An [**REDACTED**] *in our H Shares involves significant risks. You should carefully consider all of the information in this Document, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the "Financial Information" section, before deciding to* [**REDACTED**] *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In any such an event, the* [**REDACTED**] *of our H Shares could decline, and you may lose all or part of your* [**REDACTED**].

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated and is subject to the cautionary statements in the section headed "Forward-Looking Statements" in this Document.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks related to our business and industry; (ii) risks related to conducting business in jurisdictions where we operate; and (iii) risks related to the [**REDACTED**]. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

The clinical demand of our industry is constantly changing. If we are unable to respond effectively to these changes, our business, results of operations and financial condition will be adversely affected.

The medical device industry is intrinsically linked to human life and health and constitutes a vital component of the healthcare system. The industry is characterized by continuous demand for high-quality medical resources. This demand is, however, subject to fluctuations resulting from numerous factors, including, among others: (i) discoveries and advancements in basic medical science; (ii) innovations in diagnostic and therapeutic methods; (iii) shifts in clinical needs; (iv) development and changes in the regulatory policies governing medical devices and relevant stakeholders; (v) changes in the scope of medical insurance coverage and reimbursement policies; and (vi) price fluctuations due to market, political or other factors.

If we are unable to effectively anticipate and respond to changes and differences of clinical needs across these regions, our business, results of operations and financial condition may be adversely affected.

Our business operation is subject to evolving laws and regulations related to the medical device industry, and failure to obtain or maintain regulatory approvals could adversely affect our business prospects.

Major aspects of our operations, including product registration or filing, manufacturing, packaging, sales and distribution, pricing, environmental protection, among other things, are regulated by comprehensive local, regional and national regulatory regimes. We need to obtain permits, licenses, certificates or other regulatory filings for our products and solutions from the NMPA, the FDA, or the competent regulatory authorities in other jurisdictions where we sell our products and solutions.

For instance, in China, medical devices are classified into Class I, Class II and Class III depending on the degree of risk associated with each medical device and the extent of control needed to ensure safety and effectiveness. Class I medical devices need to be filed with the local branches at the prefectural city level of the NMPA before they can be commercialized. Class II and Class III medical devices are examined by the provincial branches of the NMPA and the NMPA, respectively, and are required to apply for registration certificates from competent authorities for commercialization. In order to obtain such registration certificates, Class II and Class III medical

devices are required to undergo product registration testing and clinical trials, unless they are exempted from clinical trials under the catalogue published by the NMPA. For certain high risk Class III medical devices, NMPA approvals are required before clinical trials can be carried out. See "Regulatory Overview — Regulations on Medical Devices". The filing and registration process may involve uncertainties, and may cost time and resources, and depends on numerous factors, some of which are beyond our control. We may fail to obtain regulatory approvals for various reasons, including disagreements over clinical trial designs, failure to demonstrate safety and effectiveness, insufficient clinical data, or failure of clinical sites to pass regulatory audits. There can be no assurance that authorities will approve the application for such permits, licenses and certificates in a timely manner, which could delay commercialization, damage our reputation, and result in impairment losses on our intangible assets. See "Business — Licenses, Permits and Approvals". Moreover, registration certificates for medical devices have a five-year term and must be renewed by filing renewal applications with the NMPA or its provincial branches at least six months prior to the expiry of the certificate. If the NMPA or its provincial branches decide not to grant the renewal, we will not be able to continue to manufacture and sell the relevant products, which would have an adverse effect on our business, financial condition and results of operations. Furthermore, approved products are subject to ongoing regulatory obligations regarding production, labeling, packaging, and post-market surveillance. Our facilities face continual regulatory inspections, and any later discovery of previously unknown safety issues could result in mandatory labeling revisions, distribution restrictions, or the withdrawal of our approvals.

Further, regulatory authorities outside of China, such as the FDA, the European Medicines Agency and other comparable authorities in jurisdictions where we operate, also have requirements for approval of medical devices. These requirements may vary from jurisdiction to jurisdiction, and can involve additional testing, validation and administrative review processes, which could be costly and time consuming. Failure to comply with relevant regulations or obtain or renew any permits, licenses and certificates may result in disruptions of our business.

In addition, the regulatory systems for the medical device industry in China and other jurisdictions where we operate are constantly evolving, and we expect it will continue to evolve. For instance, in China, in recent years, the healthcare regulatory framework has undergone significant development, including, with respect to quality control, supply, pricing and tender process for medical devices. We cannot predict the likelihood, nature or extent of regulatory changes that may arise from existing or future legislation. Furthermore, if the interpretation or implementation of existing laws and regulations changes or new regulations come into effect, we may be required to obtain any applicable permits, licenses or certificates. Failure to adapt to these changes or maintain compliance may result in the loss of regulatory approvals, increased compliance costs, and adverse effects on our financial condition. If we or others identify safety issues with our products and solutions, we may be forced to suspend sales and marketing, and regulatory authorities may cancel the registration certificates for such products and solutions.

If we fail to maintain technology leadership and our competitiveness in the medical device industry, our operating results may be adversely affected.

The global competitive landscape for medical devices is evolving rapidly. We face competition from both domestic and international competitors across most of our product lines based on safety and functionality, the timing and scope of the regulatory approvals, prices, sales and marketing capabilities, the availability and cost of supply, patent position and other factors. In general, we face pricing competition from domestic competitors, and competition on product quality and brand recognition from international competitors. In addition, some of our competitors may have, among other things, greater resources, stronger development, technological or manufacturing capabilities, or broader brand recognition than us. We may not be able to successfully compete with our competitors and cannot ensure you that we will be able to demonstrate compelling advantages in quality, functionality, convenience and/or safety to overcome price competition and to be commercially successful.

Our business, financial condition and operating results may be adversely affected if we fail to introduce new products and solutions on a timely basis or at all, or if our products and solutions under development fail to adapt to market demand and technological advancements.

The medical device industry is a multidisciplinary and technology-intensive sector, with long R&D cycles and high requirements for technological innovation and product development capabilities. The global medical device market is characterized by rapid technological change, frequent product launches and evolving industry standards. Our ability to continue to develop and launch new products and solutions and expand our offering portfolio is crucial to our continued success. We have invested significant resources in upgrading existing products and solutions and advancing new product and solution candidates, with total R&D spending amounting to RMB3,779.0 million, RMB4,008.3 million and RMB3,928.9 million for the years ended December 31, 2023, 2024 and 2025, respectively. If we fail to introduce new products and solutions or improve existing products and solutions in a timely manner, our products and solutions may become technologically obsolete or more vulnerable to competition, which could adversely affect our revenue and operating results. Our ability to commercialize any innovative or improved products and solutions may be constrained by regulatory restrictions on approved indications, entrenched clinical practices, uncertainties in medical insurance reimbursement or other factors.

Given the lengthy R&D cycle for innovative products and solutions, we face the risk of R&D failure due to deviations in technical pathways, excessive R&D costs or slow progress. Products and solutions currently under development may not be completed on time, or at all, or may fail to obtain the regulatory or other approvals required for commercialization. Competitors may seek marketing approvals in our markets for medical devices with the same intended use as our existing or pipeline products and solutions. Concurrent regulatory reviews of our products and solutions may prolong the registration process and delay approvals. In addition, competitors may obtain approvals from the NMPA, FDA or other regulatory authorities faster than we do, which could enable them to establish a strong market position or gain recognition in our target markets ahead of us. Accordingly, if we fail to launch innovative or competitive products in a timely manner, or if our products and solutions fail to meet market demand and evolving technological trends, our business prospects, financial condition and operating results may be affected.

We cannot guarantee that our new products and solutions will be commercially successful or that such products or solutions will yield the anticipated returns to cover our investment. In addition, our products and solutions may not receive market recognition from physicians or hospitals. Our competitors may launch new and competing products or solutions earlier than us or market such products or solutions in a more effective manner, or our end customers may prefer their products or solutions, which may have a negative impact on the pricing, market share or demand for our products and solutions. We may focus our efforts and resources on pipeline products or other potential technologies that ultimately prove to be unsuccessful, and our business, financial condition and results of operations may be adversely affected as a result.

We may be unable to manage our future growth effectively. Failure to execute our business strategies could have an adverse effect on our business prospects.

Our business growth requires managing complexities across all aspects of our business, including those associated with the development of new products, solutions and technologies, and our global expansions. Executing our business strategies requires significant time and attention from our management, and any failure to effectively execute our business strategies could adversely affect our business prospects.

In addition, the growth of our business places strains on our operational systems and processes, financial systems, internal controls and other aspects of our business. To effectively manage our growth, we must continue to improve our operational efficiency and strengthen our talent pool by effectively hiring, training and managing our personnel. The time and resources required to improve our existing systems and procedures, implement new ones and staff them adequately are uncertain. Failure to do so in a timely and efficient manner could adversely affect our operations and negatively impact our business and financial performance.

Furthermore, the advent of a new digital revolution led by artificial intelligence is reshaping the healthcare system, with digital transformation becoming an inevitable path to improving efficiency and service quality for medical institutions. If the AI technologies we apply fail to upgrade or iterate at a timely manner or at all, our offerings may lag behind competitors in terms of intelligence and clinical value, thereby weakening our competitiveness. This could in turn cause us to miss the next wave of growth opportunities and adversely affect our business prospects, financial condition and operating results.

We are exposed to risks of conducting our business and operations globally.

