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Application Proof of

Shanghai Simpletouch Robot Co., Ltd.

上海睿觸機器人股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

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Shanghai Simpletouch Robot Co., Ltd.

上海睿觸機器人股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under : [REDACTED] H Shares (subject to the
the [REDACTED] [REDACTED] and
[REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED], [REDACTED] and the
[REDACTED])

[REDACTED] : HK\$[REDACTED] per H Share plus
brokerage of 1.0%, SFC transaction
levy of 0.0027%, Stock Exchange
trading fee of 0.00565% and AFRC
transaction levy of 0.00015% (payable
in full on application in Hong Kong
dollars and subject to refund)

Nominal value : RMB[0.1] per H Share

[REDACTED] : [REDACTED]

Sole Sponsor and [REDACTED]



[REDACTED] and [REDACTED]

[REDACTED]

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[REDACTED]

EXPECTED TIMETABLE^(NOTE 1)

[REDACTED]

EXPECTED TIMETABLE^(NOTE 1)

[REDACTED]

EXPECTED TIMETABLE^(NOTE 1)

[REDACTED]

EXPECTED TIMETABLE^(NOTE 1)

[REDACTED]

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SUMMARY

*This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. **In particular, we are a biotechnology company seeking a [REDACTED] on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules.** There are unique challenges, risks and uncertainties associated with [REDACTED] in companies such as ours. In addition, the Core Product is the product for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide for New Listing Applicants, and our Company may continue to incur substantial costs and expenses in relation to R&D activities for the Core Product, and the Core Product may not be successfully developed or marketed. Your [REDACTED] should be made in light of these considerations.*

OVERVIEW

We are a pioneer and leading player in percutaneous puncture surgical robot market in China, according to CIC. In 2024, our Puncture Surgery Navigation and Positioning System RC120 (“**RC120**”, or “**RC120 Puncture Surgical Robot**”), ranked second in terms of the number of trial installation in the percutaneous puncture surgical robot market in China, according to CIC. We have built a product portfolio with one approved product, namely RC120 which is used for the navigation and positioning in adult lung percutaneous puncture surgeries, and other product candidates mainly consisting of puncture surgery robots with other indications, models and new advanced functions, such as Puncture Surgery Navigation and Positioning System RC100 (“**RC100**”), spinal surgical navigation and positioning system, neurosurgical surgery navigation and positioning system, CT integrated puncture surgery navigation and positioning system, and consumables used in puncture surgeries. We were established in 2019 and primarily engage in R&D, production and commercialization of percutaneous puncture surgical robots. We commenced clinical trial for RC120 Puncture Surgical Robot on January 7, 2022 and completed on February 20, 2023, and obtained Class III medical device registration certificate in 2024 for our RC120 Puncture Surgical Robot. As of the Latest Practicable Date, we had successfully commercialized our RC120 Puncture Surgical Robot.

WE CANNOT GUARANTEE YOU THAT WE CAN SUCCESSFULLY DEVELOP AND MARKET OUR PRODUCT CANDIDATES.

RC120 Puncture Surgical Robot is a surgical robot independently developed by us to assist doctors in navigation and positioning in adult lung percutaneous puncture surgeries and features 7-degree-of-freedom robot platform, operative precision, safety and efficiency. We provided RC120 Puncture Surgical Robot to hospitals for clinical use during the Track Record

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Period. In the emerging medical technology sector, recognition from leading hospital users validates the product’s excellence and potential for large-scale commercialization. As of the Latest Practicable Date, RC120 Puncture Surgical Robot had been put into clinical use in 39 hospitals nationwide, most of which were top-tier Class III Grade A hospitals, including First Affiliated Hospital of Sun Yat-sen University, Zhongnan Hospital of Wuhan University, First Hospital of Jilin University, North Jiangsu People’s Hospital, Qishan Branch of Union Hospital Affiliated to Fujian Medical University, and Shanxi Bethune Hospital.

According to CIC, China’s percutaneous puncture surgical robot industry has tremendous future potential and is expected to become the fastest-growing regional market, driven by technology advancement, aging population and increasing prevalence of chronic disease, and the improving affordability and increasing awareness of health. Our competitive position is defined by distinct advantages over two key benchmarks: traditional manual procedures and competing optical and magnetic robotic systems. Compare with traditional manual procedures, our RC120 Puncture Surgical Robot offers significant advantages in terms of precision and consistency, reduced complication risk, lowered technical barrier and learning curves, enhanced operational efficiency and financial throughput, and improved patient and staff safety. Compared with other competing products currently available on the market, our principal competitive strengths lie primarily in our superior guidance technology, structural cost advantage, streamlined surgical workflow, operational independence and optimal space utilization.

We are a technology platform-based enterprise specializing in percutaneous puncture surgical robot. We have established an innovative CT-based Sensing Technology Platform, which is the core and basic technology platform for R&D of our percutaneous puncture surgical robot product pipeline, and are also in the continuous R&D of AI-driven technology platform for the further upgrade of certain AI-assisted functions of our puncture surgical robots. As of the Latest Practicable Date, we held 101 patents in China, including 44 invention patents, 50 utility models and seven appearance designs. Our core intellectual property mainly revolves around RC120 Puncture Surgical Robot and the relevant technology platform with full independent intellectual property rights.

OUR PRODUCT PORTFOLIO

We are a pioneer and leading player in percutaneous puncture surgical robot market in China, according to CIC. In 2024, our RC120 Puncture Surgical Robot ranked second in terms of the number of trial installation in the percutaneous puncture surgical robot market in China, according to CIC. We have built a product portfolio with one approved product, namely RC120 Puncture Surgical Robot which is used for the navigation and positioning in adult lung percutaneous puncture surgeries, and other product candidates mainly consisting of puncture surgery robots with other indications, models and new advanced functions, such as RC100, spinal surgical navigation and positioning system, neurosurgical surgery navigation and positioning system, CT integrated puncture surgery navigation and positioning system, and consumables used in puncture surgeries. The following diagram sets forth key details of our product portfolio as of the Latest Practicable Date:

SUMMARY

Category	Product	Indication/Function	Stages				Country or Region	Registration Class	Approval or Estimated Approval
			Preclinical Development	Clinical Evaluation	Application for Registration	Approval			
Surgical Robot	Puncture Surgery Navigation and Positioning System RC120 ★	Navigation and Positioning for Adult Pulmonary Puncture Surgery ⁽¹⁾					China	Class III	Q1 2024
		Navigation and Positioning for Adult Pulmonary and Abdominal Solid Organ Puncture Surgery					China	Class III	Q4 2026
		AI-assisted 3D Reconstruction and Surgery Path Planning Function					China	Class III	Q3 2030
		Dynamic Respiratory Motion Compensation Function					China	Class III	Q3 2030
		Navigation and Positioning for Adult Pulmonary and Abdominal Solid Organ Puncture Surgery					U.S.	Class III	Q4 2029
	Puncture Surgery Navigation and Positioning System RC100	Navigation and Positioning for Adult Pulmonary and Abdominal Solid Organ Puncture Surgery					E.U.	Class IIb	Q1 2030
							China	Class III	Q3 2027
	Spinal Surgery Navigation and Positioning System	Navigation and Positioning for Adult Pulmonary and Abdominal Solid Organ Puncture Surgery					Southeast Asia	Class C ⁽²⁾	Q4 2030
							China	Class III	Q4 2031
	Neurosurgical Surgery Navigation and Positioning System	Navigation and Positioning of Surgical Instruments and Implants during Adult Spinal Surgery					China	Class III	Q4 2031
Consumables	CT Integrated Puncture Surgery Navigation and Positioning System	Navigation and Directional Positioning for Neurosurgical Surgical Instruments and Implants					China	Class III	Q4 2031
	Disposable Pulmonary Nodule Positioning Puncture Needle	Navigation and Positioning for Routine Clinical Examinations and Adult Pulmonary and Abdominal Solid Organ Puncture Surgery					China	Class III	Q4 2031
	Disposable Biopsy Needle	Intended for CT-guided pulmonary nodule positioning in patients with pulmonary nodules prior to thoracoscopic surgery					China	Class II	Q2 2026
	Disposable Coaxial Biopsy Needle	Indicated for obtaining biopsy tissue from the lung, liver, kidney, prostate, spleen, lymph nodes and various soft tissue tumors					China	Class II	Q2 2026
	Disposable Puncture Guide	Used in conjunction with disposable biopsy needles to serve as a guide needle during the acquisition of soft tissue biopsy specimens					China	Class II	Q2 2026

★ Core Product

Notes:

- (1) On June 6, 2025, we applied for the change of registration with the NMPA to add four new models based on the same medical device registration certificate of RC120. The different models are of primary distinction lying in the configuration of certain components (such as the control cabinet and foot switch) of RC120. As of the Latest Practicable Date, the NMPA was in the process of reviewing our application and supplemental information provided by us as required by the NMPA.
- (2) For our future market expansion in Southeast Asia, we plan to initiate applications in Indonesia and Malaysia first. Our Puncture Surgery Navigation and Positioning System RC100 will be registered as Class C medical device in Indonesia and Malaysia.

RC120 Puncture Surgical Robot – Our Core Product. We obtained Class III medical device registration certificate from the NMPA for RC120 Puncture Surgical Robot in February 2024. RC120 Puncture Surgical Robot is a percutaneous puncture surgical robot independently developed by us to assist doctors in the navigation and positioning in adult lung percutaneous puncture surgeries and features 7-degree-of-freedom robot platform, operative precision, safety and efficiency. RC120 Puncture Surgical Robot consists of a control cabinet, a transport cart, a sensing board, a main frame, a robotic arm, a foot switch, a mains power cable, RC120 Auxiliary Puncture System Control Software and accessories. Based on CT imaging data, doctors use our software to design, tailor and confirm the optimal puncture path, and then through 3D reconstruction, the execution system of RC120 Puncture Surgical Robot will move to the precise needle insertion position for the doctor’s subsequent puncture. RC120 Puncture Surgical Robot can help doctors accurately avoid bones and blood vessels, reducing the number of intraoperative needle adjustments, significantly shortening the procedure time, and effectively reducing the risk of tissue damage to patients.

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As of the Latest Practicable Date, RC120 Puncture Surgical Robot had reached various mainstream hospital departments that may perform puncture surgeries, such as thoracic surgery department, interventional department, cardiothoracic surgery department, radiological imaging department, oncology department, respiratory medicine department, department of respiratory and critical care medicine and nuclear medicine department. Forms of surgeries cover puncture biopsy, ablation, preoperative localization, and seed implantation.

Driven by favorable policies, technological innovation and aging population and increasing prevalence of cancer, China’s percutaneous puncture surgical robot market size is expected to have strong growth with a CAGR of 66.1% to increase from RMB40.3 million in 2024 to RMB2,327.5 million in 2032, according to CIC. RC120 Puncture Surgical Robot has competitive advantages in terms of its precision positioning, safety, efficiency, and standardized surgical procedure. We believe RC120 Puncture Surgical Robot is poised for significant market development opportunities.

We are in the process of expanding indication, developing more advanced functions, and exploring overseas market opportunities for RC120 Puncture Surgical Robot, including:

- **Indication expansion to adult abdominal solid organs puncture surgery.** We had completed same-type product comparison for the expansion of RC120 Puncture Surgical Robot’s indications to percutaneous puncture surgery for adult abdominal solid organs. Through the evaluation of clinical literature data of such same-type product, the safety and effectiveness of our product candidates in clinical use have been confirmed. We plan to apply for a registration approval of new indication with the NMPA and expect to obtain the NMPA’s approval in 2026. We believe that our indication expansion to adult abdominal solid organs puncture surgery of RC120 Puncture Surgical Robot will further enhance our competitiveness, which is also in line with the market trend and customer demand, according to CIC.
- **Dynamic respiratory motion compensation, and AI-assisted 3D reconstruction and surgery path planning functions.** The dynamic respiratory motion compensation function is designed to address the problem of lesion movement caused by patients’ breathing or body movement and enhance the stability of puncture in dynamic scenarios. Moreover, we are also developing certain AI-assisted functions capable of offering organ and tissue segmentation, automatic surgical path planning and automatic nodule lesion recognition. The deep integration of AI with medical imaging technologies has become a significant trend in the development of the medical imaging industry. With the rise of early cancer detection, increasing adoption of image-guided interventions, and hospitals’ growing demand for navigation technologies, these “intelligent planning plus dynamic control” surgical robots are positioned to capture substantial market opportunities across biopsy, ablation, and other percutaneous therapeutic workflows. We expect to initiate relevant clinical evaluations in 2027 and obtain the registration approval in 2030. We believe and CIC concurs, our R&D with respect to such advanced functions will bring us huge market potential if the relevant product candidates are approved by the NMPA.

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- **Business expansion in overseas markets.** As of the Latest Practicable Date, we were also conducting relevant market research and preparing for applying registration approvals for the navigation and positioning system for percutaneous puncture surgery of adult pulmonary and abdominal solid organs in overseas jurisdictions such the United States and Europe. We plan to initiate the applications in the United States and the Europe in the second half of 2026 and obtain relevant approvals by 2030. According to CIC, the market size of percutaneous puncture surgical robot in the United States was USD98.8 million in 2024 and is expected to increase to USD602.7 million in 2032 at a CAGR of 25.4%% from 2024 to 2032. According to CIC, the market size of percutaneous puncture surgical robot in Europe was USD76.9 million in 2024 and is expected to increase to USD592.0 million in 2032 at a CAGR of 29.1%% from 2024 to 2032.

In addition to RC120 Puncture Surgical Robot, we are also developing several other puncture surgical robot product candidates including RC100, spinal surgical navigation and positioning system, neurosurgical surgery navigation and positioning system, CT integrated puncture surgery navigation and positioning system, and consumables used in puncture surgeries.

- **RC100.** Basically, RC100 adopts the same product principles, architecture and operational procedure as RC120. The main difference lies in the replacement of certain key components (such as robotic arm and industrial control computer) with domestically produced alternatives. We believe that RC100 will provide a solution better suited to the needs of hospitals in lower-tier cities and counties with different budgets. According to CIC, the market price of domestic robotic arms is generally 75% lower than those provided by renown foreign suppliers. We will strategically market RC100 targeting primary medical care level in China and in Southeast Asia, which are of huge market potential, according to CIC.
- **Spinal Surgery Navigation and Positioning System.** Our spinal surgery navigation and position system is designed for spinal screw placement surgery. The designed product structural, composition and operational procedure of spinal surgery navigation and position system are similar to those of RC120 Puncture Surgical Robot, except for certain accessories. As of the Latest Practicable Date, we were still at preclinical development stage for the spinal surgery navigation and position system and we expect to obtain registration approval of NMPA by 2031.
- **Neurosurgical Surgery Navigation and Positioning System.** Our neurosurgical navigation and positioning system is designed for multiple neurosurgical fields, including intracranial tumors, cerebral hemorrhage, Parkinson’s disease, trigeminal neuralgia, epilepsy, etc. In the future, we will also explore its application in the implantation of flexible microelectrodes for brain-computer interfaces (BCIs), facilitating the implantation of flexible microelectrodes into the cerebral cortex and

SUMMARY

providing key support for BCI and brain science research. As of the Latest Practicable Date, we were still at preclinical development stage for the neurosurgical navigation and positioning system and we expect to obtain registration approval of NMPA by 2031.

- **CT Integrated Puncture Surgery Navigation and Positioning System.** The CT integrated puncture surgery navigation and positioning system will deeply integrate CT and the navigation and positioning system into a single system, achieving the unification of imaging coordinates and robotic arm coordinates and eliminating the need for coordinate conversion. As of the Latest Practicable Date, we were still at preclinical development stage for the CT integrated puncture surgery navigation and positioning system and we expect to obtain registration approval of NMPA by 2031.
- **Consumables.** As of the Latest Practicable Date, we had four types of medical consumable product candidates, among which three types of consumables, namely disposable pulmonary nodule positioning puncture needle, disposable biopsy needle, and disposable coaxial biopsy needle, were in the process of applying for the Class II medical device registration certificates, and one type of consumable, i.e. disposable puncture guide, was still in the preclinical R&D stage. These product candidates are designed to work synergistically with our self-developed RC120, ensuring efficient and seamless integration.

OUR BUSINESS MODEL

We primarily engage in R&D, production and commercialization of percutaneous puncture surgical robots. We obtained Class III medical device registration certificate in 2024 for our RC120 Puncture Surgical Robot, which is used for navigation and positioning in adult lung percutaneous puncture surgeries. As of the Latest Practicable Date, we had successfully commercialized our RC120 Puncture Surgical Robot, but was still at an early stage of the commercialization process. Our target users are primarily hospitals that have needs for percutaneous puncture surgeries. We provided RC120 Puncture Surgical Robot to hospitals for clinical use during the Track Record Period. We mainly purchase raw materials and components (such as robotic arms, sensing boards and machined parts) from our suppliers for R&D and production activities. We have been continuously making efforts to expand new indications, models and upgrade the functions of RC120 Puncture Surgical Robot and plan to actively explore business opportunities in other jurisdictions.

SUMMARY

Along with the commercialization progress of our puncture surgical robots and the R&D of consumables product candidates, we will pursue transitioning from traditional equipment sales to an “equipment, consumables, and services” business model. By integrating sales of puncture surgical robots, long-term consumables supply, and ongoing technical services to customers and users, we aim to strengthen user loyalty, secure recurring consumables procurement, and maximize the lifetime value of our customers.

MARKET OPPORTUNITY AND COMPETITION

According to CIC, China’s percutaneous puncture surgical robot industry has tremendous future potential and is expected to become the fastest-growing regional market. Compared to traditional percutaneous puncture surgery, percutaneous puncture surgical robots improve surgical precision and stability, reduce surgery time, shorten learning curve, and decrease complications. Driven by technology advancement, aging population and increasing prevalence of chronic disease, and the improving affordability and increasing awareness of health of Chinese residents, China’s percutaneous puncture surgical robot market is expected to increase rapidly in the future. In 2022, the percutaneous puncture surgical robot medical device product was approved by NMPA for the first time in China. China’s market size of percutaneous puncture surgical robot was RMB40.3 million in 2024 and is expected to increase at a CAGR of 66.1% to RMB2,327.5 million from 2024 to 2032. As of the Latest Practicable Date, 17 products, in total, have obtained NMPA approval in the percutaneous puncture surgical robot market in China. In 2024, our RC120 Puncture Surgical Robot ranked second in terms of the number of trial installation in the percutaneous puncture surgical robot market in China, according to CIC. We believe that our puncture surgical robot has competitive advantages in terms of its precision positioning, safety, efficiency, and standardized surgical procedure.

Globally, the surgical robot market remains at an early stage of overall penetration, though regional development levels vary in terms of technological maturity, regulatory environment, and clinical adoption. The United States and major European countries represent relatively mature markets with well-established regulatory and clinical systems. According to CIC, the market size of percutaneous puncture surgical robot in the United States was USD98.8 million in 2024 and is expected to increase to USD602.7 million in 2032 at a CAGR of 25.4% from 2024 to 2032. According to CIC, the market size of percutaneous puncture surgical robot in Europe was USD76.9 million in 2024 and is expected to increase to USD592.0 million in 2032 at a CAGR of 29.1% from 2024 to 2032.

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OUR STRENGTHS

We believe that the following are our competitive strengths and investment highlights: (i) innovative CT-based sensing technology platform with breakthrough capabilities: indepth layout in percutaneous puncture surgical robot market to address unmet clinical needs; (ii) the only puncture surgical robot integrating CT imaging technology with intelligent sensing architecture in China, bypassing image registration and empowering us with unparalleled competitiveness in clinical workflow efficiency, cost competitiveness and spatial versatility; (iii) strategic penetration into China’s leading hospitals, accelerating product adoption through enhanced clinician education, while cooperating with distributors to ensure effective commercial execution and market penetration; (iv) focusing on pulmonary puncture surgical positioning system as the core, continuously expanding into adjacent fields to build a full-stack integrated platform for multi-organ tumor diagnosis; (v) our IP and AI-driven technology platform under continuous development contribute to our differentiated competitive position in the market; and (vi) experienced and dedicated management team with strong support from renown investors.

OUR STRATEGIES

We intend to implement a business strategy with the following components: (i) enhancing market penetration in China and advancing the integrated “equipment, consumables, and services” business model; (ii) strategically pursuing global clinical and commercial partnerships to capture international market opportunities; (iii) accelerating pipeline development via expanding indications, functional developments and consumable product candidates; and (iv) enhancing our AI capability with the aim to establish an AI-empowered technology ecosystem.

