BUSINESS

OVERVIEW

We are a leading innovation-driven medical consumables provider in China. We provide medical institutions with comprehensive, quality medical consumables solutions.

Leveraging our integrated capabilities spanning R&D, regulatory registration, manufacturing, quality management and commercialization, we build a competitive and diversified portfolio, comprising (i) drug delivery products, (ii) vascular access products, (iii) blood specimen collection products, and (iv) others, mainly including interventional therapy products, surgical products and medical imaging consumable products. These products allow us to serve multiple clinical departments and a wide range of clinical application scenarios.

Our product portfolio has underpinned our market position. According to Frost & Sullivan:

- Based on the number of NMPA registration certificates for medical consumable products as of the Latest Practicable Date, we ranked second in China;
- Based on the number of registration certificates for vascular access products as of the Latest Practicable Date, we are among the companies with most comprehensive offerings globally; and
- Based on revenue in 2025, our drug delivery products ranked second in China.

Further, in 2025, our polyurethane PIVC was recognized as National-level Manufacturing Single Champion product in China. Looking ahead, guided by our commitment to continual innovation, premium quality, cost efficiency and best customer value (創新驅動、質量一流、成本領先及為客戶提供最優價值), we aspire to become a leading global provider of medical consumables.

Our R&D capabilities support our product development and innovation. In particular, our R&D is guided by the principles of tracking clinical needs and emerging trends, adoption of cross-disciplinary engineering, and the ability to bring products through verification and registration in a compliant, scalable manner. See "— Our Strengths — Clinical Needs-oriented and Innovation-driven R&D Platforms, Underpinning Our Continual Product Innovation and Iterative Upgrading" for further details.

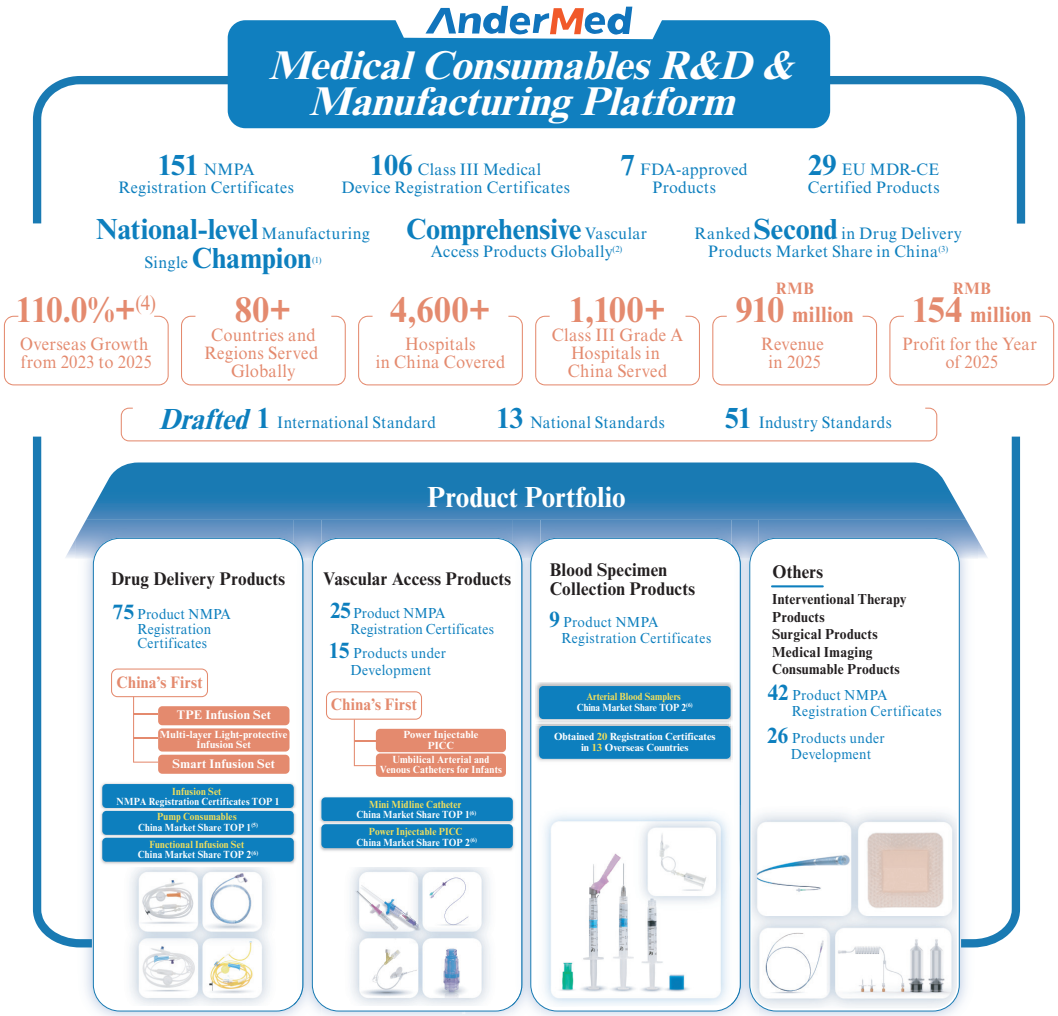
Quality is fundamental to our sustainable development. We have built and continue to enhance a quality management system covering R&D, procurement, manufacturing and post-market quality monitoring. Substantially all of our products are sterile medical consumables, and we implement stringent controls over critical processes and maintain traceability mechanism. In parallel, we continue to upgrade precision manufacturing and automation capabilities to enhance manufacturing stability. These efforts enable us deliver reliable quality products in a cost-efficient manner while meeting evolving regulatory and quality requirements.

We have built a commercialization network to reach both China and overseas markets. As of the Latest Practicable Date:

- In China, our products had reach over 4,600 hospitals in 31 provinces, including over 1,100 Class III Grade A hospitals.
- We are also exploring overseas markets by strengthening market access and compliance capabilities, and (i) seven of our products, including infusion sets and PIVC had obtained U.S. FDA certificates; (ii) 29 products had obtained CE certificates under the EU MDR.

Further, in 2024, we achieved WHO-PQS prequalification and were included in the WHO global tender procurement directory, further supporting our overseas expansion. As of the Latest Practicable Date, in addition to China, we had obtained 134 regulatory approvals and registration certificates across 58 countries and regions.

Set forth below are further details of our business highlights as of the Latest Practicable Date and for the periods indicated:



Notes:

(1) In 2025, our polyurethane PIVC was recognized as National-level Manufacturing Single Champion product in China.

(2) Based on the number of registration certificates for vascular access products as of the Latest Practicable Date, we are among the companies with most comprehensive offerings globally according to Frost & Sullivan.

(3) Based on revenue in 2025.

(4) Calculated as overseas revenue in 2025 minus overseas revenue in 2023, divided by overseas revenue in 2023.

(5) In terms of reported volume of centralized procurement in 24 provinces for pump consumables in 2025.

(6) Based on sales volume in 2025.

Our Core Products

We develop our product around the core diagnosis and treatment needs from healthcare providers, with a focus to meet frontline clinical requirements. Our products cover a broad range of applications, including medication administration, infusion management, vascular access establishment and maintenance, diagnostic sampling, perioperative care and wound management. We are also progressively expanding into interventional procedures and diagnostic imaging-related applications.

This clinically driven and innovation-led product strategy has enabled us to scale and deepen our channel presence in essential consumables, while leveraging a repeatable set of capabilities across R&D, quality management and commercialization. These capabilities support our expansion into higher value-added product categories, and lay the foundation for sustainable growth. Key details of our product categories are as follow:

- ***Drug delivery products***. Our drug delivery products serve key clinical settings, including infusion, injection and enteral nutrition. They are designed to enhance delivery safety and support medication administration and management. We continue to upgrade materials and structural design to meet evolving clinical needs.

  We have achieved a number of R&D and commercialization milestones. These include:

  - o introducing China's first infusion set with a 1.2 μm precision filter in 2010, which helps control microscopic insoluble particles during infusion;
  - o becoming the first company in China to obtain an NMPA registration certificate for a TPE infusion set in 2011, which uses optimized materials and structural design to meet clinical requirements for infusion safety and stability;
  - o independently developing and commercializing smart infusion sets, and becoming the first company in China to obtain registration certificate in 2012. The product is equipped with automatic air-venting and intelligent infusion stop functions, which are designed to reduce the operational workload of nursing staff and improve patient infusion experience; and
  - o obtaining China's first registration certificate for a non-phthalate precision filtration infusion set for pumps in 2018, and becoming one of the first domestic brands to launch pump infusion consumables, which are used with infusion pumps and syringe pumps for precise drug delivery.

  According to Frost & Sullivan, based on the reported volumes of centralized procurement in 24 provinces for pump consumables in 2025, we ranked first in China, and based on sales volume in 2025, our functional infusion sets ranked second in China. Our pump consumables are also sold in the international market together with products of leading infusion pump manufacturers, and have achieved rapid growth.

- ***Vascular access products.*** Our vascular access products focus on peripheral venous access and access management for long-term infusion therapy. We provide a comprehensive product offering for clinical vascular access, including among others, PIVC, midline catheter (including mini midline catheters and midline catheters), PICC, CVC, neonatal umbilical vessel catheters, hemodialysis catheters and Huber needle (disposable needle for PORTs). According to Frost & Sullivan, based on the number of registration certificates for vascular access products as of the Latest Practicable Date, we are among the companies with most comprehensive offerings globally.

  Vascular access products are subject to stringent requirements for material performance, structural reliability and quality consistency. Leveraging our quality control and innovation capabilities, we continue to obtain registrations and upgrade key products.

For example, we obtained China's first NMPA registration certificate for a power injectable PICC and umbilical arterial and venous catheters for infants, respectively, and have continued to expand our product portfolio. We also address access maintenance needs with ancillary products such as positive-pressure needle-free infusion connectors and disinfecting caps, which support connector disinfection and protection and improve convenience and safety in ongoing line maintenance.

According to Frost & Sullivan, based on sales volume in 2025, (i) our mini midline catheters ranked first in China; and (ii) our power injectable PICC ranked second in China and first among domestic companies in China, respectively. We believe our vascular access products are well positioned for further growth in China and overseas, and we plan to continue expanding our international presence.

- ***Blood specimen collection products.*** Our blood specimen collection products are designed to support safe sampling and sample integrity. They are primarily used in laboratory testing and critical care monitoring, and include arterial blood samplers and safety-engineered venous blood collection needles. To improve sample reliability and testing accuracy, our arterial blood samplers incorporate optimized structural and material designs, which help improve sampling stability and consistency. We have also participated in the drafting and validation work of ISO/TC 76, an international standard-setting body for blood specimen collection, contributing to the standardization of safety, reliability and quality consistency in this field. According to Frost & Sullivan, based on sales volume in 2025, our arterial blood sampler ranked second in China and achieved rapid growth in global markets.

- ***Others.*** We also offer other medical consumables, primarily including (i) interventional therapy products; (ii) surgical products; and (iii) medical imaging consumable products.

  Interventional therapy products are a key focus of our expansion into higher value-added consumables. We are advancing our pipeline and registrations across interventional accessories, access products and therapeutic products. As of the Latest Practicable Date, we had obtained 16 product registration certificates for interventional therapy products, with 18 products under development, while continuing to advance the R&D and clinical translation of innovative therapeutic products. For example, we have obtained the registration certificate for our intracranial thrombus aspiration catheter, and the animal studies for our candidate coronary cutting balloon catheter were completed in September 2025 and entered the clinical trial stage in March 2026.

  Our surgical products are positioned around perioperative care and wound management, focusing on clinical needs including exudate management. We have also developed products for imaging examinations and contrast administration, and have achieved mass production and sales of high-pressure contrast injector and high-pressure extension tubes, while progressing the development and registration of other high-pressure contrast products in an orderly manner.

Our Financial Performance

During the Track Record Period, leveraging our diversified product portfolio, we demonstrated resilient operating performance. Our revenue was RMB940.6 million, RMB935.6 million and RMB909.7 million in 2023, 2024 and 2025, respectively. Our net profit was RMB156.1 million, RMB153.0 million and RMB154.1 million in 2023, 2024 and 2025, respectively. Since we commenced building our global commercialization network, we have secured U.S. FDA certifications, CE certificates in the EU and product registrations in multiple overseas markets. Continued recognition in overseas markets has driven the growth of our overseas revenue, which increased from RMB46.6 million in 2023 to RMB99.2 million in 2025, representing an increase of 112.7%.

OUR STRENGTHS

A Leading Provider of Medical Consumables with a Comprehensive Portfolio and Leading Positions in Multiple Segments

We have established a broad and comprehensive product portfolio, with core categories covering drug delivery products, vascular access products, and blood specimen collection products. We have also expanded into others, mainly including interventional therapy products, surgical products and medical imaging consumable products. Together, these products form a scalable set of capabilities to serve multiple clinical departments and a wide range of clinical applications with integrated products and solutions. As of the Latest Practicable Date, in China, we had obtained 151 medical device registration certificates, including 106 Class III medical device registration certificates, providing a strong product and compliance foundation for our continued expansion into different segments.

We have also built leading positions in selected sub-segments, according to Frost & Sullivan:

- ***Drug delivery products***. We are among the few domestic companies in China that offer a broad range of functional infusion sets. Based on revenue in 2025, our drug delivery products ranked second in China.
- ***Vascular access products***. Based on sales volume in 2025, (i) our PIVC ranked fourth in China, with a market share of approximately 8.7%; (ii) our mini midline catheters ranked first in China, with a market share of approximately 41.9%; and (iii) our power injectable PICC ranked first among domestic brands in China, with a market share of approximately 40.2%.