We expect that our international business will continue to grow in the foreseeable future, which will require significant management attention and financial resources worldwide. Our global operation and expansion may expose us to risks and uncertainties, including, among others, foreign policies, laws and regulations, changes in cultural climate or economic conditions, unfamiliarity with the market, and diversion of our resources and management's attention.

These and other risks may adversely affect our ability to attain or sustain revenue from international markets. If we are unable to successfully implement our global expansion strategies, our business prospects may be adversely affected.

Global trade and tariff risks may expose us to potential risks in business expansion and profitability.

Ongoing global trade policy uncertainties, including Sino-U.S. trade frictions, may pose potential threats to our business expansion and profitability. In April 2025, the United States announced broad tariffs on imports from all countries, comprising a 10% baseline tariff and varying reciprocal tariffs on certain trade partners, including a 125% tariff for most goods from the PRC. Other countries, including the PRC, announced retaliatory actions or plans for retaliatory actions. On April 9, 2025, the United States implemented a 90-day pause on the varying reciprocal tariffs except for those on Chinese goods, leaving the 10% baseline tariff in place. On May 12, 2025, China and the United States jointly announced a 90-day suspension of certain of their trade restrictions, so that the United States will impose tariffs of 30% on most Chinese imports during this period, while China will impose tariffs of 10% on U.S. imports. On August 12, 2025, the US-China tariff truce got extended for another 90 days until November 10, 2025, which was extended to a longer period to November 10, 2026 on November 2, 2025. If the United States further expands the scope of tariff impositions or raises tariff rates, long-term tariff costs may not be fully absorbed through our supply chain localization or product upgrades. This could increase our replenishment costs and, in turn, place pressure on the price competitiveness of our products.

In addition to tariffs, we face increasing market access barriers in certain overseas markets. For example, in terms of trade friction between China and the EU, the EU announced on June 20, 2025, the implementation of its International Procurement Instrument (IPI). This measure restricts Chinese companies from participating in public procurement projects valued at over €5 million in sectors such as high-end medical equipment and requires that the proportion of products and components from China in any successful bid not exceed 50%. In retaliation, China has also excluded EU companies from Chinese government procurement contracts exceeding RMB45 million. These reciprocal restrictions create significant market barriers and could adversely affect our net profit if we are unable to mitigate their impact.

Furthermore, certain of our raw materials are sourced from overseas suppliers, including those from the U.S. During the Track Record Period, amount of raw materials imported from the United States was consistently less than 5% of our total procurement amount. If bilateral trade restrictions escalate or risks of supply chain decoupling intensify, our production cycle may be extended, particularly affecting the stability of product delivery. At the same time, the U.S. market serves as both a technological benchmark and a brand stronghold. Policy fluctuations in the United States may indirectly impact our market expansion in emerging markets. For example, any delay in the FDA approval process for our Resona A20 product could weaken its clinical endorsement effect in regions such as Asia-Pacific and Europe, thereby slowing our penetration into overseas high-end customer markets. Deterioration of the global trade environment, coupled with regional policy barriers, may further increase the complexity of our international operations and potentially undermine our long-term growth momentum.

Public tender process is subject to multiple uncertainties, such as delay, cancel or interruption, many of which are out of our control, and we may not be successful in the public tender process, which may extend our sales cycle and adversely affect our operating results.

Medical devices are an essential component of the infrastructure of end-user medical institutions. In 2007, China started to adopt a centralized procurement regime in an effort to regulate prices of medical devices through group procurement at the provincial level. Most medical devices must be procured through public tender processes. A number of our products, such as the devices in the *in vitro* diagnostics sector and patient monitoring and life support sector, ultrasound and other medical imaging device, as well as intelli-digital solutions, must be supplied to end-hospitals through successful participation in such public tender procedures, and our bidding prices generally determine our maximum retail prices. In the European Union, various member states have adopted centralized procurement or joint procurement schemes for pharmaceuticals and medical devices, under which national health authorities or group purchasing organizations conduct public tenders and negotiate price reduction. Increasingly, EU-wide joint procurement mechanism reinforces price pressure by leveraging aggregated demand across multiple jurisdictions. In the United States, although the healthcare system is more fragmented, price negotiations and public procurement are also evolving. The Medicare program has recently been authorized under the Inflation Reduction Act to negotiate drug prices directly, a policy development that signals heightened pricing pressure on medical products more broadly. See "Regulatory Overview — Regulations on Medical Devices".

The public tender process is inherently complex and subject to multiple uncertainties, such as delay, cancel or interruption, many of which are out of our control. Significant disruptions of the public tender process may extend the period from the launch of our products and solutions to revenue realization. Due to the nature of public tender process, we cannot assure you that we could effectively mitigate such delays, and that such delays would not pose additional pressure to our business and financial conditions. In addition, any failure to satisfy the public tender process requirements may negatively impact our sales and hinder our ability to expand our overall sales network, and in turn, adversely affect our business and results of operations. Our bids during the public tender process may not be successful and our products and solutions may not be chosen for a number of reasons, including among other things, prices. Even if our products and solutions win the bids and are qualified for procurement by public hospitals and medical institutions in a particular region, there is no guarantee that such entities would purchase our products and solutions, as they have the sole discretion to select between our products and solutions and other qualified competing products.

If certain of our products and solutions or their related services fail to be timely included in, or are removed from, national, provincial or other government-sponsored medical insurance programs, or if reforms to medical insurance payment methods affect our pricing strategy and terminal prices, our revenue and profitability may be adversely affected.

The pricing strategy and terminal prices of certain of our products and solutions might be influenced by the scope of medical insurance programs. The scope of medical insurance is a key factor determining whether patients can afford treatment costs. As of December 31, 2024, diagnosis-related group (DRG) payment methods had been rolled out to many regions in China, with DRG payments accounting for over 80% of inpatient medical insurance expenditures in those regions. Specifically, in October 2024, the National Healthcare Security Administration initiated a nationwide regulation of medical service pricing, focusing on high-volume and high-cost testing items such as thromboelastography, glycated hemoglobin testing and B-type natriuretic peptide assays. Provincial governments were instructed to rationally lower prices and reduce regional disparities. The administration also indicated that medical service pricing would be continuously regulated based on changes in procurement costs of diagnostic equipment and testing reagents. At the same time, it will guide provinces to allocate a certain portion of the savings toward adjusting prices for nursing, outpatient and surgical services, thereby fostering a positive cycle of price optimization.

Going forward, with the implementation of policies such as DRG payment reforms, adjustments to the medical insurance catalog and nationwide reductions in medical examination fees, if certain of our products or their related services fail to be timely included in, or are removed from, national, provincial or other government-sponsored medical insurance programs, or if reforms to medical insurance payment methods adversely affect our pricing strategy and terminal prices, our revenue and profitability may be adversely affected.

Our products and solutions in the PRC may be further included in centralized volume-based procurement programs, or become subject to price supervision or other cost-containment policies, which could adversely affect our revenue, financial condition and results of operations.

In recent years, centralized volume-based procurement of drugs and medical consumables in the PRC has normalized. The policy framework has largely stabilized, the coverage has been continuously expanded, and the system has been optimized through a coordinated structure at the national, provincial and cross-regional levels. According to the Notice on Strengthening Regional Coordination and Enhancing the Quality and Coverage of Centralized Procurement of Pharmaceuticals in 2024 (《關於加強區域協同做好2024年醫藥集中採購提質擴面的通知》) issued by the National Healthcare Security Administration in May 2024, provincial alliance procurement is upgraded to nationwide joint procurement, extending to high-value consumables such as ultrasonic scalpels. The notice also clarified the division of responsibilities between national and local authorities while strengthening enforcement supervision and cross-regional collaboration to reduce redundant costs for enterprises and broaden the scope of centralized procurement. For further details regarding centralized procurement policies applicable to medical devices, please refer to "Regulatory Overview — Regulations on Medical Devices — Reform Plan on High-Value Medical Consumables and Centralized Procurement of Pharmaceuticals".

As of the Latest Practicable Date, certain of our products sold in the PRC, such as certain of our *in vitro* diagnostic reagents, minimally invasive surgical consumables, electrophysiology and vascular intervention products and other orthopedics materials, had already been included in centralized procurement programs, and the terminal prices of such products had been reduced accordingly. Going forward, with the continued normalization of centralized procurement policies, if the scope of centralized procurement expands, more of our products and solutions may be included, which may adversely affect our gross profit margin or overall financial condition and results of operations.

If our products and solutions fail to achieve synergies and effective ecosystem integration, and we are unable to gain sustained recognition from end customers, our market share and brand reputation may be adversely affected, which could adversely impact our revenue and profitability.

The commercial success of our products and solutions depends upon the degree of market acceptance they achieve in the medical ecosystem, particularly hospitals. We have pursued both external acquisitions and in-house R&D with the goal of building an ecosystem covering the full spectrum of clinical scenarios and positioning ourselves as a provider of intelli-digital solutions that enhance the overall diagnostic and treatment capabilities of medical institutions. However, if we fail to achieve effective cross-category synergies or ecosystem integration, the resulting clinical efficiency improvements may fall short of expectations. This could negatively affect our market penetration and commercialization progress, thereby undermining our market share and brand reputation.

Meanwhile, competition in the global medical device industry is intensifying. International competitors have established high barriers. If we are unable to develop differentiated competitiveness through our ecosystem integration strategy, we may face the risk of customers shifting preferences toward competing products. For example, in the high-value consumables sector, customers are increasingly sensitive to product performance and cost-effectiveness. If our "device + consumable" combination fails to achieve cost efficiency through economies of scale or enhance clinical value through innovation, we may not be able to gain sustained customer recognition, which could in turn erode our market share.