OUR TECHNOLOGY PLATFORMS

We have established an innovative CT-based Sensing Technology Platform, which is the core and basic technology platform for R&D of our percutaneous puncture surgical robot product pipeline, delivering unprecedented real-time fusion of CT imaging coordinates with the physical robotic arm and enabling millimeter-level precision guidance across diverse anatomical regions. Building upon this robust hardware-software sensing backbone, we are in the process of developing our AI-driven technology platform as the intelligent evolution layer that will primarily empower and revolutionize the 3D reconstruction and path planning phase of the workflow of our puncture surgical robots. By further integrating our high-dimensional anatomical perception foundation model and learning-enabled optical path-planning algorithm, we believe our puncture surgical robots will automatically generate puncture trajectories quickly, enhancing preoperative decision-making efficiency, safety, and personalization while seamlessly leveraging the real-time synchronization capability of the CT-based Sensing Technology Platform for flawless intraoperative execution. See “Business – Our Technology Platforms” for further details.

SUMMARY

RESEARCH AND DEVELOPMENT

We believe that our future success will depend on, to a large extent, our ability to develop new or improved percutaneous puncture surgical robots. For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025, we incurred R&D costs of RMB23.9 million, RMB18.9 million, RMB9.2 million and RMB9.1 million, respectively. For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our R&D costs attributable to our Core Product were RMB7.9 million, RMB11.2 million, RMB3.9 million and RMB7.7 million, respectively, accounting for 33.0%, 59.2%, 42.3% and 84.8% of our total R&D costs in the respective period. Our R&D costs attributable to our Core Product increased from RMB7.9 million in 2023 to RMB11.2 million in 2024, and increased from RMB3.9 million for the six months ended June 30, 2024 to RMB7.7 million for the six months ended June 30, 2025, primarily due to our continuous R&D efforts in expanding indications, upgrading its functions and diversifying the models of RC120 Puncture Surgical Robot.

We have a highly experienced and multidisciplinary in-house research and development team that comprises of 21 employees as of the Latest Practicable Date. Our R&D team members have an average of around eight years of industry experience, covering professional fields such as mechanics, electrical and electronic engineering, software, algorithms, medicine and motion control. The R&D team works along the entire lifecycle of our product candidates. The team strives to bring high-quality, innovative products to market in a timely manner. To leverage the expertise of our R&D personnel, enhance efficiency and maximize synergy, the team is organized into five sub-departments, namely mechanical department, electronics and electrical department, software and algorithm department, project management department and Simple Touch Research Institute. These sub-departments are structured to monitor and manage cross-departmental collaboration based on distinct business needs.

We have a dedicated clinical trial team responsible for the day-to-day operation and management of the clinical trials of our pipeline products. We have specialized clinical trial personnel to be responsible for different aspects, including, among others, monitoring and managing clinical research projects, coordinating and discussing with investigators and research institutions, conducting regular training to sales and marketing personnel, providing medical knowledge support for marketing activities, conducting statistical analysis of clinical data, as well as drafting relevant academic papers, to ensure that clinical trials comply with our protocols and the GCP standard.

MANUFACTURING

We obtained medical device production license in April 2024 with a valid term of five years. During the Track Record Period, we conducted manufacturing activities at our manufacturing facility located in our leased properties in Shanghai, China, with an aggregate approved GFA of approximately 746.8 sq.m.. Our manufacturing facility and manufacturing processes undergo internal process controls and regular self-examination to ensure compliance with quality system requirements, and are subject to supervision and periodic inspections by

SUMMARY

the NMPA or other comparable regulatory agencies. Along with the commercialization progress of RC120 Puncture Surgical Robot, we plan to expand our manufacturing facility in the future to support the increasing demand for our products. See “Future Plans and Use of [REDACTED]” for further details. During the Track Record Period, we mainly manufactured products through manual assembly by our manufacturing staff. Due to the limitation on our production space, we generally can produce one unit of RC120 Puncture Surgical Robot in a week. As of December 31, 2023 and 2024 and June 30, 2025, we had one, two and two manufacturing staff, respectively. In the year ended December 31, 2023 and 2024 and the six months ended June 30, 2025, we produced nil, 12 and 6 units of RC120, respectively.

SALES AND MARKETING

As of the Latest Practicable Date, we had an in-house sales and marketing team of four members to deliver integrated services, covering sales and marketing, client services and clinical training. During the Track Record Period, we also enhanced our marketing capabilities by appointing some external sales and marketing personnel through labor outsourcing. Currently, our major channels of marketing activities of our products are academic promotion and providing our products to hospitals for clinical use, by which we are dedicated to growing our brand recognition and establish collaboration hospitals and doctors in China. During the Track Record Period, we provided RC120 Puncture Surgical Robot to hospitals for clinical use. As of the Latest Practicable Date, we were still in the relatively early stage of the commercialization process of our RC120 Puncture Surgical Robot. Our primary go-to-market strategy utilizes a distributorship model. A cornerstone of this strategy is our collaboration with Shanghai Youhe Medical Technology Co., Ltd. (“**Shanghai Youhe**”), which is one of the leading and comprehensive high-end medical device service providers specializing in respiratory, thoracic surgery, and early digestive cancer diagnostics in China according to CIC. We expect that we will primarily sell our product through distributors. As of the Latest Practicable Date, we had five distributors. We screen and select distributors whom we believe have the required qualifications and capabilities and are suited to our strategic marketing model.

CUSTOMERS AND SUPPLIERS

During the Track Record Period, we only have one public hospital customer who engaged us to provide one-off technical support services in 2023. We generated revenue of RMB0.2 million, nil, nil and nil from this customer in 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. This customer is an Independent Third Party. As of the Latest Practicable Date, none of our Directors, their associates or any shareholders which, to the knowledge of our Directors, owned more than 5% of the issued share capital of the Company as of the Latest Practicable Date, had any interest in this customer during the Track Record Period.

During the Track Record Period, our suppliers were primarily (i) materials and components providers for the production and R&D of our percutaneous puncture surgical robots and other product candidates; and (ii) type test, inspection, consulting and other services providers. For the years ended December 31, 2023 and 2024 and the six months ended June 30,

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2025, our purchases from our largest supplier accounted for 12.1%, 21.9% and 32%, respectively, of our total purchases during the same years or period, and purchases from our five largest suppliers in the aggregate accounted for 35.2%, 48.1% and 63.6%, respectively, of our total purchases during the same years or period. As of the Latest Practicable Date, none of our Directors, their associates or any shareholders which, to the knowledge of our Directors, owned more than 5% of the issued share capital of the Company as of the Latest Practicable Date, had any interest in our five largest suppliers during the Track Record Period.

INTELLECTUAL PROPERTY

Intellectual property rights are important to our business. As of the Latest Practicable Date, we held 101 patents in China, including 44 invention patents, 50 utility models and seven appearance designs. The valid term of our patents is generally 10 to 20 years from the filing date of the earliest non-provisional patent application on which the patent is based. As of the Latest Practicable Date, we also owned 51 registered trademarks and four domain names. We have adopted certain measures with respect to intellectual property risk management, including assessing violation risks relating to third-party rights from time to time, identifying potential disputes and formulating precautionary measures, to avoid potential infringement against our competitors’ products. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material proceedings in respect of, and we had not received notice of any material claims of infringement of, any intellectual property rights that are threatened or pending, in which we may be a claimant or a respondent.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we were not a party to, and we were not aware of any threat of, any legal, arbitral or administrative proceeding, which, in our opinion, is likely to have a material and adverse effect on our business, financial conditions or results of operation. Our PRC Legal Advisors are of the opinion that our business was in compliance with applicable laws and regulations of the PRC in all material aspects during the Track Record Period and up to the Latest Practicable Date.

SUMMARY OF KEY FINANCIAL INFORMATION

The following tables set forth summary financial data from our financial information for the Track Record Period, extracted from the Accountants’ Report set out in Appendix I to this document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, the financial statements in this document, including the related notes. Our financial information was prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the HKICPA.

SUMMARY

Summary of Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth our statements of profit or loss and other comprehensive income for the periods indicated:

	Year ended December 31,		For the six months ended June 30,	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(Unaudited)</i>	
Revenue	156	—	—	—
Cost of sales	(33)	—	—	—
Gross profit	123	—	—	—
Other income and gains	871	1,157	776	129
Research and development costs	(23,861)	(18,904)	(9,204)	(9,053)
Selling and distribution expenses	(2,919)	(5,280)	(1,882)	(3,756)
Administrative expenses	(8,327)	(13,685)	(8,648)	(5,334)
Other expenses	(1)	—	—	(1)
Finance costs	(97)	(287)	(130)	(106)
Loss before tax	(34,211)	(36,999)	(19,088)	(18,121)
Income tax expense	—	—	—	—
Loss and total comprehensive loss for the year/period	(34,211)	(36,999)	(19,088)	(18,121)

We have not been profitable and incurred a net loss in each period comprising the Track Record Period. For more information, see “Financial Information — Description of Major Components in Our Statements of Profit or Loss and Other Comprehensive Income.”

SUMMARY

Summary of Statements of Financial Position

The following table sets forth selected information from our statements of financial position as of the dates indicated, which has been extracted from the Accountants’ Report set out in Appendix I to this document:

	As of December 31,		As of June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Total current assets	45,353	28,449	18,703
Total non-current assets	7,477	8,503	11,683
Total assets	52,830	36,952	30,386
Total current liabilities	6,106	15,881	21,528
Total non-current liabilities	761	143	793
Total liabilities	6,867	16,024	22,321
Net current assets/(liabilities)	39,247	12,568	(2,852)
Net assets	45,963	20,928	8,065
Paid-in capital	24,893	24,893	24,893
Reserves/(Deficits)	21,070	(3,965)	(16,828)
TOTAL EQUITY	45,963	20,928	8,065

Our net current assets decreased from RMB39.2 million as of December 31, 2023 to RMB12.6 million as of December 31, 2024 primarily because of (i) the decrease in cash and cash equivalents from RMB44.0 million as of December 31, 2023 to RMB26.6 million as of December 31, 2024 mainly due to funding our daily operations and (ii) the increase in interest-bearing bank borrowings from nil as of December 31, 2023 to RMB10.0 million as of December 31, 2024 mainly due to the loan we drew down in 2024 to support our business operation. We had net current liabilities of RMB2.8 million as of June 30, 2025 compared to net current assets of RMB12.6 million as of December 31, 2024 primarily because of a decrease in cash and cash equivalents from RMB26.6 million as of December 31, 2024 to RMB15.4 million as of June 30, 2025 mainly due to funding our daily operations, which is partially offset by a decrease in interest-bearing bank borrowings from RMB10.0 million as of December 31, 2024 to nil as of June 30, 2025, primarily because we repaid the loan in the six months ended June 30, 2025.

SUMMARY

Summary of Statements of Cash Flows

The following table sets forth selected cash flow data from our statements of cash flows for the periods indicated:

	For the year ended December 31,		For the six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			<i>(Unaudited)</i>	
Net cash (used in) operating activities	(28,797)	(26,451)	(16,128)	(162)
Net cash (used in) investing activities	(1,540)	(283)	(141)	(65)
Net cash (used in) from financing activities	<u>(1,465)</u>	<u>8,817</u>	<u>9,343</u>	<u>(10,943)</u>
Net increase/(decrease) in cash and cash equivalents	(31,802)	(17,917)	(6,926)	(11,170)
Cash and cash equivalents at beginning of the year .	75,250	44,027	44,027	26,633
Effects of exchange rate changes, net	<u>579</u>	<u>523</u>	<u>424</u>	<u>(30)</u>
Total cash and cash equivalents at end of year/period	<u>44,027</u>	<u>26,633</u>	<u>37,525</u>	<u>15,433</u>

During the Track Record Period, we had incurred negative cash flows from our operations. Substantially all of our operating cash outflows have resulted from our R&D costs, selling and distribution expenses and administrative expenses.

We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As our business develops and expands, we expect to generate cash from operating activities upon the successful commercialization of RC120 Puncture Surgical Robot. We believe our funding requirements will be satisfied by using funds from a combination of cash flows from operating activities and [REDACTED] from the [REDACTED]. As of October 31, 2025, we had cash and cash equivalents of RMB71.3 million. After taking into consideration the above, and the [REDACTED] from the [REDACTED], in the absence of unforeseeable circumstances, our Directors are of the opinion that we have sufficient working capital to cover at least 125% of our costs, including R&D costs, selling and distribution expenses and administrative expenses for at least the next 12 months from the date of this document.

SUMMARY

KEY FINANCIAL RATIOS

The following table set forth our key financial ratios as of the date or for the period indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
Current ratio ⁽²⁾ (Times)	7.4	1.8	0.9
Quick ratio ⁽³⁾ (Times)	7.4	1.7	0.8
Debt-to-asset ratio ⁽⁴⁾ (%)	13.0	43.4	73.5

Notes:

- (1) Current ratio is calculated based on total current assets divided by total current liabilities.
- (2) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.
- (3) Debt-to-asset ratio is calculated based on total indebtedness (including bank borrowings and lease liabilities) divided by total assets and multiplied by 100%.

RISK FACTORS

We are a percutaneous puncture surgical robot company seeking to list on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. We believe there are certain risks and uncertainties involved in [REDACTED] in our H Shares, some of which are beyond our control. See “Risk Factors” for details of our risk factors, which we urge you to read in full before making an [REDACTED] in our H Shares. In any such case, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED]. Some of the major risks we face include: (i) our business and financial prospects depend substantially on the successful R&D and commercialization of our pipeline products. If we are unable to successfully complete clinical evaluation, obtain regulatory approval and commercialize our products, or experience significant delays in doing so, our prospects may be materially and adversely affected; (ii) we may face intense competition in the percutaneous puncture surgical robot market. There are well-established competing products, and competitors may develop or commercialize new competing products before or more successfully than we do; (iii) we have limited experience in commercialization of our products. If we are unable to build or maintain sufficient sales and marketing capability, we may not be able to successfully create, increase market awareness of, or sell our product or pipeline products once approved, which will materially affect our ability to generate product sales revenue; (iv) we have incurred net losses since inception, and anticipate that we will continue to incur operating losses for the foreseeable future and may never become profitable. As a result, you may lose all or part of your [REDACTED] in us given the high risks involved in our business and associated with the medical devices industry; (v) the R&D and commercialization of our pipeline products are

SUMMARY

heavily regulated in all material aspects; and (vi) we could be unsuccessful in obtaining or maintaining adequate intellectual property rights protection for our products, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] commissions and other fees incurred in connection with the [REDACTED]. We expect to incur total [REDACTED] expenses of approximately HK\$[REDACTED] million (assuming the [REDACTED] and the [REDACTED] is not exercised and based on the [REDACTED] of HK\$[REDACTED] per [REDACTED], being the [REDACTED] of the indicative [REDACTED] range), representing [REDACTED]% of the gross [REDACTED] of the [REDACTED] assuming no H Shares are issued pursuant to the [REDACTED] and the [REDACTED]. The total [REDACTED] expenses consist of (i) approximately HK\$[REDACTED] million [REDACTED] related expenses and (ii) approximately HK\$[REDACTED] million non-[REDACTED] related expenses (including (a) fees and expenses of legal advisors and reporting accountants of approximately HK\$[REDACTED] million; and (b) other fees and expenses of approximately HK\$[REDACTED] million). During the Track Record Period, we incurred [REDACTED] expenses of [REDACTED], [REDACTED] of which was charged to our statements of profit or loss and other comprehensive income, and [REDACTED] of which was attributable to the [REDACTED] of H Shares and will be deducted from equity upon the [REDACTED]. We expect to incur additional [REDACTED] expenses of approximately HK\$[REDACTED] million after the Track Record Period, approximately HK\$[REDACTED] million of which is expected to be charged to our statements of profit or loss and other comprehensive income, and approximately HK\$[REDACTED] million of which is attributable to the [REDACTED] of H Shares and will be deducted from equity upon the [REDACTED]. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

USE OF [REDACTED]

We estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million after deducting the [REDACTED] fees and expenses payable by us in the [REDACTED], assuming no exercise of the [REDACTED] and the [REDACTED] and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the [REDACTED] range stated in this Document. We intend to use the net [REDACTED] from the [REDACTED] for the following purposes: (i) approximately [REDACTED]% (or HK\$[REDACTED] million) is expected to be allocated to the R&D and commercialization of our Core Product; (ii) approximately [REDACTED]% (or HK\$[REDACTED] million) will be allocated to the R&D and commercialization of our other product candidates in addition to the Core Product; (iii) approximately [REDACTED]% (or HK\$[REDACTED] million) will be allocated to enhance our manufacturing facilities, mainly including the increase of more production workshops, investment in production equipment, and employment of more production staff; (iv) approximately [REDACTED]% (or HK\$[REDACTED] million) will be allocated to external authorization and cooperation for certain surgical consumables; and (v) approximately [REDACTED]% (or HK\$[REDACTED] million) will be used for our working capital and general corporate purposes.

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OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Liu, Shanghai Ruicong L.P. and Shanghai Ruiru L.P. held 13,102,135 Shares, 1,666,675 Shares and 497,865 Shares, respectively, representing approximately 51.43%, 6.54% and 1.95% of our total issued Shares, respectively. Mr. Liu is the sole general partner of both Shanghai Ruicong L.P. and Shanghai Ruiru L.P. and can exercise the voting rights attached to the Shares held by them. Hence, Mr. Liu, Shanghai Ruicong L.P. and Shanghai Ruiru L.P. are considered as a group of Controlling Shareholders, collectively holding approximately 59.93% of our total issued Shares as of the Latest Practicable Date.

Immediately following the completion of the Shares Subdivision and the [REDACTED] (assuming the [REDACTED] and the [REDACTED] are not exercised), Mr. Liu, Shanghai Ruicong L.P., and Shanghai Ruiru L.P. will collectively hold approximately [52.74]% of our total issued Shares. Accordingly, Mr. Liu, Shanghai Ruicong L.P., and Shanghai Ruiru L.P. will remain as our Controlling Shareholders immediately after [REDACTED].

Mr. Liu is one of our executive Director, the chairman of our Board and our general manager. For further information, please refer to “Relationship with our Controlling Shareholders” in this document.

PRE-[REDACTED] INVESTMENTS

Since the establishment of our Company, we have received four rounds of equity financing from our Pre-[REDACTED] Investors, from which we raised approximately RMB165.8 million in total. Our Pre-[REDACTED] Investors include Sophisticated Investors, such as Shanghai NSR Leading Private Equity Fund Management Co., Ltd.* (上海新絲路領軍私募基金管理有限公司) (through Xinyu Shangjia Investment Partnership (Limited Partnership)* (新余市上嘉投資合夥企業(有限合夥)) and Xinyu Shangrong Equity Investment Partnership (Limited Partnership)* (新余市上容股權投資合夥企業(有限合夥)) and Walden Technology Ventures IV, L.P. (through SOLEIL CAPITAL LIMITED), which held approximately 8.18% and 4.67%, respectively, of the total issued share capital of our Company as of the Latest Practicable Date, and are expected to hold approximately [REDACTED]% and [REDACTED]%, respectively, immediately upon the [REDACTED]. Pursuant to applicable PRC laws, the Pre-[REDACTED] Investors shall not dispose of any of the Shares held by them within 12 months following the [REDACTED]. As of the Latest Practicable Date, the amount of proceeds from our Pre-[REDACTED] Investors that had not been utilized was approximately RMB63.28 million, accounting for approximately 38.17% of all the proceeds from our Pre-[REDACTED] Investors. For details of our Pre-[REDACTED] Investments, see “History, Development and Corporate Structure – Pre-[REDACTED] Investments” in this document.

SUMMARY

[REDACTED] STATISTICS

[REDACTED]

DIVIDENDS AND DIVIDEND POLICY

No dividend has been paid or declared by the Company during the Track Record Period. We currently do not have a fixed dividend payout ratio. Any future determination to declare and pay any dividends will be at the discretion of our Board and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our Board deems relevant. In addition, any final dividends for a financial year will be subject to our Shareholders’ approval.

