out enhanced quality inspections on the products that may have been affected by the procedural issues, and confirmed that all inspected batches complied with applicable quality standards. No quality non-compliance was identified as a result of these inspections. In November 2024, we completed the required rectification, submitted a rectification report, passed the follow-up inspection, and resumed production. We believe that this temporary production suspension did not have a material adverse impact on our business operations and financial performance for the following reasons: (i) Mabsky's contribution to our revenue remained minimal, accounting for 2.2% of our revenue in 2024; (ii) we had not experienced any material customer complaints or product returns related to the products produced by the affected production lines during the Track Record Period and up to the Latest Practicable Date; and (iii) we immediately implemented corrective measures following the incident and completed the rectification work, thereby preventing any significant adverse impact on our production or delivery schedules.

During the Track Record Period, there were two product quality-related incidents involving our products: (i) in September 2024, the NMPA issued the Notice on the Results of National Medical Device Quality Supervision Inspections (No. 35 of 2024), which identified that a model of our syringe pump, did not fully meet the mandatory standard relating to audible alarm signals; and (ii) in January 2024, the Guangdong Provincial Medical Products Administration identified that the "nominal length" parameter of one batch of our disposable tracheostomy tubes deviated from the registered technical specifications. According to the Regulations on the Supervision and Administration of Medical Devices of the PRC (《醫療器械監督管理條例》), the production, sale, or use of medical devices that do not meet mandatory standards or the registered or recorded technical specifications shall be subject to administrative correction orders and confiscation of the non-compliant products by the competent drug regulatory authority. Where the value of the non-compliant products is less than RMB10,000, a fine ranging from RMB20,000 to RMB50,000 may be imposed; where the value exceeds RMB10,000, a fine of five to twenty times the value may be imposed. In serious cases, the authority may order the suspension of production or business operations, and the original licensing authority may revoke the relevant medical device registration certificate, production license, or distribution license. The legal representative, principal person in

charge, responsible management personnel, and other responsible individuals of the violating entity may be subject to confiscation of the income they received from the entity during the period of the violation, and may be further fined not less than 30% and not more than three times such income. In particularly serious circumstances, such individuals may be prohibited from engaging in medical device manufacturing or distribution activities for a period of up to ten years. For these two incidents, we were subject to (i) an administrative fine of RMB20,000 in connection with the syringe pump incident; and (ii) an administrative fine of RMB20,000 and the confiscation of the affected batch of disposable tracheostomy tubes valued RMB560 in total.

The two incidents primarily arose minor deviations in raw material or final quality inspection processes under specific technical conditions. Given the specialized and technical nature of medical device manufacturing, occasional non-conformities may arise despite the existence of stringent internal quality control systems. These incidents did not reflect systemic deficiencies in our quality management framework. As of the Latest Practicable Date, we had duly paid the fine in full and promptly implemented rectification measures, including (i) investigating the root causes of the issue; (ii) suspending the sale of the affected batches identified during the inspections, which had not entered the market and therefore did not require product recalls; and (iii) organizing training sessions to reinforce the correct inspection procedures for the relevant products, with all relevant personnel having completed the required training and assessment. Given the relatively small amount of the fines imposed, the fact that we were not subject to any production or sales suspension, and the absence of any other direct operational or financial loss as a result of these incidents, and the rectification measures and internal controls we implemented, we believe that these incidents have not had any material adverse effect on our business, results of operations or financial condition.

In addition to the above, on April 2, 2026, Hunan Vedkang Science and Technology Co., Ltd. ("Hunan Vedkang"), an indirect wholly-owned subsidiary of the Company, was ordered to suspend production and sales by the Hunan Medical Products Administration (the "Hunan MPA") following an on-site inspection, which identified certain deficiencies in its production quality control system. We promptly addressed the identified issues by analyzing and rectifying each specific non-conformity, upgrading on-site resource allocation and management processes in strict compliance with Good Manufacturing Practice standards, and concurrently initiating a Group-wide systematic review across the entire product lifecycle to ensure rigorous quality control. The comprehensive rectification process was completed on April 9, 2026, and Hunan Vedkang fully resumed its normal production and commercial operations on April 20, 2026, upon confirmation from the Hunan MPA. Following this, on June 3, 2026, the National Healthcare Security Administration announced the cancellation of Hunan Vedkang's selected status for relevant products under the sixth national VBP program, together with a suspension of its eligibility to participate in VBP bidding until December 2, 2027. As of the Latest Practicable Date, these regulatory actions primarily related to routine supervision and qualification management and did not result in any administrative fines or penalties. Given that Hunan Vedkang is a non-core subsidiary and the revenue derived from the specific products affected by the VBP matter accounted for a negligible portion of our total revenue in 2025, we believe that these incidents have not had, and are not expected to have, any material adverse impact on our business operations, results of operations, or financial condition.

Save as disclosed above, we have complied with quality control policies in all material aspects and have passed all inspections conducted by the regulatory authorities up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we had not received any material complaints from our customers and our products had not been the subject of any material claims, litigation or investigations.

Product Warranty, Return, Recalls and Exchanges

Our return and exchange policy generally does not allow any product return or exchange, except where there is any product defect or product expiration, we will consider returning or exchanging products based on the specific scenario and our working relationship with our distributors.

During the Track Record Period, we voluntarily initiated two Class III medical device recalls, involving (i) two batches of coagulation test kits and (ii) one batch of infusion equipment. According to the Measures for the Administration of Medical Device Recalls (《醫療器械召回管理辦法》), a Class III recall is initiated where the circumstances giving rise to the recall are unlikely to cause harm. Both recalls were conducted to update or correct product labeling information, and did not involve any issue relating to product quality or performance. Details of the two voluntary recalls are as below:

- For two batches of coagulation test kits, which were TEG reagent kits (Platelet-AA and ADP reagents, coagulometric method), we identified a discrepancy between the expiration dates printed on the vial labels and those on the outer packaging due to an inadvertent printing error. As the issue was limited to labeling and did not affect the quality, safety or performance of the products, we voluntarily recalled the affected batches by implementing the following rectification measures: (i) issuing customer letters to promptly inform all affected users of the correct expiration date; and (ii) providing updated labels, outer packaging labels and user manuals for the affected products. This recall involved a total of 103 units of test kits. As no physical return of products was required following our remedial measures, the recall did not result in any actual disruption to product sales or customer use.

- For one batch of infusion equipment, including infusion pumps and multi-channel infusion workstations, we inadvertently labelled the outer packaging with the newly approved registration certificate numbers during the transitional period following the renewal of the relevant registrations. Although the renewed certificates had been approved, the new registration numbers had not yet taken effect at the time of labeling, and differed from the previously valid certificate numbers. As the issue was limited to labeling and did not affect the quality, safety or performance of the products, we voluntarily recalled the affected batch by notifying customers of the correct registration information. This recall involved a total of 712 units of infusion products. As no physical return of products was required following our remedial measures, the recall did not result in any actual disruption to product sales or customer use.