By combining essential consumables with higher value-added offerings, we can address hospital needs across key clinical workflows, including infusion therapy, vascular access establishment and maintenance, diagnostic sampling, perioperative care and imaging examinations.

Our comprehensive portfolio also enables us to cover multiple clinical departments within the same hospital and to offer products that can be used together across clinical workflows. This breadth supports more efficient product launches by leveraging our existing channels and hospital coverage. As we continue to commercialize new products and expand overseas, a more diversified portfolio helps reduce reliance on any single product or market, strengthens our business resilience and supports sustainable growth.

Clinical Needs-oriented and Innovation-driven R&D Platforms, Underpinning Our Continual Product Innovation and Iterative Upgrading

Since our establishment, we have focused on medical consumables and pursued an innovation-driven strategy anchored in clinical needs. Guided by the principles of safety, reliability and performance, we track technology developments and regulatory expectations and have built capabilities across materials selection, structural design, precision processing, verification and validation, and registration support. We monitor clinical needs and emerging trends and translate these insights into product upgrades and commercial outcomes through industry standard participation, participation, stable R&D resourcing and reusable technology platforms. As of the Latest Practicable Date, we had participated in drafting multiple standardization documents, including one international standard, 13 national standards and 51 industry standards.

We have established an R&D framework covering product development, process development, testing and verification, and registration support, and we continue to invest in R&D. We believe innovation in medical consumables depends not only on technical advances, but also on cross-disciplinary engineering and the ability to bring products through verification and registration in a compliant, scalable manner. As of December 31, 2025, we had an R&D team of 184 personnel with multidisciplinary backgrounds, including materials science and engineering, mechanical design, manufacturing and automation, and biomedical engineering. We have built four

major R&D platforms that are reusable across different products and provides a structured "design — process — verification and validation — registration" capability. This enables us to improve R&D efficiency, shorten iteration cycles, and accelerate industrialization while maintaining product safety and quality consistency. In particular:

- ***Structural design and manufacturing technology platform***. We cover key processing capabilities for polymer and metal materials, including extrusion, injection molding, ultrasonic welding and laser welding, and advanced molding techniques such as multi-shot molding, insert molding and liquid silicone rubber molding. We develop reliable and manufacturable structures that are tailored to the clinical needs and manufacturing requirements, such as precision sealing structures, fluoropolymer insert injection-molded structures, self-expanding stent structures and foldable catheter systems. We balance performance, manufacturability and cost, thereby shortening development cycles and improving product performance.

- ***Catheter precision processing and surface modification technology platform***. This platform supports the R&D and manufacturing of catheters using precision processing and surface modification technologies. We have established stable precision-processing capabilities for multiple specifications of variable-diameter catheters as well as low-hardness, ultra-thin-wall composite outer catheter tubing, helping ensure consistency in dimensional control, wall thickness uniformity, mechanical performance and surface quality. In addition to conventional materials such as TPU and PA, we also have surface modification capabilities for difficult-to-process materials, including fluoropolymers, which broadens catheter applications in more advanced device settings.

- ***PIVC design and manufacturing technology platform***. This platform integrates key processes and system-level product design for PIVC. We enhance cannulation success rates, usability and safety through multiple technical routes. These include catheter tip forming and length control, extension tubing extrusion, optimization of materials and injection molding processes, one-hand clamp and anti-occlusion designs, and needlestick-prevention and anti-reflux mechanisms. We also maintain coverage across a full 14G to 26G range and different length specifications, forming product tiers such as basic, anti-reflux and closed-system variants to match different medical institutions and clinical scenarios. On the manufacturing side, we continue to advance automation and process control to improve yield consistency and changeover flexibility.

- ***Interventional product development and manufacturing technology platform***. We have configured production and verification equipment covering the full process for interventional devices, supporting process development and scaled manufacturing for balloon catheter products, braided catheter products and stent products. We have accumulated experience in taking multiple interventional devices from design through industrialization, and continue to strengthen critical processes such as precision assembly and bonding for cutting balloons, and laser processing and surface functionalization for variable-diameter stents, supporting the development and industrialization of complex interventional devices.

These R&D platforms support continual innovation and help us maintain a repeatable pathway from R&D to approvals and market adoption. As of December 31, 2025, we had 15 products for which we were the first in China to obtain a medical device registration certificate, including the first power injectable PICC, the first smart infusion set and the first TPE infusion set, among other cross-product-line milestones. As of the Latest Practicable Date, we had obtained 151 NMPA product registration certificates, and over 50 products at the registration stage in China. We also had seven products that had obtained U.S. FDA registration certificates, and 29 product categories that had obtained CE certificates under the EU MDR. In addition to China, we had obtained 134 regulatory approvals and registration certificates across 58 countries and regions.

Integrated Quality Control, Automation and In-house Key Component Manufacturing, Enhancing Our Competitiveness

Our quality management, production process control and continuous process optimization capabilities are critical to translating our R&D outcomes into scaled, reliable supply. Through a standardized quality system, controlled and validated sterile and other key special processes, and an increasing level of automation, we are able to maintain consistent product quality and stable supply across multiple product lines while building sustainable cost efficiency and scalable manufacturing capability. In 2025, our intelligent factory for sterile medical devices was recognized as an advanced intelligent factory in Shandong Province. In 2025, our polyurethane PIVC was recognized as a national-level Manufacturing Single Champion product.

Quality system and compliance readiness. We operate a robust product quality management system and are certified under ISO 13485, with quality management covering the full product lifecycle from R&D, procurement and production to product release and post-market surveillance:

- We implement specific control requirements for critical areas such as cleanroom environmental control and contamination prevention, line clearance and cross-contamination control, lot/batch management and traceability;
- We conduct qualification and validation for critical special processes such as sterilization, retain key process parameter records, and ensure that sterilization batch records are traceable back to the corresponding production batches, supporting controlled and traceable sterility assurance. In addition, we have established procedures covering customer complaints, adverse event monitoring notifications and product recalls, and we continuously enhance the effectiveness of our quality management system through internal audits, management reviews, data analysis and corrective and preventive actions;
- We obtained ISO 14001 environmental management certification and ISO 45001 occupational health and safety management certification in 2021, supporting standardized management of our production and operations; and
- Since 2021, we have undergone an aggregate of 46 on-site and remote audits by medical device regulatory authorities from five countries, and 10 on-site and remote audits by several customers, and have successfully passed such audits.

Automation and process capability. Within this quality system framework, we continue to increase automation. Through customized design of production equipment and molds, together with ongoing optimization of process parameters, we are progressively automating production for major products. This reduces the impact of manual variability in critical steps, improves batch-to-batch consistency and enhances manufacturing efficiency while meeting quality and regulatory requirements, thereby strengthening the sustainability of our cost efficiency. We have also accumulated manufacturing know-how in processing polymer and silicone materials (including injection molding and extrusion), and we continue to refine process optimization and process control for critical steps in catheter-based products, including tip processing and assembly, supporting stable quality output under scaled production.

Selective in-house production of key components. Building on our automation and process capabilities, we have developed in-house manufacturing capability for certain key components that materially affect product performance and quality consistency. We have also developed certain critical process steps, which, together with the manufacturing of these key components, strengthen control over quality and supply stability and further improve cost efficiency. For example:

- We have brought in-house the production of certain silicone components; and
- The catheter products have been transitioned from external procurement to in-house production, enhancing our control over the quality and supply management of these key components.

We believe the combination of our quality system, automation and process capabilities, together with selective in-house production of key components, provides a solid foundation for delivering high-quality products at scale, maintaining cost efficiency and supporting multi-product-line manufacturing.

Robust Commercialisation Capabilities and Rapid Global Expansion, Sustaining Our Solid Operating Performance and Profitability

Commercializing medical consumables is not solely a matter of sales coverage. It also depends on whether a company can, within an appropriate compliance framework, convert quality consistency, clinical suitability and cost efficiency into a practical pathway for hospital access and sustained adoption. Based on these industry characteristics, we have built an integrated commercialization framework that covers (i) domestic hospital promotion; (ii) market access and procurement execution; and (iii) overseas regulatory access and channel expansion. This framework enables us to advance multiple product categories into hospital procurement and clinical use in parallel, and to apply proven commercialization experience to newly launched products.

Hospital coverage and closed loop clinical feedback. We have established broad sales network coverage in China. As of the Latest Practicable Date, our products had reached over 4,600 hospitals across different regions and tiers of medical institutions. Building on this end-hospital reach, we introduce and expand our product portfolio by clinical department and application, and drive adoption of additional categories and upgraded products within existing customers. In addition, we have established after-sales and clinical communication mechanisms to collect timely feedback from healthcare professionals, and then collaborate with our R&D, quality and manufacturing teams to implement improvements and optimization. This supports a practical feedback loop from clinical use to product refinement and broader adoption, and helps maintain stable supply at the hospital level.

Clinical promotion and training. We have established an academic promotion and training program to facilitate healthcare professionals' understanding of product features, scope of application and operating procedures, so as to support standardized uses. Our dedicated academic promotion team has years of experience working in Grade III Class A hospitals, enabling them to better understand user needs. Through academic seminars, expert exchanges and product training sessions, we communicate product characteristics, applications and key operating points. We also maintain internal training and management requirements for our academic promotion personnel to support professional execution. These efforts help standardize product use in hospitals and facilitate broader adoption across departments and clinical settings.

Market access and procurement execution. We have developed a repeatable mechanism that enables newly certified products to enter hospital procurement systems more efficiently. After obtaining a product registration certificate, we advance key procedures in parallel, including applications for identification codes within the medical insurance and procurement systems, and listing and pricing arrangements on provincial procurement platforms. Our dedicated team coordinates across functions, including R&D, technical, marketing, product lines and sales management, to prepare materials and map approval pathways in advance. This allows more efficient filings in accordance with applicable requirements. We have generally been able to commence relevant filings in the same month a registration certificate is issued, and to obtain the national medical insurance code and complete listing procedures on provincial procurement platforms within a short timeframe. We believe this organized, process-driven market access capability allows us to replicate commercialization for new product introductions, improve efficiency, and support our continued expansion in the domestic market. Meanwhile, our overseas expansion capabilities are built on our regulatory access, compliance and quality credentials, channel development and localized implementation.

We believe that this commercialization system helps translate our strengths in quality consistency, cost efficiency and product innovation into deeper penetration across end hospitals in China and a repeatable pathway for overseas expansion. It also provides a structured, repeatable way to bring new products into hospital procurement and routine clinical use. We believe this supports steady operating performance and continued improvement in profitability.

Visionary and Experienced Leadership, Reinforced by Our Culture of Integrity

We have a seasoned and stable management team. Our core management members are professionals with extensive experience in the medical consumables sector and related industries, with proven execution capabilities. Our key management team have served the Company for over 15 years on average, which we believe supports strategic continuity and effective cross-functional coordination across key functions such as R&D, product registration, manufacturing, quality management and commercialization. Our Chairman, Mr. JI Yuexiang, has 40 years of industry and management experience in the medical device sector, providing deep insight and leadership in assessing industry trends, shaping our product strategy and overseeing operations.

Integrity is a core element of our corporate culture and values, and we embed it in our daily operations and collaboration with our stakeholders, including customers, suppliers, employees, shareholders and the wider community. We are committed to providing clinical solutions through safe, reliable and advanced products, and we continually enhance product quality consistency and service capabilities within a robust compliance and quality management framework. We believe this value-driven culture helps us build long-term partnerships and supports sustainable development in the medical consumables industry, where product safety, quality consistency and regulatory compliance are particularly critical.

OUR STRATEGIES

Guided by our commitment of continual innovation, premium quality, cost efficiency and best customer value (創新驅動、質量一流、成本領先及為客戶提供最優價值), we aspire to become a leading global provider of medical consumables. In particular:

Strengthening Our Established Strengths While Building New Growth Engines to Broaden Our Clinical Application Coverages

We will continue to reinforce our established strengths while expanding into higher value-added segments and further upgrading our commercial execution, so that we can sustain long-term growth as the medical consumables market continues to evolve.

We will enhance our core product portfolio, particularly our drug delivery products and vascular access products. We plan to strengthen our position in key sub-segments through product upgrades and ongoing improvements in cost efficiency. We will also deepen hospital coverage and enhance channel coordination. In parallel, we will further refine our compliant and efficient sales and marketing management system and continue to build a professional commercial team, with a view to increasing penetration across more clinical applications and more hospital departments. At the same time, we will accelerate the scaling of our blood specimen collection products, by continuing to promote and iterate representative products such as our disposable human arterial blood sampler and safety-engineered venous blood collection needle, leveraging our existing hospital footprint to drive further growth.

In the meanwhile, we will accelerate the launch and commercialization of innovative products. We will continue to increase R&D investment and build a structured pipeline aligned with evolving clinical needs and technological trends. In particular, we will further expand into higher value-added consumables, including interventional therapy products, medical imaging consumable products and surgical products. We will leverage our established capabilities in product development and registration to advance these products from development to market adoption, and capture synergies

with our existing hospital network, clinical education and training, and market access and procurement execution capabilities, thereby opening up new markets and additional growth opportunities.

Alongside business expansion and product innovation, we may also prudently evaluate strategic acquisitions and partnership opportunities from time to time, focusing on targets in sub-segments that are complementary and synergistic to our existing business. We will prioritize opportunities that can enhance our product portfolio, strengthen key technical capabilities or expand channel coverage, with a view to improving the efficiency of our portfolio build-out and shortening the incubation cycle for new businesses. Any such inorganic growth initiatives will be pursued on the basis of disciplined commercial assessment, appropriate compliance review and our integration capabilities.