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Dividends may be paid only out of our distributable profits as permitted under the relevant laws. To the extent profits are distributed as dividends, such portion of profits may not be reinvested in our operations. There can be no assurance that we will be able to declare or distribute any dividend in the amount set forth in any plan to our Board or at all. Furthermore, if we incur debt on our or its own behalf in the future, the instruments governing the debt may restrict our ability to pay dividends. The past dividend distribution record may not be used as a reference or basis in determining the level of dividends that may be declared or paid by us in the future.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Since the end of the Track Record Period, we have continuously made efforts in the R&D of our pipeline products and the commercialization of RC120 Puncture Surgical Robot. Recently, we have achieved progress in the R&D of AI-assisted functions of RC120. We have established a medical image segmentation model and are currently undergoing continuous training. Our AI-assisted automatic path planning algorithm has also been realized and is currently under continuous optimization. In July 2025, one of our distributors placed order with us to purchase a unit of RC120 Puncture Surgical Robot, the end customer of which is a high-end private medical institution in China. In July 2025, we submitted registration applications with the relevant regulatory authority for more than 30 different specifications of three types of disposable puncture needle product candidates.

After due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial and trading position or prospects since June 30, 2025, and there is no event since June 30, 2025 which would materially affect the information shown in the Accountants’ Report, the text of which is set out in Appendix I to this document.

DEFINITIONS

In this document, the following expressions shall have the meanings set out below unless the context otherwise requires.

“AFRC” or “Accounting and Financial Reporting Council” the Accounting and Financial Reporting Council of Hong Kong

[REDACTED]

“Articles” or “Articles of Association” our articles of association, as adopted by our Shareholders on November 25, 2025 and will come into effect upon [REDACTED] (as amended, supplemented or otherwise modified from time to time), a summary of which is set out in Appendix III to this document

“associate(s)” has the meaning ascribed to it under the Listing Rules

“Board” or “Board of Directors” the board of Directors

“Business Day” a day that is not a Saturday, Sunday or public holiday in Hong Kong

[REDACTED]

DEFINITIONS

“China”, “mainland China”, “the PRC”, or “State”	the People’s Republic of China excluding, for the purposes of this document and for geographical reference only and except where the context requires otherwise, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“CIC” or “China Insights Consultancy”	China Insights Industry Consultancy Limited, a market research and consulting company and an Independent Third Party, which prepared the CIC Report
“CIC Report”	an independent market research report commissioned by us and prepared by CIC for the purpose of this document
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Companies (Winding up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Company” or “our Company”	Shanghai Simpletouch Robot Co., Ltd. (上海睿觸機器人股份有限公司), a joint stock company established in the PRC with limited liability on November 17, 2025, or, where the context requires (as the case may be), its predecessor, Shanghai Simple-Touch Co., Ltd.* (上海睿觸科技有限公司), a company established in the PRC with limited liability on March 28, 2019
“Company Law” or “PRC Company Law”	Company Law of the People’s Republic of China (中華人民共和國公司法) as amended, supplemented or otherwise modified from time to time
“Conversion of Unlisted Shares into H Shares”	the conversion of [REDACTED] Unlisted Shares into H Shares on a one-for-one basis upon completion of the Shares Subdivision and the [REDACTED], details of which are set out in “History, Development and Corporate Structure” and “Share Capital” in this document
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and in this context, refers to the Mr. Liu, Shanghai Ruicong L.P. and Shanghai Ruiru L.P., for further details of which, please refer to “Relationship with our Controlling Shareholders” in this document
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Core Product”	has the meaning ascribed to it in Chapter 18A of the Listing Rules and in this context, our Core Product refers to RC120 Puncture Surgical Robot
“CSDCC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company or any one of them
“EIT”	enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法)
“EU”	the European Union
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

[REDACTED]

DEFINITIONS

[REDACTED]

“our”, “we” or “us”	the Company and all of its subsidiaries, if any, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
“Guide for New Listing Applicants”	the Guide for New Listing Applicants as published by the Stock Exchange, as amended from time to time
“H Share(s)”	ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB[0.1] each, which are to be [REDACTED] and [REDACTED] in Hong Kong dollars and for which an application has been made for the granting of [REDACTED] and permission to [REDACTED] on the Stock Exchange

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars,” “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

DEFINITIONS

[REDACTED]

“IASB”	International Accounting Standards Board
“IFRS”	the International Financial Reporting Standards as issued by the IASB, which comprise the IFRS Accounting Standards, International Accounting Standards, Interpretations developed by the IFRS Interpretations Committee or its predecessor body, the Standing Interpretations Committee
“Independent Third Party(ies)”	an individual or a company which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules

[REDACTED]

DEFINITIONS

[REDACTED]

“Latest Practicable Date”

November 25, 2025, being the latest practicable date for the purpose of ascertaining certain information in this document prior to its publication

[REDACTED]

“Listing Rules”

the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
“MOFCOM” or “Ministry of Commerce”	the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))
“Mr. Liu”	Mr. Liu Jian (劉劍), our executive Director, general manager, chairman of our Board, one of our promoters and one of our Controlling Shareholders
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“NHSA”	the National Healthcare Security Administration of the PRC (中華人民共和國國家醫療保障局)
“NMPA”	the National Medical Products Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
“Nomination Committee”	nomination committee of the Board
“NPC”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)

[REDACTED]

DEFINITIONS

[REDACTED]

“Overseas Listing Trial Measures”	Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) released by the CSRC on February 17, 2023 and took effect on March 31, 2023
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Governmental Body”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“PRC Legal Advisor”	Commerce & Finance Law Offices, the legal advisor to our Company as to the laws of the PRC
“PRC Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as enacted by the 6th meeting of the 9th Standing Committee of the NPC on December 29, 1998, and became effective on July 1, 1999, as amended, supplemented or otherwise modified from time to time
“Pre-[REDACTED] Investment(s)”	the pre-[REDACTED] investment(s) in our Company undertaken by the Pre-[REDACTED] Investor(s), details of which are set out in the section headed “History, Development and Corporate Structure — Pre-[REDACTED] Investments” in this document
“Pre-[REDACTED] Investor(s)”	the investor(s) of Pre-[REDACTED] Investment(s)

[REDACTED]

“R&D”	research and development
“Regulation S”	Regulation S under the U.S. Securities Act
“Relevant Persons”	the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of their or our Company’s respective directors, officers, employees, partners, agents, advisors and any other parties involved in the [REDACTED]
“Remuneration and Appraisal Committee”	remuneration and appraisal committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Severe Weather Signals”	a tropical cyclone warning signal number 8 or above; a black rainstorm warning; and/or extreme condition(s) caused by a super typhoon as announced by the government of Hong Kong
“SFC”	the Securities and Futures Commission of Hong Kong
“Shanghai Ruicong L.P.”	Shanghai Ruicong Medical Technology Partnership (Limited Partnership)* (上海睿從醫療科技合夥企業(有限合夥)), a limited liability partnership established in the PRC on July 7, 2020 with Mr. Liu as its general partner holding 11.7% partnership interest therein, an employee incentive platform of our Company, and one of our Controlling Shareholders
“Shanghai Ruiru L.P.”	Shanghai Ruiru Medical Technology Partnership (Limited Partnership)* (上海睿如醫療科技合夥企業(有限合夥)), a limited liability partnership established in the PRC on July 15, 2021, with Mr. Liu as its general partner holding 99% partnership interest and Ms. Lu Ying (路迎) (the spouse of Mr. Liu) as its limited partner holding 1% partnership interest, and one of our Controlling Shareholders
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.0 each before the Shares Subdivision and nominal value of RMB[0.1] each after the Shares Subdivision, comprising Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of our Share(s)

DEFINITIONS

“Shares Subdivision”	the subdivision of one Share with nominal value of RMB1.00 each into ten Shares with nominal value of RMB0.10 each, to be effected immediately prior to the completion of the [REDACTED], further information of which is set out in “History, Development and Corporate Structure — Our Corporate Developments — Shares Subdivision” in this document
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange (深圳證券交易所)
“Sole Sponsor”	China Everbright Capital Limited, a licensed corporation under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance)
“Sophisticated Investor(s)”	has the meaning ascribed to it under the Chapter 2.3 of the Guide for New Listing Applicants
[REDACTED]	
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiarie(s)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buybacks issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the two years ended December 31, 2024 and the six months ended June 30, 2025
“U.S. dollars,” “US\$” or “USD”	United States dollars, the lawful currency of the United States

DEFINITIONS

“U.S. Securities Act” the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

[REDACTED]

“United States,” “US,” “USA” or “U.S.” the United States of America, its territories, its possessions and all areas subject to its jurisdiction

“Unlisted Share(s)” ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.0 each before the Shares Subdivision and nominal value of RMB[0.1] each after the Shares Subdivision, which are subscribed for and paid up in Renminbi and are unlisted Shares not currently [REDACTED] or [REDACTED] on any stock exchange

“VAT” value added tax

“%” per cent

For the purpose of this document, references to “provinces” of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains definitions of certain technical terms used in this document in connection with our business. These terms and their given meanings may not correspond to industry standard definitions or usage of these terms.

“2D”	two-dimensional images with only width and height
“3D”	three-dimensional in terms of width, height and depth
“7-degree-of-freedom gantry structure”	a gantry-type mechanical structure with 7 independent movement dimensions (including translation and rotation), enabling flexible and precise positioning of medical devices during surgery
“abdomen”	the part of the body between the chest and the pelvis
“ablation”	a minimally invasive medical procedure that uses energy (e.g., radiofrequency, microwave, cryoenergy) to destroy or remove abnormal tissues (such as tumors) without extensive surgery
“AE”	adverse event, any untoward medical occurrence in a patient or clinical trial subject
“AI”	artificial intelligence
“algorithm”	a procedure or set of rules used in calculation and problem-solving by computer systems
“BCI”	brain-computer interface, an interdisciplinary technology enabling direct communication between the human brain and external devices without traditional neural pathways, used in brain science research, medical rehabilitation, and human-machine interaction
“biocompatibility”	the ability of a medical device, material, or substance to interact safely with living tissues and biological systems without causing adverse reactions (e.g., inflammation, rejection)
“biopsy”	the process of removing a small sample of tissue or cells from a living body, which is then examined under a microscope to diagnose diseases (such as cancer)

GLOSSARY OF TECHNICAL TERMS

“cardiopulmonary”	relating to both the heart (cardio-) and the lungs (pulmonary), describing structures or functions involving these two organ systems
“CE”	Conformité Européenne, a certification mark indicating that a product meets the health, safety and environmental protection requirements of the European Union, a necessary condition for medical devices to enter the European market
“Class II medical device”	pursuant to PRC medical devices classification regulations, medical devices with moderate risk, whose safety and efficacy require control through special measures (e.g., performance verification, clinical evaluation)
“Class II Grade A hospitals”	Mid-tier comprehensive hospitals in China’s medical institution classification system, with solid capabilities in basic medical treatment, diagnosis, rehabilitation and preventive health services, and serving regional populations with routine medical needs
“Class III Grade A hospitals”	top-tier general hospitals in China’s medical institution classification system, with comprehensive strength in medical treatment, teaching, scientific research and prevention, and undertaking the task of treating complex and severe diseases
“Class III medical device”	pursuant to PRC medical devices classification regulations, medical devices with high risk and whose safety and efficacy must be strictly evaluated with specific measures
“coagulation disorders”	medical conditions characterized by abnormal blood clotting function, which may lead to excessive bleeding or abnormal thrombosis
“CRO”	contract research organization, a company that provides professional research services to pharmaceutical and medical device companies on a contractual basis

GLOSSARY OF TECHNICAL TERMS

“CT”	computed tomography, a medical imaging technique that uses computer-processed combinations of multiple X-ray pictures taken from different angles to produce cross-sectional images of internal organs, bones, soft tissues and blood vessels
“cystic”	relating to a cyst (a closed, fluid-filled sac in the body); describing structures or lesions that have the characteristics of a cyst
“electromagnetic”	relating to the combination of electric and magnetic fields; describing technologies or phenomena involving electromagnetic waves (e.g., electromagnetic navigation in medical devices)
“epilepsy”	a neurological disorder marked by recurrent, unprovoked seizures caused by abnormal electrical activity in the brain
“expert-in-the-loop validation”	a validation process involving domain experts in reviewing, calibrating, and confirming model outputs, data quality, or results to ensure accuracy and compliance with industry standards
“FDA”	Food and Drug Administration, the federal regulatory agency of the United States responsible for supervising the safety and efficacy of medical devices, pharmaceuticals, food and other products
“G”	gauge, a unit for measuring the diameter of puncture needles and related consumables; as disclosed in the document, our puncture sleeves can be used with puncture consumables of 11 to 22 gauge specifications
“GCP”	Good Clinical Practice, an international ethical and scientific quality standard for designing, conducting, recording, and reporting clinical trials involving human subjects, ensuring trial reliability and participant protection
“GPU”	Graphics Processing Unit, a specialized processor designed to accelerate graphics rendering and parallel computing tasks, widely applied in medical imaging, AI model training, and high-performance data processing

GLOSSARY OF TECHNICAL TERMS

“hemorrhage”	excessive or abnormal bleeding, either internally (within body tissues or organs) or externally, often caused by injury, disease, or surgical complications
“hepatic”	relating to the liver, a medical term used to describe liver-related structures, conditions, or functions
“intracranial”	relating to the interior of the skull; describing structures, conditions, or procedures involving the brain (e.g., intracranial tumors, intracranial hemorrhage)
“IQR”	Interquartile Range, a statistical indicator representing the difference between the third quartile (Q3) and the first quartile (Q1) of a data set, used to reflect the degree of data dispersion
“ISO”	International Organization for Standardization, a global non-governmental organization that develops and publishes international standards (e.g., medical device safety, quality management) to ensure product and service consistency
“lactating”	referring to the state of producing and secreting milk (typically in breastfeeding women); a term used to indicate physiological status in medical evaluations
“laparoscopy”	a minimally invasive surgical technique that uses a laparoscope (a thin tube with a camera) inserted through a small abdominal incision to observe and operate on internal organs
“lesion”	an abnormal area of tissue in the body caused by disease, such as a tumor, inflammation or injury, which is the target of diagnosis and treatment
“MRI”	Magnetic Resonance Imaging, a non-invasive medical imaging technology that uses magnetic fields and radio waves to generate detailed cross-sectional images of human soft tissues, organs and lesions

GLOSSARY OF TECHNICAL TERMS

“multi-modality real-time fusion”	a core medical imaging technology that synchronously integrates image data from multiple imaging modalities (e.g., CT, MRI, ultrasound) to generate real-time, comprehensive fused images, supporting precise clinical decision-making and interventional procedures
“neurosurgery”	the branch of surgery that focuses on the diagnosis and treatment of diseases and injuries involving the nervous system, including the brain, spinal cord and peripheral nerves
“NMPA”	National Medical Products Administration, the national regulatory authority in China responsible for the supervision and administration of medical devices, pharmaceuticals and other medical products
“nodule”	an abnormal growth or mass of tissue in the body (often detected via imaging), which may be benign or malignant and requires further diagnosis
“oncology”	the branch of medicine focused on the diagnosis, treatment, prevention, and research of tumors (cancer)
“orthopedic”	relating to orthopedics, the branch of medicine concerned with the prevention, diagnosis and treatment of diseases and injuries of the musculoskeletal system (bones, joints, muscles, etc.)
“percutaneous”	relating to a medical procedure that is performed through the skin (without surgical incision of body cavities), such as percutaneous biopsy
“PET-CT”	Positron Emission Tomography-Computed Tomography, a combined imaging technology that integrates PET (functional imaging) and CT (anatomical imaging) to simultaneously obtain metabolic and structural information of tissues
“pneumothorax”	a medical condition where air leaks into the pleural space (between the lung and chest wall), causing the lung to collapse and potentially leading to breathing difficulties

GLOSSARY OF TECHNICAL TERMS

“preoperative localization”	a procedure performed before surgery to accurately identify and mark the location of a lesion (e.g., a pulmonary nodule) using imaging guidance, ensuring precise targeting during the operation
“pulmonary”	relating to the lungs, a term used in medical contexts to describe structures or conditions associated with the respiratory system
“renal”	relating to the kidneys, a medical term used to describe kidney-related structures, conditions, or functions
“robotic arm”	a type of mechanical arm with similar functions to a human arm
“SAE”	serious adverse events, AEs that result in death, or is life-threatening, or require in-patient hospitalization or cause prolongation of existing hospitalization, or result in persistent or significant disability or incapacity
“seed implantation”	a form of brachytherapy, involving the placement of small, radioactive “seeds” directly into or near a tumor to deliver localized radiation therapy and destroy cancer cells
“servo”	short for servo mechanism, an automatic control system that precisely controls the position, speed, or force of a mechanical component (e.g., robotic arm in surgical robots) based on feedback signals
“single-modality imaging”	a medical imaging technique that uses a single type of technology (e.g., X-ray, ultrasound, MRI) to acquire anatomical or functional data of the human body without combining multiple modalities
“SMO”	site management organization, an organization that provides clinical trial related services to medical device companies having adequate infrastructure and staff to meet
“thoracic”	relating to the thorax (the chest cavity), which contains the heart, lungs, and other vital organs

GLOSSARY OF TECHNICAL TERMS

“trigeminal neuralgia”	a chronic neurological disorder characterized by severe, sudden, and recurrent pain in the areas innervated by the trigeminal nerve (face, jaw, forehead)
“UDI”	Unique Device Identification, a unique code assigned to medical devices to identify them throughout their lifecycle, facilitating traceability, regulatory supervision, and patient safety management
“vascular trees”	a branching, tree-like network of blood vessels (arteries, veins, capillaries) responsible for transporting blood throughout the human body
“Wechat Official Account”	an official brand account on WeChat, used by enterprises for information release, user interaction and brand promotion

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements relating to our plans, objectives, beliefs, expectations, predictions and intentions, which are not historical facts and may not represent our overall performance for the periods of time to which such statements relate. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our future business development, financial condition and results of operations;
- our business strategies and plans to achieve these strategies;
- our ability to identify and satisfy user demands and preferences;
- our ability to maintain good relationships with business partners;
- general economic, political and business conditions in the industries and markets in which we operate;
- relevant government policies and regulations relating to our industry, business and corporate structure;
- our expectations with respect to our ability to acquire and maintain regulatory licenses or permits;
- the actions of and developments affecting our major customers and suppliers;
- the actions and developments of our competitors; and
- all other risk and uncertainties described in the section headed “Risk Factors”, “Industry Overview”, “Regulatory Overview”, “Business”, “Financial Information”, “Relationship with our Controlling Shareholders” and “Future Plans and Use of [REDACTED]” in this document.

In some cases, we use the words “aim,” “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “going forward,” “intend,” “ought to,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “will,” “would” and similar expressions to identify forward-looking statements. In particular, we use these forward-looking statements in the “Business” and “Financial Information” sections of this document in relation to future events, our future financial, business or other performance and development, the future development of our industry and the future development of the general economy of our key markets.

FORWARD-LOOKING STATEMENTS

The forward-looking statements are based on our current plans and estimates and speak only as of the date they were made. We undertake no obligation to update or revise any forward-looking statements in light of new information, future events or otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statements.

Our Directors confirm that the forward-looking statements are made after reasonable care and due consideration. Nonetheless, due to the risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect, or at all.

Accordingly, you should not place undue reliance on any forward-looking statements in this document. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

RISK FACTORS

[REDACTED] in our H Shares involves significant risks. You should carefully consider all of the information set out in this document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks and uncertainties. The [REDACTED] of our H Shares could decline due to any of these risks, and you may lose all or part of your [REDACTED]. Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that we deem immaterial, could also harm our business, financial condition and results of operations.

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Risks Relating to Development of our Products and Product Candidates

Our future growth depends substantially on the successful development of our product portfolio. If we are unable to successfully complete clinical development, obtain regulatory approval and commercialize our product candidates, or experience significant delays in doing so, our business and financial prospects could be materially and adversely affected.

Our business substantially depends on the successful development, obtaining and maintaining the necessary regulatory approvals and commercialization of our current and future product candidates. As of the Latest Practicable Date, we had commercialized our independently developed RC120. As of the Latest Practicable Date, we also had surgical robot and consumable product candidates under different stages of preclinical and clinical development or registration. See “Business — Our Product Portfolio” for more details. We have invested a significant portion of our time and financial resources towards the development and commercialization of our products and product candidates. We incurred R&D costs of RMB23.9 million, RMB18.9 million, RMB9.2 million and RMB9.1 million in 2023, 2024, and the six months ended June 30, 2024 and 2025, respectively. We incurred loss and total comprehensive loss of RMB34.2 million, RMB37.0 million, RMB19.1 million and RMB18.1 million in 2023, 2024, and the six months ended June 30, 2024 and 2025, respectively. Whether we can generate profit from our operating activities largely depends on the successful commercialization of RC120 and our R&D with respect to more indications, models and functions.