During the Track Record Period and up to the Latest Practicable Date, we had not received any customer complaints, adverse event reports, claims, third-party demands, refund or compensation requests, or regulatory penalties or fines in connection with these two recalls. We have established a dedicated quality inspection team responsible for the testing of work-in-progress and finished products in accordance with our stringent internal inspection protocols. Our inspection methods include first inspection, self-inspection, mutual inspection, patrol inspection, and random sampling. All inspection results should be documented with final approval checks and signed by the supervisor in charge of quality control. For detailed regulations relating to medical device recall in China, please refer to the paragraphs headed "Regulatory Overview — Laws and Regulations Relating to the Administration of Medical Devices — Medical Device Recall, Monitoring and Re-evaluation of Adverse Events" in this document.

During the Track Record Period, except for the above-mentioned two voluntary recalls, we had not experienced any other product recall initiated by ourselves or required by regulatory authorities. 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.

RAW MATERIALS AND SUPPLIERS

Suppliers

During the Track Record Period, our major suppliers mainly included suppliers of raw materials and components for medical equipment, providers of construction services and land providers for our manufacturing centers. Purchases from our five largest suppliers accounted for

19.1%, 12.1%, 9.0% and 6.7%, respectively, of our total purchases in 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively. Purchases from our largest supplier accounted for 8.9%, 3.6%, 2.2% and 2.3%, respectively, of our total purchases in 2023, 2024 and 2025 and the three months ended March 31, 2026.

As of the Latest Practicable Date, none of our Directors, their associates or any other Shareholder which, to the knowledge of our Directors, owned more than 5% of our share capital had any interest in any of our five largest suppliers. None of our five largest suppliers, including their shareholders, directors, senior management or any of their respective associates, have any past or present relationship (family, employment, trust, financing or otherwise) with us, our subsidiaries, our Shareholders, Directors, senior management or any of their respective associates.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material dispute with our suppliers, difficulties in the procurement of our direct materials, or interruptions in our operations caused by our suppliers. We do not rely on any of our current suppliers as there are viable substitutes available on the market to meet our needs at a comparable price and quality. We keep a list of qualified suppliers for our principal direct materials. The selection of qualified suppliers is based on various criteria, including price, quality and customer service.

Raw Materials

Our raw materials consist of, among others, plastics, metals, sensors, and various components. In 2023, 2024, 2025 and the three months ended March 31, 2026, we incurred raw material costs of RMB444.3 million, RMB467.1 million, RMB502.5 million and RMB130.3 million, representing 67.1%, 66.3%, 67.0% and 67.4% of our cost of sales, respectively.

The raw materials of our main products which we sourced from our suppliers are generally readily available in the market through domestic and foreign suppliers. We believe we have alternative sources for the supply of principal raw materials with comparable quality and prices. We have not experienced significant difficulties in maintaining reliable sources of supplies and expect to be able to maintain adequate sources of quality supplies in the future through continuously developing new supplier relationships and exploring domestic replacements.

We generally enter into supply agreements with a term of one year with our raw material suppliers. The purchase price of our raw materials is primarily based on prevailing market prices for raw materials of similar quality and subject to arm's length negotiation. During the Track Record Period and up to the Latest Practicable Date, we did not experience significant supply shortage of raw materials, and we generally did not experience significant price volatilities. For risks relating to the supply of raw materials, see "Risk Factors — Risks Relating to our Business and Industry — Our results of operations could be negatively impacted by our inability to obtain raw materials in a timely and cost-effective manner."

Salient terms of the supply agreements with our suppliers for key raw materials typically include:

- ***Product and Specifications***. The supply agreements specify the product types, specifications, quantity and unit prices of raw materials to be procured.

- ***Pricing***. The price of the procured goods is set forth in the supply agreements or price sheets.

- ***Delivery***. The suppliers are required to deliver the procured goods to our designated place pursuant to the supply agreements. The associated transportation costs are born by us and/or the distributors as agreed in the supply agreements.

- ***Payment***. We typically are required to settle the payment between 30 and 120 days upon the receipt of invoice or by instalments.

- ***Quality***. The procured goods should meet national and/or our inspection standards. The suppliers shall be liable for compensation if we are subject to penalties imposed by the relevant administrative authorities or if our consumers suffer personal injuries or property damages due to quality deficiencies of products sold by the suppliers.

- ***Inspection and Acceptance***. The procured goods are subject to our inspection upon arrival at our designated place, and we may refuse acceptance of any defective products.

INTELLECTUAL PROPERTIES

We have established comprehensive intellectual property protection for our technological innovations, safeguarding our R&D achievements with a wide array of patents, trademarks and software copyrights, both in China and globally. As of March 31, 2026, we had 1,215 patents and patent applications in China, including 874 issued patents and 341 patent applications. Our issued patents included 171 invention patents, 565 utility model patents and 138 design patents; and we had 60 overseas patents and patent applications, including six patent applications under the PCT. In addition, as of March 31, 2026, we had 181 trademarks and trademark applications in China, including 173 registered trademarks; and we had 81 overseas trademarks and trademark applications, including 69 registered trademarks. See "Statutory and General Information — 2. Further Information about Our Business — B. Our Material Intellectual Property Rights" in Appendix IV to this document for further details of our material intellectual property rights.

During the Track Record Period and up to the Latest Practicable Date, except for one pending lawsuit claiming our infringement of a third-party's utility patent, which we believe is not material and the likelihood of the plaintiff proving infringement or securing any meaningful compensation against us as very low, we had not been involved in any proceedings in respect of, and we had not received notice of any claims alleging infringement of, any intellectual property rights, whether as claimant or a respondent, nor were we aware of any breach of the aforementioned confidentiality or non-compete obligations by the counterparties. We believe these intellectual property rights are critical to maintaining our competitive barriers and we intend to continue to develop more intellectual property rights and technological know-how which are expected to bring long-term benefits to our business. For details of risks relating to intellectual property rights, see "Risk Factors — Risks Relating to our Business and Industry — 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" in this document.

AWARDS AND OTHER RECOGNITION

Our product performance and market presence have not only addressed market demand but have also been recognized by governmental authorities and industry participants through awards and other recognition. The following table sets out a summary of the major awards and recognition:

Award/Recognition	Organization/Authority	Year Awarded
National Specialized, High-end and Innovation-driven "Little Giant" Enterprise (國家專精特新"小巨人"企業)	Ministry of Industry and Information Technology of the PRC (國家工信部)	2023 & 2020
China National Brand Gold Award for Medical Equipment (中國醫療設備民族品牌金獎) and Social Responsibility Award (社會責任獎)	China Medical Devices ("中國醫療設備"雜誌社)	2017-2025