Accelerating Global Expansion by Strengthening Overseas Channels and Enhancing our Global Brand Profile

We intend to further enhance our overseas market coverage, regulatory access and compliance capabilities, and localized service and support. While maintaining our quality standards and compliance requirements, we plan to progressively expand our product portfolio available for sale overseas and to strengthen the supporting capabilities that overseas customers typically require, including regulatory and compliance support, quality and technical documentation, training, technical support and after-sales responsiveness.

Specifically, we plan to advance channel development and brand building in parallel. On the channel front, we intend to build a broader international sales and distribution network and further expand our presence in regions such as the Americas, Europe, and Southeast Asia. Subject to market conditions and our business development needs, we may consider establishing local service teams in selected markets, so that we can be closer to local customers and respond more efficiently. Additionally, we intend to continue participating in major international industry exhibitions and professional conferences, thereby engaging potential customers and partners, expanding our customer base and strengthening our brand awareness. We also plan to present our product portfolio and clinical value proposition in a compliant and professional manner, supporting our long-term growth in overseas markets.

Increasing R&D Efforts to Strengthen Product Development

We plan to continue increasing our R&D investment to align evolving clinical needs and industry technology trends. We believe this helps improve product development efficiency and support targeted product upgrades. In particular, we will continue to enhance our R&D capabilities by expanding our R&D facilities, encompassing laboratories, performance testing and pilot-scale verification, so as to support an end-to-end R&D workflow, from design concepts and prototype development, to testing and validation, and then process scale-up.

We also plan to increase our R&D efforts in key product areas, particularly focusing on higher value-added product lines such as vascular access and vascular interventional therapy products. We will enhance relevant technical capabilities and recruit R&D talent with relevant experience, with the aim of accelerating product iteration and bringing higher value-added new products to market more efficiently. In addition, leveraging our established R&D center in Shanghai, we plan to further expand our R&D work in high-end, precision products, including the development and iteration of cardiovascular and oncology interventional therapy products, and to work in tandem with our headquarters R&D system.

Expanding Capacity and Strengthening Manufacturing Quality System to Drive Future Growth

We plan to further strengthen our manufacturing capabilities to support scaled supply across multiple product lines and to meet demand from both domestic and overseas markets. As our established products continue to grow and new products progressively reach commercialization, we

seek to enhance our manufacturing system, including capacity scale, production efficiency and quality consistency, to align our product and market positioning. To this point, we will advance capacity expansion in parallel with manufacturing system upgrades, so as to reinforce our manufacturing foundation in the medical consumables sector.

We plan to expand and upgrade our Zibo production base and continue investing in manufacturing capabilities. This includes automation upgrades for existing production lines to increase capacity and productivity, reduce human-driven variability in critical processes, and enhance batch-to-batch consistency, while meeting applicable compliance requirements, supporting stable delivery and improving operational efficiency. Further, we will align new or additional production lines with the process, quality control and regulatory compliance requirements of our products in development and newly introduced products, and we will build or adjust such lines as needed based on business progress. This is intended to ensure that, when new products proceed to scaled production, the production conditions and process controls in place are appropriate for their risk profile and compliance requirements. We believe these capacity expansion and manufacturing system enhancement initiatives will help us meet growing demand in domestic and overseas markets, while further strengthening manufacturing support for quality consistency and cost efficiency, thereby laying a solid foundation for our future growth.

OUR PRODUCTS

Overview

Our product offerings comprise (i) drug delivery products, (ii) vascular access products, (iii) blood specimen collection products, and (iv) others, mainly including interventional therapy products, surgical products and medical imaging consumable products.

The following table sets forth a breakdown of our revenue by product category, in absolute number and as a percentage of our total revenue, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Drug delivery products	561,082	59.7	551,738	59.0	493,043	54.2
Vascular access products	320,070	34.0	304,657	32.6	324,556	35.7
Blood specimen collection products	43,796	4.6	56,847	6.1	66,134	7.3
Others[(1)]	15,622	1.7	22,386	2.3	25,993	2.8
Total	**940,570**	**100.0**	**935,628**	**100.0**	**909,726**	**100.0**

Note:

(1) Primarily include interventional therapy products, surgical products and medical imaging consumable products.

The following table sets forth the sales volume and ASP information of our products by product category for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	(thousand units)	*(RMB'000/ thousand units)*	*(thousand units)*	*(RMB'000/ thousand units)*	*(thousand units)*	*(RMB'000/ thousand units)*
Drug delivery products	531,125	1.1	524,325	1.1	466,948	1.1
Vascular access products	71,576	4.5[(1)]	77,809	3.9[(1)]	85,742	3.8
Blood specimen collection products	58,767	0.7	77,628	0.7	84,094	0.8
Others[(2)]	31,406	0.5	17,524	1.3	13,818	1.9
Total	**692,874**	**1.4**	**697,285**	**1.3**	**650,602**	**1.4**

Note:

(1) The decrease in the ASP of vascular access products in 2024 as compared with 2023 was mainly attributable to the inclusion of our products in the centralized volume-based procurement program.

(2) Primarily include interventional therapy products, surgical products and medical imaging consumable products.

Drug Delivery Products

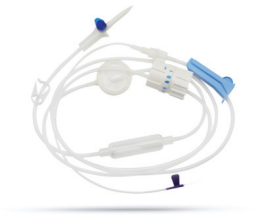
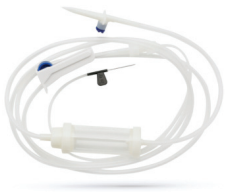
Our drug delivery products are used to administer medications, fluids and nutrition through established vascular access during infusion therapy. These products are designed to support flow regulation and administration safety, including compatibility with different medications and infusion devices, and are used across hospital settings for routine infusion as well as pump-assisted, precision-controlled administration. Our drug delivery products mainly include (i) functional infusion set, and (ii) pump consumables. As of the Latest Practicable Date, we had developed 75 drug delivery products.

Functional Infusion Set

Functional infusion sets refer to infusion sets that are better able to meet clinical application needs, such as infusion sets featuring precision filtration, micro-flow regulation functions and new materials with enhanced compatibility.

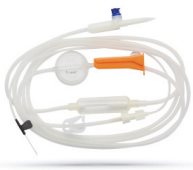
The following table sets forth the details of our key functional infusion set products.

Product	Pictures	Major applicable procedures and features
Non-phthalate PVC smart infusion set (非鄰苯PVC智能型輸液器). . .		Used for intravenous infusion in clinical patients, featuring automatic air elimination and automatic flow-stop functions. The product uses tris(2-ethylhexyl) trimellitate as the plasticizer and is free of DEHP.
Non-phthalate PVC smart micro-adjustable light-protective infusion set (非鄰苯PVC智能微調避光輸液器)		Used for intravenous infusion in clinical patients, enabling precise control of drug flow rate and providing light-protection functionality within the wavelength range of 290 nm to 450 nm.
TPE infusion set with precision filter (TPE精密輸液器)		Used for intravenous infusion in clinical patients. The product is made of TPE material and is free of PVC and DEHP.

Product	Pictures	Major applicable procedures and features
Micro-adjustable infusion set (微調輸液器)		Used for intravenous infusion in clinical applications requiring control and regulation of flow rate.
Membrane-type auto-stop infusion set (膜止液輸液器)		Used for intravenous infusion in clinical patients, featuring automatic flow-stop function.

Pump Consumables

Pump consumables are primarily responsible for delivering media such as medications, nutrient solutions, or blood products. The following table sets forth the details of our main pump consumables.

Product	Pictures	Major applicable procedures and features
Pump infusion sets (泵用輸液器)		Used in conjunction with infusion pumps for pressure infusion and also used for gravity infusion.
Pump syringe (泵用注射器)		Used in conjunction with a syringe pump to control the flow rate of medication infused into patients.

Product	Pictures	Major applicable procedures and features
Infusion extension tube (输液延長管)		Connected to infusion sets or infusion devices (such as infusion pumps and syringe pumps) during clinical infusion procedures, and used for medication filtration, flow regulation, drug addition and extension of infusion tubing. It is suitable for both pressure infusion.

Vascular Access Products

Our vascular access products are mainly used to establish and maintain vascular access by inserting and securing a catheter into patients' vein or artery for subsequent clinical uses, including administration of fluids and medications, infusion therapy, blood sampling and, in certain cases, hemodynamic monitoring. These products are commonly used in hospitals and other clinical settings, including operating rooms, emergency rooms, intensive care units and general wards, for short-term and longer-term intravenous therapy. Our vascular access products primarily include (i) PIVC, (ii) midline catheters, (iii) PICC, (iv) umbilical arterial and venous catheters for infants, and (v) vascular access ancillary products. As of the Latest Practicable Date, we had developed 25 vascular access products.

PIVC

PIVC is a medical device used for peripheral venous infusion that can remain in the vein for a short period (≤72 hours).

The following table sets forth the details of our main PIVC products.

Product	Pictures	Major applicable procedures and features
Safety Y-type PIVC (防針刺Y型留置針). . .		Used for infusion and blood transfusion through insertion into the human peripheral venous system, featuring a needle-stick prevention function. The extension tubing and catheter of this product are made of polyurethane.
Needle-free connector PIVC (無針連接式留置針)		Used for infusion and blood transfusion through insertion into the human peripheral venous system, featuring needle-free connection to avoid needlestick injuries. The extension tubing and catheter of this product are made of polyurethane.

Product	Pictures	Major applicable procedures and features
Safety straight PIVC (防針刺直型留置針)		Used for infusion, blood transfusion, blood sample collection and invasive blood pressure monitoring, and featuring a needle-stick prevention function.
Positive pressure Safety PIVC (正壓防針刺留置針)		Used for infusion and blood transfusion through insertion into the human peripheral venous system, featuring positive pressure and needle-stick prevention functions. The extension tubing and catheter of this product are made of polyurethane.

Midline Catheters

A midline catheter is a peripheral venous catheter, typically made of polyurethane material, used for short- to medium-term intravenous infusion therapy.

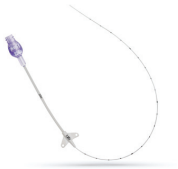
The following table sets forth the details of our main midline catheter products.

Product	Pictures	Major applicable procedures and features
Mini midline catheter (迷你中線導管)		Used for patients with poor peripheral vascular conditions or difficult venous access. It can provide intravenous therapy for a duration of one to four weeks.
Midline catheter (中線導管).		Used to access the central venous system via a peripheral vein in order to establish an intravascular access for the infusion of medications or solutions.

PICC

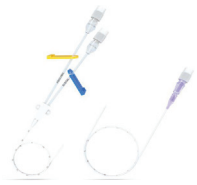
A PICC is a long, flexible catheter that can be inserted into a vein in the upper arm or lower limb.

The following table sets forth the details of our main PICC products.

Product	Pictures	Major applicable procedures and features
Power injectable PICC (耐高壓PICC)		Used to access the central venous system via a peripheral vein to establish intravascular access for the infusion of medications or solutions, blood sample collection, and monitoring of central venous pressure, and may also be used for high-pressure injection of contrast media.
Neonatal PICC (新生兒PICC)		Used to access the central venous system via a peripheral vein in order to establish an intravascular access for the infusion of medications or solutions.

Umbilical Arterial and Venous Catheters for Infants

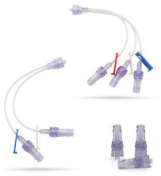
The following table sets forth the details of our umbilical arterial and venous catheters for infants.

Product	Pictures	Major applicable procedures and features
Umbilical arterial and venous catheters for infants (嬰兒臍動靜脈導管)		Used to establish short-term (less than 30 days) intravascular access through umbilical vessels in neonatal patients within 72 hours after birth. The umbilical arterial catheter is used for blood sample collection or blood pressure monitoring, while the umbilical venous catheter is used for infusion, blood transfusion, blood sample collection or blood pressure monitoring.

Vascular Access Ancillary Products

Vascular access ancillary products refer to products used in conjunction with vascular access products to facilitate clinical procedures.

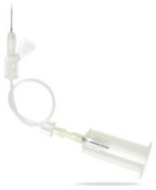
The following table sets forth the details of our vascular access ancillary products.

Product	Pictures	Major applicable procedures and features
Huber needle (disposable needle for PORTs) (輸液港專用針)		Used to deliver infusions, administer medications and perform flushing via implantable drug delivery devices. In addition, the dedicated infusion needle is suitable for use with power-injectable implantable drug delivery devices for high-pressure injection of contrast media in CT imaging, with a maximum pressure tolerance of 300 psi.
Positive-pressure needle-free infusion connector (正壓無針輸液接頭)		Used for connection and sealing at the terminal end of infusion lines in clinical use. It can be connected with indwelling catheters, three-way stopcocks and other infusion devices for intravenous infusion.
Septum needle-free connector (分隔膜無針接頭)		Used for conjunction with intravascular indwelling catheters for the infusion of medications into the vasculature or for blood withdrawal.

Blood Specimen Collection Products

Our blood specimen collection products are used for the collection and preservation of blood samples for clinical testing, analysis and diagnostic purposes. These products are designed to support safe, efficient and standardized blood collection and sample handling, with a focus on minimizing contamination risks and maintaining sample integrity during and after collection. As of the Latest Practicable Date, we had developed nine blood specimen collection products.

The following table sets forth the details of our main blood specimen collection products.

Product	Pictures	Major applicable procedures and features
Arterial blood sampler (動脈血樣採集器)		Used for arterial blood sample collection and storage, with the collected samples intended for blood gas analysis.
Safety-engineered venous blood collection needle (防針刺靜脈採血針) . .		Used for clinical venous blood collection in conjunction with disposable venous blood collection containers, for subsequent blood testing and analysis.
Vacuum blood collection tube (真空採血管) . . .		Used for clinical blood specimen collection, enabling connection with blood collection needles and other devices to collect and store venous blood for biochemical, immunological, and general hematology testing in medical institutions.