RISK FACTORS

The success of our products and product candidates will depend on several factors, including but not limited to:

- successful enrollment of trial participants in, and completion of, clinical trials, as well as completion of preclinical studies;
- favorable safety and efficacy data resulting from our clinical evaluations and preclinical studies;
- obtaining and maintaining the necessary regulatory approvals, commercialization authorizations and successfully launching our product candidates effectively in target markets, if and when approved, in a timely manner;
- the performance by any third parties we may retain in a manner that complies with our protocols and applicable laws and that protects the integrity of the resulting data;
- obtaining and maintaining patent, trade secret and other intellectual property protection and regulatory exclusivity;
- ensuring we do not infringe, misappropriate or otherwise violate the patent, trade secret and/or other intellectual property rights of third parties;
- appropriately pricing and timely collecting payments from customers;
- enhancing our marketing and distribution capabilities in an efficient and cost effective manner;
- market and pricing competition with other medical products;
- keeping up with industry and technology developments; and
- continued acceptable safety profile and efficacy of our products and product candidates following regulatory approval, if and when received.

If we are not successful in one or more of these factors in a timely manner, or at all, we could experience significant delays or be unable to obtain the necessary approval for and/or to successfully expand commercialized indications of our percutaneous puncture surgical robot, which may have a materially adverse effect on our business and may result in us not being able to generate sufficient revenue and cash flow to continue our research, development and general business operations.

RISK FACTORS

The percutaneous puncture surgical robot industry and the field of medical artificial intelligence and medical robot is developing rapidly. If we are not able to develop and release new products that are competitive in the market, or develop successful enhancements or indication expansions of RC120 or any future products in a timely manner, or at all, our products may become obsolete and our business, operating results and financial condition could be materially and adversely affected.

Percutaneous puncture surgical robot industry is new and rapidly evolving, and it is uncertain whether it will achieve and sustain high levels of demand and market adoption. Particularly, the deep integration of AI with medical imaging technologies has become a significant market trend. Our future financial performance will depend on growth in this market and on our ability to adapt to emerging demands of our customers. It is difficult to predict the future growth rate and size of our target markets. The percutaneous puncture surgical robot industry is characterized by rapid technological change, frequent new product introductions and enhancements, application of AI technologies, changing customer demands, and evolving industry standards. Social trends and political policies in this industry may further evolve, which could lead to changes in need for our products, introduction of new AI-assisted functions, and the need for us to adapt our business model and our product pipelines. Our future success therefore will depend on our ability to accurately forecast the industry trends and continuously identify, develop and market more advanced products in a timely manner that addresses unmet clinical needs. Product designs can change with market conditions, as well as demand and preferences of hospitals and medical professionals. We cannot assure you that we will be able to successfully identify new technological opportunities, enhance or adapt to new AI technologies and methodologies, develop new products, or improve or expand the indication coverage of our existing products in a timely manner. Even if we develop new or improve our existing technologies and products, or introducing new AI-assisted functions, our ability to market our products could be limited by the need for regulatory clearance or approval, restrictions imposed on approved indications, entrenched patterns of clinical practice, uncertainty over third-party reimbursement, or other obstacles.

Technological innovations, including the application of AI technologies, often entail great uncertainty. We may not succeed in developing, marketing and delivering in a timely and cost-effective manner enhancements or improvements, especially in relation to AI-assisted functions, to our commercialized products or any new products that respond to continued changes in market demands, new customer requirements or achieve market acceptance. The timetable for the release of new products and enhancements to existing products is difficult to predict due to complexity in product development, and we may not offer new products and updates as rapidly as our users require or expect. Any new products that we develop or acquire may not be introduced in a timely or cost-effective manner, may contain errors or defects, or may not achieve the broad market acceptance necessary to generate significant or any revenue. In addition, technological innovations and the application of AI technologies often require substantial time and investment before we can determine their commercial viability. We devote significant financial and other resources to our R&D activities, while our R&D efforts may not lead to new or improved AI technologies or products that will be commercially successful. Furthermore, we may not have the financial resources necessary to fund future projects. Even if we can successfully develop new products, launched new AI-assisted functions, or improve or expand the indication coverage of existing products, we may not generate revenue to recoup relevant costs, or achieve the desired financial return. These products and relevant technologies may be rendered obsolete or less competitive due to changing customer preferences or the introduction by our competitors of products with newer technologies or features or other factors.

RISK FACTORS

The introduction of new products by competitors, the development of entirely new AI technologies to replace existing medical product offerings or shifts in healthcare benefits trends could make our products obsolete or materially and adversely affect our business, financial condition and results of operations. We may experience difficulties with software development, R&D in AI technologies, industry standards, design or marketing that could delay or prevent our development, introduction or implementation of new products, indication coverage, additional features or capabilities. If medical services providers do not widely adopt our products, we may not be able to realize a return on our investment. If we do not accurately anticipate patient and physician demands or we are unable to develop, license or acquire new features and capabilities on a timely and cost-effective basis, or if such enhancements do not achieve market acceptance, it could result in adverse publicity, loss of revenue or market acceptance or claims by patients or medical services providers brought against us, each of which could have a material and adverse effect on our reputation, business, results of operations and financial condition.

Clinical development is a lengthy, expensive and uncertain process, and unsuccessful clinical trials or procedures relating to products and indications under development could have a material adverse effect on our prospects, including incurring additional costs, experiencing delays in completing, or ultimately being unable to complete the development and commercialization of our product if clinical evaluations fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities.

We obtained Class III medical device registration certificate for our RC120 in 2024, making it possible for us to commercialize this product in China. As of the Latest Practicable Date, we were in the process of R&D of our product candidates applicable for more indications and with significant upgrades in AI-assisted functions and dynamic respiratory motion compensation function. See “Business — Our Product Portfolio” for more details. We may need to conduct, at our own expense, adequate and well-controlled clinical evaluations to demonstrate the safety and efficacy of our products. There may be more extensive regulatory requirements for the approval, manufacture, and distribution of such products. Complying with additional regulatory requirements for a Class III medical device may increase our R&D, regulatory, manufacturing and distribution costs, delay our R&D and commercialization timelines and have a material adverse effect on our business prospects, results of operations and financial condition.

Successful preclinical studies and early clinical evaluations do not necessarily mean that later clinical evaluations will also result in data that replicate the results of prior evaluations and preclinical studies and ultimately lead to regulatory approval. As of the Latest Practicable Date, we had surgical robot and consumable product candidates under different stages of preclinical and clinical development or registration. See “Business — Our Product Portfolio” for more details. We may experience numerous unexpected events during, or as a result of, clinical evaluations that could delay or prevent our ability to obtain the necessary regulatory approval or commercialize our product candidates, including but not limited to:

- regulators or institutional review boards (“IRBs,” also known as independent ethics committees) may not authorize us or our investigators to commence or conduct a clinical trial at a prospective trial site;

RISK FACTORS

- unanticipated protracted negotiations or an inability to agree on reasonable contractual terms with prospective CROs and hospitals for the provision of trial centers, which may lead to delayed commencement (if at all) of clinical studies for regulatory approvals;
- failure of our product to demonstrate superior results than competing or alternative products, if applicable;
- clinical trials of our product candidates may fail to demonstrate the primary or secondary endpoints as anticipated, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development programs;
- the number of subjects required for clinical trials of our product candidates may be larger than we anticipate, enrollment may be insufficient or slower than we anticipate or subjects may drop out at a higher rate than we anticipate;
- our third-party contractors in connection with our clinical studies may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- we might have to suspend or terminate clinical trials of our product candidates for various reasons, including a finding of a lack of clinical response or other unexpected characteristics; and
- the initial or interim results of the clinical trial may not be predictive of the final results; interim, “topline” and preliminary data from clinical trials of our product candidates under different indications may change as more patient data becomes available and are subject to confirmation, audit, and verification procedures that could result in material changes in the final data.

There can be no assurance that the ongoing or planned clinical trials will be completed in a timely or cost-effective manner or result in a commercially viable product. If we experience delays in the completion of, or the termination of, a clinical trial of any of our product candidates, the commercial prospects of that product candidate may be impacted, and our ability to generate revenue from any of those product candidates may be delayed. In addition, any delays in completing our clinical trials may increase our costs, slow down our product candidate development process and approval process, and jeopardize our ability to commercialize that product candidate. This may have a material adverse effect on business and financial condition. Clinical trials of our product candidates may produce negative or inconclusive results. Our future clinical trial results may not be favorable. Even if our future clinical trial results show favorable efficacy, not all users may benefit. We cannot assure you that our product candidates are able to suit the conditions of each clinical trial participant.

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We may be unable to develop our product candidates or expand indication coverage of existing products as anticipated if the third parties with which we cooperate for clinical trials do not perform in an acceptable manner or if these third parties do not successfully carry out their duties or meet expected deadlines.

We need to cooperate with third parties to assist us in designing, implementing and monitoring our preclinical research and conducting clinical trials. For the clinical trials for RC120, we had cooperated with two hospitals, one CRO and one SMO, to conduct clinical trials in China. If any of these hospitals, CRO and SMO terminates their cooperation with us, the R&D of our product candidates could be substantially delayed. These third parties may not successfully carry out their responsibilities under the cooperation, meet expected deadlines or follow regulatory requirements, including clinical and laboratory guidelines. In addition, we may collaborate with certain third parties to monitor and manage data for some of our clinical programs and control only certain aspects of their activities. If any of such third-party partners do not perform to our standards in terms of data accuracy or completeness, data from those preclinical and clinical trials may be compromised as a result, and our reliance on these parties does not relieve us of our regulatory responsibilities. Our reliance on these third parties may result in delays in completing, or in failing to complete, these studies if they fail to perform in accordance with the contractual arrangements. Furthermore, if any of these parties fail to fulfill their obligations under our agreements with them in the manner specified in those agreements, the NMPA and/or other comparable regulatory authorities may not accept the data generated by those studies, which would increase the cost of and the development time for the relevant product candidate. If any of the preclinical studies or clinical trials of our product candidates are affected by any of the above-mentioned reasons, we will be unable to meet our anticipated development or commercialization timelines, which would have a material adverse effect on our business and prospects.

In addition, we may engage third-party partners in our R&D process. Our R&D timeline may be delayed if these third parties do not successfully carry out their contractual duties or meet expected deadlines in accordance with regulatory requirements; if there are disagreements between us and such parties; or if such parties are unable to expand capacities. These third parties may also be affected by natural disasters, such as floods or fire, health epidemics, including the COVID-19 pandemic, or geopolitical developments. These third parties could face production issues, such as contamination or regulatory concerns following a regulatory inspection of their facilities. In such instances, we may need to locate an appropriate replacement and establish a contractual relationship, which may not be readily available or on acceptable terms, which would cause additional delay and increased expense and may have a material adverse effect on our business.

The R&D, marketing and sales of our products require us to maintain close relationships with physicians upon whom we rely on to provide considerable knowledge and experience. These physicians may assist us as researchers, marketing consultants, and as public speakers. If we fail to develop, maintain our relationships with them or to continue to receive their advice and input, the development and marketing of our products could suffer, which could have a material adverse effect on our business, financial condition, and results of operations.

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If we encounter difficulties in enrolling patients in our clinical trials, our clinical trial activities could be delayed or otherwise adversely affected.

Identifying, screening and enrolling of clinical trial participants are critical to our success. We may not be able to identify and enroll enough trial participants with the required or desired characteristics in accordance with the eligibility criteria defined in our protocols to complete our clinical trials in a timely manner. The timing of our clinical trials depends on our ability to recruit participants to participate and remain in the trials until conclusion, as well as to complete follow-up periods, when required.

Our clinical trials will likely compete with other clinical trials for comparable product candidates. This competition will reduce the number and types of trial participants available to us. For example, some trial participants who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors. In addition, because the number of qualified clinical investigators and clinical trial sites is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of trial participants available for our clinical trials at such clinical trial sites.

Any delays in enrolling trial participants in our planned clinical trials could result in increased costs, or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of our product candidates or indication expansions of existing products.

If we experience delays in enrolling a sufficient number of participants in our clinical trials to meet relevant regulatory requirements or to generate meaningful statistical data, our clinical trial costs may increase or our clinical trial phases may not be completed on time, which may adversely affect our ability to advance the development of our product candidates and obtain the necessary regulatory approvals in accordance with our current planned timeline.

Risks Relating to Commercialization of Our Product Candidates

We have relatively limited experience in commercialization of percutaneous puncture surgical robots. If we are unable to develop and successfully maintain adequate sales and commercial distribution capabilities, our business and results of operations could be adversely affected.

We have relatively limited experience in launching, commercialization and marketing of percutaneous puncture surgical robot products. We started to commercialize our RC120 in 2024 when we obtained medical device registration certificate for this product. We primarily rely on our sales and marketing team and third-party distributors to market and promote our brand and products. During the Track Record Period, we also enhanced our marketing capabilities by appointing some external sales and marketing personnel through labor outsourcing. We incurred selling and distribution expenses of RMB2.9 million, RMB5.3 million, RMB1.9 million and RMB3.8 million in 2023, 2024 and the six months ended June 30, 2024 and 2025,

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respectively. The success of our marketing efforts depends on our ability to maintain and expand our relationships with qualified distributors, and our ability to attract, motivate and retain qualified and professional sales personnel who have, among other things, sufficient expertise in medical imaging and clinical trials and knowledge, and are able to communicate effectively with medical professionals. Competition for experienced sales and marketing personnel is intense. However, we would have little or no control over the selling and distribution efforts of third-party distributors. There can be no assurance that we will be able to develop and successfully maintain our sales and commercial distribution capabilities or establish or maintain relationships with hospitals, physicians, and other third parties to successfully commercialize our products. If we are unable to maintain and expand our relationships with qualified third-party distributors, or to attract, motivate and retain a sufficient number of qualified personnel to support our selling and distribution efforts, sales volumes or margin of our products may be adversely affected and we may be unable to extend our market coverage and deepen our market penetration as contemplated.

In addition, we plan to continue to strengthen our cooperative relationship with hospitals and physicians to enhance our product awareness in the market. However, such promotional activities may not be as effective as we expected, or may be impeded by unanticipated events, which may cause a decline in our sales revenue, and have a material adverse effect on our business, financial condition and results of operations.

Our self-developed methodologies and other relevant technologies are complex and may contain errors, may not operate properly or may not be superior to our competitors, which could adversely affect our business, financial condition and results of operation.

Our self-developed methodologies, AI technologies, and other relevant technologies are crucial to our puncture surgery navigation and positioning system. Due to the complexity of our methodologies and AI technologies, we cannot guarantee that the relevant technologies can always function in a proper manner or do not contain errors or deficiencies. Any error or deficiency contained therein, whether we can identify during product development may lead to inaccurate testing results generated by our products, or in worst case scenario, severe adverse events of our products, which could have a material and adverse effect on our business, financial condition and results of operations.

The use of percutaneous puncture surgical robot is relatively new. Failure to achieve broad market acceptance of RC120, to substitute the traditional CT-guided percutaneous puncturing, or to maintain good reputation among physicians, healthcare service institutions, patients and other customers, could have a material adverse impact on our business, results of operations and prospects.

If our RC120 and any future approved product candidates, including the introduction of new AI-assisted functions, fail to gain sufficient market acceptance by hospitals, physicians or patients, among others, the sales of RC120 may be adversely affected. In addition, hospitals, physicians and patients may prefer other novel products to ours. If our products do not achieve

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an adequate level of acceptance, we may not generate significant revenue and we may not become profitable. The degree of market acceptance of our products and product candidates, if approved for commercial sales, will depend on a number of factors, including:

- the clinical indications for which our products and product candidates are approved;
- perception by physicians, patients and hospitals of our products and product candidates as safe and effective, and physicians’ willingness to recommend our products;
- the actual and perceived advantages of our products and product candidates over alternative products;
- the prevalence and severity of any adverse effects or complications;
- the timing of market introduction of our products and product candidates as well as competitive products;
- the cost of our products in relation to alternatives;
- the availability of adequate coverage, reimbursement and pricing by government authorities or third-party payors;
- the willingness of patients to pay out-of-pocket in the absence of coverage and reimbursement by government authorities or third-party payors;
- the effectiveness of our sales and marketing efforts; and
- the operation smoothness of our percutaneous puncture surgical robot.

If any products that we commercialize fail to achieve market acceptance or if we fail to maintain good relationships with customers or potential customers, we will not be able to generate significant revenue. Even if our RC120 achieve market acceptance, we may not be able to maintain that market acceptance over time if new products or technologies introduced are more favorably accepted by the market, more cost effective or render our products obsolete. In addition, the operations of our percutaneous puncture surgical robot and other product candidates may encounter technical obstacles, and it is possible that we may discover additional technical glitches that prevent percutaneous puncture surgical robot from operating properly. If our percutaneous puncture surgical robot does not function reliably or fails to achieve expectations of our customers in terms of performance, we may be required to divert resources allocated for other business purposes to address these issues, may suffer reputational harm, lose or fail to grow our customer base, and may be subject to liability claims.

We believe that enhancing and maintaining awareness of our “Simple Touch (睿觸)” brand is critical to achieving widespread acceptance of our products, gaining trust for our various products and related support services, strengthening our relationships with our existing

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customers and attracting new ones. Successful promotion of our brand depends largely on the quality of our products and product candidates and the effectiveness of our branding and marketing efforts. We expect that our branding and marketing efforts will require us to incur significant expenses and devote substantial resources. We cannot assure you that our sales and marketing efforts will be successful. Brand promotion activities may not lead to increased revenue in the near term, and, even if they do, any revenue increases may not offset the expenses we incur to promote our brand. Our failure to establish and promote our brand and any damage to our reputation will hinder our growth. In addition, our reputation may be undermined as a result of any negative publicity about us or our industry in general.

There is no guarantee that we will effectively manage and succeed in achieving and expanding hospital penetration.

Our business operation significantly depends on our ability to successfully expand and deepen hospital penetration of our products. Hospitals usually organize public tenders for procurement of medical devices. The procedures of such public tenders may vary in different regions and among different hospitals, and there could be uncertainties with respect to the timing of such procedures. We expect to expand into hospitals that either have existing percutaneous puncture capabilities or the potential to perform percutaneous puncture surgeries. However, we may not be able to do so if we cannot penetrate into hospitals effectively, and our sales volume and business prospects could be materially and adversely affected.

The success of our hospital penetration strategy also depends on our ability to attract, motivate and retain our sales and marketing team who have expertise and capability to communicate effectively with medical professionals. If we are unable to attract, motivate and retain a sufficient number of qualified sales personnel to support our hospital penetration strategy, we may not be able to extend our hospital coverage and deepen our market penetration as contemplated, and our business operations and results of operation could be materially and adversely affected.

Guidelines, recommendations and studies published by various organizations could disfavor our product candidates.

Government agencies, professional associations, private health and science foundations and organizations focused on various diseases may publish guidelines, recommendations or studies that affect our or our competitors’ products and pipeline products. Any such guidelines, recommendations or studies that reflect negatively on our products could result in current or potential decline in the sales of, and revenue from one or more of our products. For example, the government may issue guidelines with respect to the prices of surgical robot or other AI-assisted medical devices. Such guidelines may affect the sales and use of our products and further affect our financial conditions. Furthermore, our future success depends in part on our and our business partners’ ability to educate medical services providers and patients about our products, and these education efforts could be rendered ineffective by, among other things, third parties’ guidelines, recommendations or studies.

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Commercialization of our products may be affected by the possibility of inclusion in the medical insurance reimbursement list.

Our ability to commercialize our products will depend in part on the possibility and the extent to which medical insurance reimbursement for surgical robot will be available to patients, which is out of our control. China has a complex medical insurance system that is undergoing reform. As of the Latest Practicable Date, robot-assisted percutaneous puncture surgeries had not been covered by the national medical insurance reimbursement list. This may affect the patients’ choice to use a surgical robot in surgery given the high price of surgical robot caused by its consumable parts and components.