Ineffectiveness of our products and solutions, even due to mishandling or misuse by third parties, may cause damages to our reputation and adverse effects to our results of operations.

The success of our products and solutions is attributable to their ability to deliver consistent and reliable performance for hospitals, medical institutions, doctors and patients. Ineffectiveness, whether due to inherent product limitations, inconsistent outcomes, undetected malfunctions from clinical trials for certain products and solutions, or defective products escaping quality control, could result in suboptimal treatment results, patient harm or clinical failures. For instance, improper surgical techniques or inadequate training among physicians using our products and solutions may lead to poor performance of our products and solutions during procedures. Misuse or mishandling by medical staff, such as incorrect application of our products and solutions, could further diminish efficacy.

Such real or perceived ineffectiveness could erode confidence among hospitals, medical institutions, doctors and patients, leading to reduced recommendations or adoption of our products and solutions. Hospitals may opt for alternatives, further decreasing demand and sales of our products and solutions. Unforeseen malfunctions or isolated severe adverse events, even if caused by third-party errors, could trigger product liability claims, which may incur substantial legal costs and consume management resources. Moreover, negative publicity surrounding ineffective performance or perceived adverse events could damage our brand reputation, invite NMPA and other regulatory scrutiny, potential product recalls, or revocation of regulatory approvals for our products or manufacturing facilities. These consequences could diminish our market share and weaken our competitive position, causing adverse effects to our business, financial condition and results of operations.

If we fail to effectively implement and optimize our distribution management system, or fail to continuously maintain and expand our medical device distribution network, our sales and business prospects may be adversely affected.

We adopt different sales models depending on the specific circumstances of each country and region. As of December 31, 2025, we had 7,502 distributors worldwide. The performance of our distributors and the ability of our distributors to on-sell our products and solutions, uphold our

brand, expand their business and their sales network are crucial to the growth of our business and may directly affect our sales volume and profitability. Due to our dependence on our distributors for the sale and distribution of our products and solutions, any reduction, delay or cancellation of orders from our distributors, or our failure to renew distribution agreements, maintain good relationships with existing distributors, or timely identify and engage additional or replacement distributors upon the loss of one or more of our distributors, may cause material fluctuations or declines in our revenue or the sustainability of our growth and have an adverse effect on our business, financial condition and results of operations. In addition, a decline in our distributors' performance could lead to a decline in the productivity of our network of distributors and could have a negative impact on our results of operations.

We may experience challenges when developing our network of distributors, especially in regions where we have relatively low presence, such as unfamiliarity with local business and market practices and local laws and regulations, as well as fierce competition with local or overseas competing brands. The competition for distributors is intense in our industry. We may not be able to offer the most favorable arrangements to our distributors as compared to competitors. In addition, the implementation of the "two-invoice system" or similar systems in the medical device industry in China may require us to adjust our sales model. See "Regulatory Overview — Regulations on Medical Devices — Two-Invoice System". As the interpretation and enforcement of the "two-invoice system" in the medical device industry are evolving and subject to amendment, we cannot predict how the implementation and enforcement will evolve in different provinces in China, or whether and how that will affect our business and results of operations in the future.

Furthermore, we have limited control over the operations and actions of our distributors. We rely on the distribution agreements and the policies and measures we have in place to manage our distributors, including their compliance with laws, rules, regulations and our policies in China and overseas. See "Business — Sales, Distribution and Marketing". We cannot guarantee that we will be able to effectively manage our distributors, or that our distributors would not breach our agreements and policies. If our distributors take one or more of the following actions, our business, results of operations, prospects and reputation may be adversely affected: (i) breaching the distribution agreements or our policies and measures; (ii) failing to adequately promote our products and solutions; (iii) failing to maintain the requisite licenses, permits or approvals, or failure to comply with applicable regulatory requirements under the law and regulations in China and other jurisdictions where we operate; or (iv) violating anti-corruption, anti-bribery, competition or other laws and regulations of China or other jurisdictions where we operate.

Any violation or alleged violation by our distributors of the distribution agreements, our policies or any applicable laws and regulations could result in the erosion of our goodwill, a decrease in the market value of our brand and an unfavorable public perception about the quality of our products and solutions.

Any disruptions to our supply chain could harm our production.

We procure various raw materials which are essential for manufacturing our medical device products. Our supply chain is subject to risks from global economic conditions, price fluctuations, regional regulatory policies, natural disasters. These factors could destabilize raw material prices or supply, directly impacting our profit margins and production.

Moreover, our strict supplier qualification, management and evaluation processes heighten the risk of supply chain disruptions. Failure to secure adequate and high-quality raw materials at acceptable prices, or at all, due to these challenges or stringent regulatory requirements for approving new suppliers could interrupt production, reduce product availability and increase costs, further reducing our profit margins. Given the competitive nature of the medical device market, centralized procurement programs, and pricing pressures across the industry, we may be unable to pass on these cost increases without risking reduced demand or lost market share. These disruptions could therefore adversely affect our business, financial condition and results of operations.

Disruptions in our manufacturing processes may harm our product quality, incur additional costs and cause adverse effects to our business operations.

During the Track Record Period, we generated a significant portion of our revenue from sales of products and solutions produced at our production sites. Our production facilities and processes must comply with NMPA regulations, GMP standards and other regulatory requirements in all jurisdictions where we operate. Securing and maintaining required permits, licenses or approvals for new or expanded production facilities and existing production facilities is crucial for our business operations. The continued operation of our production sites and our production safety may be substantially interrupted and adversely affected due to a number of factors, many of which are outside of our control. The intricate nature of medical device production demand sophisticated equipment, meticulous processes and rigorous oversight to ensure product safety and efficacy. Any failure in this process could disrupt operations and lead to severe consequences, such as equipment malfunctions or software failures, inadequate quality or insufficient supply of raw materials, human error and natural disasters.

Any of these events, if materialized, may cause product defects, product discards, or production shortages, thereby raising production costs, delaying regulatory approvals and triggering product recalls. As we expand into new markets, surging demand could overwhelm our production capacity, intensifying these risks. If defective products reach the market, we may face product liability claims, heightened regulatory scrutiny and reputational damage. If the operation of any of our major production sites is substantially disrupted, we may not be able to replace the equipment or inventories at such facilities, or use different sites or a third-party contractor to continue our production in a legal, timely and cost-effective manner or at all. The amount of our insurance coverage may not be sufficient to cover our losses in the event of a significant disruption to any of our production sites. We may fail to fulfill contract obligations or meet market demand for our products and solutions, and our business, revenues and profitability could be adversely affected.

If we fail to retain or recruit our senior management and other key personnel, our competitiveness and operating results may be adversely affected.

Our success relies heavily on retaining senior management and other key personnel, whose expertise drives the development and sales of our products and solutions. We rely on our senior management's market insights and industry experience to determine critical business decisions and strategies, which will support our sustainable growth. Our R&D team's ability to innovate, design cutting-edge products and solutions and navigate complex regulatory approval processes is critical to maintaining our competitiveness in China's rapidly growing medical device industry. Intense competition for talent from emerging medical device companies, large multinational firms and well-funded startups challenges our ability to attract and retain skilled R&D professionals. Losing key personnel to competitors or failing to offer competitive compensation and benefits could weaken our product pipeline, risk leaking proprietary technology, and hinder product development, significantly impacting our market position.

If we are unable to conduct effective marketing or maintain a qualified sales force, or encounter difficulties in maintaining, optimizing or expanding our sales network, our sales and business prospects could be adversely affected.

Due to the complex and professional nature of our medical device products and solutions, our sales and marketing force must possess a relatively high level of technical knowledge, up-to-date understanding of industry trends, necessary expertise in the relevant medical areas and products, as well as sufficient promotion and communication skills. Competition for experienced marketing, promotion and sales personnel is intense. If we are unable to attract, motivate and retain a sufficient number of qualified and professional marketing, promotion and sales personnel, or effectively train our sales and marketing team, or monitor and evaluate their academic marketing performances, sales volumes of our medical device products and solutions may be adversely affected, and we may be unable to expand our hospital coverage or increase our market penetration as contemplated.

We cannot guarantee long-term and in-depth cooperation with our existing sales channels, including distributors and direct sales. If we fail to meet their expectations, our cooperation may be terminated. Such termination could adversely impact our access to end customers, business, financial condition and results of operations. Furthermore, establishing relationships with new business partners can be time-consuming and may involve additional costs. The failure to successfully maintain and expand sales channels could result in a loss of competitive advantages to competitors or lead to customer attrition, limiting our future development potential. Successfully integrating new channels into our existing multichannel sales network depends on several factors including, among others, the availability of sufficient management and financial resources, the ability to recruit, train, and retain skilled personnel, and the capacity to adjust our supply chain and other operational systems to accommodate the expansion of sales network.

Failure to effectively expand our sales network could curtail the scale of our future growth and have an adverse impact on our business prospects. We cannot guarantee that our measures to manage overlap or potential competition among our sales channels will be effective. As a result, the expansion of our sales network may not lead to proportionate expansion of our revenue. Furthermore, we may be subject to adverse competition and cannibalization among our sales channels, which may have a negative impact on the stability of our sales network, and further have an adverse effect on our business, financial condition and results of operations.

If we are unable to adequately protect our intellectual property, or if the scope of our intellectual property fails to sufficiently protect our proprietary rights, our competitors could compete against us more effectively, which may have an adverse impact on our business and results of operations.