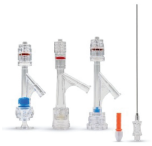
Others

Others mainly include interventional therapy products, surgical products and medical imaging consumable products.

Interventional Therapy Products

Our interventional therapy products are used in minimally invasive diagnostic and therapeutic procedures to support device delivery, pressure-controlled dilation, embolization and fluid administration through vascular pathways. These products are designed to enable precise manipulation and stable performance during interventional procedures and are applied in a controlled clinical environment. Our interventional therapy products are commonly used in hospitals and other clinical settings for a wide range of coronary, peripheral vascular, neurovascular interventions and non-vascular interventional therapy. As of the Latest Practicable Date, we had developed 16 interventional therapy products.

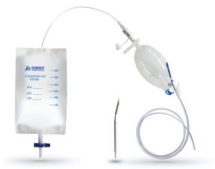
The following table sets forth the details of our main interventional therapy products.

Product	Pictures	Major applicable procedures and features
Balloon dilation pressure pump (球囊擴張壓力泵)		Used for interventional procedures with balloon dilatation catheters, enabling precise balloon inflation and deflation via manometer pressure readings for controlled balloon expansion or contraction.
Y-type hemostasis valve (Y型連接閥)		Used for vascular interventional procedures, connected with other devices to provide a channel for drug infusion and reduce blood loss when guiding a guidewire or other instruments into the body externally.
Microcatheter (微導管) .		Used to deliver therapeutic or diagnostic agents or other instruments to target areas such as coronary, peripheral vascular and neurovascular.
Distal access catheter (遠端通路導管)		Used for delivering therapeutic or diagnostic devices to target sites in the neurovascular and peripheral vascular systems.
Non-compliant coronary balloon dilatation catheter (非順應性冠狀動脈球囊擴張導管). . .		Used for intravascular dilation treatment of coronary artery stenosis or occlusive lesions, and for post-dilation of stents following implantation.
Intracranial thrombus aspiration catheter (顱內血栓抽吸導管) . .		Used for revascularization in patients with acute ischemic stroke secondary to intracranial large vessel occlusion (including the internal carotid artery, middle cerebral artery segments M1 and M2, basilar artery and vertebral artery) within eight hours of symptom onset.

Surgical Products

Our surgical products are used in surgical procedures and perioperative care to support tissue management, fluid drainage, pain control and postoperative recovery. These products are designed to facilitate standardized surgical operations and postoperative management, with an emphasis on procedural efficiency, infection control and patient safety. Our surgical products are commonly used in hospitals and other clinical settings, including operating rooms, postoperative care units and general wards, for surgical procedures and wound care applications. As of the Latest Practicable Date, we had developed 24 surgical products.

The following table sets forth the details of our main surgical products.

Product	Pictures	Major applicable procedures and features
Silicone gel foam dressing (硅凝膠泡沫敷料)		Mainly used to cover wounds and absorbing wound exudate.
Hydrophilic fiber dressing (親水性纖維敷料)		Mainly used to cover chronic and non-chronic wounds, absorbing wound exudate, and providing a moist environment for wound healing.
Sterile indwelling drainage catheter (無菌留置引流導管)		Used for drainage of pleural effusion or pneumothorax, abscesses, ascites or pneumoperitoneum, bile, hydronephrosis or abscesses, skin abscesses, as well as irrigation.
External drainage catheter set (體外引流導管套裝)		Mainly used for drainage or irrigation of bodily fluids from surgical wounds after surgery.
Nerve block puncture needle (神經阻滯穿刺針)		Used in conjunction with a nerve stimulator and under ultrasound guidance to perform preoperative nerve localization through electrical stimulation for peripheral nerve block anesthesia.

Medical Imaging Consumable Products

Our medical imaging consumable products are used in diagnostic imaging procedures to support the administration of contrast agents and the maintenance of stable fluid delivery pathways during imaging examinations. These products are designed to accommodate high-pressure injection requirements and continuous infusion needs, while supporting operational safety and compatibility with imaging equipment. Our medical imaging consumable products are commonly used in hospitals and other clinical settings, including radiology departments and imaging centers, for contrast-enhanced examinations and related diagnostic imaging procedures. As of the Latest Practicable Date, we have three medical imaging consumable products.

The following table sets forth the details of our main medical imaging consumable products.

Product	Pictures	Major applicable procedures and features
High-pressure contrast injector and accessories (高壓造影注射器及附件)		Mainly used with CT high-pressure injectors, MRI high-pressure injectors and DSA high-pressure injectors for contrast agent injection. Connection tubing accessories suitable for contrast-enhanced CT and MRI examinations, with pressure-resistant connection tubing suitable for DSA interventional angiography.
High-pressure extension tube (高壓延長管)		Mainly used in medical imaging procedures including DSA, CT, ultrasound MRI, to connect the injector to the contrast catheter for the delivery of contrast media and/or normal saline for angiographic imaging.
Power-injectable peripheral IV catheter (造影留置針)		Mainly used for injection of contrast agents during imaging procedures, with a maximum pressure tolerance of 350 psi and an indwelling time of up to 72 hours.

RESEARCH AND DEVELOPMENT

We believe that the R&D capabilities are vital to our business success and in maintaining competitiveness in the market. In 2023, 2024, and 2025, our R&D expenses amounted to RMB64.5 million, RMB63.2 million and RMB69.7 million, accounting for 6.9%, 6.8%, and 7.7%, respectively, of our revenue during the same periods. Leveraging our R&D efforts, as of the Latest Practicable Date, we had 121 issued patents and 15 patent applications in China, and two issued patents overseas.

Our R&D Team

Our R&D team plays a pivotal role in advancing our scientific capabilities and product development. As of December 31, 2025, our R&D team comprised 184 members, 40 of whom hold a master's degree or above, representing approximately 20% of our R&D team. Our team brings together a breadth of expertise and hands-on experience, enabling us to advance R&D activities, and to translate laboratory technologies into industrial applications, thereby supporting efficient and commercially viable implementation of our R&D outcomes.

We established two R&D centers in Shandong and Shanghai, respectively. We have also established in-house laboratories and testing facilities to support R&D activities. As of the Latest Practicable Date, we had 10 laboratories and testing facilities, covering core functions ranging from design and development, prototype fabrication and quality validation. Our testing center has obtained CNAS accreditation.

Our R&D Platforms

Centered on clinical needs and industry development trends, we have established and continuously enhanced four major R&D platforms, forming a systematic R&D capability covering structural design, critical processes, verification and validation, and regulatory registration. These capabilities are reused and coordinated across multiple product lines, enabling us, while ensuring product safety and consistency, to improve R&D efficiency, shorten iteration cycles, and continuously launch upgraded products and advance their industrialization. Specifically:

- ***Medical Device Structural Design Technology Platform.*** Our medical device structural design and manufacturing technology platform encompasses processing capabilities for polymer and metal materials, including extrusion, injection molding, ultrasonic welding and laser welding. We are capable of advanced molding techniques such as multi-shot injection molding, insert molding and liquid silicone injection molding. By integrating the clinical use requirements and manufacturing process requirements of different medical devices, we are able to provide structural solutions with high reliability and strong manufacturability, including precision sealing structures, fluoropolymer insert-molded structures, self-expanding stent structures and foldable catheter systems. We place emphasis on achieving a balance among product functionality, manufacturability and cost in compliance with applicable medical device regulatory requirements, thereby supporting shorter development cycles and enhanced product performance.

- ***Catheter Precision Processing and Surface Modification Technology Platform.*** Our catheter precision processing and surface modification technology platform focuses on the research, development and manufacturing of high-precision, high-performance catheters. We have established a comprehensive catheter precision processing system, enabling the stable production of catheters in a range of specifications, as well as low-hardness, ultra-thin-wall composite outer catheter tubing. This supports consistency in dimensional control, wall thickness uniformity, mechanical performance and surface quality. In terms of surface modification, in addition to conventional polymer materials such as TPU and PA, we also possess modification capabilities for difficult-to-process materials, including fluoropolymers, thereby expanding the application of our catheters in areas such as high-end medical devices.

- ***PIVC Design and Manufacturing Technology Platform.*** Our PIVC design and manufacturing technology platform focuses on key processes and systematic product design for PIVC. Through multiple technical approaches, including catheter tip forming and length control, extension tubing extrusion processes, optimization of materials and injection molding processes, single-handed clamp and anti-occlusion structural design, as well as needle-stick prevention and anti-reflux mechanisms, we enhance cannulation success rates, ease of use and safety. At the same time, we provide comprehensive product coverage across the full range of 14G-26G sizes and various length specifications, forming

a product portfolio comprising basic, anti-reflux and closed-system variants to address the needs of different medical institutions and clinical scenarios. In addition, on the manufacturing side, we continue to advance end-to-end automation and process control to improve yield rates and consistency, while supporting flexible production changeovers.

- ***Interventional Therapy Product Development and Manufacturing Technology Platform.*** We are equipped with production and validation equipment covering the full process of interventional medical devices, enabling process development and scaled manufacturing for balloon catheters, braided catheters and stent products. Our interventional product development and manufacturing technology platform has accumulated experience in taking multiple interventional devices from design and development through industrialization, and we continue to conduct research on critical processes, such as precision assembly and bonding processes for cutting balloons, as well as laser processing and surface functionalization of variable-diameter stents, thereby supporting the research, development and engineering translation of highly complex interventional medical devices.

Our R&D Process

We have established a structured R&D process for smooth scaling and technological upgrades while maintaining our position in sustainable technologies.

The following chart sets forth details of key steps under our R&D process:

R&D Step	Description
Project initiation.	We conduct market research and demand analysis to assess the project's feasibility and commercial potential.
Product development . . .	We carry out product design and development, including engineering development, prototype testing, mold/tooling design and other verification activities, to ensure technical feasibility and performance standards.
Design verification	We conduct testing and verification activities on the product for registration purposes, which involves testing samples against applicable technical requirements and standards.
Design validation	Depending on the product category and applicable regulatory requirements, we may conduct clinical evaluation and/or clinical trials. Where clinical trials are conducted, they are designed and implemented in accordance with applicable rules and generally accepted clinical trial principles.
Regulatory registration . .	We submit registration applications to regulatory authorities such as NMPA in the PRC. The registration process generally includes registration dossier acceptance, quality system audit, technical review and registration approval.
Production and commercialization	After obtaining relevant approval, we conduct production process optimization, pilot/scale-up production, quality control and market preparation, and then commercialize relevant products. Upon commercialization, we continually review and evaluate its market performance and make improvements based on post-market feedback.

Our Products Under Development

We are committed to continuously developing new products to enrich our product portfolio. Examples include:

- ***Vascular access products.*** As of the Latest Practicable Date, we had 15 vascular access products under development, including (i) functional PICCs, such as three-way valve PICCs and anti-thrombotic PICCs, and (ii) PORT applicable to different anatomical sites, such as chest PORT, arm PORT, arterial PORT and spinal PORT. We expect to obtain the medical device registration certificate for our PORT in 2026.
- ***Interventional therapy products.*** As of the Latest Practicable Date, we had 18 interventional therapy products under development. For example, our coronary cutting balloon under development is a functional modified balloon that applies the principle of localized stress concentration to enable controlled fracture of complex lesions, such as calcified coronary artery lesions, thereby facilitating vascular dilation.
- ***Surgical products and medical imaging consumable products.*** As of the Latest Practicable Date, we had eight surgical and medical imaging consumable products under development, including antibacterial dressings for wounds with infection risks and tubing products for high-pressure injection systems.

PRODUCTION

Production Facilities

As of the Latest Practicable Date, our production base was located in Shandong Province, China, with a land area of 194,045 sq.m.

The following table sets forth our production capacity, production volume and utilization rate of our major production lines, by major product types, for the periods indicated:

	Year ended December 31,								
	2023			2024			2025		
	Production Capacity[1]	Production Volume	Utilization Rate[2]	Production Capacity[1]	Production Volume	Utilization Rate[2]	Production Capacity[1]	Production Volume	Utilization Rate[2]
	(units in millions)	*(units in millions)*	*(%)*	*(units in millions)*	*(units in millions)*	*(%)*	*(units in millions)*	*(units in millions)*	*(%)*
Drug delivery products	552.0	488.4	88.5	552.0	474.0	85.9	555.1	446.7	80.5
Vascular access products	60.3	52.3	86.7	69.6	56.2	80.7	88.7	74.4	83.9
Blood specimen collection products	44.7	34.7	77.6	52.0	45.0	86.5	62.2	52.4	84.2
Others[3]	0.6	0.5	83.3	1.1	0.9	81.8	1.5	1.2	80.0

Notes:

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

(2) Calculated by dividing the production volume for a period by the production capacity of the same period.

(3) Mainly including interventional therapy products, surgical products and medical imaging consumable products.

Production Process

We produce (i) drug delivery products, (ii) vascular access products, (iii) blood specimen collection products, and (iv) others, mainly including interventional therapy products, surgical products, and medical imaging consumable products. As these products differ in design, materials and regulatory requirements, their production processes vary across different products. We apply product-specific and tailored production and quality control steps to ensure that our products are produced consistently and meet applicable specifications and performance requirements.