As of the Latest Practicable Date, we had not had any communication or correspondence with the relevant authorities with respect to enrolling our RC120 in the national medical insurance reimbursement list. Even if we seek to enroll our products in reimbursement lists in the future, we cannot be sure whether reimbursement will be available for any of our product and product candidates and, if reimbursement is available, what the level of reimbursement will be. Reimbursement may impact on the demand for, or the price of, any product for which we obtain regulatory approval. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any product that we successfully develop.

In the absence of sufficient medical insurance coverage for the use of RC120, patients may choose alternative surgical or therapeutic methods, and hospitals may recommend such alternative methods, which would reduce demand for RC120 which could in turn materially and adversely affect our business, financial condition and results of operation.

Our commercialization efforts to date have focused mainly on China. Our ability to enter other foreign markets will depend, among other things, on our ability to navigate various regulatory regimes with which we do not have experience, which could delay or prevent the growth of our operations outside of China.

To date, our commercialization efforts have focused primarily on China. Expanding our business to attract customers in other countries and regions is an element of our long-term business strategy. Our ability to continue to expand our business and to attract talented employees and customers in various international markets will require considerable management attention and resources and is subject to particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal systems, alternative dispute resolution systems, regulatory systems and commercial infrastructures. Entering new international markets will be expensive, our ability to successfully gain market acceptance in any particular market is uncertain and the distraction of our management team could harm our business, financial condition and results of operation.

Sales outside of China are subject to foreign regulatory requirements that vary widely from country to country. In addition, while the regulations of some countries may not impose barriers to marketing and selling our products or only require notification, others require that

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we obtain the marketing authorization of a specified regulatory body. Complying with foreign regulatory requirements, including obtaining registrations or marketing authorizations, can be expensive and time-consuming, and we may not receive regulatory authorizations, clearances or approvals in each country in which we may plan to market our products or we may be unable to do so on a timely basis. The time required to obtain registrations or marketing authorizations, if required by other countries, may be longer than that required for NMPA clearance, authorization, or approval, and requirements for such registrations and marketing authorizations may significantly differ from NMPA requirements. If we modify our products, we may need to apply for additional regulatory authorizations before we are permitted to sell the modified product. In addition, we may not continue to meet the quality and safety standards required to maintain the authorizations that we have received. If we are unable to maintain our authorizations in a particular country, we may no longer be able to sell the applicable product in that country. A failure or delay in obtaining registration or marketing authorization in one country may have a negative effect on the regulatory process in others.

Doing business internationally also involves a number of additional risks, including data security risks, intellectual property protection, financial risks, and other force majeure factors. These risks and uncertainties may impact our ability to enter foreign markets, which could delay or prevent the growth of our operations overseas, and have a material adverse effect on our business, prospects, results of operations and financial condition.

The actual market size of our products and product candidates may be smaller than we anticipate, which could render them ultimately unprofitable even if commercialized.

Our spending on our product portfolio may not yield any additional commercially viable products, since the actual market size for them may be smaller than we anticipate. For example, the percutaneous puncture surgical robot market in China is emerging and our RC120 and other product candidates are considered as relatively novel. In addition, there may be other available diagnosis or treatment methods for our target market, and other players developing similar technologies in the target markets that may be more competitive than us, which may further limit the market opportunities of our products. As such, the target markets for our products and product candidates may not consist of as many market opportunities as we expect, which could have a material adverse effect on the profitability of our product candidates even if commercialized.

We may fail to effectively manage our network of distributors. Actions taken by our distributors could materially and adversely affect our business, prospects and reputation.

We will rely on third-party distributors to distribute our commercialized products. See “Business — Sales and Marketing” for more details. Our ability to maintain and grow our business will depend on our ability to maintain effective distribution channels that ensure timely distribution of our products to relevant markets where we generate market demand through our sales and marketing activities. However, we do not have complete control over our distributors, who may fail to distribute our products in the manner we contemplate. If any price controls or other factors substantially reduce the margins of our distributors through the resale

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of our products to hospitals and medical institutions, our distributors may terminate their cooperations with us. In line with industry practice, we typically enter into agreements with our distributors for a term of one to five years, which requires us to continually renew distribution agreements with our distributors. There is no assurance that our existing distributors will continue to place orders with us at historical levels, or that we will be able to secure comparable levels of business from other distributors to offset any loss resulting from losing one or more of these major distributors. Further, there is no assurance that we will be able to successfully secure new distributors to capture potential market growth and broaden our distribution channels. While we believe alternative distributors are readily available in China, if we lose any of our distributors, in particular any major distributors, the distribution of our products may be interrupted, as a result of which, our sales volumes and business prospects could be adversely affected.

Risks Relating to Extensive Government Regulation

All material aspects of the R&D and commercialization of our percutaneous puncture surgical robot are heavily regulated.

Our R&D and commercialization activities are regulated in great depth and detail. We intend to focus our activities on the major markets of China, as well as overseas markets such as the United States, the Europe and Southeast Asia. These jurisdictions typically have strict regulations on medical devices, and in doing so they employ broadly similar regulatory strategies, including regulation of product development, approval, manufacturing, sales and marketing and distribution of medical devices. However, there are differences in the regulatory regimes in different jurisdictions, which makes regulatory compliance more complex and costly for companies like ours that plan to commercialize our products in each of these jurisdictions.

The process of obtaining regulatory approvals and compliance with appropriate laws and regulations require substantial time and financial resources. The NMPA, FDA, CE or other comparable regulatory authorities may require more information, including additional preclinical or clinical data, to support approval, which may delay or prevent approval and our commercialization plans. Even if we were to obtain approval, regulatory authorities may approve any of our product candidates for fewer or more limited indications than we request, grant approval contingent on the performance of costly post-marketing clinical trials, or approve a product candidate with an indication that is not desirable for the successful commercialization of that candidate. Legislative and regulatory proposals may also, from time to time, be made to expand existing requirements.

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The regulatory approval processes of the NMPA, its local counterparts and the comparable regulatory authorities in other jurisdictions are lengthy, time-consuming and inherently unpredictable. Any denial or delay of such approvals would hinder the development and commercialization of our percutaneous puncture surgical robot products and any other product candidates, and could adversely affect our ability to generate revenue, as well as our business and operating results.

The process to develop and obtain regulatory approval for and commercialize medical device product candidates is long, complex and costly. In China, before obtaining regulatory approvals for the commercial sale of our products for a specific indication, we must demonstrate in preclinical studies and well-controlled clinical trials, and, to the satisfaction of the NMPA or its local counterparts, that the product is safe and effective for use for that indication. We are also required to report any serious or potentially serious incidents involving our products to the NMPA or its local counterparts. We cannot be certain that any submissions will be accepted for filing and review by the NMPA or its local counterparts, and the review timeline may be subject to uncertainty.

Our product candidates could fail to receive regulatory approval for many reasons, including:

- failure to begin or complete clinical trials due to various factors, including disagreements with regulatory authorities;
- failure to demonstrate that a product candidate is safe and effective;
- failure to deliver clinical trial results that meet the level of statistical significance required for approval;
- data integrity issues related to our clinical trials;
- regulatory authority’s disagreement with our interpretation of data from preclinical studies or clinical trials;
- changes in approval policies or regulations that render our preclinical and clinical data insufficient for approval or require us to amend our clinical trial protocols;
- regulatory requests for additional analysis, reports, data, nonclinical studies and clinical trials, or questions regarding our interpretation of data and results and the emergence of new information regarding our product candidates;
- our failure to conduct a clinical trial in accordance with regulatory requirements or our clinical trial protocols; and/or

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- clinical sites, investigators or other participants in our clinical trials deviating from a trial protocol, failing to conduct the trial in accordance with regulatory requirements, or dropping out of a trial.

Comparably, regulatory authorities outside of China also have requirements for approval of medical devices for commercial sale with which we must comply prior to marketing in those jurisdictions. However, regulatory requirements can vary widely from jurisdiction to jurisdiction. Obtaining regulatory approval in one jurisdiction does not mean that regulatory approval will be obtained in any other jurisdiction. Approval processes vary among jurisdictions and can involve additional product testing and validation, and additional administrative review periods. Seeking foreign regulatory approval may include all of the risks associated with obtaining NMPA approval (and its local counterparts), and could require additional nonclinical studies or clinical trials. For these reasons, we may incur substantial time and financial resources to bring our products to overseas markets in compliance with different regulatory processes. The introduction of our product candidates in these markets could be delayed or prevented, as we may not obtain relevant regulatory approvals on a timely basis, or at all.

In addition, changes in regulatory requirements and guidance may also occur. We may need to amend clinical trial protocols submitted to applicable regulatory authorities to reflect these changes. Amendments may impact the costs, timing or successful completion of a clinical trial.

Even if our product candidates were to successfully obtain approval from the regulatory authorities, any approval might significantly limit the approved indications for use, or require that precautions, contraindications or warnings be provided to users, or require expensive and time-consuming post-approval clinical trials or surveillance as conditions of approval. Following an approval for commercial sale of our product candidates, certain changes, such as changes in design, may be required by the NMPA and/or comparable regulatory authorities. Regulatory approvals for any of our product candidates may also be withdrawn.

If we are unable to obtain regulatory approval for our product candidates in one or more jurisdictions, or any approval contains significant limitations, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed. Furthermore, we may not be able to generate sufficient revenue and cash flows or obtain sufficient funding to continue the development of any other product candidates in the future.

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Our percutaneous puncture surgical robots as applied under existing and expanded indications will continue to remain subject to ongoing or additional regulatory obligations and continued regulatory review, which may result in significant additional expenses, and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our percutaneous puncture surgical robot product or product candidates.

Our RC120 and any additional product candidates that are approved by the regulators are and will be subject to ongoing regulatory requirements with respect to advertising, promotion, sampling, record-keeping, post-market studies, submission of safety, efficacy, and other post-market information, and other requirements of regulatory authorities in China and/or other jurisdictions where we may market or sell our products. We are and will be subject to continual review and inspections by the regulators to assess our compliance with applicable laws, requirements, and adherence to commitments we made in any application materials with the NMPA or other comparable regulatory authorities. Accordingly, we must continue to devote time, money and effort to all areas of regulatory compliance.

If problems occur after our products reach the market, the NMPA or other comparable regulatory authorities may seek to impose a consent decree or withdraw marketing approval. Later discovery of previously unknown problems with our products or product candidates may result in requirements to conduct post-market studies or clinical studies to assess new safety risks or the imposition of distribution restrictions or other restrictions. Other potential consequences include, among other things:

- restrictions on the marketing or commercialization of our products, withdrawal of the products from the market, or voluntary or mandatory product recalls;
- fines, untitled or warning letters, or holds on clinical trials;
- refusal by the NMPA or comparable regulatory authorities to approve pending indications or applications or supplements to approved indications or applications filed by us or suspension or reduce the scope of previously issued medical device registration certificate;
- product seizure or detention, or refusal to permit the import or export of our products and product candidates; and/or
- injunctions or the imposition of civil, administrative or criminal penalties.

We cannot predict the likelihood, nature or extent of governmental policies or regulations that may arise from future legislation or administrative actions in all relevant jurisdictions. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are unable to maintain regulatory compliance, we may lose any regulatory approval that we have obtained and we may not achieve or sustain profitability.

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Adverse events caused by our products and product candidates could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial scope of an approved label, or result in significant negative consequences following any regulatory approval.

Undesirable adverse events caused by our products and pipeline products, including but not limited to safety issues and other serious adverse events, could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the NMPA or other comparable regulatory authority, or could result in limitations or withdrawal following approvals. For example, in the event that results of our trials reveal a high and unacceptable severity or prevalence of adverse events, our trials may be suspended or terminated by the NMPA, or other comparable regulatory authorities could order us to cease further development of, or deny approval of, our pipeline products.

Any adverse events reported in our clinical trials will affect patient recruitment or the ability of enrolled subjects to complete the trial, and any result in potential product liability claims. Any of these occurrences may harm our reputation, business, financial condition and prospects significantly. In this document and from time to time, we disclose clinical results for our products and products candidates, including the occurrence of adverse events and serious adverse events. Each such document speaks only as of the date of the data cutoff used in such document, and we undertake no duty to update such information unless required by applicable law. For details of the adverse events of our products as observed during clinical trials as of the date of this document, see “Business — Our Product Portfolio — Percutaneous Puncture Surgical Robots — RC120 Puncture Surgical Robot - Our Core Product — Summary of clinical trial results.”

Additionally, if our pipeline products receive regulatory approval, and undesirable safety issues caused by such pipeline products are identified after such approval, a number of potentially significant negative consequences could follow, including, among others:

- we may be required to suspend marketing or remove relevant products from the marketplace;
- regulatory authorities may withdraw approvals of the product;
- we may be required to change the way our products are distributed or administered, or conduct additional clinical trials;
- we may be required to develop risk evaluation and mitigation measures for the product or, if risk evaluation and mitigation measures are already in place, to incorporate additional requirements under the risk evaluation and mitigation measures;
- we may be subject to regulatory investigations and government enforcement action;

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- a severe decrease in the demand for, and sales of, relevant products;
- we could be sued and held liable for harm caused to subjects or patients; and
- our reputation may be damaged.

Any of these events could prevent us from achieving or maintaining market acceptance of the relevant pipeline products, and could significantly harm our business, results of operations and prospects.

If we, or parties on whom we rely, fail to obtain, maintain or renew necessary permits, licenses, approvals, qualifications and certifications required for the development, production, sale or distribution of our approved or pipeline products, our ability to conduct our business could be materially impaired.

We are required to obtain, maintain and renew various permits, licenses, approvals, qualifications and certifications to develop, produce, promote and sell our products, including but not limited to, the Registration Certificate for Medical Device (醫療器械註冊證) and the Medical Device Production License (醫療器械生產許可證). Furthermore, third parties, such as research institutions, distributors and suppliers whom we may rely on to develop, produce, promote, sell and distribute our products, may be subject to similar requirements. We and our third-party business partners may be also subject to regular inspections, examinations, inquiries or audits by regulatory authorities, and an adverse outcome of such inspections, examinations, inquiries or audits may result in the loss or non-renewal of relevant permits, licenses, approvals, qualifications and certifications. Moreover, the criteria used in reviewing applications for, or renewals of permits, licenses, approvals, qualifications and certifications may change from time to time, and there can be no assurance that we or our third-party business partners will be able to meet new criteria that may be imposed to obtain or renew necessary permits, licenses and certificates. Many of such permits, licenses, approvals, qualifications and certifications are material to the operation of our business, and if we or our third-party business partners fail to maintain or renew any material permits, licenses, approvals, qualifications and certifications, our ability to conduct business could be materially impaired. Furthermore, if the interpretation or implementation of existing laws and regulations change, or new regulations come into effect, requiring us or our third-party business partners to obtain any additional permits, licenses, approvals, qualifications and certifications that were previously not required to operate our business, there can be no assurance that we or our third-party business partners will successfully obtain such permits, licenses, approvals, qualifications and certifications in a timely manner or at all.

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Recently enacted and future legislations may increase the difficulty and cost for obtaining regulatory approval for, or successfully commercializing, our existing and new products under expanded indications, or any other product candidates, and could therefore adversely affect our business.

In China and some other jurisdictions, a number of legislative and regulatory changes and proposed changes regarding healthcare could prevent or delay regulatory approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell our products and any product candidates for which we obtain regulatory approval. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to commercialize our products, generate revenue, or attain profitability.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for medical devices. We cannot be sure whether additional legislative changes will be enacted, or whether NMPA, FDA or other comparable regulatory agencies’ regulations, guidance or interpretations will be changed, or what the impact of such changes on the regulatory approvals of our product candidates, if any, may be. For example, according to the Regulations on the Supervision and Administration of Medical Devices (2024 Revision) (《醫療器械監督管理條例(2024修訂)》) effective on January 20, 2025, medical device companies are required to establish a quality management system and monitor and evaluate post-approval risks and adverse events caused by the products. In addition, laws and regulations in China, including those regulating intelligent medical devices, may be amended from time to time. Changes in these areas could impose more stringent requirements on us and increase our compliance and other operating costs, and we may not be able to achieve or sustain profitability.

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

We may receive, store, process, transmit and maintain certain medical data in our clinical trials and in the ordinary course of our business based on legitimate needs and in compliance with applicable laws and regulations. As such, we are subject to relevant local, national and international data protection and privacy laws, directives regulations and standards that apply to the collection, use, retention, protection, disclosure, transfer and other processing of data in the various jurisdictions in which we operate and conduct our clinical trials, as well as contractual obligations. These data protection and privacy law regimes continue to evolve and may result in ever increasing public scrutiny and escalating levels of enforcement and sanctions and increased costs of compliance. Failure to comply with any of these laws could result in enforcement action against us, including fines, imprisonment of company officers and public censure, claims for damages by customers and other affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

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While we have adopted security policies and measures to protect our proprietary data and patients’ privacy, privacy leakage incidents might not be avoided due to hacking activities, human error, employee misconduct or negligence or system breakdown. We also cooperate with third parties such as hospitals, CRO, SMO and other relevant services providers for our clinical trials and operations. Any leakage or abuse of patient data by our third-party business partners may be perceived by the patients as a result of our failure. Furthermore, we cannot be sure whether additional legislative changes on data security and privacy will be enacted or whether relevant guidance or interpretations will be changed. Any changes in such laws and regulations could affect our ability to use medical data and subject us to liability for the use of such data for previously permitted purposes. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of information security that results in the unauthorized release or transfer of personally identifiable information or other patient data, could cause our customers to lose trust in us and could expose us to legal claims.

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

Risks Relating to Our Intellectual Property Rights

We could be unsuccessful in obtaining or maintaining adequate intellectual property rights protection for our products, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us and our ability to successfully commercialize our products and product candidates may be adversely affected.

Our commercial success will depend, in large part, on our ability to obtain, maintain and enforce our intellectual property rights, including patent rights to protect our proprietary technology, products and pipeline products. We seek to protect our technology, products and pipeline products that we consider commercially important by filing patent applications in China and other jurisdictions. This process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. We cannot be certain that patents will be issued or granted with respect to our patent applications that are currently pending, or that issued or granted patents will not

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later be found to be invalid and/or unenforceable, be interpreted in a manner that does not adequately protect our pipeline products, or otherwise provide us with any competitive advantages. As a result, we may not be able to prevent competitors from developing and commercializing competitive products in all such fields and territories.

Patents may be invalidated and patent applications may not be granted for various reasons, including known or unknown prior deficiencies in the patent application or the lack of novelty of the underlying invention or technology. We may also fail to identify patentable aspects of our R&D output in time to obtain patent protection. Moreover, the patent position of medical devices companies is generally uncertain because it involves complex legal and factual considerations. Patent applications we filed may not be successful in the end. As such, we do not know the degree of future protection that we will have on our products and technology, if any, and a failure to obtain adequate intellectual property protection with respect to our pipeline products could have a material adverse impact on our business.

Although we enter into non-disclosure and confidentiality agreements or include such provisions in our relevant agreements with parties who have access to confidential or patentable aspects of our R&D output, such as our key employees and other third parties, any of these parties may breach such agreements and disclose such output before a patent application is filed, jeopardizing our ability to seek patent protection. In addition, publications of discoveries in scientific literature often lag behind the actual discoveries. Patent applications in China and other jurisdictions are typically not published until 18 months after filing, or in some cases, not at all.

The issuance of a patent is not conclusive as to its inventor, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in China and other countries. Moreover, we may have to participate in interference proceedings declared by relevant intellectual property authorities to determine priority of invention or in post-grant challenge proceedings, such as oppositions in a foreign patent office, that challenge the priority of our invention or other features of patentability of our patents and patent applications. Such challenges may result in loss of patent rights, loss of exclusivity, or in patent claims being narrowed, invalidated, or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology, products and pipeline products. Such proceedings also may result in substantial costs and require significant time from our management and R&D personnel, even if the eventual outcome is favorable to us. Consequently, we do not know whether any of our technologies, products or pipeline products will be protectable or remain protected by valid and enforceable patents. Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner.

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Given the amount of time required for the development, testing and regulatory review of new pipeline products, patents protecting such pipeline products might expire before or shortly after such pipeline products are commercialized. As a result, our patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

We may not be able to prevent unauthorized use of our intellectual property, which could harm our business and competitive position.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position. We rely on a combination of patent, trade secret (including those in our know-how), and other intellectual property rights and/or licenses, as well as employee and third-party nondisclosure agreements to establish and protect our rights in our technology and intellectual property.