Our success depends in large part on our ability to protect our intellectual property rights, such as patent rights. There are a number of risks and uncertainties related to the patent application process. Filing, prosecuting and maintaining patents or patent applications on our products and solutions worldwide could be time-consuming and expensive, and there is no assurance that any of our pending patent applications will lead to issued patents, or that such patents, if issued, will provide us with adequate proprietary protection or competitive advantages. In addition, the patentability requirements across countries and regions vary and the laws of different countries or regions do not provide patent protection to medical inventions to the same extent. Therefore, our patent applications may not be granted in all countries and regions, and the scope and strength of issued patents can vary globally. Moreover, different countries and regions may provide varying regulatory exclusivities to medical products, and some countries or regions provide no regulatory exclusivities at all. Changes in patent laws or their interpretation across jurisdictions where we operate may increase the uncertainties and costs surrounding the prosecution of our patents, diminish our ability to protect our inventions, and, more generally, affect the value of our intellectual property or narrow the scope of our intellectual property rights. Consequently, we may not be able to achieve uniform protection or exclusivities for our products and solutions. We may also face competition from other market players once the patent has expired. As a result, our patents and patent applications may not provide us with an adequate exclusivity period for our products and solutions.

Moreover, the patents that we hold are for a finite duration. Although extensions may be available, there is no guarantee that we will be able to secure such extensions, or that they will be extensive as requested. In the event that our competitors introduce substitutes for these products post-patent expiration, it could have an adverse impact on the sales volume and pricing levels for such products and solutions. Furthermore, there are a number of factors that could cause our existing patents or other intellectual property to become invalid or unenforceable, including known or unknown prior art, deficiencies in patent applications and lack of originality in the underlying technologies. If the patents relevant to our products and solutions were to be declared invalid or unenforceable, it could have an adverse impact on the sales volume and pricing levels for our products and solutions and our ability to successfully commercialize certain of our product candidates.

Furthermore, the PRC and the U.S. have adopted the "first-to-file" system under which whoever first files a patent application will be awarded the patent if all other patentability requirements are met. Publications of discoveries in the scientific literatures often lag behind the actual discoveries. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions. Even after reasonable investigation, we may not know with certainty whether any third-party may have filed a patent application without our knowledge while we are still developing or producing that product.

We may be subject to intellectual property infringement claims, which could divert our management's attention, expose us to substantial liability, harm our reputation, limit our R&D or other business activities and impair our ability to sell our products and solutions.

The medical device industry is characterized by extensive litigation regarding patents and other intellectual property rights. We may from time to time become party to, or threatened with, adversarial proceedings or litigation in the PRC and overseas regarding intellectual property rights with respect to our technology and any products or solutions or product candidates we may develop. As the medical industry expands and more patents are issued, the risk increases that our products or solutions or technologies that we develop may be subject to claims of infringement of the patent rights of third parties.

Third parties may assert infringement claims against us based on patents or other proprietary rights that we currently hold or may be granted in the future, regardless of their merit. The risk of being subject to intellectual property infringement claims will increase as we continue to expand our operations and product offerings. Additionally, as patent applications can take many years to issue, there may be pending patent applications which might eventually lead to issued patents which our products and solutions could inadvertently infringe. We may from time to time receive, notices that claim our technologies or certain other aspects of our business have infringed, misappropriated or misused third parties' intellectual property rights. There is no assurance that a court would find in our favor on questions of infringement, validity, enforceability or priority. Defending against these claims, regardless of their merit, would also involve substantial litigation expenses and create a significant diversion of resources from our business. A court of competent jurisdiction could hold that these third-party patents or other intellectual property rights are valid and enforceable and infringed by us, which could adversely affect our ability to commercialize our products and solutions and any other product or technologies covered by the asserted third-party patents or other intellectual property rights.

Any failure to maintain the confidentiality of our trade secrets or know-how may adversely affect our reputation and competitiveness.

Our commercial success relies in part on our proprietary know-hows and trade secrets. We seek to protect these know-how and trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties that have access to them. Nevertheless, there is a risk that these parties could intentionally or inadvertently disclose these trade secrets, thereby allowing competitors to exploit them and diminishing our competitive strengths. Legal remedies may not adequately mitigate the damage or restore our market position. In addition, any such legal proceedings could lead to additional expenses and divert our management's attention away from daily operations, thereby disrupting our business and adversely impacting on our financial condition.

Furthermore, certain of our employees were previously employed at other medical companies, including our competitors or potential competitors. Some of these employees executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. We may be subject to claims that we or these employees have misappropriated intellectual property, including trade secrets or other proprietary information. We are not aware of any material threatened or pending claims related to these matters or concerning the agreements with our senior management, but in the future litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel, and such litigation could result in substantial costs and be a distraction to management.

In addition, we may be unsuccessful in executing our intellectual property assignment agreement with each party who in fact develops intellectual property that we regard as our own, which may result in claims by or against us related to the ownership of such intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, and such litigation could cost time and resources and be a distraction to our management and scientific personnel.

We engage third-party service providers for our pre-clinical research and clinical trials for certain products and solutions. If the third parties with which we contract fail to perform in a satisfactory manner, we may not be able to develop and commercialize our certain product candidates.

We may engage third parties, such as qualified hospitals and other third-party service providers to assist the design, implementation and monitoring of our pre-clinical research and conducting clinical trials for certain products and solutions. If any of these parties terminates their agreements with us, such clinical trials and development of certain product candidates could be delayed. In addition, these third parties may not successfully carry out their contractual obligations, meet expected timelines or follow regulatory requirements, including clinical, laboratory and manufacturing guidelines. Furthermore, the NMPA and other comparable regulatory authorities may not accept the data generated by our clinical trials for certain products and solutions, which increase the cost of and the development time for the relevant product candidates. If any of the pre-clinical studies or clinical trials of our certain product candidates is affected by any of the above-mentioned reasons, we will be unable to meet our development or commercialization timelines, which would have adverse effects on our business and prospects.

We may experience labor shortages or increases in labor costs.

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees. Increasing market competition may cause market demand and competition for qualified employees to intensify. Direct labor costs had been a material component of our cost of sales, amounting to RMB840.0 million, RMB852.4 million and RMB1,021.4 million in 2023, 2024 and 2025, respectively, accounting for 6.7%, 6.3% and 7.7% of our total cost of sales for the same year, respectively. If we face labor shortages or significant increases in labor costs caused by the intense competition, higher employee turnover rates, increases in wages or other employee benefit costs or amendments to labor laws and regulations, our operating costs could increase significantly, which could adversely affect our results of operations.

We cannot assure you that labor disputes will not occur between us and our employees in the future. If such incidents do occur, we may be subject to fines by relevant governmental authorities and may incur settlement costs in order to resolve labor disputes. Such potential incidents could disrupt our operations, harm our reputation and divert our management's attention, which may have an adverse effect on our business, financial condition and results of operations.

We may be subject to product liability claims or encounter other adverse events, whether substantiated or not, which could harm our reputation and cause adverse effects on our business operations.

We may be subject to product liability claims if our products and solutions have quality issues. For example, we may be sued if our products and solutions are perceived to cause injury or are found to be otherwise unsuitable during clinical testing. Any such product liability claims may include allegations of defects in design, component failure, a failure to warn of dangers inherent in the medical device product, negligence or strict liability. Any serious failures or defects could cause us to withdraw or recall products, and subject us to product liabilities, which may damage our brand name and may have an adverse effect on our business, financial condition, results of operations and prospects. Further, we may also encounter other adverse events. For instance, we cannot ensure that physicians will strictly and accurately follow our instructions on the proper usage of our products and solutions. If our products and solutions are used incorrectly by physicians, injury may result, which could require review and corrective action by us. 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.

Moreover, lawsuits arising from product liabilities or other adverse events, regardless of their merit or eventual outcome, could result in decline in demand for our products and solutions, reputational damage, withdrawal of clinical trial participants or early termination of clinical trials for certain products and solutions, regulatory investigations, potential litigation costs, diversion of management's time and resources, product recalls or restrictions on product labeling, marketing, or promotion, subsequently leading to loss of revenue and depletion of our capital resources or insurance coverage.

Economic sanctions, export controls, anti-corruption, anti-bribery, anti-money laundering and other relevant laws and regulations may expose us to potential compliance risks.

We are subject to economic sanctions, export controls, anti-corruption, anti-bribery, anti-money laundering and other relevant laws and regulations in the countries and regions where we have business operations. Any violation of these laws or regulations could result in governmental or regulatory investigations, civil liabilities or criminal fines or other sanctions, whistleblower complaints and adverse publicity, which could have an adverse effect on our reputation, business, operating results and prospects. In addition, responding to any enforcement action may result in a significant diversion of management's attention and significant defense costs and other professional fees.