Set forth below are production process for our drug delivery and vascular access products:

No.	Production Step	Description
1. . .	Injection molding	We inject molten material into the mold cavity, which is then cooled and solidified to form the finished product.
2. . .	Extrusion	We heat and melt thermoplastic materials in an extruder and continuously extrude them through a designated die, followed by cooling and sizing, to obtain products with a fixed cross-sectional profile.
3. . .	Printing and marking	We apply markings, scales, text or patterns to the product surface through specific processes.
4. . .	Thermal forming	For products requiring connection of tubular components, we perform thermal forming to achieve the required configuration and connection integrity. This step is conducted under controlled parameters to ensure consistent bonding quality.
5. . .	Assembly	We assemble components into finished products in accordance with standard operating procedures and ensure connection integrity and product cleanliness.
6. . .	Inspection	We conduct in-process and final inspections to verify appearance, dimensions and other functional performance.
7. . .	Packaging	We pack finished products into suitable primary packaging, and where applicable, secondary packaging, in accordance with requested standards to protect product integrity.
8. . .	Sterilization	Packaged products are sterilized using validated sterilization processes and released based on defined acceptance criteria.

Set forth below are production process for our blood specimen collection products:

No.	Production Step	Description
1. . .	Labeling	On automated production lines, we precisely and securely affix labels containing production information, including expiry dates, batch numbers and barcodes/ QR codes, to designated positions on the bodies of blood collection tubes.
2. . .	Reagent dispensing	For tubes requiring reagent, specified reagents are dispensed into tubes under controlled conditions.

No.	Production Step	Description
3. . .	Vacuuming and assembly	Through automated equipment, we evacuate the air inside the tube to achieve a preset and precise negative pressure, thereby ensuring the automatic intake of a predetermined volume of blood. Following vacuum evacuation, we assemble tube components, including closures and caps, to form finished tube configurations. We also control sealing integrity during assembly to ensure that the tubes meet intended performance requirements.
4. . .	Inspection	We conduct inspections to confirm appearance, labeling, sealing integrity, reagent presence (where applicable) and vacuum performance. Non-conforming products are segregated and handled under quality procedures.
5. . .	Packaging	We place blood collection tubes that have completed production and inspection into packaging materials in specified quantities and configurations, and seal them to facilitate sterilization, storage, transportation and clinical use.

Collaboration with CMOs

We selectively collaborate with CMOs to outsource the manufacturing of a small portion of our mass-market products with low profit margins, such as certain infusion sets and venous blood collection needles, in order to maintain long-term relationships with our customers. During the Track Record Period, revenue generated from products manufactured by CMOs on our behalf accounted for approximately 1% of our total revenue for the respective years. The partnership between our CMO partners and us are governed by standard contractual agreements that ensure adherence to our manufacturing processes, quality requirements, and delivery timelines. In the event of any disruption, we retain the flexibility to transition production to alternative providers with comparable capabilities.

The following table sets forth a summary of the salient terms of our standard agreements with the CMOs we collaborate with:

Duration	The term of our agreements with our CMO partners is typically three years.
Scope of services	CMOs manufacture the products we require based on our purchase orders.
Production standards	Production standards are set out in our contracts with CMOs.
Warranties	We are generally responsible for handling product quality-related feedback and complaints, and we are entitled to require the CMO to indemnify us for losses incurred as a result of quality issues.
Termination	We are entitled to unilaterally terminate the contract, if the CMO (i) resells the products manufactured on our behalf; (ii) delays delivery without justifiable cause; or (iii) otherwise commits any material breach.

Production Management

We have implemented a comprehensive production planning management system to ensure efficient utilization of our manufacturing resources and to align production output with market demand and customer orders. Our production department formulates annual and monthly production plans based on sales orders, projected market demand, and current production capacity. These plans serve as the basis for assigning specific production tasks to our manufacturing facilities, taking into account equipment load distribution and available workforce. Through close collaboration between our procurement and sales departments, we aim to streamline production processes, optimize resource allocation, and minimize production disruptions, thereby maintaining operational efficiency and timely order fulfillment.

INTELLECTUAL PROPERTY

Our patents, trademarks, domain names, know-how, proprietary technologies, trade secrets and other intellectual property rights are critical to our business operations. As of the Latest Practicable Date, we had 121 issued patents and 15 patent applications in China, and two issued patents overseas. As of the Latest Practicable Date, we had 93 registered trademarks in China, seven registered trademarks overseas and 19 domain names.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business. See "Risk Factors — Risks Relating to Our Business and Industry — We may be unable to obtain and maintain effective and sufficient protection of our intellectual property rights. And we may be subject to intellectual property infringement claims or other disputes, which could expose us to costly litigation and substantial liability and adversely affect our reputation."

SALES AND MARKETING

Our Sales Network

During the Track Record Period, a majority of our revenue was generated from distributorship. The following table sets forth the breakdown of our revenue by sales channel for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Distributorship	900,278	95.7	904,673	96.7	892,622	98.1
Direct Sales	40,292	4.3	30,955	3.3	17,104	1.9
Total	**940,570**	**100.0**	**935,628**	**100.0**	**909,726**	**100.0**

During the Track Record Period, our products were mainly sold in China. The table below sets forth our revenue by geographical location during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
China	893,948	95.0	884,936	94.6	810,558	89.1
Overseas[(1)]	46,622	5.0	50,692	5.4	99,168	10.9
Total	**940,570**	**100.0**	**935,628**	**100.0**	**909,726**	**100.0**

Note:

(1) Primarily include Latin America, the Middle East and Europe.

Sales to Distributors

Overview

We engage distributors to sell our products. The relationship between our distributors and us are as sellers and buyers. Leveraging on distributors' industry and customer resources, we believe our distributorship model helps us scale our operations and replicate our success in a cost-efficient manner. We will further expand our reach to end customers with qualified distributors. To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties. According to Frost & Sullivan, our distributorship model is in line with industry practice.

The following table sets forth the movement in the number of our distributors during the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
Distributors at the beginning of year	4,060	4,394	4,807
Addition of new distributors	1,280	1,513	1,654
Termination of existing distributors	946	1,100	1,185
Distributors at the end of year	4,394	4,807	5,276

During the Track Record Period, we had a net increase in the total number of distributors. We added 1,280, 1,513 and 1,654 new distributors in 2023, 2024 and 2025, respectively, primarily based on the ordinary needs arising from our sales operations. We discontinued our relationships with 946, 1,100 and 1,185 distributors in 2023, 2024 and 2025, respectively, primarily because changes in the product offerings of certain distributors and routine adjustments to our product portfolio.

Contractual agreements with distributors

We typically enter into standard distribution agreements, which are sales and purchase agreements in nature, with our distributors. The following table sets forth a summary of the salient terms of our standard distribution agreements with our distributors:

Designated distribution area	Distributors are not permitted to sell our products outside the designated distribution area.
Pricing policy	Based on market conditions and applicable laws and regulations, we negotiate and determine with our distributors the pricing at which they sell our products to their customers.
Payment and credit terms	We typically require our distributors to settle payment prior to our delivery of the products.
Incentives	We establish annual sales incentive policies for selected distributors, which are entitled to sales incentives for future purchases if they meet the relevant criteria.
Product return	We typically do not allow product returns for reasons other than quality issues.
Risk Transfer	Our distributors generally bears the risk of loss or destruction of the product after acceptance.

Confidentiality	Neither party may, without the other party's prior written consent, disclose to any third party the other party's trade secrets obtained in connection with the execution or performance of the relevant contracts.
Termination	We may unilaterally terminate the relevant distribution agreements in the event of a material breach by a distributor, such as (i) selling our products outside the designated distribution area; or (ii) failing to conduct sales of our products for a consecutive period of time, among others.

Management of distributors

We maintain compliance protocols for distributors management in accordance with applicable medical device regulations. We have guidelines on inventory control, promotional conduct, and payment terms. We require distributors to maintain adequate storage facilities, employ qualified personnel, and operate sufficient sales channels. We actively and continuously monitor the sales conditions of our major distributors, including the end-market destination of our products.

We have adopted a structured set of distributor selection criteria and management protocols to ensure that our distributors are qualified, capable and aligned with our brand positioning. In selecting distributors, we consider factors such as (i) expertise in the medical devices and related industries, including their familiarity with our products, (ii) historical sales achievements and operating scale, including their track record in product commercialization and market development, (iii) strength, quality, and localization of their sales channels, with emphasis on local market presence and access to medical institutions, (iv) team management and after-sales support capabilities, including their ability to provide customer support and maintain stable sales operations, and (v) market influence and ability to drive brand development, including their reputation, customer recognition and ability to support the promotion of our products in target markets. We aim to partner with distributors who share our vision and can effectively expand our market share. Our distributors typically include corporates with established sales networks and relevant licenses for distribution of our products.

In addition to our standard criteria for a new distributor, we apply stringent standards to evaluate our business relationships with distributors and conduct regular performance reviews and annual assessments, considering a range of factors in renewing distribution agreements, including sales execution, marketing capabilities, financial strength, customer resources and strategic fit with our brand portfolio. We may re-negotiate or terminate business relationships with our existing distributors for breach of their agreements with us or failed assessments.

Sub-distributors

Our distributors are generally not prohibited from selling to sub-distributors. During the Track Record Period, we did not enter into any agreements or otherwise directly establish relationships with any sub-distributors. The distributors who cooperate with us are directly responsible for managing their respective sub-distributors, if any, including ensuring their operations remain within the designated distribution territory and align with our overall sales and distribution strategy.

Measures to prevent channel stuffing

We believe that our sales correspond to the actual consumer demands and our products are at a low risk of channel stuffing in our sales and distribution network. To mitigate channel stuffing risks in our distributorship model, we have implemented a series of control measures designed to further align distributor purchases with actual market demand. These measures include:

- ***Payment term requirements.*** We generally require our distributors to make full payment prior to product delivery. This arrangement reduces the incentive for distributors to place excessive orders beyond their actual sales capacity or anticipated market demand, as distributors are required to commit working capital upfront.

- ***Return policies.*** We generally do not allow product returns from distributors, except in cases involving quality issues. This policy discourages distributors from placing excessive or speculative orders for the purpose of later returning unsold inventory, and encourages them to make purchasing decisions based on realistic market demand and inventory turnover considerations. According to Frost & Sullivan, our return policy is in line with general market practice in the industries in which we operate.

- ***Inventory monitoring measures.*** We have established policies and procedures to monitor the inventory levels of our distributors. These measures include: (i) a distributor order alert system, which generates alerts if there are significant anomalies in a distributor's order volume or ordering frequency as compared to historical patterns; and (ii) conducting on-site review of distributors from time to time.

Anti-cannibalization management

To prevent cross-channel diversion and maintain price discipline, we (i) require our distributors to sell our products within designated areas; and (ii) have established a pricing control convention and enforcement system, including end price restrictions and penalties for non-compliance. Our dedicated market team monitors distributor conduct and enforces compliance.

Direct Sales

We have a small amount of direct sales to pharmaceutical companies. As of December 31, 2025, we had more than 20 direct sales customers. We enter into standard sales agreements with our direct sales customers. The salient terms of the standard sales agreements include price, payment and credit terms, logistics arrangements and return policies. The volumes are specified in purchase orders. We typically grant a one to five months credit period to our direct sales customers. In most cases, we accept product returns only in cases involving verified material quality issues.

Our Major Customers

In 2023, 2024 and 2025, revenue generated from our five largest customers amounted to RMB105.8 million, RMB93.9 million and RMB84.0 million, respectively, accounting for 11.2%, 10.0%, and 9.2% of our total revenue in the same periods, respectively. Revenue from our largest customer in each period of the Track Record Period accounted for 5.4%, 5.0% and 3.8% of our total revenue, respectively.

To the best of our knowledge and as of the Latest Practicable Date, we were not aware of any information or arrangement that would lead to the termination of our relationships with any of our major customers. To the best of knowledge of our Directors, all of our five largest customers in each year during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates nor any shareholder who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of our five largest customers in each year during the Track Record Period.