Our patent or trademark applications may not be granted, any patents or trademark registrations that may be issued to us may not sufficiently protect our intellectual property and any of our issued patents, trademark registrations or other intellectual property rights may be challenged by third parties. Any of these situations may result in limitations on the scope of our intellectual property or restrictions on our use of our intellectual property or may adversely affect the conduct of our business. Despite our efforts to protect our intellectual property rights, third parties may attempt to copy or otherwise obtain and use our intellectual property or seek court declarations that they do not infringe upon our intellectual property rights. Monitoring unauthorized use of our intellectual property is difficult and costly, and the steps we have taken or will take to prevent misappropriation may not be successful. From time to time, we may have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources.

We may, from time to time, be subject to claims or legal proceedings brought by third parties alleging infringement, misappropriation or other violations of patents, trademarks and/or other intellectual property rights, and may also be involved in lawsuits to protect or enforce our intellectual property. Such matters are inherently uncertain, may be time-consuming and costly, and could result in significant liability, restrict our ability to use certain technologies, and delay the commercialization of our products and product candidates in certain jurisdictions.

We may become party to intellectual property infringement proceedings. Companies, organizations, or individuals, including our competitors, may hold or obtain patents, trademarks or other proprietary or intellectual property rights that would prevent, limit or interfere with our ability to manufacture, use, develop, sell, or market our products or product candidates, which could make it more difficult for us to operate our business. As of the Latest Practicable Date, we did not have registered patents in overseas jurisdictions where we plan to expand our business, which would expose us to elevated risks of intellectual property infringement proceedings in these areas. We may receive communications from holders of

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patents, software copyrights, trademarks, trade secrets or other intellectual property or proprietary rights alleging that we are infringing, misappropriating, diluting or otherwise violating such rights. Such parties may also in the future bring suits against us alleging infringement or other violation of such rights, or otherwise assert their rights and urge us to acquire licenses to their intellectual property. In addition, we may not be aware of existing patents or patent applications that could be pertinent to our business as many patent applications are filed confidentially and are not published until months following the applicable filing date.

In the event that a claim relating to intellectual property is asserted against us or our suppliers or our third-party business partners, or if third parties not affiliated with us hold pending or issued patents that relate to our technology or products, we may need to seek licenses to such intellectual property or seek to challenge those patents. Even if we can obtain a license, it could be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us. In addition, we may be unable to obtain these licenses on commercially reasonable terms, if at all, and our challenge of third-party patents may be unsuccessful. Litigation or other legal proceedings relating to intellectual property claims, regardless of merit, may cause us to incur significant expenses and could distract our R&D and management personnel from their normal responsibilities. Further, if we are determined to have infringed upon a third party’s intellectual property rights, we may be required to do one or more of the following:

- cease selling, incorporating certain components into, or using products that incorporate or use the intellectual property that we allegedly infringe, misappropriate, dilute or otherwise violate;
- pay substantial royalty or license fees or other damages;
- seek a license from the holder of the infringed intellectual property right, which license may not be available on reasonable terms, or at all;
- redesign or reengineer our technologies, products or product candidates, which may be costly, time-consuming or impossible; or
- establish and maintain alternative branding for our products.

In the event of a successful claim of infringement against us and our failure or inability to obtain a license to the infringed technology or other intellectual property right, our business, prospects, financial condition, results of operations, and cash flows could be materially and adversely affected. In addition, any litigation or claims, whether valid or not, could result in substantial costs, negative publicity and diversion of resources and management attention.

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Competitors may also infringe our patent rights or misappropriate or otherwise violate our intellectual property rights. To counter infringement or unauthorized use, litigation may be necessary to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. This can be expensive and time-consuming. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights. Many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce and/or defend their intellectual property rights than we can. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing or misappropriating our intellectual property rights. An adverse result in any litigation proceeding could put our patents, as well as any patents that may be issued in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, some of our confidential information could be compromised by disclosure during this type of litigation.

Our patent applications may not be ultimately granted.

Patent applications may not be granted for a number of reasons, including known or unknown prior deficiencies in the patent application or the lack of novelty of the underlying invention or technology. As of the Latest Practicable Date, we also had 22 patent applications in China and one application with the World Intellectual Property Organization. There is no assurance that our patent applications will be granted in a timely manner, or at all. Certain of our patent applications remained with an “applied” status. Such patent applications were under substantial review by the CNIPA as of the Latest Practicable Date. As the time required for the substantial review is at the discretion of the CNIPA, we are unable to predict the expected time frame of receiving material updates in relation to the pending patent applications. If any of the patent applications were rejected, we may lack patent protection covering certain key characteristics of our key products.

Patent terms are limited and thus may be inadequate to protect our competitive position on our products and product candidates for an adequate amount of time.

Although various extensions may be available, the life of a patent and the protection it affords are limited. Even if patents covering our services and products are obtained, we may be open to competition from other companies once our patent rights expire. See “Business — Intellectual Property” for more details.

As of the Latest Practicable Date, we had been granted 101 patents in China. Our granted patents have a valid term ranging from 10 to 20 years from the earliest claimed filing date of a non-provisional patent application. As of the Latest Practicable Date, we also had 22 patent applications in China and one application with the World Intellectual Property Organization.

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Upon expiration of our issued patent or patents that may be issued from our pending patent application, and without patent term extensions, we will not be able to assert such patent rights against potential competitors and our business and results of operation may be adversely affected.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

In addition to our granted patent and pending patent applications, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our products and product candidates. We seek to protect these trade secrets, inventions and discoveries, in part, by entering into non-disclosure and confidentiality agreements or including such undertakings in the agreement with relevant parties that have access to them, such as our employees, cooperated hospitals and other third-party business partners. However, non-disclosure agreements or relevant undertakings may not adequately prevent disclosure of our trade secrets and other proprietary information. Any of these parties may breach such agreements and disclose our proprietary information, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time consuming, and the outcome is unpredictable. If any of our trade secrets were lawfully obtained or independently developed by a competitor, we would have no right to prevent them from using that technology or information to compete with us and our competitive position would be harmed.

Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. As of the Latest Practicable Date, we were not aware of any material threatened or pending claims related to these matters. However, we cannot assure you that litigation may be necessary to defend against such claims in the future. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

In addition, while we typically require our employees involved in the development of intellectual property to execute agreements assigning such intellectual property rights to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own, which may result in claims by or against us related to the ownership of such intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our R&D and management personnel.

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Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment, and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees on any issued patent are due to be paid to relevant patent agencies such as the CNIPA in several stages over the lifetime of the patent. The CNIPA and various governmental patent agencies typically require compliance with a number of procedurals, documentary, fee payment, and other similar provisions during the patent application process. Although an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events could result in abandonment or lapse of a patent or patent application including failure to respond to official actions within prescribed time limits, nonpayment of fees, and failure to properly legalize and submit formal documents. In any such event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

Intellectual property rights do not necessarily address all potential threats.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, or permit us to maintain our competitive advantage. The following examples are illustrative:

- others may be able to independently develop similar or alternative technologies or designs that are similar to our products but that are not covered by the claims of the patents that we own or have exclusively licensed;
- we might not have been the first to make the inventions covered by the issued patents or pending patent applications that we own or may in the future exclusively license, which could result in the patent applications not issuing or being invalidated after issuing;
- we might not have been the first to file patent applications covering certain of our inventions, which could result in the patent applications not issuing or being invalidated after issuing;
- our competitors might conduct R&D activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products or services for commercialization in our major markets;
- we may fail to apply for or obtain adequate intellectual property protection in all the jurisdictions in which we operate; and
- the patents of others may have an adverse effect on our business, for example, by preventing us from commercializing additional products or applications in more indications of our existing products.

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Any of the above threats could have material adverse effect on our business.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

Depending on decisions by the NPC and the CNIPA, the laws and regulations governing patents could change in a way that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. The United States has enacted and is currently implementing wide-ranging patent reform legislation. Recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. There could be similar changes in the laws of other jurisdictions that may impact the value of our patent rights or our other intellectual property rights. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained, if any.

Risks Relating to Our General Operations

If there is unsatisfactory performance of or defects in our products, or failure to maintain an effective quality management system, it may harm our reputation, lead to product returns, damage our customer relationships, and may expose us to product liability and other claims, and materially and adversely affect our business, financial condition and results of operations.

We may offer products that are affected by substandard quality or unsatisfactory performance due to design and manufacturing defects. We may also be exposed to potential product liabilities. The consequences of such product defects may be severe and we may be subject to claims for contract breaches or be liable for property damage or even bodily injuries and harms. Furthermore, the causes of product defects may be manifold and sometimes beyond our control. Besides errors in the design, R&D and production of our products, defects may also be caused by defective raw materials delivered by our suppliers. As we do not have direct control over the quality of the materials and intermediate products manufactured or supplied by third parties, we are exposed to a risk relating to the quality of such materials and intermediate products. In addition, we may manufacture certain products pursuant to specifications and quality requirements set by our customers. If our products do not meet the specifications and quality requirements stipulated by our customers, relevant production may be discontinued until the cause of the product defect has been identified and remedied.

Therefore, our failure to maintain consistent quality control throughout our production process may result in substandard quality or unsatisfactory performance of our products, causing a failure to achieve or maintain relevant certifications, significant damage to our market reputation and a decrease in our sales price and volumes. If we deliver any defective products, or if there is a perception that our products are of substandard quality or provide unsatisfactory performance, we may incur substantial costs due to returns or replacements of our products or even recall of our products, significant return or exchange could affect our

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business and financial performance, and our market reputation and sales price and volumes may be also adversely affected. We may also need to upgrade or rectify our production procedures to meet the quality and performance required by our customers. Such upgrade or rectification may be costly and have a material adverse effect on our financial condition and results of operations.

In addition, as our customers may sell our products after further process to their end consumers in respective markets, we may be also exposed to potential product liability claims from end consumers in the relevant jurisdictions in case that any safety damage results from the use of our products even if we have no direct sales to end consumers. There can be no assurance that we will not experience material product liability losses in the future, or that we will be able to defend such claims at a contained level of cost.

If we are unable to retain customers or attract new customers, our business, financial condition and results of operations could be materially and adversely affected.

We are committed to reinforcing relationships with customers while continuously broadening our customer base and enhancing our brand recognition. We have invested in branding, sales and marketing to acquire and retain customers since our inception. We incurred selling and distribution expenses of RMB2.9 million, RMB5.3 million, RMB1.9 million and RMB3.8 million in 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. There is no guarantee that new customers will stick with us or that the net profits from new customers will cover the expenses of acquiring them. Our customers may decline materially or their demand may fluctuate as a result of many factors, including, among other things, dissatisfaction with the performance, quality or price of our products, negative publicity related to our brands, or alternative products offered by our competitors. If we are unable to retain customers or to acquire new customers in a cost-effective manner, our business, financial conditions and results of operations may be adversely affected.

We may not be able to secure stable supply of raw materials and components with acceptable quality or at acceptable prices, which could adversely affect our operations and financial condition.

We procure raw materials and components such as robotic arms, industrial control machines, circular frame, sensing board, intermediate plate and servo motor necessary for manufacturing our products. The availability and prices of certain raw materials and components are subject to fluctuations and influenced by factors beyond our control, including market conditions, inflation, supply chain shortages, and global demand for such raw materials and components, all of which could adversely affect our business and operating results. Any shortages or delay in the supply of our raw materials could result in occasional price adjustments or cause delays in our production and delivery to customers. We cannot guarantee that we will not in the future experience price fluctuations and supply shortages of raw materials. There is no guarantee that we will be able to find alternate sources of supply in a

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timely manner and at a reasonable price, or at all. If we are unable to keep up with demand for our products due to the failure to obtain raw materials we need, our customers may reduce, delay or cancel their orders and our business could be adversely affected.

Any failure to properly maintain, upgrade, or expand our production capacity may materially and adversely affect our business, financial condition, and results of operations.

We manage manufacturing of our products at our own manufacturing facility in Shanghai, China. There is no guarantee that we can maintain or expand our manufacturing facility in a cost-effective manner or recoup these investments through our production and sales. Any construction delays or budget overruns could adversely affect our financial condition, production capacity, and results of operations.

Our manufacturing premise may expose both employees and visitors to risks related to workplace safety, including damage to, or destruction of, production equipment and facilities, or operational accidents, and could also result in personal injury, casualty, performance delays, monetary losses and legal liability. The conditions within these plants can lead to accidents unless safety protocols are strictly enforced and updated on a regular basis. There can be no assurance that serious accidents or fatalities will not occur in the future. If we fail to prevent serious accidents or fatalities, we will be held liable for damages arising out of or in connection with such incidents or facilities, which could have a material adverse effect on our results of operations, business, financial condition and prospects.

Any disruption to the operation of our manufacturing facility could restrict our ordinary business operations and materially and adversely affect our financial condition and results of operations.

As of the Latest Practicable date, we had one manufacturing facility in Shanghai, China. The operation of our manufacturing facility may be disrupted by physical damage from fires, floods, earthquakes, typhoons, power outages, mechanical breakdowns, telecommunications failures, loss of licenses, certifications and permits, changes in governmental planning for the underlying land, and the regulatory development, many of which are beyond our control. Moreover, any power outage, disruption or shortage in power supply could therefore have a materially adverse impact on our production and employee safety.

We are also subject to risks associated with equipment failures, industrial accidents, fires and explosions. While we believe we have adequate systems of safe production and related trainings, these risks can result in personal injuries and fatalities, damage to or destruction of properties or production facilities, and pollution and other environmental damages. Any of these consequences, if significant, could disrupt the operation of our production bases and result in business interruption and legal liability, and materially and adversely affect our financial condition and results of operations.

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Our business depends substantially on the efforts of our key management, key personnel in our R&D team, sales and marketing team, and other qualified personnel, and we may not be able to find suitable replacement in case of loss of service of any of them.

Our future success is significantly dependent upon the continued service of our management, key R&D personnel and highly qualified personnel with specialized skills. Our ability to compete effectively depends on our ability to retain and motivate existing employees and attract new employees. We may need to offer higher compensation and other benefits to attract and retain key personnel and our compensation and benefits payments may increase unexpectedly or at a greater rate than expected. If we lose the services of any member of management, key R&D personnel or highly qualified personnel, we may not be able to locate suitable or qualified replacements in a timely manner at a reasonable cost, or at all. Our failure to attract and retain key management, key R&D personnel or highly qualified personnel and any increase in staffing costs to retain such personnel could have a negative impact on our ability to maintain our competitive position and grow our business and may have a material adverse effect on our financial condition, results of operations and growth prospects.

Our key management, key R&D personnel and highly qualified personnel are subject to confidentiality terms. However, we cannot assure you that such terms or arrangements can be fully and legally enforced. If any of our management, key R&D personnel or highly qualified personnel joins or establishes a competing business, we may lose some of our customers, which may have a material adverse effect on our business.

We may not be successful in executing our business plans and strategies effectively or at all, and our business, financial condition and results of operations could be materially and adversely affected.

Our business plans and strategies are based on our assumptions of future events which may entail certain risks and are inherently subject to uncertainties. These assumptions may not be correct, which could affect the commercial viability of our business plans and strategies. As such, there can be no assurance that our business plans and strategies will be implemented successfully as scheduled or at all.

If we fail to implement our business plans and strategies effectively and efficiently, we may be unable to expand our operations, grow our business, take advantage of market opportunities as expected or remain competitive in the industry. Furthermore, even if we implement our business plans and strategies effectively and efficiently, there may be other unexpected events or factors beyond our control that may prevent us from achieving desirable and profitable results, such as the changes in local laws and regulations and governmental policies, the availability of skilled professionals and changes in consumer demand. Moreover, our business plans and strategies may increase our operating costs, such as higher staff costs, and increases in our cash outflows for operating and investing activities. Accordingly, if our business plans and strategies cannot be successfully implemented, or if they do not yield ideal results, we may have significant difficulties in recovering our costs and therefore experience a material adverse impact on our business, financial condition and results of operations.

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We may not be able to successfully expand our business into new markets or manage our international expansion plans effectively.

We intend to grow by expanding our business, increasing market penetration of our existing product, and developing new AI-assisted functions and dynamic respiratory motion compensation function and expanding indications and models. The management of our growth may place significant demands on our managerial, administrative, operational, financial, and other resources. Moreover, our growth depends on our ability to maintain stable production capacity and offer reliable products to our customers. Our efforts to grow our business may be more costly than we expect, and we may not be able to increase our revenue enough to offset our increased operating expenses. We may incur significant losses in the future for a number of reasons, including the other risks described herein, and unforeseen expenses, difficulties, complications, delays, and other unknown events. If we are unable to achieve and sustain profitability, our business may be harmed. If we fail to achieve the necessary level of efficiency as we grow, our growth rate may decline, [REDACTED] perceptions of our business and prospects may be adversely affected, and the [REDACTED] of our Shares could decline.

Our business and prospects depend on our ability to build our brand and reputation, which could be harmed by negative publicity regarding us, our Directors, employees, branding, products, suppliers, customers or other third parties. Any negative publicity, whether warranted or not, could adversely affect our business.

We need to maintain and enhance our brand identity while increasing market awareness of the reputation of our business and products. The successful promotion of our brand will depend on our efforts to achieve widespread acceptance of our products, attract and retain customers, maintain our current market leadership, and successfully differentiate our offerings from those of competitors. These efforts require substantial capital expenditures, and we anticipate expenses will increase as our market becomes more competitive and as we expand into new markets. Furthermore, these investments in brand promotion and thought leadership may not yield increased revenue. To the extent they do, the resulting revenue still may not be enough to offset the increased expenses we incur.

In addition, adverse publicity, with or without merits, relating to events or activities attributed to us, our management, Directors, employees, shareholders, business partners or their affiliates, industry, or products similar to ours, may tarnish our reputation and reduce the value of our brands. For instance, unfounded and adversarial statements or opinions could be misleading and harm our business and reputation. Given the delicate and complex nature of the industry that we operate in, we are vulnerable to such statements or opinions. If we fail to respond to such statements or opinions in a proper manner, our business reputation, financial condition and results of operations may be adversely affected. Moreover, our brand value depends on our ability to provide products that meet industry standards in our markets. Damage to our reputation and loss of brand equity may reduce demand for our products, have an adverse effect on our future financial results, or reduce the [REDACTED] of our Shares. Damage may also require additional resources to rebuild our reputation and restore the value of the brands. If we are unable to successfully enhance and protect our reputation, our business operations, results of operations, and financial condition could be materially and adversely affected.

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We depend on information technology and other infrastructure that are exposed to certain risks, including cyber security risks.

We rely on a variety of information technologies and automated operating systems to manage or support our operations. The proper functioning of these systems is critical to the efficient operation and management of our business. In addition, these systems may require modifications or upgrades as a result of technological changes or growth in our business. These changes may be costly and disruptive to our operations and could impose substantial demands on management time. Our systems and those of third-party providers may be vulnerable to damage or disruption caused by circumstances beyond our control, such as catastrophic events, power outages, natural disasters, computer system or network failures, viruses or malware, physical or electronic break-ins, unauthorized access, cyber-attacks and thefts. We cannot assure you that the measures and steps we take to secure our systems and electronic information are adequate. Any significant disruption to our systems could result in unauthorized disclosure of confidential information and adversely affect our business and operating results.

We may in the future be, subject to legal and regulatory proceedings and/or investigations in the ordinary course of our business.

From time to time, we may face litigation, regulatory proceedings and government investigations which may be brought against us by customers, patients, competitors, governmental entities conducting civil, regulatory or criminal investigations, or other parties. These claims could be asserted under a variety of laws, including but not limited to product liability laws, customer protection laws, intellectual property laws, labor and employment laws, securities laws, tort laws, contract laws, property laws, and employee benefit laws. There is no guarantee of our success in defending against these legal and regulatory proceedings or investigations or in asserting our rights under applicable laws.

Even if we succeed in our defense or asserting our rights, the process can be expensive, time-consuming, and may not yield the desired outcome. Legal and regulatory proceedings can also expose us to negative publicity, substantial financial damages, legal defense expenses, injunctive orders, and criminal, civil and administrative fines and penalties.

Our insurance coverage strategy may not be adequate to protect us from all business risks and cover all of our potential losses.