Award/Recognition	Organization/Authority	Year Awarded
No. 1 in Industry Customer Satisfaction (服務滿意度行業第一)	China Medical Devices ("中國醫療設備"雜誌社)	2018-2025
Provincial Enterprise Technology Center of 2024 (2024年省級企業技術中心)	Industry and Information Technology Department of Jiangsu (江蘇省工業和信息化廳)	2024
Product Inclusion Certificate for Guidelines for the Selection of High-Quality Medical Devices from China (2025) (中國高品質醫療器械出海遴選指南(2025)產品入選證書)	Lin-gang Medical Device Innovation Center, Shanghai FTZ (上海自由貿易試驗區臨港新片區醫療器械創新中心)	2025
2024 Jiangsu Gazelle Enterprise (2024江蘇省瞪羚企業)	Jiangsu Productivity Center (江蘇省生產力中心)	2024
2024 Hurun Global Unicorn List (2024胡潤全球獨角獸榜)	Hurun Research Institute (胡潤研究院)	2024
Guangdong Province Manufacturing Single-category Champion Demonstration Enterprise (廣東省製造業單項冠軍示範企業)	Industry and Information Technology Department of Guangdong Province (廣東省工業和信息化廳)	2023

In recognition of our R&D and innovation capabilities, we have also received the following designations:

- Skill Examination Base of Registered Clinical Engineer (臨床工程註冊工程師技能考試基地);
- Key Enterprise Research Institute (重點企業研究院) by the Shenzhen Science and Technology Innovation Commission (深圳市科技創新委員會);
- Guangdong Engineering Technology Research Center for Intelligent Infusion System (廣東省智能輸注系統工程技術研究中心) by the Guangdong Science and Technology Department (廣東省科學技術廳);
- Guangdong Engineering Technology Research Center for Pathogen In-Vitro Diagnostic Reagent (廣東省病原體體外診斷試劑工程技術研究中心) by the Guangdong Science and Technology Department (廣東省科學技術廳);
- Jiangsu Engineering Research Center for Endoscopic Diagnosis Instruments (江蘇省內鏡下診斷醫療器械工程技術研究中心) by the Jiangsu Department of Science and Technology (江蘇省科學技術廳); and
- Shenzhen Engineering Technology Research Center for Intelligent Infusion System (智能輸注系統深圳市工程技術研究中心) by the Shenzhen Science and Technology Innovation Commission (深圳市科技創新委員會).

Furthermore, given our solid R&D foundation and a strong R&D environment, we were appointed as a teaching practice base by 12 universities in China during the Track Record Period, including six "985 & 211" universities. In addition, our product design innovations have also been rewarded. Our products, including our infusion workstation, TEG analyzer, video laryngoscope, VC-20 and VC-30 series spirometers, ambulatory infusion pump and oxygen concentrator, have been honored with international design awards such as the Red Dot Design Awards and/or the iF Design Awards.

COMPETITION

We provide a comprehensive range of medical products spanning life support, minimally invasive intervention and in vitro diagnostics. Our products primarily compete with products that provide medical functions similar to those of our products, in terms of efficacy, price and general market acceptance by medical professionals, hospitals and other end users. The identities of our key competitors vary by product. In certain cases, our competitors may have greater financial and R&D resources than we do, and may elect to focus these resources on developing, importing or in-licensing and marketing competitive products. According to CIC, the competition in the markets for life support products, particularly in the medication delivery domain, is relatively concentrated. In 2025, the top ten market players for infusion workstations accounted for a substantial portion of the market share in both the Chinese and global markets. In the minimally invasive intervention field, the Chinese market is dominated by a few leading players, with imported brands holding a slight advantage. In the in vitro diagnostics field, competition is more fragmented due to the variety of sub-markets, such as coagulation, chemiluminescent assays, blood grouping, and molecular diagnostics.

EMPLOYEES

As of March 31, 2026, we had a total of 2,213 employees, comprising 2,052 employees based in Chinese Mainland, 121 employees in the UK, and the remainder in other countries and regions, such as the Netherlands, Colombia, Thailand, Indonesia and India. The following table sets forth a breakdown of our employees by function as of March 31, 2026.

Function	Number	% of Total
Manufacturing and supply chain	993	44.9
R&D	502	22.7
Sales and marketing	503	22.7
General administration	215	9.7
Total	**2,213**	**100.0**

We generally recruit our employees based on a number of factors, including work experience, educational background and our position requirements. We recruit primarily through online job postings, internal referrals, on-campus recruiting programs and job fairs. We provide induction training to our new employees to provide them with an overview of our corporate culture, workplace safety, product knowledge, quality control, staff conduct policies, and the relevant laws and regulations. In addition, from time to time, we invite external experts to provide training to our R&D team on professional knowledge and management skills. We evaluate our training results every year and adjust our training programs accordingly for the coming year. We conduct periodic performance reviews of our employees to evaluate their performance and enhance productivity.

In compliance with the relevant PRC labor laws, we enter into employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. In addition, we are required under PRC law to pay social insurance premiums (including basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and make housing provident fund contributions for our employees according to the standard stipulated by the authorities. Moreover, we operate a share-based compensation scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of our operations.

Non-compliance of Social Insurance and Housing Provident Funds

During the Track Record Period and up to 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, RMB17.6 million and RMB4.0 million in 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively. Our failure to make social insurance and housing provident fund contributions for some of our employees in full was primarily due to the fact that such employees were unwilling to cooperate in making such payments, or that they had participated in local rural social security system offered in their place of residency or their own hometowns in rural areas.

For the shortfall in social insurance contributions, we may be subject to the following legal consequences: (i) being required to pay all outstanding social insurance contributions within a prescribed period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the social insurance contributions are due, and (ii) being required to pay a fine of one to three times of the overdue amount if such payment is not made within the stipulated period, with the maximum penalty amount capped at three times of the overdue amount. For the shortfall in housing provident funds, we may be subject to the following legal consequences: (i) being required to pay the outstanding amount within a prescribed period, and (ii) an application may be made to the courts for compulsory enforcement if the payment is not made within such time limit. Accordingly, we may be required by competent authorities to pay the outstanding amount, and may be subject to an enforcement application made to the court, but no penalties are provided under the relevant PRC laws and regulations. Our PRC Legal Adviser is of the view that if we can pay the outstanding balance to the relevant authorities within a certain period of time when we are required to do so, the likelihood of us being subject to penalties by the relevant government authorities is remote. As of the Latest Practicable Date, no administrative action or penalty had been imposed or, to the knowledge of our Directors, was expected to be imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any order to settle the deficit amount.

We confirm that, as of the Latest Practicable Date, (i) we had obtained compliance certificates or credit reports from relevant authorities in China, confirming that we had not been subject to any fines or penalties imposed by the relevant government authorities with respect to social insurance and housing provident fund-related laws and regulations in China; (ii) no employee had raised any material disputes against us regarding social insurance and housing provident fund matters, and we had not received any litigation documents related to material labor disputes (especially those related to social security and housing provident fund contributions); and (iii) subsequent rectification will be carried out by us in accordance with applicable laws and regulations and the requirements of relevant competent authorities. Based on the foregoing, our PRC Legal Adviser is of the view that the likelihood that we or our major subsidiaries would be subject to centralized collection of the historical shortfalls of social insurance and housing provident fund contributions or material administrative penalties due to failure to make full social insurance and housing fund contributions is remote. Accordingly, we believe that there is no need to make provisions for the social insurance and housing provident fund contributions.