The U.S., the United Kingdom and other jurisdictions or organizations, including the EU and the United Nations, have, through executive orders, passing of legislation or other governmental means, implemented measures that impose economic sanctions or export control restrictions on certain countries or jurisdictions, persons or organizations within these countries or jurisdictions, or targeted industry sectors, groups of companies or persons. There can be no assurance that we will be able to prevent or detect all inadvertent business dealings with sanctioned parties or the dispatch of products and solutions to higher-risk destinations or end-uses. We cannot predict the interpretation or implementation of government policies in the U.S. at the federal, state or local levels or any policy of the United Kingdom, the European Union, the United Nations and other applicable jurisdictions with respect to any current or future activities by us or our business partners in countries subject to international sanctions or otherwise sanctioned, or our business activities subject to export control restrictions. As a result, we cannot assure you that our future business will be free of risk under sanctions or export control restrictions implemented in these jurisdictions or that we will conform our business to the expectations and requirements of the authorities of the U.S. or any other government or organization that, with or without jurisdiction over our business, assert the right to impose sanctions or export control restrictions on an extraterritorial basis. Our business and reputation could be adversely affected if the authorities of the U.S., the United Kingdom, the European Union, the United Nations or any other government or organization were to determine that any of our activities constitutes a violation of the sanctions or export control restrictions they impose or provide a basis for sanctions designation of or other restrictions on us. In addition, as many sanction programs are constantly evolving, new requirements or restrictions could come into effect, which might increase scrutiny of our business or result in additional compliance risks.

We may be involved in litigations, legal or contractual disputes, governmental investigations or administrative proceedings during business operations, which may divert our management's attention and incur additional costs and liabilities.

We may become subject to various lawsuits, legal or contractual disputes, governmental investigations, or administrative proceedings arising from our ordinary business activities. These matters can range from disagreements with suppliers, customers, contractors, or business partners to claims brought by other third parties. Regardless of their scope or merit, such proceedings can divert our management's attention from business operations, and cost time and resources, exposing us to legal, contractual and financial risks.

In addition, cases that initially appear inconsequential could escalate if circumstances change, such as a higher potential for loss, the participation of influential parties or increased monetary stakes. An unfavorable outcome in proceeding could result in damages, or even the possibility to curtail or cease certain business operations. Furthermore, the negative publicity associated with legal proceedings can tarnish our reputation, weakening the appeal of our brands, products and solutions. Any of these outcomes could harm our business prospects, financial position and overall operating results.

Negative publicity about our industry, us, or our management, employees, affiliates or business partners may adversely affect our brand, reputation and business prospects.

Our brand is important to attracting and retaining customers and collaborators, and our success depends on our ability to maintain and enhance our brand image and reputation. Maintaining, promoting and growing our brand depend largely on the success of our efforts to deliver high-quality products and solutions, our marketing efforts, and our ability to successfully secure, maintain, and defend our rights to use our brand and trade names. Our brand could be harmed if we fail to achieve our objectives.

There can be no assurance that we will be able to maintain a positive reputation or brand name for all our products and solutions in the future. Our reputation and brand name may be adversely affected by a number of factors, many of which are beyond our control, such as negative publicity associated with our products and solutions, effect of counterfeit products and improper conduct by our employees, affiliates and solutions, whether founded or unfounded.

In addition, social media practices in the medical industry continue to evolve and regulations relating to such use are also in the process of development. This evolution creates uncertainty and risk of non-compliance with regulations applicable to our business. We may not be able to closely monitor every one of such posts or comments, therefore may not be able to fully comply with applicable adverse events reporting obligations. We also may not be able to defend ourselves due to restrictions on what we are allowed to comment about our products and solutions. We also face risks arising from inappropriate disclosure of sensitive information or negative or inaccurate posts or comments about us on social networking websites. If any of these events occur or we otherwise fail to comply with applicable regulations, we may incur liability, face regulatory actions or incur other harms to our business.

Our self-developed algorithms and methodologies are complex and may contain errors or may not operate properly, which could adversely affect our business, financial condition and results of operations.

Our self-developed algorithms and methodologies are crucial to many of our products and solutions, especially our intelli-digital ecosystem. Due to the complexity of our algorithms and methodologies, we cannot guarantee you that our algorithms and methodologies can always function in a proper manner or do not contain errors or deficiencies. Any error or deficiency contained in our algorithms or methodologies, whether we can identify during product development, may lead to inaccurate testing results generated by our products and solutions, or in the worst scenario, severe adverse events of our products and solutions, which could have an adverse effect on our business, financial condition and results of operations.

If we or our business partners fail to protect clinical data as involved in our clinical trials or services of certain products and solutions, our reputation will be damaged and we might be subject to fines or other regulatory punishments.

We are subject to strict requirements under the applicable privacy protect regulations in the relevant jurisdictions. Our security measures may not be sufficient for all eventualities. Therefore, misappropriation, misuse, leakage, falsification or intentional or accidental release or loss of data might not be avoided due to human error, employee misconduct or system breakdown. We also cooperate with third parties including hospitals and other medical institution for our clinical trials for certain products and solutions. Any leakage or abuse of patient data or the information of medical institutions and professionals by our third-party partners may be perceived by the relevant individuals as a result of our failure, which could also result in regulatory enforcement actions against us.

If the controls adopted by us cannot avoid the data and information we gather being inaccurate or incomplete, it could affect the clinical development of our certain product candidates, and harm our business, reputation, financial condition and results of operations.

In the ordinary course of our business, we receive, collect, store and transmit preclinical and clinical data. Because data in the medical device industry are often fragmented in origin, inconsistent in format, and incomplete, the overall quality of data collected or accessed in the industry is often subject to challenges, and the degree or amount of data which is knowingly or unknowingly absent or omitted can be material. Consequently, we may discover issues or errors during our data monitoring and auditing processes. If we make mistakes in the capture, input, or analysis of data, our ability to advance the development of our certain product candidates may be adversely affected.

We also manage and submit data to governmental agencies to obtain necessary regulatory approvals. These processes and submissions are governed by complex data processing and validation policies and regulations. Changes in regulations and laws could expose us to liabilities if a patient, court or government agency concludes that our storage, handling, submission, delivery, or display of data was wrongful or erroneous.

We have engaged in, and may continue to pursue, strategic acquisitions or other strategic investments or arrangements, which may fail to achieve our intended benefits and could adversely affect our operations.

From time to time, we may evaluate various acquisitions and strategic collaborations, including acquiring complementary products, intellectual property rights, technologies or business, as we may deem appropriate to carry out our business plan. For instance, to strengthen our technology and production capability in cardiovascular solutions, we acquired APT Medical Inc. in 2024. However, our ability to successfully complete and realize the intended benefits of any acquisition or investment is subject to a number of risks and uncertainties, including, among others, (i) we may not be able to identify suitable acquisition or investment targets or may face intense competition for attractive targets; (ii) we may be subject to increased transaction costs, operating expenses and cash requirements and additional indebtedness or contingent liabilities; and (iii) we may not have access to financing for acquisitions or investments on acceptable terms or at al.

In addition, the consummation of a proposed acquisition or investment is subject to governmental approvals. According to the Anti-Monopoly Law of the PRC (《中華人民共和國 反壟斷法》) and the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings (《關於經營者集中申報標準的規定》) issued by the State Council, where a concentration of undertakings reaches the prescribed thresholds, the relevant transaction is required to be filed with State Administration for Market Regulation (中華人民共和國國家市場監督管理總局) ("SAMR"), or other competent anti-monopoly enforcement authority, prior to implementation, and may not be implemented until clearance is obtained.

We may also be subject to similar review and regulations in other jurisdictions. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete acquisition or investment transactions could be time-consuming, and any required approval or filing processes, including obtaining approval from or filing with the SAMR, the Ministry of Commerce of the PRC (中華人民共和國商務部) (the "MOFCOM"), the NDRC, the China Securities Regulatory Commission (the "CSRC") or other agencies may delay or affect our ability to complete such transactions. Furthermore, government agencies may make further determinations that increase the scrutiny of our future acquisitions or investments, or prohibits such acquisitions or investments. We may fail to obtain or secure governmental approvals necessary to consummate any proposed acquisition or investments, which may adversely affect our ability to expand our business or maintain or expand our market share and even result in liabilities, fines or penalties on us. Our ability to successfully grow our business through such transactions remains subject to further risks and uncertainties from the acquired or invested business or our ability to manage the enlarged business scale. Moreover, the process of seeking and consummating acquisitions or investments, whether or not they are successful, may divert our resources and management attention from our existing business.

We may face operational and management risks as our business scale, product portfolio, and service scope continue to expand.

Any disruption in sustainable and coordinated supply or suspension of our production due to operational management issues may lead to production delays and risks in fulfilling orders. In addition, if we fail to effectively optimize resource allocation, it may result in goodwill impairment and reduced operational efficiency.

The deepening of our global presence also imposes higher requirements on operational management, requiring compliance with diverse regulatory standards and localized market demands. As our business expands, our internal management systems face multiple challenges. We now employ over 21,000 people worldwide, and cross-cultural team collaboration efficiency and organizational decision-making responsiveness may decrease with increased hierarchy. Continued growth in R&D investment places higher demands on resource allocation and project management. Failure to promptly translate technology into market competitiveness may lead to a decline in R&D return on investment. Moreover, system stability and data security risks may intensify with rising business complexity. If internal control mechanisms are not optimized in tandem, operational loopholes and compliance risks may arise.

Our insurance coverage may be insufficient to cover the risks related to our business and operations.

We purchase and maintain insurance policies that we believe are in line with the industry norm and as required under the relevant laws and regulations. See "Business — Insurance". However, our existing insurance coverage may be inadequate to protect us from the liabilities we may incur. We cannot assure you that our insurance policies will provide adequate coverage for all the risks in connection with our business operations. If we incur substantial losses and liabilities that are not covered by our insurance policies, we could suffer significant costs and diversion of our resources, which could have an adverse effect on our financial condition, results of operations and prospects.

We are subject to risks relating to some of the properties we use.