The following table sets forth the details of our five largest customers in each year during the Track Record Period:

Rank	Customer	Sales amount *(RMB'000)*	Percentage of total sales *(%)*	Customers' background	Type of product/services purchased	Credit terms	Year of commencement of business relationship
For the year ended December 31, 2023							
1	Customer A	50,599	5.4	A company located in Beijing, China, primarily engaged in the wholesale of Chinese patent medicines, traditional Chinese medicine decoction pieces and chemical active pharmaceutical ingredients.	Drug delivery and vascular access products	Mainly prepayment	2004
2	Customer B	17,586	1.9	A company located in Shanghai, China, primarily engaged in the distribution of Class III medical devices and the provision of technical services and technology development.	Drug delivery and vascular access products	45–150 days	2021
3	Customer C	12,827	1.4	A company located in Beijing, China, primarily engaged in pharmaceutical wholesale, the sale of Class II and Class III radiation devices, and the distribution of Class III medical devices.	Vascular access products	Within 30 days	2016
4	Customer D	12,700	1.3	A company located in Liaoning Province, China, primarily engaged in the distribution of Class III medical devices and the sale of wearable smart devices.	Drug delivery and vascular access products	Prepayment	2023
5	Customer E	12,094	1.2	A company located in Hong Kong, China, primarily engaged in the sale of finished pharmaceutical products, active pharmaceutical ingredients, and functional foods.	Drug delivery products	Within 90 days	2013
Total		**105,806**	**11.2**				

Rank	Customer	Sales amount *(RMB'000)*	Percentage of total sales *(%)*	Customers' background	Type of product/services purchased	Credit terms	Year of commencement of business relationship
For the year ended December 31, 2024							
1	Customer A	47,004	5.0	A company located in Beijing, China, primarily engaged in the wholesale of Chinese patent medicines, traditional Chinese medicine decoction pieces and chemical active pharmaceutical ingredients.	Drug delivery and vascular access products	Mainly prepayment	2004
2	Customer F	15,273	1.6	A company located in Shanghai, China, primarily engaged in technical services, technology development, technical consulting, and the distribution of Class III medical devices.	Drug delivery and vascular access products	45–150 days	2024
3	Customer G	10,956	1.2	A company located in Guizhou Province, China, primarily engaged in technology development, technical consulting, and technical services in the field of biotechnology.	Drug delivery and vascular access products	Prepayment	2020
4	Customer H	10,373	1.1	A company located in Shandong Province, China, primarily engaged in the sale of disinfection equipment and the manufacture of Class II and Class III medical devices.	Drug delivery and blood specimen collection products	60–90 days	2004
5	Customer I	10,277	1.1	A company located in Tianjin, China, primarily engaged in the sale and maintenance of medical devices, as well as the sale of labor protection products.	Drug delivery, vascular access and blood specimen collection products	Prepayment	2012
Total		**93,883**	**10.0**				

Rank	Customer	Sales amount (RMB'000)	Percentage of total sales (%)	Customers' background	Type of product/services purchased	Credit terms	Year of commencement of business relationship
For the year ended December 31, 2025							
1	Customer A	34,442	3.8	A company located in Beijing, China, primarily engaged in the wholesale of Chinese patent medicines, traditional Chinese medicine decoction pieces and chemical active pharmaceutical ingredients.	Drug delivery and vascular access products	Mainly prepayment	2004
2	Customer J	15,011	1.7	A company located in Shenzhen, China, principally engaged in the manufacturing and sale of medical electronic instruments, related reagents, and the development of supporting software.	Drug delivery products	Within 90 days	2019
3	Customer K	11,858	1.3	A company located in Shanghai, China, primarily engaged in food sales management, the operation and management of state-owned assets, and industrial investment.	Drug delivery products	Within 60 days	2016
4	Customer H	11,688	1.3	A company located in Shandong Province, China, primarily engaged in the sale of disinfection equipment and the manufacture of Class II and Class III medical devices.	Drug delivery, vascular access and blood specimen collection products	60–90 days	2004
5	Customer G	11,038	1.1	A company located in Guizhou Province, China, primarily engaged in technology development, technical consulting, and technical services in the field of biotechnology.	Drug delivery and vascular access products	Prepayment	2020
Total		**84,037**	**9.2**				

Pricing Policy

We implement a competitive and effective pricing policy that complies with the relevant laws and regulations. We conduct market research and analysis in relation to the prices of our competitors, analyze and estimate the sales of our products by taking into account various factors such as the costs of our products and feedback from customers to determine the prices of our products. We have differentiated pricing based on the types of end customers as well as the types of our products.

Centralized Tender Process

Medical devices sold to public hospitals and other public medical institutions in China are required to complete listing and admission on provincial centralized pharmaceutical procurement platforms, and certain medical devices must undergo centralized volume-based procurement procedures for medical consumables organized at the national, provincial or inter-provincial alliance levels. In such volume-based procurement procedures, we, as the registrant or filing entity of the medical devices, submit bids to compete for selection through a bidding process. If selected, our products are usually supplied to public medical institutions through distributors at the winning bid prices. For products not included in national, provincial or inter-provincial alliance volume-based procurement programs, we enter the procurement catalogues of public medical institutions through the provincial listing and admission procedures, with listing prices dynamically adjusted with reference to provincial price caps and the lowest transaction prices nationwide.

These procedures exert pricing pressure on us, as the winning bid prices are generally lower than historical market prices. However, such procedures also present strategic market opportunities. Although unit prices may decline, successful bids can lead to direct access to large-scale procurement orders, and the resulting increase in sales volume may offset the impact of price reductions. In addition, these programs facilitate our expansion into regions where we previously had relatively low market share, accelerate import substitution, and, in the long term, contribute to enhancing overall industry innovation investment and international competitiveness.

Basic Medical Insurance Medical Consumables Catalogue

Participants in China's public medical insurance programs, along with their employers, if any, are required to contribute to these programs on a monthly basis. With respect to medical devices, China implements a catalogue-based management system for medical consumables under the basic medical insurance scheme. Provincial healthcare security administrative authorities, taking into account factors such as the function, clinical value and safety of medical consumables, determine the inclusion of eligible items in the Medical Consumables Catalogue under Basic Medical Insurance, and such consumables are then covered by the medical insurance fund. Medical devices listed in any government-led medical insurance program generally undergo a pricing negotiation process with the government, which typically results in price reductions. Overall, the benefits of having our products included in China's national and provincial medical insurance programs significantly outweighed the countervailing factors during the Track Record Period.

Our Marketing

As of December 31, 2025, our sales and marketing team consisted of 263 employees with extensive experience and expertise in the medical device industries. Our sales and marketing team is responsible for driving brand awareness, expanding market reach, and fostering customer loyalty. In particular, we have established a multidimensional promotion system centered on (i) participation in major industry exhibitions and forums, and (ii) collaboration with medical associations and top-tier hospitals to release group standards. These efforts are designed to strengthen brand awareness, demonstrate product capabilities, and maintain stable relationships with existing customers while capturing new market opportunities, enabling us to efficiently reach diverse markets, maintain high-quality service standards, and support the continued growth of our product portfolio.

Product Returns

Based on our policy and agreements with our customers, products sold to customers cannot be returned except for instances of product quality issues. We recorded an insignificant amount of product returns during the Track Record Period, representing less than 0.3% of our total revenue for the same period. During the Track Record Period and up to the Latest Practicable Date, we did not receive any material customer complaints.

OUR SUPPLIERS

During the Track Record Period, our suppliers primarily consisted of raw material suppliers. We carefully select and engage reputable suppliers with proven track records to ensure the quality of our products. We have established a comprehensive supplier management system that covers the entire engagement process, including supplier selection, evaluation, and continuous monitoring. We consider a comprehensive set of factors when selecting suppliers, including but not limited to production capacity, quality control capabilities and contractual performance track records. New suppliers must undergo rigorous qualification processes.

We continuously monitor the performance of our suppliers. We conduct evaluations and scoring of our suppliers to assess their performance regularly. Our supplier evaluation focuses on multiple criteria, including quality, delivery time, price, and customer service. We aim to build long-term partnerships with our suppliers while ensuring the high quality and compliance of the materials they provide. Our evaluation system helps promote strong suppliers and phase out underperforming ones, ensuring continuous improvement across our supply chain.

In 2023, 2024 and 2025, purchases from our five largest suppliers amounted to RMB91.4 million, RMB75.2 million and RMB63.2 million, respectively, representing 21.7%, 18.7% and 17.7% of our total purchases, respectively. In addition, purchases from our largest supplier accounted for 5.1%, 5.0% and 5.3% of our total purchases in 2023, 2024 and 2025, respectively. All of our five largest suppliers were Independent Third Parties during the Track Record Period.

To the best of knowledge of our Directors, all of our five largest suppliers in each year during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates nor any shareholder who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of our five largest suppliers in each year during the Track Record Period. Additionally, we did not experience any material disputes with our suppliers during the Track Record Period.

The following table sets forth the details of our five largest suppliers in each year during the Track Record Period:

Rank	Supplier	Purchase Amount *(RMB'000)*	Percentage of total cost of sales *(%)*	Supplier's background	Type of product/services provided	Credit terms	Year of commencement of business relationship
For the year ended December 31, 2023							
1. . . .	Supplier A	21,319	5.1	A company located in Shandong Province, China, primarily engaged in technical services, technology development, technical consulting and the distribution of Class III medical devices.	Materials	61–90 days	2019
2. . . .	Supplier B	20,945	5.0	A company located in Beijing, China, primarily engaged in the distribution of bottled gas, the trading of hazardous chemicals and the exploration of oil and natural gas.	Materials	Prepayment	2004
3. . . .	Supplier C	20,177	4.8	A company located in Beijing, China, primarily engaged in power transmission and electricity supply.	Electricity	Prepayment	2005

Rank	Supplier	Purchase Amount *(RMB'000)*	Percentage of total cost of sales *(%)*	Supplier's background	Type of product/services provided	Credit terms	Year of commencement of business relationship
4. . . .	Supplier D	17,979	4.3	A company located in Shandong Province, China, primarily engaged in the manufacture of Class I medical devices, and the sale of Class I and Class II medical devices.	Materials	61–90 days	2007
5. . . .	Supplier E	10,966	2.5	A company located in Guangdong Province, China, primarily engaged in international freight forwarding, economic and technical consulting and technical information consulting.	Logistics	1–30 days	2018
Total .		**91,386**	**21.7**				

Rank	Supplier	Purchase Amount *(RMB'000)*	Percentage of total cost of sales *(%)*	Supplier's background	Type of product/services provided	Credit terms	Year of commencement of business relationship
For the year ended December 31, 2024							
1. . . .	Supplier C	19,984	5.0	A company located in Beijing, China, primarily engaged in power transmission and electricity supply.	Electricity	Prepayment	2005
2. . . .	Supplier B	16,349	4.1	A company located in Beijing, China, primarily engaged in the distribution of bottled gas, the trading of hazardous chemicals and the exploration of oil and natural gas.	Materials	Prepayment	2004
3. . . .	Supplier A	16,315	4.1	A company located in Shandong Province, China, primarily engaged in technical services, technology development, technical consulting and the distribution of Class III medical devices.	Materials	61–90 days	2019
4. . . .	Supplier D	11,921	3.0	A company located in Shandong Province, China, primarily engaged in the manufacture of Class I medical devices and the sale of Class I and Class II medical devices.	Materials	61–90 days	2007

Rank	Supplier	Purchase Amount *(RMB'000)*	Percentage of total cost of sales *(%)*	Supplier's background	Type of product/services provided	Credit terms	Year of commencement of business relationship
5. . . .	Supplier F	10,593	2.5	A company located in Shandong Province, China, primarily engaged in the sale of chemical products, plastic products and electronic products.	Materials	Prepayment	2004
Total .		**75,162**	**18.7**				

Rank	Supplier	Purchase Amount *(RMB'000)*	Percentage of total cost of sales *(%)*	Supplier's background	Type of product/services provided	Credit terms	Year of commencement of business relationship
For the year ended December 31, 2025							
1. . . .	Supplier C	18,887	5.3	A company located in Beijing, China, primarily engaged in power transmission and electricity supply.	Electricity	Prepayment	2005
2. . . .	Supplier B	18,147	5.1	A company located in Beijing, China, primarily engaged in the distribution of bottled gas, the trading of hazardous chemicals and the exploration of oil and natural gas.	Materials	Prepayment	2004
3. . . .	Supplier E	10,083	2.8	A company located in Guangdong Province, China, primarily engaged in international freight forwarding, economic and technical consulting and technical information consulting.	Logistics	1–30 days	2018
4. . . .	Supplier F	9,020	2.5	A company located in Shandong Province, China, primarily engaged in the sale of chemical products, plastic products and electronic products.	Materials	Prepayment	2004
5. . . .	Supplier G	7,055	2.0	A company located in Zhejiang Province, China, primarily engaged in the research and development, manufacturing and sale of high-purity gas production equipment, ultrapure water production equipment, and wastewater treatment equipment.	Materials	60 days	2013
Total .		**63,192**	**17.7**				

OVERLAPPING CUSTOMERS AND SUPPLIERS

Customer H, one of our five largest customers in 2024 and 2025, is also one of our suppliers in 2024 and 2025. We provided drug delivery, vascular access and blood specimen collection products to this customer-supplier and purchased materials, equipment and components from this customer-supplier. In 2024 and 2025, (i) our sales to this customer-supplier amounted to RMB10.4 million and RMB11.7 million, representing 1.1% and 1.3% of our total revenue, respectively, and (ii) our purchases from this customer-supplier amounted to RMB0.1 million and RMB0.1 million, representing less than 0.1% and less than 0.1% of our total cost of sales, respectively. The reason for such overlap is that the customer-supplier is an industry participant with complementary needs, purchasing our medical consumables for its business and, separately, supplying us with certain materials, equipment and components in the ordinary course of business. In 2024 and 2025, we recorded gross profit of RMB4.2 million and gross profit of RMB5.1 million from this customer-supplier, respectively, representing gross profit margin of 40.9% and gross profit margin of 43.5%, respectively.

Our sales and purchases with the aforementioned customer-supplier were not inter-conditional with each other. All of our sales to and purchases from the aforementioned customer-supplier were conducted in the ordinary course of business under normal commercial terms and at an arm's length basis. The terms were generally comparable to those with other customers and suppliers.

RAW MATERIALS AND PROCUREMENT

We procure a range of raw materials, primarily including (i) polymer materials, (ii) packaging materials, and (iii) components.

We formulate our procurement plans by considering production schedules, sales demands, and prevailing market conditions. Through our production plan management system, we adopt quantitative and periodic control methods. We closely monitor market conditions and regularly negotiate pricing and procurement terms with our suppliers to account for the impact of raw material price fluctuations. We adjust inventory levels based on anticipated price fluctuations, ensuring an optimal balance between cost control and supply stability. For further details of our inventory management, see "— Logistics and Inventory Management." We have also established stable and long-term partnerships with our suppliers, enabling consistent supplies of quality raw materials.

During the Track Record Period and up to the Latest Practicable Date, we did not experience quality issues or shortages with our procurement that materially affected our operations. During the Track Record Period and up to the Latest Practicable Date, we had not adopted any hedging policies for fluctuations in the prices of raw materials.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

We engage reputable third-party logistics providers to transport our products from our warehouses to locations designated by our customers. We regularly assess these logistics providers to ensure they meet our quality standards and deliver products efficiently. To the best of our knowledge, all of our logistics service providers during the Track Record Period are Independent Third Parties.