We have taken the following internal control enhancement measures relating to social insurance and housing provident fund contributions:

- We have designated our human resources department to monitor the reporting and contributions of social insurance and housing provident fund;

- We will consult our PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments; and

- We will actively communicate with relevant social insurance and local housing fund authorities to ensure we have the most updated information about the relevant laws and regulations concerning social insurance and housing fund. If the relevant authorities order us to pay the outstanding social insurance and/or housing provident fund contributions or take any rectification measures in accordance with applicable laws and regulations, we undertake to make such payments or take such rectification measures promptly within the specified period.

See also "Risk Factors — 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."

We believe that we have maintained good working relationships with our employees. During the Track Record Period and as of the Latest Practicable Date, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations. Save for two China-based subsidiaries, our employees had not established any labor unions up to the Latest Practicable Date.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Structure

We are committed to incorporating the philosophy of environmental, social and governance ("**ESG**") into our management system and integrating ESG ideas into our operation. Our Board holds ultimate responsibility for all ESG and climate-related issues within our Group. Our Board is responsible for establishing the regulatory system for ESG and climate-related issues, resolving and approving our management policies, strategies and targets related to ESG and climate-related issues, including assessing, prioritizing and managing material ESG and climate-related issues, risks and opportunities. Additionally, our Board oversees and annually reviews the ESG performance and progress of ESG targets.

We have established an ESG governance structure. The Board has ultimate oversight of ESG and climate-related matters, including, among other things, the assessment of ESG risks and opportunities, and reviews ESG performance and targets regularly. The Strategy and ESG Committee supports the Board in formulating ESG strategy and overseeing implementation, while the Strategy and ESG working group coordinates execution and reporting.

The Board has received training on ESG and climate-related disclosure rules and engaged an external consultant to support the Strategy and ESG working group.

Materiality Assessment

A comprehensive materiality assessment has been conducted to better understand the needs and expectations of our stakeholders. We have engaged an independent ESG consultant to assist in conducting a materiality assessment in accordance with the Listing Rules. This involves a questionnaire to collect stakeholders' concerns and expectations, for the subsequent determination of material issues by our Group. The materiality assessment process involves identifying potential ESG issues relevant to our operations and stakeholders, engaging a wide range of stakeholders through questionnaires to evaluate the significance of each issue, analyzing their feedback to prioritize key concerns, and reviewing and identifying material issues for further action and disclosure.

Based on the results of the materiality assessment as below:

- **Product quality and safety**: Product quality is of utmost importance in our business, and that includes ensuring compliance and strengthening regulation and monitoring. We ensure that our products comply with relevant regulatory standards and quality requirements, and through relevant standards and procedures.

- **Customer service**: We understand customers' satisfaction with our products, handle customer feedback promptly, better understand customer needs and expectations, and improve customer satisfaction.

- **Intellectual property protection**: We consider intellectual property as a crucial business asset, including protecting innovation and R&D outcomes and preventing intellectual property infringement. We establish internal policies to ensure that our trade secrets and intellectual property are adequately protected.

- **Information safety and data privacy**: We strictly comply with all relevant data security and privacy laws and have developed robust internal policies and systems to safeguard company and customer information access control, cybersecurity training, and regular security reviews.

- **Business ethics and anti-corruption**: We uphold high standards of business ethics with a zero-tolerance policy towards bribery, supported by comprehensive internal policies.

- **Employee right protection**: We strictly comply with employment-related laws and regulations and place high priority on protecting employee rights in the workplace. We develop clear policies on staff management and offer competitive compensation packages with various benefits. We focus on the career development of our employees and provide them with various functional and skill training.

Environmental Protection

We comply with the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and other related environmental protection laws and regulations, as well as other regulatory requirements in our business operations. We have formulated the "Environmental Protection Measures Guide" (《環境保護措施細則》) to strengthen our environmental protection work. Our Company has obtained ISO 14001:2015 environmental management system certification.

In the past three years, our Group has not (i) violated any laws or regulations regarding the emission of exhaust and greenhouse gases, the discharge of pollutants into water and land, and the generation of hazardous and non-hazardous waste in all material aspects; (ii) experienced any significant events affecting the environment and natural resources; or (iii) received any notices of environmental fines or litigation.

Waste Management

Our operation generates both non-hazardous and hazardous wastes. For non-hazardous waste, we place it in the designated containers, and the property management company will handle its collection, which is then managed and processed by an outsourced cleaning company for centralized management. For hazardous waste, we entrust qualified third-party agencies to properly process and handle the wastes. We use fully enclosed waste packaging to prevent leakage during the collection, storage, and transportation of hazardous waste.

Energy and Greenhouse Gas Emissions Management

We are committed to energy conservation and greenhouse gas ("**GHG**") emission reduction, adopting a series of energy-saving and GHG emission reduction measures. For example, our UK subsidiary, Penlon, uses 100% renewable electricity. We also optimise electricity consumption by scheduling production shifts to avoid peak loads, adopting energy-efficient LED lighting, and ensuring production electrical equipment is installed and monitored in accordance with applicable requirements. In addition, we require power to be switched off when offices are unoccupied and after working hours, and we provide appropriate incentives to encourage employees' energy-saving initiatives.

Water Resources Management

We have implemented water-saving measures, including promoting water conservation awareness, monitoring water consumption through regular tracking and taking corrective actions where necessary, installing water meters and considering water-source layout in new facilities, and conducting regular inspections of water-using equipment with prompt leak repairs.

Environmental Metrics

We prepare our greenhouse gas inventory based on the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development, as well as How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs developed by the Stock Exchange.

Set forth below are the environmental quantitative indicators for our offices and production facilities during the Track Record Period.

	Unit	For the year ended December 31,			For the Three Months Ended March 31,
		2023	2024	2025	2026
Electricity	kWh	9,406,852.71	11,488,886.91	11,734,299.96	2,815,318.57
Electricity Consumption Intensity	kWh/Million RMB Revenue	7,162.78	8,210.10	7,247.19	6,666.28
Electricity Consumption Intensity per unit revenue (YoY)	%	-6.70%	14.62%	-11.73%	-8.02%
Water	m^3	57,938.52	53,242.87	79,782.50	21,224.37
Water Consumption Intensity	m^3/Million RMB Revenue	44.12	38.05	49.27	50.26
Water Consumption Intensity per unit revenue (YoY)	%	-0.99%	-13.76%	29.51%	1.99%
Total Greenhouse Gas Emissions (Scope 1 and 2)	tCO_2e	5,114.66	6,199.71	6,219.89	1,491.05
Scope 1	tCO_2e	216.72	184.16	153.77	38.86
Scope 2	tCO_2e	4,897.94	6,015.55	6,066.13	1,452.19
Greenhouse Gas Emissions (Scope 1 and 2) Intensity	tCO_2e/Million RMB Revenue	4.13	4.43	3.84	3.53
Greenhouse Gas Emissions (Scope 1 and 2) Intensity per unit revenue (YoY)	%	-6.56%	13.76%	-13.29%	-8.09%
Gasoline	L	46,961.43	35,313.40	29,593.21	8,950.39
Diesel	L	6,028.35	4,399.64	2,153.10	0.00
Natural Gas	m^3	36,149.04	42,148.55	36,802.10	7,732.55

Notes:

(1) Scope 1 emissions refer to direct GHG emissions primarily from the direct energy consumed in our operations (including GHG from the combustion of fossil fuels from stationary and mobile sources, and fugitive gas emissions from refrigerants).