We maintain insurance policies that are required under PRC laws and regulations as well as based on our assessment of our operational needs. During the Track Record Period and as of the Latest Practicable Date, we made contributions to the social insurance and housing provident funds for our employees in accordance with relevant PRC laws and regulations in all material respects. We have elected not to maintain certain types of insurances such as business interruption insurance, product liability insurance and keyman insurance at current stage. Our insurance coverage strategy may not protect us from all business risks. If we were to incur substantial losses and liabilities stemming from uninsured occurrences such as business disruptions, litigation, or natural disasters, we could face significant costs and resource diversion, which could have a material adverse effect on our business, results of operations, financial conditions and prospects. We may be required to bear our losses to the extent that our insurance coverage is insufficient.

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We may face penalties for the non-registration of our lease agreements in China.

Pursuant to applicable PRC laws and regulations, both lessors and lessees are required to file the lease agreements with relevant authorities for record and obtain property leasing filing certificates for their leases. As of the Latest Practicable Date, we had one lease agreement that had not been filed with the governmental authorities. We cannot assure you that we will not be subject to any penalties arising from the non-registration of lease agreements in the future. Our PRC Legal Advisors are of the view that the non-registration of lease agreements will not affect the validity of the lease agreements, but the failure to file and obtain property lease agreement filing certificates, as required under PRC laws, may subject us to a fine ranging from RMB1,000 to RMB10,000 for each agreement not filed.

Our risk management and internal control systems may not be adequate or effective.

We are dedicated to the establishment and maintenance of robust risk management and internal control systems. We have adopted and continually improve our internal control mechanisms to ensure the compliance of our business operations. Furthermore, we conduct periodic review of the implementation of our risk management policies and internal control measures to ensure their effectiveness and sufficiency. While we seek to improve our risk management and internal control systems on a continuous basis, we cannot assure you that these systems are sufficiently effective in ensuring, among other things, accurate reporting of our financial results and the prevention of fraud. See “Business — Risk Management and Internal Control” for more details. Since these systems depend on implementation by our employees, and even though we provide relevant internal training in this regard, we cannot assure you that our employees are sufficiently or fully trained to implement these systems, or that their implementation will be free from human error or mistakes. If we fail to timely update, implement and modify, or fail to deploy sufficient human resources to maintain our risk management policies and procedures, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We may be subject, directly or indirectly, to applicable anti-kickback, false claims laws, surgeon payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in China and other jurisdictions, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare service providers, physicians and other medical professionals play a primary role in the recommendation and application of any products for which we obtain regulatory approval. As we have obtained and will continue to seek regulatory approval for our products and product candidates from the NMPA and other competitive regulatory authorities, which products are then marketed in the PRC or such other jurisdictions, our operations are subject to various applicable anti-kickback statutes, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in China as well as in other jurisdictions, including, without limitation, the Criminal Law of the PRC (《中華人民共和國刑法》), Regulations on the Supervision and Administration of Medical Devices

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(《醫療器械監督管理條例》) and the Administrative Measures for the Registration and Recordation of Medical Devices (《醫療器械註冊與備案管理辦法》). These laws may impact, among other things, our R&D activities, applications and proposed sales, marketing and education programs. Violations of fraud and abuse laws may be punishable by criminal and/or administration penalties and/or civil sanctions, including penalties, fines and/or exclusion or suspension from governmental healthcare programs and debarment from contracting with the PRC government.

Neither the PRC government nor the PRC courts have provided definitive guidance on the applicability of fraud and abuse laws to our business. Law enforcement authorities are increasingly focused on enforcing these laws, and some of our practices (including the sales and marketing of medical devices to third parties such as distributors and hospitals) may be challenged under these laws. Efforts to ensure that our business arrangements with third parties comply with applicable laws and regulations will involve substantial costs. Governmental authorities could conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in governmental healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations. In addition, we are subject to equivalents of each of the healthcare laws described above in other jurisdictions, among others, some of which may be broader in scope and may apply to healthcare services reimbursed by any source, not just governmental payors, including private insurers. There are ambiguities as to what is required to comply with these requirements, and if we fail to comply with an applicable law requirement, we could be subject to penalties.

If any of the physicians or other providers or entities with whom we do business are found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs, which may also adversely affect our business.

We may be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, and similar laws and regulations, and noncompliance with such laws and regulations can subject us to administrative, civil, and criminal penalties, collateral consequences, remedial measures, and legal expenses, all of which could adversely affect our business, prospects, results of operations, financial condition, and cash flows.

We may be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, and similar laws and regulations in jurisdictions where we conduct activities. A violation of relevant laws or regulations could adversely affect our business, prospects, results of operations, financial condition, and cash flows. We are in the process of implementing policies and procedures designed to ensure compliance by us and our Directors,

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officers, employees, distributors, representatives, consultants, agents, and business partners with applicable anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, and similar laws and regulations. However, our policies and procedures may not be sufficient and our Directors, officers, employees, representatives, consultants, agents, and business partners could engage in improper conduct for which we may be held responsible.

Non-compliance with anti-corruption, anti-bribery, anti-money laundering, or financial and economic sanctions laws and regulations could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures, and legal expenses, all of which could materially and adversely affect our business, prospects, results of operations, financial condition, and cash flows.

Certain countries or organizations, including the U.S., the European Union, the United Nation, the United Kingdom, and Australia, have, through executive order, legislations or other government means, implemented measures that impose economic sanctions against certain countries, regions or targeted industry sectors, groups of companies or persons, and/or organizations within such countries and regions. Sanctions laws and regulations are continually evolving, with new individuals and entities regularly being added to the list of sanctioned persons. Moreover, new requirements or restrictions may come into effect, potentially intensifying scrutiny on our business, particularly concerning our international expansion plans, or resulting in one or more of our business activities being deemed to have violated sanctions. Our business and reputation could be adversely affected if the authorities of relevant jurisdictions were to determine that any of our future activities constitutes a violation of the sanctions they impose.

Any misconduct by our employees or by business partners and/or their employees could potentially expose us to significant legal liabilities, reputational harm, and other damage that may adversely affect our business.

We rely on our employees to maintain and operate our business and have implemented an internal code of conduct to guide the actions of our employees. However, we do not have control over the actions of our employees, and any misbehavior of our employees could materially and adversely affect our reputation and business. We also rely on our business partners such as suppliers for raw materials, human resources services providers and clinical trial cooperating partners for our business operations. Although we have implemented measures to select business partners, we may not be able to successfully monitor, maintain and improve the quality of their products and services. In the event of any unsatisfactory performance by our business partners and/or their employees, our business, prospects, results of operations, financial condition, and cash flows may be materially and adversely affected.

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Our business operations are subject to risks relating to potential accidents arising from our manufacturing process, as well as from any failure to comply with applicable safety measures and procedures.

Our business is subject to certain laws and regulations relating to occupational health and safety matters. Under these laws and regulations, we are required to maintain safe production conditions and protect the occupational health of our employees. While we have conducted periodic inspections of our operating facilities and carried out equipment maintenance to ensure that our operations are in compliance with applicable laws and regulations, we cannot assure you that we will not experience any material accidents or worker injuries in the course of our business activities in the future. Although we made contributions to the social insurance for our employees in accordance with relevant PRC laws and regulations, this may not provide full coverage against all potential liabilities in relation to injuries to our employees.

We are subject to risks associated with international trade policies, geopolitics and trade protection measures, and our business, financial condition and results of operations could be adversely affected.

Our operations may also be negatively affected by any deterioration in the political and economic relations among countries and sanctions and export controls administered by the governmental authorities in the countries in which we operate or distribute our products, and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased duties, taxes and other costs as well as political instability. Furthermore, concerns over inflation, energy costs, geopolitical friction, capital market volatility and liquidity issues may create difficult operating conditions in the future. The tension in international trade and rising political tension may affect our or our customers’ business operations and results of operations.

The international trade policies and trade protection measures are likely subject to frequent changes, and their interpretation and enforcement involve substantial uncertainties, which may be heightened by national security concerns or driven by political and/or other factors that are beyond our control. These may materially and adversely affect us and our key suppliers’ and other business partners’ abilities to obtain technologies, systems, devices or components that may be critical to our R&D, product offerings and business operations. For example, recent changes in U.S. trade policies have created significant uncertainty for global trade. Beginning in February 2025, the United States imposed a series of escalating tariffs on imports from certain countries, including Canada, Mexico, and China. If any new tariffs, legislation and/or regulations are implemented by the U.S. or other jurisdictions in the future, or if existing trade agreements are renegotiated, such changes could adversely affect our business, financial condition and results of operations. It may also be difficult or costly to comply with such legislation and regulations, and would subject us to regulatory investigations, fines, penalties or other actions and reputational harm.

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We are subject to various environmental, occupational health and safety laws and regulations, which may result in potential costs for compliance, as well as monetary damage, fines, liabilities, and reputational harm in the event of non-compliance.

We are subject to environmental, occupational health and safety laws and regulations related to the manufacturing of our products. Changes in these laws or other new environmental and safety laws and regulations may require us to change our operations, potentially resulting in a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. These laws can give rise to liability for administrative oversight costs, cleanup costs, property damage, bodily injury, fines and penalties. Violations of these laws and regulations could result in substantial fines and penalties, third-party damages, suspension of production, remedial actions or a cessation of our operations. Contamination at properties we own or operate, or properties to which we send hazardous substances, may result in liability for us under environmental laws and regulations.

In addition, from time to time, Chinese government issues new regulations, which may require additional actions on our part to comply. If our plant or any of other future constructions fail to comply with applicable regulations, we could be subject to substantial liability for clean-up efforts, personal injury or fines or be forced to close or temporarily cease the operations of our plants or other relevant constructions, any of which could have a material adverse effect on our business, prospects, financial condition and results of operation.

Our operations are also subject to workplace safety laws and regulations, which require compliance with various workplace safety requirements, including environmental safety. These laws and regulations can give rise to liability for oversight costs, compliance costs, bodily injury (including workers’ compensation), fines, and penalties. Additionally, non-compliance could result in delay or suspension of production or cessation of operations. The costs required to comply with workplace safety laws can be significant, and non-compliance could adversely affect our production or other operations, which could have a material adverse effect on our business, prospects, results of operations, financial condition, and cash flows.

Moreover, there is a growing global focus on the environmental practices of manufacturers. Additionally, more stringent social responsibility laws and regulations may be adopted in the future, which may result in an increase in our cost of compliance. Compliance with such regulations is considered costly industrywide. As we expand into new markets, we will become subject to additional environmental and safety laws and regulations. We may incur additional costs to ensure compliance with such laws and regulations.

We face risks related to health epidemics, natural disaster, terrorist activities, political unrest, financial or economic crisis and other force majeure events, which could significantly disrupt our operations.

Our business could be adversely affected by the effects of health epidemics. In recent years, there have been outbreaks of COVID-19 pandemic globally. In response to COVID-19 pandemic, various nations have adopted, among other measures, restrictions on mobility and travel, cancelation of public activities and temporary suspension on public transportation

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which may lead to delays or disruption in our operations, including but not limited to, business activities and R&D activities. The recurrence of an outbreak of COVID-19 and other health epidemics could restrict the level of economic activities generally and/or slow down or disrupt our business activities, which could in turn adversely affect our business, prospects, results of operations, financial condition, and cash flows.

In addition to the impact of health pandemics as described above, our business could be materially and adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. The occurrence of such a disaster or prolonged outbreak of an epidemic illness or other adverse public health developments in the countries and regions where we have operations could materially disrupt our business and operations. Such events could also significantly affect our industries and cause a temporary closure of the facilities we use for our operations, which would severely disrupt our operations and have a material and adverse effect on our business, results of operations, financial conditions and prospects.

Any financial or economic crisis, or perceived threat of such a crisis, including a significant decrease in consumer confidence, may materially and adversely affect our business, financial condition and results of operations. With a deteriorating worldwide economy, consumer spendings and consumption of non-essential items may diminish, which in turn will affect the demand for our sales and marketing services. It is unclear whether these challenges will be contained and what effects they each may have. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies that have been adopted by the central banks and financial authorities of some of the economies where we operate our businesses, include China. To the extent any fluctuations in the global economy significantly and adversely affect consumers’ demand for our products, our business, results of operations, financial conditions and prospects may be materially and adversely affected.

RISKS RELATING TO OUR FINANCIAL POSITION

We are basically a pre-revenue medical device company. We have incurred significant net losses since inception, and anticipate that we will continue to incur operating losses for the foreseeable future and may never become profitable. As a result, you may lose all or part of your [REDACTED] in us given the high risks involved in our business and associated with the medical devices industry.

We are basically a pre-revenue medical device company and only received our first approval for RC120 in 2024. [REDACTED] in the development of innovative medical devices such as our surgical robots are highly speculative. It entails substantial upfront capital expenditure and significant risks that a pipeline product may fail to gain regulatory approval or become commercially viable. As a result, you may lose all or part of your [REDACTED] in us given the high risks involved in our business and associated with surgical robots market. We did not generate any revenue from our approved product or the pipeline products we are developing, and we will continue to incur significant R&D and other expenses related to our ongoing operations. Our ability to generate revenue will depend primarily on the success of the

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clinical trials, regulatory approval and commercialization of our RC120 and other product candidates, which is subject to significant uncertainty. Even if we successfully complete clinical trials and obtain regulatory approval to market our products, our future revenue will depend upon other factors such as the market size for the proposed applications of our approved product or pipeline products, and our ability to achieve sufficient market acceptance.

We have incurred significant expenses, especially R&D expenses for RC120 and other product candidates, in the past. We may continue to incur net losses in the near future, and the losses may increase as we further our R&D efforts, continue the development of, seek regulatory approvals for, and commercialize our products. The size of our future net losses will depend, in part, on the number, scope and complexity of our product development programs and the associated costs of those programs, and the cost of commercializing any approved products and our ability to generate revenues. We may never become profitable. Even if we achieve profitability in the future, we may not be able to maintain profitability in subsequent periods. Our failure to become and remain profitable would decrease the value of our Company and could impair our ability to raise capital, maintain our R&D efforts, expand our business and/or continue our operations. Failure to become and remain profitable may adversely affect the [REDACTED] of our H Shares and our ability to raise capital. A decline in the [REDACTED] of our H Shares could cause potential [REDACTED] to lose all or part of their [REDACTED] in our business.

We may need significant additional financing to fund operations, capital expenditures, and the development and commercialization of our products and product candidates. If we cannot secure such financing, our business, financial condition, and results of operations could be materially harmed.

We recorded net cash outflows during the Track Record Period. We anticipate funding our capital expenditures with our existing cash balances and net [REDACTED] from the [REDACTED]. However, in the event of adverse market conditions in the future or changes in our growth plan, operational process, technologies, prices of machinery and equipment or interest rates, our actual expenditures may exceed our planned expenditures and we may not have sufficient sources of liquidity to affect our current operational plan and would need to secure additional financing from external sources. There can be no assurance that external sources of liquidity will be available to fund our ongoing operations or our product development. The failure to obtain financing would hinder our ability to make continued investments in product development or carry out our business strategy, which could materially and adversely affect our business, results of operations and financial condition.

We have been and intend to continue investing significantly in R&D activities, which may adversely affect our profitability and operating cash flow and may not generate the results we expect to achieve.

During the Track Record Period, we continued to invest in R&D for products. In 2023, 2024 and the six months ended June 30, 2024 and 2025, our R&D costs were RMB23.9 million, RMB18.9 million, RMB9.2 million and RMB9.1 million, respectively. We may continue investing significant resources in R&D in order to develop more product candidates with

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desirable performance, AI-assisted functions and pricing and remain competitive in the rapidly evolving industry. However, R&D activities are inherently uncertain, generally lasting for a long time and requiring substantial R&D costs. Our R&D activities and investments made during design phase cannot guarantee revenue generation, and we may not be able to recover costs incurred. We cannot assure you that our R&D projects will be successful or completed within the anticipated time frame and budget, or that our innovative products and AI-assisted functions will have commercial success. If we fail to successfully develop innovative products and technologies, optimize our existing products and technologies, or competitively price our new products, our business, results of operations and financial performance will be materially and adversely affected.

In addition, our existing or potential competitors may develop products which are similar or superior to our products with more competitive prices. Due to uncertainties in the time frame for developing new products and the duration of the market window for these products, we may have to abandon ongoing developments that are no longer commercially viable, even after having invested significant resources in their R&D. If we fail in our product R&D efforts, our business, prospects, financial condition and results of operations may be materially and adversely affected.

Fluctuations in exchange rates could have a material adverse effect on our business, prospects, results of operations, and financial condition.

The Renminbi has fluctuated against foreign currencies, sometimes significantly and unpredictably. The value of Renminbi against foreign currencies is affected by changes in China’s political and economic conditions and by China’s foreign exchange policies, among other things. It is difficult to predict how market forces or PRC or the foreign government policies may impact the exchange rate between Renminbi and foreign currencies in the future. Any significant appreciation or depreciation of Renminbi may materially and adversely affect our revenues, earnings and financial position, and the value of, and any dividends payable on, our H Shares in foreign currency. For example, to the extent that we need to convert Hong Kong dollars we receive from the [REDACTED] into Renminbi to pay our operating expenses, appreciation of Renminbi against the Hong Kong dollars would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, a significant depreciation of Renminbi against Hong Kong dollars may significantly reduce Hong Kong dollars equivalent of our earnings, which in turn could adversely affect the [REDACTED] of our H Shares.

During the Track Record Period, our revenue and expenses were denominated in Renminbi. However, we plan to explore new sales markets outside of China. Also, we held certain U.S. dollars during the Track Record Period. Any significant appreciation or depreciation of Renminbi may materially and adversely affect our business plans, revenues, earnings and financial position. Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. The availability and effectiveness of hedging transactions may be limited and we may not be able to adequately hedge our exposure or at all. As a result, fluctuations in exchange rates may have a material adverse effect on your [REDACTED].

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We may be exposed to credit risk from our customers, and any failure to collect our trade receivables in a timely manner may adversely affect our financial condition and results of operations.

Although we will make efforts to assess the creditworthiness of our customers and require them to make certain advance payments to us before our delivery of goods, there can be no assurance that the collection of amounts due from our customers will be timely. Various factors beyond our control, such as economic downturns and customer insolvency, may hinder or prevent us from collecting our trade and other receivables in a timely manner or at all. Failure to effectively manage the credit risk associated with our trade receivables and collect payments in a timely manner would have material and adverse effects on our business, prospects, financial condition, results of operations, and cash flows.

Failure to maintain optimal inventory levels could increase our inventory holding costs or negatively impact our sales.

Our inventories are raw materials and finished goods. As of December 31, 2023 and 2024 and June 30, 2025, we had inventories of RMB0.4 million, RMB1.3 million and RMB1.9 million, respectively. Our business model requires us to manage our inventories efficiently.

We depend on our demand forecasts to make purchase decisions for raw materials and to pace our production progress to manage our inventories. Such demand, however, can change significantly from time to time and we may not always be able to accurately make predictions. Demand may be affected by general market conditions, end market conditions, new product launches, pricing and discounts, and not all of them are within our control. In addition, as we develop and market a new product, we may not be successful in accurately forecasting market demand and establishing stable and favorable supplier relationships. The procurement of certain types of raw materials may require certain lead time and prepayment and they may not be returnable. Furthermore, as we plan to continue expanding our product offerings, we expect to include a wider variety of raw materials, which will make it more challenging for us to manage our inventory and logistics effectively.

We cannot guarantee that our inventory levels will be able to swiftly meet the demands of customers, which may adversely affect our revenue. We also cannot guarantee that all of our inventories can be sold or utilized within a reasonable period of time. If we mismanage our inventory, we may be subject to increased inventory storage costs, a heightened risk of inventory obsolescence, a decline in inventory value and write-down of inventories. Any of the above may materially and adversely affect our results of operations and financial condition. If we underestimate demand for our products, or if our suppliers fail to supply in a timely manner, we may experience inventory shortages, which might result in diminished customer base and loss of revenue, any of which could harm our business, financial condition and results of operations.

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We have granted, and may continue to grant additional share incentives, which may result in dilution to the shareholding of existing shareholders.