We lease certain properties primarily to be used as employee dormitories and office premises. We may not be able to extend or renew such leases on commercially reasonable terms, or at all. This could disrupt our operations and result in significant relocation expenses. We may not be able to locate desirable alternative sites for such uses. Moreover, under laws and regulations in the PRC, all lease agreements are required to be registered with the local housing authorities. During the Track Record Period, certain of our leased-out owned properties and leased properties had not been registered with relevant local housing authorities in PRC, which was primarily due to differing

interpretations of registration requirements. Under PRC regulations, penalties for unregistered leases range from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority, and, in some cases, authorities may compel registration via enforcement action. Non-registration carried risks of restricted property access, fines, and temporary disruption. We cannot assure you that the lessors will cooperate and complete the registration in a timely manner once we are required to do so. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors.

An occurrence of a natural disaster, widespread health epidemic or other outbreaks could have an adverse effect on our business, financial condition and results of operations.

Our business could be adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, the outbreak of a widespread health epidemic, or other events, including wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments in China or elsewhere in the world could materially disrupt our business and operations. These events could also significantly impact our industry and cause a temporary suspension or closure of the facilities we use for our R&D, manufacturing and operations, which would severely disrupt our product development and manufacturing process and overall business operations and have an adverse effect on our business, financial condition and results of operations. Furthermore, our revenue and profitability could be materially reduced to the extent that a natural disaster, health epidemic or other public safety concerns harm the PRC and global economy in general.

Fluctuations in exchange rates could result in foreign currency exchange losses and could adversely affect our financial performance.

We generate part of our revenue from foreign jurisdictions and, consequently, are exposed to risks associated with foreign currency exchange fluctuations. Changes in the value of foreign currencies could increase our RMB costs for, or reduce our RMB revenues from, our foreign operations. Therefore, any fluctuations in the value of foreign currencies against RMB could adversely affect our results of operations. In addition, the fluctuation of foreign exchange rates affects the value of our monetary and other assets and liabilities denominated in foreign currencies. We recorded exchange gains of RMB119.2 million in 2023, and losses of RMB51.3 million and RMB113.4 million in 2024 and 2025, respectively. In addition, we may need to obtain foreign currency to make payments of declared dividends, if any, on our H Shares. Our [**REDACTED**] from the [**REDACTED**] will be denominated in Hong Kong dollars. We cannot guarantee that future foreign exchange rate fluctuations will be favorable, and any adverse change would not have an adverse impact on our financial condition and results of operations. Any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our H Shares in a foreign currency. There are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these global and geographical political and economic factors may adversely affect the value of and any dividends payable on, our H Shares in Hong Kong dollars.

Goodwill comprises a substantial portion of our total assets. If we determine our goodwill to be impaired, it will adversely affect our financial position.

As of December 31, 2025, we recorded goodwill of RMB11,404.1 million. Our goodwill is mainly associated with our acquisition of subsidiaries. Goodwill represented a relatively large portion of the total assets on our consolidated statements of financial position as of December 31, 2025. In order to determine whether our goodwill is impaired, we are required to estimate, among other things, the value in use of the cash-generating units to which the goodwill is allocated, which further requires to assess the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates, including an estimation of the adopted gross margin rate, revenue growth rate and pre-tax discount rate, as well as the share price of the listed company and cost of disposal. In the event that our estimate of our recoverable amount of the cash-generating

unit decreases from our estimate in prior periods, we could be required to recognize an impairment loss in our consolidated statement of comprehensive income for the relevant period in an amount equal to our estimate of the reduction in value of the relevant group of assets. Please refer to Note 17 to the Accountants' Report in the Appendix I to this Document for further details.

We did not recognize any goodwill impairment losses during the Track Record Period. Our estimates of the future cash flows from the relevant assets may be susceptible to downward revision as result of factors adversely affecting the global medical device industry generally, including general decreases in growth rates and margins, as well as factors specific to our business' growth rates, margins and operating expenses. Such adverse changes could require us to record an impairment loss for all or a substantial portion of the goodwill we are carrying in respect of these relevant group of assets. If we record an impairment loss as a result of these or other factors, it will adversely affect our financial position for the relevant period.

If we determine our other intangible assets to be impaired, our results of operations and financial condition may be adversely affected.

As of December 31, 2025, our other intangible assets amounted to RMB5,719.1 million, which mainly represent (i) patents and technical know-how, (ii) software, (iii) trademarks, (iv) customer relationship, and (v) capitalized development costs. The value of other intangible assets is based on a number of assumptions made by our management. If any of these assumptions does not materialize, or if the performance of our business is not consistent with such assumptions, we may have to write off a significant portion of our other intangible assets and record a significant impairment loss. In addition, our determination on whether other intangible assets are impaired requires an estimation of the carrying amount and recoverable amount of an intangible asset. If the carrying amount exceeds its recoverable amount, our other intangible assets may be impaired. We cannot guarantee you that in the future we will not record any impairment loss on our other intangible assets. The impairment of our other intangible assets could affect our business, financial condition and results of operations. For further details of our accounting policies with respect to other intangible assets, please refer to Note 18 to the Accountants' Report in the Appendix I to this Document.

Our historical financial performance may not be indicative of future performance.

We cannot assure you that our historical operating results, such as gross profit, net profit, gross profit margin and net profit margin, will be indicative of our future performance. Various factors could affect our future results, including, among others, uncertainties surrounding the performance of our existing and newly launched products and solutions, fluctuations in market conditions, developments in the regulatory environment, and our ability to expand production capacity, strengthen manufacturing capabilities and manage our distributor network effectively. Accordingly, prospective [**REDACTED**] should not rely on our historical operating results as a basis for projecting our future financial or operating performance.

Failure to maintain optimal inventory levels could increase our operating costs or lead to unfulfilled customer orders, either of which could have an adverse effect on our business and results of operations.

During the Track Record Period, we recorded inventory amounts of RMB3,978.6 million, RMB4,757.4 million and RMB5,003.7 million as of December 31, 2023, 2024 and 2025, respectively. Our inventory turnover days were 126.2 days, 128.8 days and 147.4 days in 2023, 2024 and 2025, respectively. We are required to maintain sufficient levels of inventory comprising both finished products and raw materials to ensure the effective operation of our business and to meet customer demand. We determine our inventory level on an order-oriented basis, but such determination involves inherent uncertainties.

If our inventory determination is lower than actual market demand, we may experience shortages of key components or raw materials, which may lead to lost sales opportunities and enable competitors to secure additional market share. In contrast, overestimating demand could result in excessive inventory, leading to higher storage and handling expenses. It may also increase the likelihood of product obsolescence or force us to take write-offs, which could adversely affect our financial performance. We cannot assure you that our inventory management system will always operate effectively. Any inefficiencies or failures in this system may exacerbate inventory related challenges and could adversely affect our business, financial condition and results of operations.

We have adopted employee stock ownership plans and may continue to grant share-based awards in the future, which may increase expenses associated with share-based payments and have an adverse effect on our share [REDACTED] and financial performance.

We have adopted certain employee stock ownership plans. In 2023, 2024 and 2025, our total share-based payment expenses recognised in the consolidated statements of profit or loss and other comprehensive income were expenses of RMB230.4 million, reversal of RMB94.4 million, and expenses of RMB4.8 million, respectively, related to our underlying shares granted under the employee stock ownership plans.

We believe the adoption of employee stock ownership plans is of significant importance to our ability to attract and retain key personnel and employees. As a result, we may continue to grant share-based compensation to employees in the future, which may further increase our expenses associated with share-based payments and adversely affect the [**REDACTED**] of our Shares, and in turn adversely affect our business, financial condition, and results of operations.

If our preferential tax treatments and government grants become unavailable or otherwise change or terminate, it could adversely affect our profitability.

Historically, we have benefited from a number of preferential tax treatments and tax allowances. During the Track Record Period, our Company and certain of our subsidiaries in the PRC were qualified as High and New Technology Enterprises, or HNTEs. Our Company and our subsidiaries qualified as HNTEs are eligible for a preferential income tax rate of 15%, compared to the 25% income tax rate generally applicable to PRC resident enterprises under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) (the "EIT law"). In addition, during the Track Record Period, we also received additional deductible allowance for qualified R&D costs, which resulted in tax savings of RMB314.2 million, RMB376.3 million and RMB345.3 million in 2023, 2024 and 2025, respectively.

The preferential tax treatments and tax allowances applicable to our Company and our subsidiaries may be changed, terminated, or otherwise become unavailable due to many factors, including amendments of regulatory policies or administrative decisions by relevant government authorities. Our post-tax profitability may be adversely affected as a result of one or more of these or other factors. For example, HNTE qualifications are subject to review by the relevant PRC tax authority every three years. There is no guarantee that we will be able to renew these qualifications. If we fail to do so, our Company and the affected subsidiaries will no longer enjoy the 15% preferential income tax rate, and will be subject to the 25% income tax rate, unless eligible for other preferential tax treatments.

Furthermore, we have historically received government grants in the form of subsidies received from the government. In 2023, 2024 and 2025, our government grants were recognized as other income, which amounted to RMB831.2 million, RMB821.7 million and RMB529.1 million, respectively. There can be no assurance that we would continue to enjoy these preferential tax treatments and government grants at the historical levels, or at all. Any change, suspension or discontinuation of these preferential tax treatment and government grants to us could adversely affect our financial condition, results of operations and cash flows.

We are subject to credit risks of our customers. If we experience delays in collecting or if we are unable to collect payments from customers, our cash flows and operations could be adversely affected.