(2) Scope 2 emissions refer to indirect GHG emissions mainly from purchased electricity consumption.

(3) The YoY changes for the three months ended March 31, 2026, are presented for reference purposes only. Due to the unavailability of corresponding comparative-period data, these changes are currently based on a comparison with the year ended December 31, 2025. The YoY analyses will be updated when the relevant comparative-period data becomes available.

Our GHG emission intensity (Scope 1 and 2) was 4.43 tCO_2e per million RMB revenue in 2024, lower than the industry peers' average of 4.78 tCO_2e per million RMB revenue. Our electricity and water consumption intensities were 8,210.10 kWh per million RMB revenue and 38.05 m^3 per million RMB revenue, respectively in 2024, lower than the peers' average of 8,529.27 kWh per million RMB revenue and 66.59 m^3 per million RMB revenue, respectively.

We ensure that all hazardous waste generated during production operations is properly disposed of. We generated hazardous waste amounts of 27,042.35 kg, 30,949.53 kg, 56,302.25 kg and 29,346.70 kg in 2023, 2024, 2025 and for the three months ended March 31, 2026, respectively.

We set targets with reference to the existing operating model and industry peers' ESG targets. Based on environmental data from the past three years and maintaining a comparable level of operation. Our ESG goals are as follows:

- **GHG Emissions:** Reduce GHG emission intensity by 3% by 2027 compared to 2024.
- **Energy Usage:** Reduce energy emission intensity by 3% by 2027 compared to 2024.
- **Water Usage:** Reduce water consumption intensity by 3% by 2027 compared to 2024.

To achieve environmental targets, we have implemented a range of energy-saving and emission-reduction initiatives. These include controlling device standby time, upgrading to high-efficiency devices, introducing variable-frequency and smart controls for the HVAC system, and optimizing the lighting system, all of which have led to an overall reduction in energy consumption. In addition, we have invested in a rooftop distributed photovoltaic power station to increase the share of green electricity. For water conservation, we have recycled concentrate water and strengthened water management in production and office facilities.

The financial impact is mainly reflected in the initial capital expenditure required to achieve targets of energy usage, GHG emissions and water usage. These investments are expected to improve operational efficiency and reduce resource consumption and generate operational cost savings in the medium and long term. In terms of non-financial impact, these measures will enhance operational resilience, elevate our brand reputation, and ensure that our business model aligns with the long-term trend of sustainable development.

During the Track Record Period, our Group's business was in a rapid development phase, with uncertainties in operations and energy consumption. Accordingly, we have set measurable environmental targets, including reducing GHG emission intensity, energy consumption intensity, and water consumption intensity by 3% by 2027 compared to the 2024 baseline. These targets are based on key assumptions of stable business operations without major changes and reference the targets of industry peers.

Regarding the cost of achieving these environmental targets, we have undertaken proactive investment planning. In the first half of 2025, we invested approximately RMB5 million in the construction of a 2.2 MW photovoltaic power station, which is expected to generate over 2.2 million kWh of green electricity annually, contributing to the achievement of our greenhouse gas emission reduction and energy usage targets. The costs for the energy saving measures are not material in comparison to the overall energy costs, and the payback period for the solar panels' investment is approximately five years.

Climate Change

We place great importance on managing climate change and recognize that climate-related physical risks (e.g. typhoons, floods and extreme heat) and transition risk (e.g. Regulatory risk, Reputation risk and Market risk) may affect our operations, supply chain stability, asset integrity and compliance costs. To mitigate these risks, we enhance emergency response arrangements, monitor relevant weather conditions in operating locations, conduct closer inspections during hot weather, and implement appropriate logistics arrangements for temperature-sensitive medical products and materials. We also monitor climate-related regulatory developments and regularly disclose and review greenhouse gas emissions to support timely operational adjustments and compliance planning.

Employment

As of March 31, 2026, we had a total of 2,213 employees. As of the same date, we had 1,070 male employees and 1,143 female employees, representing approximately 48.4% and 51.6% of our total employees, respectively.

Our employee handbook sets out policies for managing staff and ensuring workplace equity. We offer competitive compensation packages that include stable wages and various benefits. These benefits cover paid leave, such as vacation, sick leave, personal leave, and maternity/paternity leave. Additionally, we provide insurance in accordance with local laws and regulations, including social insurance.

Occupational Safety

We are committed to maintaining a safe workplace by complying with occupational safety laws and enforcing internal policies such as the employee and safety handbook, which cover workplace safety, equipment maintenance, safety training, and annual health examinations. Our Health and Safety Committee provides recommendations to management for continuous improvement. We also address work-related stress through confidential counselling services. Annual physical examinations are fully covered by the Company.

Supply Chain Management

We have also developed strict standards for the selection of suppliers, supplier quality requirements and supplier performance evaluation. We require suppliers to comply with relevant environmental protection laws and regulations and adhere to the principle of integrity. If the products submitted by the supplier do not meet the environmental protection laws and regulations, the supplier shall compensate us for the losses incurred and shall bear all relevant legal responsibilities. We regularly monitor the environmental and social risks of the supply chain through supplier audits, including requesting the suppliers to update environmental certifications regularly according to Supplier Management Work Specifications (《供應商管理工作規範》) and sign Letter of Commitment (《環保承諾書》). We conduct annual performance evaluations of suppliers to ensure that they meet our business requirements. Besides, we require suppliers to submit environmental test reports and environmental declaration or relevant materials and we will increase environmental requirements for materials with relatively high environmental risks to use more environmentally friendly products and services throughout the supply chain.

Business Ethics

We have developed internal policies, including the Anti-Bribery Management Guidelines (《麥科田反商業賄賂管理指引》). Additionally, we have established the Anti-Bribery Compliance Manual (《麥科田反商業賄賂合規手冊》). Furthermore, we have set up the Code of Conduct for Partners (《合作夥伴行為準則》). This code clearly outlines the anti-bribery standards that our business partners must adhere to and requires business partners to sign this code of conduct.

We firmly reject any form of commercial bribery, bribery-taking, or other improper business practices. During the Track Record Period and up to the Latest Practicable Date, we fully complied with the laws and regulations prohibiting commercial bribery and did not engage in any law violations.

We have established the Commitment to Integrity and Self-Discipline (《廉潔自律承諾書》), which prohibits employees from seeking or accepting any personal benefits or gifts based on their positions or roles within our Group. We strictly prohibit the provision or acceptance of any payments or gifts with bribery, kickbacks, secret commissions, or personal interests. Furthermore,

we encourage employees and business partners to report commercial bribery. We strictly maintain the confidentiality of the whistleblower's identity, and the information provided in the report, including the name, department, and company names remains confidential throughout the entire process.