In selecting our logistic service providers, we primarily consider factors such as geographic coverage, reliability, customer evaluations, speed and costs of their delivery services. We usually enter into agreements with our logistics service providers on an annual basis under standardized terms and conditions. Our logistics service providers need to conduct end-to-end tracking of the shipment, and we are entitled to be informed of the in-transit status and the estimated time of arrival of the goods. The risk of loss of or damage to the goods transfers from us to our logistics service providers upon completion of loading and execution of the relevant delivery handover documents by

our logistics service providers, who bear all risks arising during transportation, and such risk transfers from our logistics service providers to our customers upon unloading of the goods at the destination.

Inventory Management

Our inventories primarily consist of raw materials, semi-finished products and finished goods. Our inventory management system is designed to facilitate the efficient movement and traceability of our inventories. We flexibly adjust our inventory levels based on sales demand, logistics timeline and market condition to prepare for unexpected increase in demand or delay, shortage in supply. We routinely monitor our inventory to minimize potential spoilage and obsolescence. Additionally, we generally procure raw materials on a demand-driven basis and require our suppliers to arrange timely deliveries of raw materials to designated locations, which enables us to maintain a cost-effective supply chain. For further details of our inventory, see "Financial Information — Selected Balance Sheet Items — Current Assets/Liabilities — Inventories."

QUALITY CONTROL

We strive to maintain quality across our products offerings. We have developed a robust and systematic quality control framework aligned with international standards to ensure consistent, high-quality production across all stages of manufacturing. By specifying and strictly implementing a series of systems, including the Procurement Control Procedure, Production Process Control Procedure, Product Monitoring and Measurement Control Procedure, and Product Identification and Traceability Control Procedure, we have established a comprehensive quality routine covering the entire process, including raw material procurement, production process monitoring, and product inspection and release.

- ***Raw Material.*** When conducting procurement activities and selecting suppliers, we employ a tiered classification mechanism to strictly evaluate materials based on their impact on our final products. Adhering to the principles of rigorous assessment and continuous monitoring, we have implemented a comprehensive set of internal protocols, such as Procurement Control Procedures (*《採購控制程序》*), to validate supplier qualifications and ensure the consistency of incoming materials.

- ***Manufacturing Process.*** We implement a stringent production process control system to ensure all operations are conducted under predefined and monitored conditions. Our quality management department oversees the entire production line, enforcing strict adherence to validated technical procedures and real-time environmental controls, especially within cleanrooms. We maintain rigorous validation for critical processes such as package sealing and sterilization, supported by comprehensive documentation and in-process quality checks. These integrated measures facilitate early anomaly detection and correction, ensuring consistent product quality and compliance with established standards.

- ***Finished Product.*** We enforce a rigorous company-wide non-conforming product control procedure to prevent the unintended use or delivery of any substandard items. This system mandates the immediate identification, segregation, and formal review of any non-conformities identified in raw materials, in-process semi-finished goods, or finished products. Disposition decisions, such as concession, rework, or scrap, are made through a multi-departmental review process involving our quality management, manufacturing, and technology departments, ensuring comprehensive oversight. For finished products specifically, release is only authorized after thorough inspection and confirmation that all quality standards are met. This systematic approach, supported by detailed documentation and traceability records, forms a critical final checkpoint in our quality assurance system, safeguarding product integrity before they reach our customers.

INFORMATION SECURITY AND DATA PRIVACY

We consider the confidentiality, integrity, and availability of data as critical to our business operations. Data security and privacy protection have increasingly become a regulatory focus globally, with cybersecurity, data security, and personal information protection laws in Chinese Mainland evolving rapidly in recent years. Since our transactions are solely with enterprises, our business does not involve the collection, processing or storage of personal information from individual consumers. Nevertheless, we collect, store, and process business and transaction data during our operations, which remain subject to evolving regulatory requirements and administrative scrutiny.

To ensure data integrity, confidentiality, security, and to mitigate data security risks, we have developed a comprehensive information security management framework spanning multiple stages of our business operations, ensuring the resilience and reliability of our information infrastructure.

- ***Network Security.*** We have implemented a comprehensive network security protection framework for traffic management and defense against malicious attacks. Our network is segmented based on business criticality, with corresponding isolation and access controls in place to mitigate unauthorized access risks. Centralized endpoint security management and control measures are implemented, together with account privilege management, periodic reviews and operation audits for server access. We also conduct regular vulnerability scanning and security testing to identify and remediate network security risks in a timely manner. Core business data is protected through encryption and other security measures during transmission and cross-system interactions to prevent data leakage, theft or tampering.

- ***Data Protection and Privacy.*** We have established a data classification and tiered management framework and implemented security measures, including encryption, data masking and backup, throughout the entire data lifecycle. We enforce the principle of least-privilege access and multi-factor authentication, supported by privacy compliance assessments, emergency response drills, third-party security reviews and employee confidentiality training. We comply with applicable laws and regulations to safeguard data integrity, confidentiality and availability and to protect data security and privacy.

- ***Security Audits and Continuous Monitoring***. We have established security audit mechanisms covering system operations, data management and account access privileges, and conduct focused monitoring over core assets and user activities through real-time monitoring systems. Through a closed-loop management process comprising audits, risk classification and remediation verification, we ensure that information security risks are identified and addressed in a timely manner.

- ***Disaster Recovery and Business Continuity***. We have established a multi-layered disaster recovery and business continuity framework, supported by redundant deployment and regular drills, to ensure the timely restoration of core operations and the protection of critical data in the event of unexpected incidents.

- ***Employee Awareness and Training***. We clearly assign cybersecurity responsibilities to employees and provide tiered training programs to enhance awareness of account management and information security practices. We also conduct regular compliance self-assessments and maintain relevant records to ensure ongoing regulatory compliance.

During the Track Record Period, we did not experience any breach of confidential information of users or any other user information related incidents which could cause a material adverse effect on our business, financial condition or results of operations. We remain committed to enhancing data security, strengthening compliance with evolving regulations, and investing in cybersecurity technologies to mitigate potential risks and maintain the highest standards of data protection.

INFORMATION TECHNOLOGY SYSTEM

Our information technology systems are integral to our operational efficiency, data security, and business continuity. We have developed an IT infrastructure aligned with our organizational structure, business scope, and technological capabilities. To ensure reliability, security, and efficiency, we continuously refine IT management policies, standardize software management, and enforce strict access control measures. We conduct regular system updates, data backups, and cybersecurity checks to enhance system stability and prevent potential disruptions.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material IT system failure or downtime that had a material adverse effect on our business operations. For further details on potential regulatory risks associated with data security and privacy, see "Risk Factors — Risks Relating to Our Business and Industry — Our internal IT systems may fail, be subject to cyber-attacks, or have security breaches."

COMPETITION

We operate in a highly competitive and rapidly evolving medical device market. We currently compete with a large and growing number of companies focusing on medical consumables in China and globally. Competition in our industry is primarily based on product quality, production capacity, sales capability, cost efficiency and customer recognition. We believe that our diversified product portfolio, together with our established sales network, enables us to meet the needs of a broad range of customers, which positions us favorably in the competitive environment and will remain crucial to our future development. See "Industry Overview" for more details of the competitive landscape of the industries that we are operating in.

EMPLOYEES

As of December 31, 2025, we had a total of 1,311 employees, most of whom were located in PRC. The table sets forth a breakdown of our employees by function as of December 31, 2025:

Function	Number	Percentage of Total Number
		(%)
Research and development	184	14.0
Sales and marketing	263	20.1
Production	748	57.1
Management, administration and others	116	8.8
Total	**1,311**	**100.0**

Recruitment

We consider our staff as a vital asset to our business operations and are committed to attracting, retaining, and motivating skilled personnel across all levels. Our recruitment strategies include on-campus recruitment, employment websites, internal referrals and headhunting agencies. We offer a comprehensive remuneration structure comprising base salaries, performance-based bonuses, and other allowances.

Employee Training and Development

We have established a structured employee training system covering different levels and functional needs. Induction training is provided to all employees within 30 days of onboarding. Skill enhancement programs are available to all employees on an as-needed basis. Senior management training is arranged as needed for director-level staff and above. Employees operating specialized equipment receive certification and operational qualification training as required.

Employment Contract and Employee Benefits

We enter into standard employment agreements with all full-time employees Additionally, we have confidentiality and non-compete agreements in place for key management personnel and employees handling sensitive information. These agreements typically include confidentiality obligations effective during and after employment and noncompetition provisions effective during and up to two years after termination of employment.

We established labor union and our employees actively participate in union activities, fully enjoying the rights and responsibilities provided by the union. We believe that we maintain good working relationships with our employees, and we have not experienced any material labor disputes, strikes, protests or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date. We make enterprise annuity contributions for employees engaged in management, R&D, marketing and other roles who have been employed for more than one year.

Social Insurance and Housing Provident Fund

As required by applicable laws and regulations, we participate in various government statutory employee benefit plans, including social insurance plans, namely pension, medical, unemployment, work-related injury and maternity insurance plans, and housing provident funds. The requirement and implementation of employee benefit plans may vary among local governments in the PRC, and the relevant government authorities may examine whether an employer has made adequate payments of the requisite employee benefit payments, and employers who fail to make adequate payments as required may be subject to late payment fees, fines and/or other penalties.

During the Track Record Period, we engaged third-party human resource agencies to make full social insurance premium and housing provident fund contribution in accordance with the requirements of applicable laws and regulations for some of our employees in certain locations where they work. The incidents happened primarily because these employees entered into employment contracts with us, and some of our subsidiaries, whose registered addresses were located in cities different from where these employees actually worked, hence the paying of social insurance premiums or housing provident funds for them locally through third-party human resource agencies according to the preference of such employees. Pursuant to the arrangements between the relevant subsidiaries and such third-party human resource agencies, the human resource agencies are required to pay social insurance premiums and housing provident funds for our relevant employees in a timely manner. The third-party human resource agencies have confirmed in writing that they have paid such contributions. Despite the agreements between us and the third-party human resource agencies, if such agencies fail to pay the social insurance premiums or housing provident funds for and on behalf of our employees as they agreed or if such arrangements are challenged by government authorities, we may be subject to additional contribution, late payment fee and/or penalties imposed by the relevant PRC authorities for failing to discharge our obligations in relation to payment of social insurance and housing provident funds as an employer or be ordered to rectify. As advised by our PRC Legal Advisor, considering the facts stated above, the risk of us being subject to additional contribution obligations and material penalties due to the above-mentioned arrangements with third-party human resource agencies is remote.

INSURANCE

Our business is coverd by various insurance policies, such as property insurance and logistics insurance. We regularly review our insurance policies to ensure compliance with statutory requirements. We believe that our existing insurance coverage is adequate for our operations and aligns with industry standards.

During the Track Record Period, we were not subject to any material claim of insurance. However, we may still be exposed to potential claims and liabilities exceeding our insurance coverage. For further details, see "Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not be sufficient to cover all losses associated with our business operations."

PROPERTIES

Owned Properties

Lands

As of Latest Practicable Date, we owned and occupied the land use rights of five land parcels in China, with an aggregate land area of approximately 194,045 sq. m., which were primarily used as production facilities, R&D centers, offices and warehouses. As of the Latest Practicable Date, we had obtained all land use rights certificates for all land parcels we owned and occupied.

Buildings

As of the Latest Practicable Date, we owned a total aggregate GFA of approximately 101,395 sq.m. of buildings in China, which were primarily used as production facilities, R&D centers, offices and warehouses. As of the Latest Practicable Date, we had obtained all real estate ownership certificates for all buildings we owned.

Lease Properties

As of Latest Practicable Date, we leased 23 properties across China, with an aggregate GFA of approximately 4,248 sq.m., which were mainly as our production facilities, R&D centers, offices, warehouses and staff dormitories. We are generally allowed to terminate lease agreements with a prior notice, which provides us with operational flexibility. We believe that there is sufficient supply of properties in Chinese Mainland, and we do not rely on the existing leases for our business operations. We believe that our current facilities are adequate to meet our current needs.

Property Valuation

According to Rule 5.01A of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is subject to the requirements of section 38(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance to include a valuation report with respect to all of our Group's interests in land or buildings, as we had a single property interest with a carrying amount of 15% or more of our consolidated total assets as of the Latest Practicable Date.

Savills Valuation and Professional Services (China) Limited, an independent property valuer, has valued the relevant property interests as of March 31, 2026. Particulars of our property interests are set out in "Appendix IV — Property Valuation Report" to this document. Except for the property interest set forth in the Property Valuation Report, no other property interests are used for property activities as defined under Rule 5.01 of the Listing Rules. No single property interest that forms part of our non-property activities had a carrying amount representing 15% or more of our total assets as of March 31, 2026.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance

To drive effective ESG governance, we have established a three-tier ESG governance structure comprising a decision-making level, a management level and an implementation level, with clear accountability and efficient execution. ESG management is embedded into our day-to-day operations to coordinate cross-functional risk management and compliance and to guide our sustainable development agenda.

At the decision-making level, our Board of Directors sets our ESG strategy, reviews ESG performance reports on a semi-annual basis and provides guidance for improvement. The Board also defines the scope of ESG monitoring, assessment metrics and reporting standards, sets targets and regularly tracks progress. At the management level, our Strategic Development Department oversees ESG execution, identifies and leads responses to ESG-related risks, and regularly reports to the Board on risk management and controls, target-setting and progress against plans. At the implementation level, our functional departments translate ESG priorities into operating procedures and standards, continuously improve execution and ensure delivery against our ESG objectives.

We have also established a multi-layer, end-to-end ESG communication mechanism. Internally, we maintain ESG feedback channels and cross-department collaboration platforms to encourage broad employee participation. Externally, we engage stakeholders through investor roadshows, customer visits and other communication channels to respond to their priorities and reinforce the link between ESG governance and business value creation.