We generally grant credit terms within 90 days to our customers. The turnover days of our trade and bills receivables for the years ended December 31, 2023, 2024 and 2025 were 33.8 days, 37.6 days and 44.8 days, respectively. As of December 31, 2023, 2024 and 2025, our trade and bills receivables were RMB3,307.8 million, RMB3,248.5 million and RMB3,427.6 million, respectively. As a result, we may be exposed to credit risks. We cannot assure you that we can properly assess and respond in a timely manner to changes in their credit profile.

If our customers' cash flows, working capital, financial condition or results of operations deteriorate, they may be unable, or they may otherwise be unwilling, to pay trade receivables owed to us promptly or at all. Any substantial defaults or delays could adversely affect our cash flows, and we could be required to terminate our relationships with our customers in a manner that may adversely affect our cash flows and operations.

The implementation of our strategies and other aspects of our business will require significant funding. If we do not have access to sufficient funding on terms acceptable to us, or at all, it could adversely affect our business prospects.

The implementation of many aspects of our strategies will require significant funding, such as the expenses on expanding our sales network, R&D, production and international business. In addition, many aspects of our general business operations have ongoing funding requirements that may increase over time. Over the longer term, we expect that the implementation of our strategy and business plans may require us to rely in part on external financing sources. However, our ability to obtain external financing on commercially reasonable terms, or at all, will depend on a number of factors, many of which are outside of our control, including our financial condition, results of operations and cash flows, China's and global economic condition, industry and competitive conditions, interest rates, prevailing conditions in the credit markets and regulatory policies on lending. If we cannot obtain sufficient funding on commercially acceptable terms, or at all, to implement our strategies and business plans as currently contemplated, we could be required to revise our strategies and business plans, which could adversely affect our business prospects.

We may seek additional funding through a combination of equity and debt financings. To the extent that we raise additional capital through the issuance of equity or convertible debt securities, the beneficial ownership interest of existing Shareholders could be diluted, and the terms may include liquidation or other preferences that adversely affect the rights of our existing Shareholders. The incurrence of additional indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in certain additional restrictive covenants, such as incurring additional debt, making capital expenditures, or declaring dividends.

RISKS RELATED TO DOING BUSINESS IN JURISDICTIONS WHERE WE OPERATE

Changes in the economic, political or social conditions in jurisdictions where we operate could affect our business, financial condition and results of operations.

A substantial part of our assets and operations are located in China. In addition, we operate our business in over 190 of other geographic markets across North America, Europe, Asia, Africa, Latin America and other jurisdictions. Accordingly, our business, financial condition and results of operations could also be influenced by political, economic and social conditions in these markets. Economic growth in each of our geographic markets has been uneven, both geographically and among various sectors within any one of the relevant economies. Any economic downturn, whether actual or perceived, further decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate could affect our

business, financial condition and results of operations. Changes in the economic or political environment could increase our costs, increase our exposure to various risks, disrupt our business operations and affect our financial performance.

The growth of the regional and global economy has slowed in recent years. It remains uncertain whether, and for how long, the regional and global economic downturn will persist. There are considerable uncertainties over the long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies. Regional economic conditions are sensitive to global economic conditions, changes in domestic economic and political policies as well as the expected overall economic growth rate. It is unclear that whether these challenges and uncertainties will be effectively managed or resolved and what effects they may have on the global political and economic conditions in the long term. Any economic downturn or slowdown or negative business sentiment could have an indirect potential impact on our industry. In addition, continued turbulence in the international markets may adversely affect our ability to access capital markets to meet liquidity needs. As a result, our business, financial condition and results of operations may be adversely affected.

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

The legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

The legal systems of some geographic markets where we operate are consistently evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses still needs further clarification. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards, which may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims.

As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention depending on the complexity of the cases.

Changes in regulatory requirements may affect our business.

In China, the United States, the EU and some other jurisdictions, a number of legislative and regulatory changes and proposed changes regarding healthcare could prevent or delay regulatory approval of our products and solutions, restrict or regulate post-approval activities and affect our ability to profitably sell our products and solutions and any products and solutions for which we obtain regulatory approval. In recent years, there have been and will likely continue to be efforts to enact administrative or legislative changes to healthcare laws and policies, including measures that may result in more rigorous coverage criteria and downward pressure on the price we receive for any approved products and solutions. Any reduction in reimbursement from government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to commercialize our products and solutions, generate revenue, or attain profitability.

We are subject to privacy laws, information security policies and contractual obligations related to data privacy and security, and we may be exposed to risks related to our management of the medical data of subjects enrolled in our clinical trials and other personal or sensitive information.

We have access to and handle certain personal data in our business operations, and we need to comply with relevant data privacy and protection laws and regulations that apply to our data activities in the jurisdictions where we operate and conduct our clinical trials for certain products and solutions. For details, see "Business — Data Security and Privacy".

In recent years, privacy and data protection has become an increasing regulatory focus of government authorities across the world. Particularly in China, where we operate substantially all our businesses, the PRC government has enacted a series of laws and regulations in respect of information security, data collection, privacy and protection. Under the Personal Information Protection Law of the PRC, in case of any personal information processing, such individual's prior consent is required to be obtained, unless other legal bases are satisfied. Further, any data processing activities that are in relation to the sensitive personal information, including biometrics, medical health and personal information of teenagers under 14 years old, are not allowed, unless such activities have a specific purpose and are highly necessary and unless strictly protective measures have been taken and separate consent has been obtained from the individuals involved (or other non-consent legal bases are applicable).

Numerous U.S. federal and state laws and regulations relate to the privacy and security of personal information. For instance, regulations promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996, or HIPAA, establish privacy and security standards that limit the use and disclosure of individually identifiable health information, known as "protected health information", and require the implementation of administrative, physical and technological safeguards to protect the privacy of protected health information and ensure the confidentiality, integrity and availability of electronic protected health information. Determining whether protected health information has been handled in compliance with applicable privacy standards and our contractual obligations may require complex factual and statistical analyses and may be subject to changing interpretation. In the United States, hospitals and healthcare providers are primarily responsible for handling and protecting patients' protected health information, and we generally do not directly access or process such data in the ordinary course of our business or the information accessible to us is typically desensitized and not identifiable. Nonetheless, we cannot guarantee that there is no risk of leakage or other cybersecurity incidents.

Complying with all applicable laws, regulations, standards and obligations relating to data privacy, security, and transfers may cause us to incur substantial operational costs or require us to modify our data processing practices and processes. Non-compliance could result in proceedings against us by data protection authorities, governmental entities or others, including class action privacy litigation in certain jurisdictions, which would subject us to significant fines, penalties, judgments and negative publicity. In addition, if our practices are not consistent or viewed as not consistent with legal and regulatory requirements, including changes in laws, regulations and standards or new interpretations or applications of existing laws, regulations and standards, we may become subject to audits, inquiries, whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions and reputational damage. Any of the foregoing could have an adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

You may have limited recourse in effecting services of legal process or enforcing overseas judgments against us, our Directors and our senior management.

A substantial part of our assets, and a majority of our Directors and senior management, are located in China. Recognition and enforcement in courts of the PRC of judgments of a court in any of these jurisdictions outside the PRC, are inherently difficult. As a result, it may be difficult and

time-consuming to effect service of process upon our Directors and senior management in the PRC. In addition, [**REDACTED**] may also experience difficulties in seeking recognition and enforcing foreign judgments in the PRC if there is a lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions. Furthermore, although we will be subject to the Listing Rules and the Takeovers Code upon the [**REDACTED**] of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. Furthermore, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

Certain of our foreign exchange transactions are subject to regulatory requirements over foreign currency conversion.

Conversion and remittance of foreign currencies are subject to certain foreign exchange regulations. We cannot assure you that under a certain exchange rate, we would have sufficient foreign exchange to meet our foreign exchange needs. For example, under the PRC current foreign exchange regulation system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the State Administration of Foreign Exchange (the "SAFE"); however, we are required to comply with certain procedural requirements and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the competent government authorities unless otherwise permitted by law. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to Shareholders or satisfy any other foreign exchange obligation. If we fail to obtain approvals from the competent government authorities to convert RMB into any foreign exchange for any of the above purposes, our potential offshore capital expenditure plans and even our business may be affected.

Our payment of dividends is subject to restrictions under applicable laws and regulations, and there is no guarantee whether we will pay dividends in the future.

Our payment of dividends is subject to restrictions under applicable laws and regulations. For example, under the current PRC law, dividends may be paid only out of our company's accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. Moreover, our company is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserves, except where such reserve has reached 50% of its registered capital. These reserves are not distributable as cash dividends. As of the Latest Practicable Date, our such reserve reached 50% of our registered capital.

Our historical dividends may not be indicative of our dividend policy in the future. We cannot guarantee when and in what form dividends will be paid on our H Shares after the [**REDACTED**]. The declaration and distribution of dividends are reviewed and determined by our shareholders' meeting in accordance with our articles of association, the PRC Company Law, and the relevant regulations of the CSRC and the stock exchange on which our shares are [**REDACTED**], and our ability to pay dividends or make other distributions to our Shareholders is subject to various factors, including our business and financial performance, capital and regulatory requirements and general business conditions. We may not be able to have sufficient profits to enable us to make dividend distributions to our Shareholders in the future. As a result of the above, we cannot guarantee that we will make and can make dividend payments on our Shares in the future. See "Financial Information — Dividend". If we retain most, or all, of our available funds and any future earnings after the [**REDACTED**] to fund the development and commercialization of our products and solutions, continued efforts in intelli-digitalization of the medical device industry, and global expansion of our sales and operations, we may not expect to pay any cash dividends in the foreseeable future.

Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future financial condition and cash flow, our capital requirements and surplus, the number of distributions (if any) received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our Board. Accordingly, the return on your [**REDACTED**] in our H Shares will likely depend entirely upon any future [**REDACTED**]. There is no guarantee that our H Shares will [**REDACTED**] after the [**REDACTED**] or even maintain the [**REDACTED**] at which you [**REDACTED**] the Shares. You may not realize a return on your [**REDACTED**] in our Shares.

Our operations are subject to, and may be affected by, changes in tax laws and regulations in the countries and regions where we operate.

The PRC EIT Law imposes a tax rate of 25% on business enterprises. We are entitled to preferential tax treatment. See "Financial Information — Taxation". To the extent there are any changes in the laws and regulations governing preferential tax treatment or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC government may amend or restate regulations on income, withholding, value-added, and other taxes. Non-compliance with the PRC tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or amendments to PRC tax laws and regulations and tax penalties or fines could affect our business, financial condition and results of operations.

We also operate in overseas markets and are subject to various taxes. Because the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, including but not limited to corporate income tax, are complex, our international operations may expose us to risks associated with the overseas tax policy changes. Dealing with such regulatory complexities and changes may require us to divert more managerial and financial resources, which in turn could affect our results of operations.

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

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

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

As of the Latest Practicable Date, none of the aforesaid provisions expressly provides whether individual income tax shall be levied on non-Chinese Mainland resident individual holders in respect of transfers of shares in PRC resident enterprises [**REDACTED**] on overseas stock exchanges. There is no assurance that the PRC tax authorities will not change these practices, which could result in income tax being levied on non-PRC resident individual holders on gains from the sale of H shares.

For non-Chinese Mainland resident enterprises that do not have establishments or premises in China, and for those who have establishments or premises in China but whose income is not related to such establishments or premises under the EIT law, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are ordinarily subject to China enterprise income tax at a rate of 20%. In accordance with the Circular on Issues Relating to the Withholding of Enterprise Income Tax by Mainland China Resident Enterprises on Dividends Paid to Overseas Non-mainland China Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the SAT, such tax rate has been reduced to 10%.

If there is any development in the applicable tax laws and regulations or in the interpretation or application of such laws and regulations, the value of your [**REDACTED**] in our H Shares may be materially affected.

RISKS RELATED TO THE [REDACTED]

Our A Shares are listed on the Shenzhen Stock Exchange, and the characteristics of the A Share and H Share markets may differ.

Our A Shares are listed on the Shenzhen Stock Exchange. Following the [**REDACTED**], our A Shares will continue to be traded on the Shenzhen Stock Exchange and our H Shares will be [**REDACTED**] on the Stock Exchange. Under current PRC laws and regulations, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no [**REDACTED**] or settlement between the H Share and A Share markets. With different [**REDACTED**] characteristics, the H Share and A Share markets have divergent [**REDACTED**], [**REDACTED**] and [**REDACTED**] bases, as well as different levels of retail and institutional [**REDACTED**] participation. As a result, the [**REDACTED**] of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the [**REDACTED**] of our H Shares, and vice versa. Furthermore, due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the [**REDACTED**] of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the [**REDACTED**] decision in our H Shares.

We are exposed to risks associated with the potential spin-off.

We periodically evaluate strategic opportunities to enhance shareholder value, including, among others, spinning off subsidiaries, in light of our operations across multiple jurisdictions and markets, as well as our development of new business initiatives. These evaluations are contingent upon factors such as market conditions, financing requirements, subsidiary development and regulatory approvals. While no concrete plans have been formulated, we cannot preclude the possibility of spin-offs within three years of the [**REDACTED**] should such action align with our strategic objectives. Also, given our long-standing listing on the Shenzhen Stock Exchange since 2018, we need to maintain flexibility for potential spin-offs within three years of the H Share [**REDACTED**], which may require an appropriate waiver to be applied from and granted by the Stock Exchange.

While such spin-offs are designed to unlock intrinsic value and optimize operational efficiency, there is no assurance that these objectives will be achieved in full. Material risks associated with spin-offs may still include unanticipated costs (such as separation-related expenditures or restructuring costs, if any), operational complexities arising from organizational

decoupling, potential disruption to the Group's integrated business model and synergies and uncertain performance trajectories of spun-off entities, including their ability to sustain competitive positions. Should spun-off entities encounter operational challenges or financial difficulties, it may have adverse impact on our Group's strategic objectives and corporate reputation. In the event of any proposed spin-off, we will provide full disclosure to the Shareholders and obtain all necessary regulatory and Shareholder approvals under applicable rules and regulations. We will also implement appropriate strategies and measures to mitigate risks so as to maintain operational cohesion and preserve strategic continuity across the organization.

There has been no prior [REDACTED] for our H Shares and the [REDACTED] and [REDACTED] of our H Shares may be volatile.

There was no [**REDACTED**] for our H Shares prior to the [**REDACTED**]. There can be no guarantee that a [**REDACTED**] for our H Shares with adequate [**REDACTED**] and [**REDACTED**] will develop and be sustained following the completion of the [**REDACTED**]. In addition, the [**REDACTED**] of our H Shares is expected to be fixed by agreement between the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]) and us, which may not be indicative of the [**REDACTED**] of our H Shares following the completion of the [**REDACTED**]. If an active [**REDACTED**] for our H Shares does not develop following the completion of the [**REDACTED**], the [**REDACTED**] and [**REDACTED**] of our H Shares may be adversely affected.

The [REDACTED], [REDACTED] and [REDACTED] of our H Shares following the [REDACTED] may be volatile, which could result in substantial losses to you.

The [**REDACTED**] of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, Chinese Mainland, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in Chinese Mainland that have listed their securities in Hong Kong may affect the volatility in the [**REDACTED**] of and [**REDACTED**] for our H Shares. A number of Chinese Mainland-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall [**REDACTED**] sentiment towards Chinese Mainland-based companies listed in Hong Kong and consequently may impact the [**REDACTED**] of our H Shares. These factors may significantly affect the [**REDACTED**] and volatility of our H Shares, regardless of our actual operating performance.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

We have declared dividends in the past. We protect our Shareholders' interest by ensuring a consistent dividend policy. However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Our payment of dividends is subject to, among other things, our results of operations, cash flows, financial condition, capital requirements, distributable reserves and applicable laws and regulations. For example, under the current PRC law, dividends may be paid only out of our Company's accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. Moreover, our company is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserves, except where such accumulated statutory reserves have reached 50% of its registered capital. Such statutory reserves are not distributable as cash dividends. As of the Latest Practicable Date, our Company's statutory reserves reached 50% of our registered capital. See "Financial Information — Dividend". No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

A future or perceived significant increase in the supply of our H Shares in [REDACTED] could cause the [REDACTED] of our H Shares to decrease significantly, and dilute shareholdings of holders of H Shares.

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

You will incur immediate and substantial dilution if the [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Share.

The [**REDACTED**] of our [**REDACTED**] is higher than the net tangible asset value per Share immediately prior to the [**REDACTED**]. Therefore, purchasers of our [**REDACTED**] in the [**REDACTED**] will experience an immediate dilution. Existing Shareholders will receive an increase in the [**REDACTED**] adjusted consolidated net tangible assets value per share of their shares. See "Unaudited [**REDACTED**] Financial Information" in Appendix II to this Document.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the Shenzhen Stock Exchange.

As our A Shares are listed on the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in China. As a result, from time to time, we publicly release our financial and operational information on the Shenzhen Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares is based on the regulatory requirements of the securities authorities, industry standards and market practices in China, which are different from those applicable to the [**REDACTED**]. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this Document. As a result, prospective [**REDACTED**] in our H Shares should be reminded that, in making their [**REDACTED**] decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this Document. By applying to [**REDACTED**] our H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this Document and any formal announcements.

Certain facts, forecasts and statistics derived from official government sources contained in this Document have not been independently verified and the market opportunity estimates may not be accurate.

Certain facts, forecast and other statistics in this Document are derived from official government resources. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from official government sources has not been independently verified by us, the Joint Sponsors, the [**REDACTED**], the [**REDACTED**] or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, we cannot assure our [**REDACTED**] that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our [**REDACTED**] should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

[REDACTED] should read the entire Document carefully and should not consider any particular statements in this Document or in published media reports without carefully considering the risks and other information contained in this Document.

The [**REDACTED**] is being made solely on the basis of the information and representations contained in this Document, which are true and accurate to the best of our knowledge and belief. Any information not contained in this Document should not be relied upon in making an [**REDACTED**] decision with respect to the securities being [**REDACTED**]. Prior to the publication of this Document, there may be coverage in the media regarding us and the [**REDACTED**], which may have contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [**REDACTED**]. [**REDACTED**] should be aware that information and opinions published by third-party sources may have been based on outdated, incomplete, or inaccurate information. These sources may also have conflicts of interest, and their opinions may not be independent or objective. The media's coverage of our Company and the [**REDACTED**] may be influenced by a wide range of factors, including the bias of individual journalists, the preferences of media outlets, and the demand of advertisers.

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

This Document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate", "believe", "could", "going forward", "intend", "plan", "project", "seek", "expect", "may", "ought to", "should", "would" or "will" and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this Document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to this cautionary statement.