PROPERTIES

Owned Properties

As of March 31, 2026, we owned (i) the land use rights of three parcels of land in Shanghai and Changzhou, China, with an aggregate land use area of approximately 77,367 sq.m.; and (ii) five buildings in China, with an aggregate gross floor area of approximately 117,420 sq.m. Our properties are mainly used as our manufacturing centers, R&D centers and offices. As confirmed by our PRC Legal Adviser, we had obtained valid legal titles to these properties and land use rights for the land occupied by these buildings, and that we are entitled to legally occupy, use, benefit from, transfer, lease, pledge or otherwise dispose of these properties.

Leased Properties

As of March 31, 2026, we leased 32 properties for our operational needs in China, with an aggregate gross floor area of approximately 54,131 sq.m. We also leased one property in Abingdon, Oxford, UK as our R&D and manufacturing center as well as offices in the Netherlands, Indonesia, Colombia, Thailand and Belgium, respectively. Our lease agreements in respect of these leased properties generally have expiration dates ranging from one year to 18 years. During the Track Record Period and up to the Latest Practicable Date, we did not experience material difficulties in negotiating the renewal of our leases with our landlords.

As of March 31, 2026, the relevant lessors of our six leased properties for operational purposes had not provided relevant title ownership certificates or other similar proof of such leased properties to us, with an aggregate gross floor area of approximately 18,293 sq.m., representing approximately 33.8% of the total gross floor area of our leased properties for our operational needs. Among these six leased properties, five leased properties are used for office premises and do not involve any manufacturing or production activities. Therefore, the use of these properties does not require us to obtain any safety-related filings, approvals or permits under applicable PRC laws and regulations. The remaining leased property in Hunan is used as a manufacturing plant, for which we have obtained the Medical Device Manufacturing License from the relevant medical products administration and other necessary permits required for production activities. As advised by our PRC Legal Adviser, it is the lessors' responsibility to obtain the appropriate title certificates, and we, as the tenant, will not be subject to any administrative punishment or penalties because of the lessors' failure to obtain or to provide the relevant title ownership certificates. We, however, face uncertainties with respect to our leases if a third party claims rights to or challenges the lease. In the worst-case scenario, if the lessors were found out not to have the requisite rights to lease these properties, our relevant lease agreements with them may be deemed invalid, and as a result we may be required to vacate these leased properties. During the Track Record Period and up to the Latest Practicable Date, we had not encountered any disputes or termination of leases with respect to these leased properties as described above. Our Directors believe that these situations described above will not materially affect our business and results of operations, on the grounds that: (i) during the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, our leases with respect to the above-mentioned leased properties had never been challenged by any third parties; (ii) these leased properties are geographically dispersed in different cities, the relocation of which is not expected to cause any material interruption to our R&D, manufacturing or sales plans; and (iii) there are multiple site candidates close to these leased properties at substantially the same rental prices, and we believe we would be able to relocate to different sites relatively easily should we be required to do so. We will continue to use commercially reasonable efforts to request our lessors to provide us with the relevant title ownership certificates, and to

identify suitable alternative locations for these properties. For details of the relevant risks, see "Risk Factors — Risks Relating To Our Business and Industry — Our leased property interests may be defective and our right to lease or use the properties may be challenged."

As of March 31, 2026, lease agreements for our 31 leased properties for operational purposes in China had not been registered with the relevant PRC governmental authorities, with an aggregate gross floor area of approximately 53,331 sq.m., representing approximately 98.5% of the total gross floor area of our leased properties for our operational needs. As advised by our PRC Legal Adviser, under the PRC Civil Code, failure to register the lease agreements with the relevant PRC government authorities does not affect the validity and enforceability of the relevant lease agreements. However, the relevant PRC government authorities may order us or the lessors to, within a prescribed time limit, register the lease agreements, and may impose a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease agreement if we fail to complete such registration. In the event we fail to register the lease agreements according to the relevant regulatory requirements, we may be subject to a maximum aggregate fine of RMB0.3 million. Our Directors are of the view that the unregistered leases will not individually or collectively have a material adverse impact on our business or financial conditions.

As of March 31, 2026, we had no single property interest with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Hong Kong Listing Rules to include in this Document any valuation report. Pursuant to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this document is exempt from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our interests in land or buildings.

INSURANCE

We maintain insurance policies that are required under PRC laws and regulations as well as policies based on our assessment of our operational needs and industry practice. We are subject to the social insurance system of the PRC and are required to make contributions for our employees toward pension, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance. In addition, we maintain product liability insurance and cargo insurance for export products as well as property insurance. We review our insurance policies from time to time in order to adequately address the breadth of coverage. We consider that our existing insurance coverage is in line with industry norms and is sufficient for our present operations.

During the Track Record Period and up to the Latest Practicable Date, save for the insurance claim filed by Penlon, we had not made or been the subject of any material insurance claims. For details of the insurance claim, see "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss — Other Income and Gains" and "Financial Information — Discussion of Certain Selected Items From the Consolidated Statements of Financial Position — Prepayments, Other Receivables and Other Assets." As our business expands, we will regularly review and assess our risk portfolio and adjust our insurance practice based on our needs and industry practice. For insurance related risks, see "Risk Factors — Risks Relating to our Business and Industry — Our insurance coverage may not be sufficient to cover all losses associated with our business operations" in this document.

LICENSES, PERMITS AND APPROVALS

We operate in a heavily regulated industry, and accordingly, are required to obtain various licenses, permits, approvals and certifications from relevant regulatory authorities in the jurisdictions where we have operations.

In China, we are required to obtain registration certificates for Class II and III medical devices and complete record-filings for Class I medical devices with relevant regulatory authorities to commercialize our medical device products. According to applicable PRC laws and regulations, the Class I record-filings will remain effective provided that we continue to comply with the record-filing obligations for subsequent amendments to filed materials, and the registration certificates for Class II and III medical devices are valid for five years and subject to renewal. In addition, we are required to maintain a number of licenses, permits, approvals and proof of record-filings for our production and operations, including the Medical Device Production (醫療器械生產許可證), and the Business Operation License of Medical Devices (醫療器械經營許可證). For details of the relevant laws, regulations, and requirements, see "Regulatory Overview" in this document. In addition, we are required to obtain CE markings, FDA approvals and/or other registration certificates pursuant to the regulatory requirements of our overseas markets.

As of March 31, 2026, we had completed record-filings for 32 Class I medical devices and held 238 and 59 valid NMPA registration certificates for Class II and Class III medical devices, respectively. In addition, we held 40 valid FDA approvals and 311 valid CE-marked products. In general, Class I medical devices in China remains valid upon record filing, while Class II and Class III medical device registrations are valid for five years and subject to renewal in accordance with applicable PRC laws and regulations. CE markings typically have a validity period ranging from one to five years, depending on factors such as the risk classification of the product, the applicable EU directives or standards, and whether any material changes have been made to the product or manufacturing process. FDA approvals granted to our products remain valid unless there is a material change in the intended use, design, manufacturing process or labeling of the approved product, or a withdrawal by the FDA or the applicant. As of the Latest Practicable Date, all necessary certificates and approvals remained valid and in effect. We will continue to monitor the expiration dates of our registration certificates and renew them on a timely basis prior to their expiry in order to ensure validity.