ESG Indicators and Objectives

We have established an indicator-and-target framework focused on our core ESG priorities and apply a tiered approach to issue management. Going forward, we will continue to refine our implementation roadmap and further integrate ESG management into day-to-day operations, supporting sustainable development across the medical device industry through concrete actions.

Environmental Protection Objectives	***Life-cycle carbon footprint management***. We are building a green management system covering the full product life cycle. Through green design, supply chain collaboration and cleaner operations, we aim to progress our low-carbon transition and strengthen environmental management over the long term.
Social Value Objectives	***Product quality***. We aim to uphold product quality and business integrity as baseline requirements for our operations. Building on our quality management system and an integrity-based compliance culture, we focus on maintaining trust with customers and end users, with patient safety as the core consideration.
Corporate Governance Objectives	***ESG governance.*** We will continue to enhance our ESG governance structure to improve transparency and execution, and to support the integration of sustainability priorities into business operations. We also plan to strengthen a closed-loop risk management framework to support more informed decision-making and long-term value creation.

Climate Changes

With the Board of Directors as the highest governance body for ESG matters, we monitor climate-related policy developments in China and internationally and assess climate risks relevant to our business. We identify and evaluate climate-related risks, benchmark appropriate market practices where relevant, and develop measures tailored to different risk types. We have also established indicators and targets covering climate strategy, risk management and ongoing monitoring to strengthen our capability to address climate-related impacts:

Risk type	Key description	Our measures
Transition (policy) .	Climate-related disclosure and governance expectations continue to tighten under China's "dual carbon" agenda and exchange reporting requirements, increasing compliance demands.	Align energy utilization planning with regulatory requirements; optimize the energy mix and reduce emissions; strengthen climate-related disclosure processes, accuracy and readiness.
Transition (Technology). . . .	Iterations of low-carbon technologies may require upgrades to equipment and processes, creating potential capex pressure.	Track technology developments; plan equipment and/or process upgrades based on operational needs and cost-benefit.
Transition (Reputation)	Inadequate response or disclosure may affect market perception.	Enhance transparency and disclosure quality, and timely adjust product and market focus to respond to customer requirements.
Physical (Extreme weather)	Extreme weather, such as heavy rain, flooding, heat waves, may disrupt production schedules, affect facilities and interrupt normal operations.	Identify site-relevant acute scenarios; maintain emergency plans; conduct seasonal inspections and preventive actions.
Physical (Long-term changes)	Long-term changes such as rising temperatures, water stress may affect the stability of certain raw material supplies and the performance of temperature-sensitive equipment.	Monitor raw material supply risks and site conditions; adjust procurement and operational planning where needed; strengthen preventive maintenance.

The following table sets out our greenhouse gas ("**GHG**") emission during the Track Record Period:

GHG Type	Unit	For the Year Ended December 31		
		2023	2024	2025
Direct (Scope 1) GHG Emissions[(1)]	tCO_2e	2,503.2	1,572.4	1,504.1
Indirect (Scope 2) GHG Emissions[(2)]	tCO_2e	16,126.0	16,018.8	15,270.7
Indirect (Scope 3) GHG Emissions[(3)]	tCO_2e	342.2	471.2	676.1
Total GHG Emissions	tCO_2e	18,971.4	18,062.4	17,450.9
GHG Emission Intensity	Tons/RMB1 Million Revenue	20.2	19.3	19.2

Notes:

(1) The accounting methodologies and coefficients for our Scope 1 and Scope 2 GHG emissions are based on the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions in 24 Industries issued by the NDRC.

(2) Our CO_2 emission factor is selected from the 2023 Power Sector Carbon Dioxide Emission Factors released by the General Office of the Ministry of Ecology and Environment in 2025.

(3) Our Scope 3 GHG emissions are calculated using the expenditure-based approach, based on employee business travel expenses.

Environmental Management

We adhere to applicable laws and regulations and have established an internal environmental management system. We also regularly conduct environmental training for employees, so as to continuously improve corporate environmental management capabilities.

Energy Management

We comply with the PRC Energy Conservation Law and other applicable laws and regulations. Our manufacturing department drives energy management and oversees the implementation of energy objectives across the business. We have established internal practices and guidelines and manage energy use in daily operations, supported by monthly energy consumption analysis to monitor performance and reduce environmental impact. As medical consumables provider, our energy use is primarily driven by production. We improve energy efficiency through practical measures, including energy-saving retrofits, phasing out energy-intensive equipment and increasing the use of cleaner energy.

The following table sets out details of our energy consumption performance during the Track Record Period:

Energy Type	Unit	For the Year Ended December 31		
		2023	2024	2025
Gasoline	Ton	11.2	11.9	10.5
Natural Gas	Standard Cubic Meters	1,141,954.0	710,500.0	680,900.0
Purchased Electricity	kWh	30,392,020.0	30,190,000.0	28,780,000.0
Total Comprehensive Energy Consumption	Tons of Standard Coal	5,282.9	4,684.4	4,469.7
Comprehensive Energy Consumption Intensity	Tons of Standard Coal per RMB1 Million Revenue	5.6	5.0	4.9

Wastewater, Waste Gas and Solid Waste Management

We comply with the PRC water pollution prevention and control law and other applicable laws and regulations. We have adopted internal policies, including our wastewater, waste gas and solid waste management system and hazardous waste management system, to manage pollutant discharge across our operations and ensure compliance. Our management approach for wastewater, waste gas and solid waste focuses on compliant treatment and, where practicable, resource recycling.

- ***Wastewater***. Our wastewater mainly comprises domestic sewage and wastewater from pure water preparation. We operate a rainwater-sewage separation system. Wastewater is treated in a septic tank and then discharged to a municipal wastewater treatment plant. We achieved 100% compliant discharge.

- ***Waste gas***. Our main air emission sources include (i) volatile organic compounds ("**VOC**") generated from injection molding and printing; (ii) exhaust from natural gas-fired boilers; and (iii) ethylene oxide emissions from sterilization. VOCs from injection molding and printing are treated using two-stage activated carbon adsorption. Boiler emissions are managed using low-NOx combustion. Ethylene oxide emissions from sterilization are treated through gas capture and chemical absorption, followed by multi-stage washing and activated carbon adsorption. Our emissions comply with applicable discharge standards.

- ***Solid waste***. Domestic waste is collected and disposed of by municipal sanitation authorities. Packaging waste and parts are collected and periodically sold for external recycling or treatment. Hazardous waste is disposed of by qualified third-party service providers in accordance with applicable requirements, supporting compliant disposal and, where practicable, resource recovery.

Human Capital

We are committed to fair recruitment and standardized employment practices to protect employees' lawful rights and interests. We continuously improve our training and development systems, align performance management with job roles and responsibilities, and regard talent as a key driver of our long-term development.

Employment

We comply with the PRC Labor Law, the PRC Labor Contract Law and other applicable laws and regulations. We have adopted internal policies, including the Management System for Social Responsibility and Labor Rights Protection and the Recruitment and Employment Management System, to standardize recruitment and employment practices, uphold equal opportunity and prohibit unlawful labor practices such as child labor and forced labor. We also oppose discrimination in all forms and seek to foster an inclusive and diverse workplace.

Development and Training

We have established a structured employee development framework and provide multiple career pathways through internal recruitment, job rotation and promotion mechanisms. Performance appraisal results are used as a key reference for decisions on promotion, training and job transfers. We operate a three-tier training system at the corporate, departmental and team levels. Training is delivered through both online and offline formats based on annual plans and quarterly schedules, covering management capabilities and operational skills. We conduct post-training assessments to support closed-loop improvement, and our employee training participation rate has been 100% for three consecutive years.

Health and Safety

We comply with the PRC work safety law, the PRC labor contract law and other applicable laws and regulations, and have established safety and occupational health management systems covering our operations. We conduct occupational health examinations on an annual basis. Our general manager acts as the primary person responsible for workplace safety. Our safety management structure assigns responsibilities at each level and ensures dedicated use of safety-related funds. We implement safety requirements through standard operating procedures, hazard identification, emergency response arrangements and closed-loop corrective actions. We continuously strengthen safety management through routine inspections, targeted investigations and performance evaluations.

We have obtained Level III Safety Standardization certification, as well as ISO 45001 and ISO 14001 certifications. We implement tiered safety training for all employees, with enhanced onboarding training for new hires. We maintain controls over role-based certification requirements, equipment inspections and hazard identification. Both the participation rate and pass rate of our safety training have reached 100%.

Product Quality and Work Safety

We comply with the Regulations for the Supervision and Administration of Medical Device Production, the Measures for the Administration of Medical Device Standards and other applicable laws, regulations and industry standards. We have established a customer-focused, closed-loop quality management system that defines responsibilities across departments and covers the full product life cycle. We have obtained ISO 9001 and ISO 13485 certifications. We also maintain a risk management framework and technical and clinical evaluation systems aligned with PRC and overseas regulatory requirements. We implement controls through internal audits, management reviews and product monitoring, and conduct company-wide training to strengthen operating discipline and risk response.

We carry out periodic system reviews and random product inspections, supporting continuous improvement through closed-loop remediation. During the year, we did not have any product recalls, and no non-conformities were identified in random inspections. We collect customer feedback through multiple channels and handle issues under standardized procedures, including graded analysis, corrective actions and follow-up closure. No systemic quality issues were identified during the year, and customer satisfaction improved.

Social Contribution

We recognize the importance of contributing to the communities in which we operate and seek to fulfil our social responsibilities through practical actions. During the COVID-19 pandemic, we donated medical supplies with a value of over RMB1 million to Huanggang, Hubei Province, and provided virus sampling tubes to the Red Cross Society of Zibo, Shandong Province and the Red Cross Society of Meihekou, Jilin Province. Since 2022, we have supported Songyu Village in Yiyuan, Zibo, including by installing solar street lights and building production roads. In 2024, we donated supplies and funds to Angren County Hospital in Xizang and the Zibo High-tech Zone Health Service Center. In 2025, we supported Zhaojia Village in the Zibo National New & Hi-tech Industrial Development Zone through the purchase of agricultural products. Going forward, we intend to further refine our public welfare initiatives and continue contributing to local communities.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

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

According to our PRC Legal Advisor, the business operations we engaged in had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

INTERNAL CONTROL AND RISK MANAGEMENT

We have established a comprehensive risk management and internal control system aimed at identifying, assessing, and mitigating risks across all aspects of our operations. Our Board of Directors oversees the implementation of risk management policies and procedures that address key operational, financial, legal, and market risks, including information system risk, financial reporting risk, human resources risk, and anti-corruption risk. These policies are integral to our internal control framework, which is periodically reviewed to ensure effectiveness and alignment with our strategic objectives.

To further enhance our risk management capabilities, we have implemented internal control procedures designed to systematically identify, assess, and prioritize material risks, including ESG-related risks, through structured risk and opportunity analysis. This ongoing process supports our commitment to maintaining robust risk oversight and fostering a culture of compliance throughout the organization.

We have engaged an internal control consultant to review the effectiveness of our internal controls associated with our major business processes, identify deficiencies and areas for improvement, provide recommendations, and review the implementation status of these remedial actions. We also conduct periodic reviews of our policies and procedures to mitigate risks and align with regulatory requirements and business objectives.

LICENSES, APPROVALS AND PERMITS

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant government authorities that are material to our business operations in China and overseas. We are required to renew such certificates, permits and licenses from time-to-time, and we are continuingly overseeing the compliance with the relevant laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing the licenses, approvals and permits, and currently we do not expect any material difficulties in such renewal.

The following table sets forth material licenses, permits, and approvals we held as of the Latest Practicable Date:

License/Permit/Approval	Issuing Authority	Expiry Date	Holder
Class I Medical Device Manufacturing Filing Certificate (第一類醫療器械生產備案憑證)	Zibo Municipal Administrative Examination and Approval Service Bureau (淄博市行政審批服務局)	N/A	Our Company
Medical Device Manufacturing License (醫療器械生產許可證)	Shandong Provincial Medical Products Administration (山東省藥品監督管理局)	February 26, 2028	Our Company
Class II Medical Device Operating Filing Certificate (第二類醫療器械經營備案憑證)	Zibo Municipal Administrative Examination and Approval Service Bureau (淄博市行政審批服務局)	N/A	Our Company
Medical Device Operating License (醫療器械經營許可證)	Zibo Municipal Administrative Examination and Approval Service Bureau (淄博市行政審批服務局)	April 17, 2027	Our Company

AWARDS AND RECOGNITIONS

The following table sets forth major awards and recognition we received as of the Latest Practicable Date:

Award/Recognition	Award Year	Awarding Institution/Authority
National Manufacturing Single Champion Enterprise (國家級製造業單項冠軍企業)	2025	Ministry of Industry and Information Technology of the People's Republic of China (中華人民共和國工業和信息化部)
High-tech Enterprises (高新技術企業)	2025	Shandong Provincial Department of Science & Technology, Shandong Provincial Department of Industry and Information Technology, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration (山東省科學技術廳、山東省工業和信息化廳、山東省財政廳以及國家税務總局山東省税務局)

Award/Recognition	Award Year	Awarding Institution/Authority
Shandong Provincial Intelligent Factory (山東省先進級(省級)智能工廠)	2025	Shandong Provincial Department of Industry and Information Technology (山東省工業和信息化廳)
CNAS Laboratory Accreditation Certificate (CNAS實驗室認可證書)	2024	CNAS
Shandong Provincial Enterprise Technology Center (山東省企業技術中心)	2023	Shandong Provincial Development and Reform Commission (山東省發展和改革委員會)