As confirmed by our PRC legal Adviser, we have obtained all necessary licenses, permits, approvals and certificates from, or made all necessary filings with, relevant competent regulatory authorities for our business operations in China during the Track Record Period and up to the Latest Practicable Date. In addition, we had obtained requisite licenses, approvals and certificates to sell our products to relevant overseas jurisdictions, and we did not experience any material difficulties in obtaining, making or renewing such licenses, permits, approvals, certificates and filings during the Track Record Period and up to the Latest Practicable Date.

OUR BUSINESS ACTIVITIES WITH REGIONS SUBJECT TO INTERNATIONAL SANCTIONS

The United States and other jurisdictions or organizations, including the European Union, the United Kingdom, the United Nations and Australia, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against such countries or against targeted industry sectors, groups of companies or persons, and/or organizations within such countries. The United States also has enacted secondary sanctions targeting non-U.S. persons who have engaged in certain sanctionable activities related to the Comprehensively Sanctioned Countries, certain targeted sectors, or sanctioned entities designated on the SDN List.

During the Track Record Period, we sold certain our products to certain customers located in countries/regions subject to International Sanctions, Iran, Syria, Belarus, Egypt, Iraq, Lebanon, Libya, Myanmar, Nicaragua, Russia (excluding the Crimea region), South Sudan, Somalia, Tunisia, Turkey, Ukraine (excluding the Crimea region), Venezuela and Yemen (collectively, "**Relevant Regions**"). Since none of our customers at the time of transaction are designated on the SDN List, only operations in certain targeted sectors in Iran, Syria, Russia are subject to secondary U.S. sanctions risks regardless whether any U.S. nexus were involved. Revenue attributable to such sales to the Relevant Regions represented approximately 2.4%, 2.5%, 1.9% and 2.9%, respectively, of our

total revenue for the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026. Revenue attributable to sales to the United States was RMB19,799 thousand, RMB13,276 thousand, RMB18,371 thousand and RMB7,290 thousand and represented approximately 1.5%, 0.9%, 1.1% and 1.7% of our total revenue for the same period, respectively. As advised by our International Sanctions Legal Adviser, our sales of medical devices to the Relevant Regions during the Track Record Period did not represent a violation to primary U.S. sanctions and are unlikely to expose us to secondary U.S. sanctions risks on the basis that: (i) our customers for all of these were not designated under sanctions laws administered by the United States; (ii) our sales of medical devices to Iran were authorized by a general license in the Iranian Transactions and Sanctions Regulations ("**ITSR**") set forth in 31 Code of Federal Regulations ("C.F.R." or "CFR") § 560.530(a)(3); (iii) our sales of medical devices to Syria were authorized by a general license in the Syrian Sanctions Regulations ("**SySR**") set forth in 31 C.F.R. § 542.525; and our sales of medical devices to Russia were authorized by General License No. 6D of Russian Harmful Foreign Activities Sanctions Regulations 31 CFR part 587; and (iv) there are general policy objectives to authorize sales of medical devices given the humanitarian nature of the products involved. For our sales of medical devices in Relevant Regions other than Iran, Syria and Russia, which are subject to list-based sanctions programs only, no licenses are required since our customers are not sanctioned entities. As of the Latest Practicable Date subsequent to the Track Record Period, there are no material changes to our business in relation to the Relevant Regions.

Besides, our customers located in the Relevant Regions were also not designated under sanctions laws administered by the European Union, the United Nations and Australia. Based on the reasons above, as advised by our International Sanctions Legal Advisers, (i) our sales of medical devices to the Relevant Regions are unlikely to result in the violation of, or sanctions designation under, applicable sanctions laws administered by the United States, the European Union, the United Nations and Australia; and (ii) our business activities did not constitute Primary Sanctioned Activities that represent a violation to the applicable International Sanctions and are unlikely to be viewed as Secondary Sanctionable Activities during the Track Record Period.

As of the Latest Practicable Date, we have ceased our sales to Comprehensively Sanctioned Countries, and neither we nor our Directors have received any notice of penalties or enforcement action related to our historical sales to the Relevant Regions. We do not intend to undertake any future business with any Comprehensively Sanctioned Countries, Sanctioned Targets or other business that could cause us to violate the applicable International Sanctions.

Trade, Tax and Investment Regulatory Exposure

Set out below is a detailed analysis of our exposure to tariffs, transfer pricing, import/export restrictions, and U.S. Outbound Investment Rule (the "OIR").

- **Tariffs**. We primarily conduct export transactions under trade terms such as Ex Works (EXW), Free on Board (FOB), and Cost, Insurance and Freight (CIF). Under these terms, any tariffs or import-related charges, if applicable, are typically borne by the buyer. In addition, our exported products, such as medical devices, fall within tariff-exempt categories in certain overseas markets. Furthermore, our exposure to markets with evolving tariff policies, such as the United States, is highly limited. In 2023, 2024 and 2025 and the three months ended March 31, 2026, revenue generated from sales to customers in the United States was RMB19.8 million, RMB13.3 million, RMB18.4 million and RMB7.3 million, respectively, representing only 1.5%, 0.9%, 1.1% and 1.7% of our total revenue, respectively. We did not incur any tariffs in connection with our overseas sales during the Track Record Period. In light of the foregoing, we reasonably believe that our exposure to tariff-related risks in connection with overseas sales is remote, and specifically, that U.S. tariff policies have not had, and are not expected to have, a material adverse impact on our business, results of operations or financial position.

- **Transfer pricing**. We have engaged an independent consultant to formulate a related-party transaction policy in accordance with the arm's length principle and international practices, with a view to regulating cross-border transactions among our subsidiaries in the PRC and overseas. In addition, we have adopted a transfer pricing policy that reflects the comparable prices typically charged between independent third parties for the provision of similar services or goods under fair market conditions. During the Track Record Period, all such intra-group transactions were conducted in accordance with our related party transaction policy and transfer pricing policy. We believe that the pricing of such transactions was consistent with the arm's length principle and, to the best of our knowledge, there were no transfer pricing adjustments imposed that would give rise to additional tax liabilities under the applicable transfer pricing laws and regulations. As such, we are of the view that we were not subject to any material risk of underpayment of corporate income tax in the relevant jurisdictions during the Track Record Period.

- **Import/Export Restrictions**. While we remain attentive to global market developments, our exposure to export controls and import restrictions is limited due to the following: (i) our products, as medical devices, generally fall within the tariff-exempt categories and do not fall within categories that are typically subject to security-related export controls or licensing regimes; (ii) in addition, our global footprint is geographically diversified, and we do not rely on a single export market or politically sensitive region for a material portion of our revenue; (iii) we have implemented compliance protocols to screen customers and transactions against applicable export control and sanctions lists; and (iv) we confirm that we do not export, import, procure, source or otherwise rely on (a) any software, technology, goods, or services which may be deemed as controlled items as defined under the Export Control Law of the PRC to include dual-use items, military items, nuclear items, technologies, services, and any items related to the maintenance of national security and national interests and to the performance of anti-proliferation obligations, or (b) any U.S.-origin software, technology or goods, or foreign-made software, technology or goods that are exported from the United States or contain certain U.S. content. During the Track Record Period, our procurement of U.S.-origin parts and components was immaterial, accounting for less than 5.0% of our total procurement amount. We confirm that these are standard, commercially available items not subject to stringent U.S. export controls. We maintain a diversified supplier base and can readily source comparable alternatives from non-U.S. suppliers without material disruption to our operations.

- **OIR**. We confirm that our business operations, products, and services do not involve the research, development, production, or sale of any technologies falling within the scope of the OIR. Consequently, based on the nature of our business, we have concluded that the OIR is not applicable to our Group. We will continue to monitor the regulatory landscape to ensure ongoing compliance.

Based on the foregoing analysis, we are of the view that our exposure to potential regulatory risks in connection with tariffs (especially the U.S. tariffs), transfer pricing, import/export restrictions and OIR has not had, and is not expected to have, a material adverse impact on our business, results of operations or financial position. That said, we are aware that tariffs, import and export restrictions and related regulatory frameworks have been tightening in recent years. As such, there remains a degree of uncertainty going forward.

LEGAL PROCEEDINGS AND REGULATORY COMPLIANCE

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any non-compliance incidents that had led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial costs and diversion of our resources, including our management's time and attention. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any litigation, arbitration or administrative proceedings against us that could have a material adverse effect on our business, financial condition or results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established risk management and internal control systems tailored to our business needs, incorporating policies and procedures aimed at ensuring legal compliance, intellectual property protection, information technology security, human resource management, financial reporting accuracy, and overall internal governance. These systems are subject to ongoing refinement to align with our operational demands. Our Board of Directors oversees the establishment and periodic review of these systems, while our senior management monitors their effective daily execution across subsidiaries and functional departments. The heads of each functional department, business unit and subsidiary are responsible for the related risk control in their respective areas.

To monitor the continuous implementation of risk management and internal control after the [**REDACTED**], we have adopted or will continue to adopt, among other things, the following risk management measures:

- establish an audit committee to review and supervise our financial reporting and internal control system. For the qualifications and experience of these members, see "Directors and Senior Management;"

- adopt corporate governance policies to guarantee compliance with continuing obligations as stipulated by the Listing Rules, including but not limited to the establishment of board committees, the adoption of rules of procedures and policies in relation to risk management, connected transactions, investments and information disclosure;

- provide regular anti-corruption and anti-bribery compliance training for senior management and employees in order to enhance their knowledge of and compliance with applicable laws and regulations; and

- arrange for our Directors and senior management to attend training seminars on Listing Rules requirements and the responsibilities as directors of a Hong Kong-[**REDACTED**];

To ensure the above compliance culture is embedded into everyday workflow and set the expectations for individual behavior across the organization, we will regularly conduct internal compliance checks and inspections, adopt strict internal accountability and conduct compliance training.

Legal and Compliance Risk Management

To manage compliance and legal risks, we adopted internal procedures, ensuring our operations align with applicable laws and regulations. Our in-house legal team reviews and updates the form of contracts we enter into with clients, suppliers, and business partners. Our in-house legal team's responsibilities encompass legal assistance for major projects, dispute resolution, intellectual property protection, corporate governance compliance, overseas regulatory landscape navigation, and support for subsidiaries' compliance. Their daily tasks include reviewing business

processes and contracts and analyzing daily legal queries. Additionally, our legal team is responsible for obtaining and maintaining the requisite administrative certificates and approvals for our business operations. We also continuously improve our internal policies in response to changes in laws, regulations, and industry standards, and update internal templates for legal documents.

Information System Risk Management

Sufficient maintenance, storage and protection of user data and other related information are critical to our success. For risks relating to information systems, see "Risk Factors — Risks Relating to our Business and Industry — 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 have implemented relevant internal procedures and controls to ensure that user data is protected, and that leakage and loss of such data are avoided. In particular, we have installed encryption software on the computers of key functional departments, including, among others, R&D, human resources, procurement, and finance. The transmission and decryption of files for external purposes require prior approval, and all transmission records are archived. We monitor the execution of our information security policies and provide regular training and technical support to our business operations teams. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of user data.

Data Privacy and Security Risk Management

We have designed strict data protection policies to ensure that the collection, use, storage, and processing of medical data comply with applicable laws and prevailing industry practices. We have adopted comprehensive data privacy and protection policies and have established a management system to enforce our data privacy and protection measures. We also organize training from time to time to ensure privacy compliance and data security.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any breach of confidential data or personal information or any related incidents which could have had a material adverse effect on our business, financial condition or results of our operations, and we had complied with laws and regulations related to data security and privacy with respect to our products, systems and operations in all material aspects. During the Track Record Period and up to the Latest Practicable Date, we had not transmitted any personal information collected or generated in the course of our operations in Chinese Mainland to any overseas entity, organization or individual. Such data are properly stored within Chinese Mainland, and, no overseas entity, organization or individual has access to, or is able to query, retrieve, download or export any such data. As confirmed by our PRC Legal Adviser, during the Track Record Period and up to the Latest Practicable Date, we had not incurred any related administrative penalties. For details of laws and regulations regarding data privacy and protection, see "Regulatory Overview — Other Laws and Regulations — Laws and Regulations on Information Security and Data Privacy" in this document.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial report management policies, expense management policies and treasury management policies. We have various procedures in place to implement such accounting policies, and our finance department reviews our management accounts based on such procedures. We also provide regular training to our finance department staff to ensure that they understand financial management and accounting policies and implement them in our daily operations.

Human Resource and Anti-Corruption Management

We have established human resources policies covering recruitment, training, work ethic and legal compliance. We maintain high standards in recruitment with strict procedures to ensure the quality of new employees and provide induction training and periodic training in relation to various compliance aspects. In addition, we provide regular and specialized training tailored to the needs of our employees in different departments. Our human resources department regularly organizes internal training sessions conducted by senior employees or outside consultants on topics of interest. Through this training, we ensure that our staff's skill sets remain up to date, enabling them to better discover and meet customers' needs.

We have in place an employee handbook and a staff code of conduct. The handbook contains internal rules and guidelines regarding work ethic, fraud prevention mechanisms, negligence, anti-bribery, and anti-corruption. We have implemented an anti-corruption policy that outlines prohibited conduct and the corresponding preventive and disciplinary measures, with the aim of safeguarding against corrupt practices within our Group. Under our firm-wide whistle-blowing policy, we make our internal reporting channel open and available for our employees to report on an anonymous basis, any non-compliance incidents and acts, including bribery and corruption. Reported incidents and persons involved will be investigated and appropriate measures will be taken in response to the findings. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any non-compliance with relevant laws and regulations that had a significant impact on us relating to corruption and bribery. We conduct periodic performance reviews for our employees.