We have established incentive platforms for the purpose of granting share-based compensation awards to qualified individuals, primarily comprising our employees, to incentivize their performance and align their interests with ours. See “History, Development and Corporate Structure — Employee Incentive Platforms” for more details. We recorded equity-settled share award arrangements of RMB3.5 million, RMB12.0 million, RMB7.2 million and RMB5.3 million in 2023, 2024 and for the six months ended June 30, 2024 and 2025, respectively. We believe the granting of share-based compensation is important to attract and retain key personnel and employees, and we will continue to grant share-based compensation to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations, and the shareholding of existing shareholders may experience further dilution.

Future tax payments or the discontinuation of any of the preferential tax treatments currently available to use could reduce our profitability.

In each taxable period during the Track Record Period, we recorded a net loss and did not incur any income tax. We may be subject to PRC corporate income tax in the future, which could reduce our profitability. In addition, we are qualified for certain preferential tax treatment policies in the PRC. For example, we were entitled to the tax preference in relation to our R&D activities in accordance with a preferential tax treatment policy. We cannot assure you that we will continue to enjoy such preferential tax treatment at historical levels, or at all. In the event that any of the preferential tax treatment we currently enjoy is reduced, discontinued or withdrawn by the government authorities, our results of operations and growth prospects may be materially and adversely affected.

If we do not continue to receive government subsidies, our results of operations may be adversely affected.

During the Track Record Period, we received certain government grants, primarily representing subsidies granted by the PRC local government authorities as incentives for our operating activities. Any delay or uncertainty in collection or the discontinuation of these governmental subsidies could adversely affect our business, cash flows, financial condition, profitability, prospects and results of operations.

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RISKS RELATING TO OUR DOING BUSINESS IN CHINA

Changes in the economic, political and legal conditions, as well as the interpretation and implementation of the relevant laws, regulations and government policies, may affect our business, prospects, results of operations, financial condition, and cash flows.

Due to our extensive operations in the PRC, our business, financial condition, results of operations and prospects are inherently influenced by economic and legal developments within the PRC. Laws, rules and regulations in relation to economic matters are promulgated from time to time, including those related to such as foreign investment, corporate organization and governance, commerce, taxation, finance, foreign exchange and trade.

Furthermore, the interpretation and application of the laws and regulations governing our industries also undergo continuous evolution and revision. These dynamic changes in the legal landscape have the potential to significantly impact our operations and business environment.

We may be subject to additional regulatory requirements under new laws and regulations on overseas offerings and listings issued by PRC government authorities.

On July 6, 2021, the relevant PRC government authorities issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions emphasize the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and propose to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Trial Measures”) along with five relevant guidelines, which became effective on March 31, 2023. The Trial Measures require, among others, that PRC domestic companies that seek to initially offer and list securities in overseas markets, either directly or indirectly, shall file the required documents with the CSRC within three business days after its application for overseas listing is submitted. We will file with CSRC within a specific time limit as required by the Trial Measures. However, we cannot assure you that we could complete such filing in a timely manner or at all, the failure of which may restrict our ability to complete the proposed [REDACTED] and have a material and adverse effect on our business, prospects, results of operations, financial condition, and cash flows.

On February 24, 2023, the CSRC, the Ministry of Finance of the PRC, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “Archives Rules”), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct

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or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may keep evolving, failure to comply with which may materially affect our business, prospects, results of operations, financial condition, and cash flows. See “Regulatory Overview — Regulations Relating to Securities and Overseas Securities Offering.”

Given that the Trial Measures and the Archives Rules were recently promulgated, their interpretation, application, and enforcement are still evolving and subject to change. We are closely monitoring how they will affect our operations and our future financing activities.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities.

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for this [REDACTED] or our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the [REDACTED] from the [REDACTED] into the PRC or take other actions to restrict our financing activities, which could have a material and adverse effect on our business, prospects, results of operations, financial condition, and cash flows.

Changes in international trade policies, and in relationships between the PRC and other countries, may adversely impact our business and operating results.

We will actively pursue expansion into international markets. Specifically, we plan to sell our products in new geographic regions and establish cooperations with local and international entities.

Unfavorable government policies related to international trade, including capital controls or tariffs, or adverse shifts in diplomatic relations between China and foreign countries or regions, have the potential to impact the sales of our products, in international markets. These factors may also affect our ability to recruit engineers and other R&D personnel and influence the import or export of raw materials essential to our international expansion efforts. The implementation of new tariffs, changes in legislation and regulations, or the renegotiation of existing trade agreements could result in a material adverse effect on our business, prospects, results of operations, financial condition, and cash flows.

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We are subject to the currency exchange regulatory system.

The conversion of Renminbi is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the [REDACTED], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to pay dividends to shareholders or to satisfy any other foreign exchange requirements, capitalize our capital expenditure plans, and even our business, prospects, results of operations, financial condition, and cash flows may be adversely affected.

Certain PRC regulations may make it more difficult for us to pursue growth through acquisitions.

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》), or the M&A Rules, established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. Such regulation requires, among other things, that the MOFCOM be notified in advance of any change of control transaction in which a foreign investor acquires control of a PRC domestic enterprise and involves any of the following circumstances: (i) any important industry is concerned; (ii) such transaction involves factors that have or may have an impact on the national economic security; or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. We do not expect that the [REDACTED] will trigger MOFCOM pre-notification under each of the above-mentioned circumstances or any review by other PRC government authorities. Moreover, the PRC Anti-Monopoly Law (《中華人民共和國反壟斷法》), and the Regulations on Filing Threshold for Concentration of Undertakings (《國務院關於經營者集中申報標準的規定》) require that transactions which are deemed concentrations and involve parties with specified turnover thresholds must be cleared by the State Administration for Market Regulation of the PRC, or the SAMR, the successive authority of MOFCOM, before they can be completed. In addition, Rules of the Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《商務部實施外國投資者併購境內企業安全審查制度的規定》) that became effective in September 2011 and Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) that became effective in January 2021

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require acquisitions by foreign investors of PRC companies engaged in military related or certain other industries that are crucial to national defense and security be subject to security review before consummation of any such acquisition.

If we, in the future, plan to pursue potential strategic acquisitions that are complementary to our business and operations, complying with the requirements of these regulations to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval or clearance from MOFCOM and the NDRC and their respective local counterparts, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share. It is unclear whether our business would be deemed to be in an industry that raises national defense and security or national security concerns. Recently, the SAMR imposed administrative penalties on a number of anti-monopoly cases in the internet industry, and the regulatory environment of anti-monopoly is tightening.

Our operations are subject to PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. The PRC tax laws and regulations might be subject to interpretations and adjustments by relevant authorities from time to time. Although we believe that in the past, we have acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material aspects and established effective internal control measures in relation to accounting regularities, we cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could materially and adversely affect our business, prospects, results of operations, financial condition, and cash flows.

Holders of H Shares may be subject to PRC income taxes.

Holders of H Shares, being non-PRC resident individuals or non-PRC resident enterprises, whose names appear on the register of members of H Shares of our Company, are subject to PRC income tax in accordance with the applicable tax laws and regulations, on dividends received from us and gains realized through the sale or transfer by other means of H shares by such shareholders.

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and the Implementation Regulations for the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), both came into effect on January 1, 2019, the tax applicable to non-PRC resident individuals is proportionate at a rate of 20% for any dividends obtained from within China or gains on transfer of shares and shall be withheld and paid by the withholding agent. Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region (the “Hong Kong SAR”) for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the “Double Taxation Arrangements”) executed on August 21, 2006, the PRC Government may levy taxes on the dividends paid by

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

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which was newly revised and implemented on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was newly revised and implemented on December 6, 2024, if a non-resident enterprise has no presence or establishment within China, or if it has established a presence or establishment but the income obtained has no actual connection with such presence or establishment, it shall pay an enterprise income tax on its income derived from within China with a reduced rate of 10%. Pursuant to the Double Taxation Arrangements, dividends paid by PRC resident enterprises to Hong Kong residents can be taxed either in Hong Kong or in accordance with the PRC laws. However, if the beneficial owner of the dividends is a Hong Kong resident, the tax charged shall not exceed: (i) 5% of the total amount of dividends if the Hong Kong resident is a company that directly owns at least 25% of the capital of the PRC resident enterprise paying dividends; or (ii) otherwise, 10% of the total amount of dividends.

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

While this may also apply to other jurisdictions, there might be difficulties in effecting service of legal process, enforcing foreign judgments against us or our Directors and senior management in the PRC.

We are a company incorporated in China. A majority of our Directors and senior management reside within mainland China, and substantially all of our and their assets are located within the PRC. Therefore, it may be difficult for [REDACTED] to directly effect service of legal process upon us or our Directors and senior management in the PRC.

On July 14, 2006, the Supreme People’s Court of the PRC and the government of Hong Kong SAR entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the “Arrangement”), which was taken into effect on August 1, 2008.

Pursuant to the Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case under a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the

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judgment. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a mainland court is expressly selected as the court having sole jurisdiction for the dispute.

On January 18, 2019, the Supreme People’s Court of the PRC and the government of Hong Kong SAR signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “New Arrangement”), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong SAR and the mainland China. On January 29, 2024, the New Arrangement was declared effective jointly by the Supreme People’s Court of the PRC and the government of Hong Kong SAR, which has replaced the Arrangement. However, the New Arrangement does not apply to certain judgments of civil and commercial matters. Furthermore, there remain uncertainties as to the outcome of any applications to recognize and enforce such judgments and arbitral awards in the PRC.

Although we will be subject to the Hong Kong Listing Rules and the Hong Kong Codes on Takeovers and Mergers and Share Repurchases upon the [REDACTED] of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Hong Kong Listing Rules and must rely on the Stock Exchange to enforce its rules. The Hong Kong Listing Rules and Hong Kong Codes on Takeovers and Mergers and Share Repurchases do not have the force of law in Hong Kong.

RISKS RELATING TO THE [REDACTED]

We are subject to filings to the CSRC for the [REDACTED] and [REDACTED] of our H Shares on the Stock Exchange.

On July 6, 2021, the relevant PRC government authorities issued Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based [REDACTED] companies.

On February 17, 2023, the CSRC promulgated the Overseas Listing Trial Measures and five supporting guidelines, which has become effective on March 31, 2023. The Overseas Listing Trial Measures require, among others, that PRC domestic enterprises that seek to offer and list securities in overseas markets, either directly or indirectly, to file the required documents with the CSRC within three business days after its application for [REDACTED] is submitted. On the same date, the CSRC promulgated the Arrangement for Filing-based Administration. According to the Arrangement for Filing-based Administration, PRC domestic

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enterprises shall not be required to complete the filing procedures if all of the following conditions are met: (i) the application for indirect [REDACTED] or [REDACTED] shall have passed the hearing for a contemplated [REDACTED] and/or [REDACTED] in Hong Kong prior to the effective date of the Overseas Listing Trial Measures; (ii) it is not required to re-perform the overseas regulatory procedures for overseas securities [REDACTED] and [REDACTED]; and (iii) such overseas securities [REDACTED] or [REDACTED] shall be completed before September 30, 2023.

Furthermore, we cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for this [REDACTED] or our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside of the PRC, delay or restrict the repatriation of the [REDACTED] from the [REDACTED] into the PRC or take other actions to restrict our financing activities, which could have a material adverse effect on our business.

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

Prior to completion of the [REDACTED], there has been no [REDACTED] for our H Shares. There can be no guarantee that an active [REDACTED] market for our H Shares will develop or be sustained after completion of the [REDACTED]. The [REDACTED] is the result of negotiations between us and the [REDACTED] and the [REDACTED] (for themselves and on behalf of the [REDACTED]), which may not be indicative of the [REDACTED] at which our H Shares will be [REDACTED] following completion of the [REDACTED]. The [REDACTED] of our H Shares may drop below the [REDACTED] at any time after completion of the [REDACTED].

The [REDACTED] and [REDACTED] volume of our H Shares may be volatile, which could lead to substantial losses to [REDACTED].

The [REDACTED] and [REDACTED] volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the political uncertainties in Hong Kong and the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the [REDACTED] of the shares of other companies engaging in similar business may affect the [REDACTED] and [REDACTED] volume of our H Shares. In addition to market and industry factors, the [REDACTED] and [REDACTED] volume of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers and customers,

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movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies [REDACTED] on the Stock Exchange with significant operations and assets in the PRC have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance but related to the overall political and economic conditions in Hong Kong, the PRC or elsewhere in the world.

Since there will be a gap of several days between the pricing and the [REDACTED] of our H Shares, holders of our H Shares are subject to the risk that the [REDACTED] of our H Shares may fall during the period before the [REDACTED] of our H Shares begin.

The [REDACTED] to the public of our H Shares offered in the [REDACTED] is expected to be determined on the [REDACTED]. However, the H Shares will not commence [REDACTED] on the Stock Exchange until they are delivered, which is expected to be several business days after the [REDACTED]. As a result, [REDACTED] may not be able to sell or otherwise [REDACTED] in the H Shares during that period. Accordingly, Shareholders are subject to the risk that the [REDACTED] of the H Shares when [REDACTED] begins could be lower than the [REDACTED] in the event of adverse market conditions or other adverse developments that may occur between the time of sale and the time [REDACTED] begins.

You will incur immediate and significant dilution if the [REDACTED] of the [REDACTED] is higher than the net tangible asset value per H Share, and may experience further dilution if we issue additional Shares in the future.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] net tangible asset value. There can be no assurance that if we were to immediately liquidate after the [REDACTED], any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the [REDACTED] may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a [REDACTED] which is lower than the net tangible asset value per Share at that time.

Future sales or perceived sales of substantial amounts of our H Shares in the [REDACTED] following the [REDACTED] could have a material adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future, and may result in dilution of your shareholding.

The [REDACTED] our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the [REDACTED], or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a

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specific time and on terms favorable to us. In addition, our Shareholders may experience dilution of their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

According to the stipulations by the State Council’s securities regulatory authority and the Articles of Association, our Unlisted Shares may be converted into H Shares and such converted H Shares may be [REDACTED] or [REDACTED] on an overseas stock exchange, provided that prior to the conversion and [REDACTED] of such converted shares, the requisite internal approval processes (but without the necessity of Shareholders’ approval by class) have been duly completed and the approval from the relevant PRC regulatory authorities, including the CSRC, have been obtained. In addition, such conversion, [REDACTED] and [REDACTED] must comply with the regulations prescribed by the State Council’s securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. We can apply for the [REDACTED] of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of shares for entry on the [REDACTED]. This could increase the supply of H Shares in the market, and future sales, or perceived sales, of the converted H Shares may materially and adversely affect the [REDACTED] of H Shares.

The interests of our Controlling Shareholders may not be aligned with the interest of other Shareholders.

Our Controlling Shareholders have substantial influence over our business and operations, including matters relating to management and policies, decisions in relation to acquisitions, expansion plans, business consolidation, the sale of all or substantially all of our assets, nomination of directors, dividends or other distributions, as well as other significant corporate actions. Immediately following the completion of the Shares Subdivision and the [REDACTED] (assuming the [REDACTED] and the [REDACTED] are not exercised), Mr. Liu, Shanghai Ruicong L.P., and Shanghai Ruiru L.P. will collectively hold approximately [52.74]% of our total issued Shares. The concentration of voting power and the substantial influence of our Controlling Shareholders over our Company may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and reduce the [REDACTED] of our H Shares. In addition, the interests of our Controlling Shareholders may differ from the interests of our other Shareholders. Subject to the Listing Rules, our Articles of Association and other applicable laws and regulations, our Controlling Shareholders will continue to have the ability to exercise substantial influence over us and to cause us to enter into transactions or take, or fail to take, actions or make decisions which conflict with the best interests of our other Shareholders.

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

Our management may spend the net [REDACTED] from the [REDACTED] in ways with which you may not agree or which do not yield a favorable return to our shareholders. We plan to use the net [REDACTED] from the [REDACTED] to primarily fund, our ongoing and planned R&D and commercialization of our product candidates, and expansion of our manufacturing capacity. For details, see “Future Plans and Use of [REDACTED] — Use of [REDACTED].”

See “Business — Our Strategies” and “Future Plans and Use of [REDACTED]” for details.

However, our management will have discretion as to the actual application of our net [REDACTED]. You are entrusting your funds to our management, whose judgment you must depend on, for the specific uses we will make of the net [REDACTED] from this [REDACTED].

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various government publications contained in this document.

This document, particularly the section headed “Industry Overview,” contains information and statistics relating to the medical robot industry, surgical robot industry, percutaneous puncture surgical robot industry and other relevant industries. Such information and statistics have been derived from third-party reports, either commissioned by us or publicly accessible and other publicly available sources. The information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

You should read this entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles and/or other media regarding us, our business, our network of medical institutions, our industry or the [REDACTED].

You are strongly advised to read the entire document carefully and are cautioned against placing any reliance on the information in any press article or any other media coverage which contains information not disclosed or not consistent with the information included in this document.

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Prior to the completion of the [REDACTED], there may be press and media coverage regarding us and the [REDACTED]. Our Directors would like to emphasize to prospective [REDACTED] that we do not accept any responsibility for the accuracy or completeness of such information, and such information is not sourced from or authorized by our Directors or our management team. Our Directors make no representation as to the appropriateness, accuracy, completeness and reliability of any information or the fairness or appropriateness of any forecast, view or opinion expressed by the press or other media regarding us or our H Shares. In making decisions as to whether to [REDACTED] in our H Shares, prospective [REDACTED] should rely only on the financial, operational and other information included in this document.

**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND
EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

In preparation for the [REDACTED], our Company has sought and [has been granted] the following waivers from strict compliance with the relevant provisions of the Listing Rules and the following exemption from compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Our headquarters and our business operations are based, managed and conducted in the PRC. As our executive Directors play very important roles in our business operation, it is in our best interest for them to be based in the places where our Company has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to ordinarily reside in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment of additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for[, and the Hong Kong Stock Exchange has granted us,] a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, provided that our Company implements the following arrangements:

- (a) we have appointed Mr. Wen Qi (溫琦), an executive Director, and Ms. Nelly Au-Yeung (歐陽麗妮), one of the joint company secretaries, as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. The authorized representatives will act as our Company’s principal channel of communication with the Hong Kong Stock Exchange. The authorized representatives will be readily contactable by phone, facsimile (if any) and email to promptly deal with enquiries from the Hong Kong Stock Exchange, and will also be available to meet with the Hong Kong Stock Exchange to discuss any matter within a reasonable period of time upon request of the Hong Kong Stock Exchange;
- (b) when the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the authorized representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. Our Company will also inform the Hong Kong Stock Exchange as soon as practicable in respect of any changes in the authorized representatives in accordance with the Listing Rules. We have provided the Hong Kong Stock Exchange with the contact details (i.e. mobile phone number, office phone number (if any), email address and fax number (if any)) of all Directors to facilitate communication with the Hong Kong Stock Exchange;

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- (c) we confirm and will ensure that all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period upon the request of the Hong Kong Stock Exchange;
- (d) we have appointed China Everbright Capital Limited as our compliance advisor upon [REDACTED] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. Our compliance advisor will have access at all times to our authorized representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules and will act as the additional channel of communication with the Hong Kong Stock Exchange when the authorized representatives are not available; and
- (e) meetings between the Hong Kong Stock Exchange and our Directors can be arranged through our authorized representatives or our compliance advisor, or directly with our Directors within a reasonable time frame. Our Company will inform the Stock Exchange as soon as practicable in respect of any change in the authorized representatives, our Directors and/or our Compliance Advisor in accordance with the Listing Rules.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;

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- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- (a) whether the issuer has principal business activities primarily outside Hong Kong;
- (b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under Note 1 to Rule 3.28 of the Listing Rules) nor Relevant Experience (as defined under Note 2 to Rule 3.28 of the Listing Rules) as a company secretary; and
- (c) why the directors consider the individual to be suitable to act as the issuer’s company secretary.

Further, pursuant to Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions:

- (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (b) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Ms. Shi Zheni (史哲擬) (“**Ms. Shi**”), our secretary of the Board, as one of our joint company secretaries. She is acquainted with the medical technology industry and possesses experience in board and corporate management matters, but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Nelly Au-Yeung, an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint

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company secretary and to provide assistance to Ms. Shi for an initial period of three years from the [REDACTED] to enable Ms. Shi to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for[, and the Stock Exchange has granted,] a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Shi may be appointed as a joint company secretary of our Company.

Given Ms. Au-Yeung’s professional qualification and experience, she will be able to explain to both Ms. Shi and our Company the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Au-Yeung will also assist Ms. Shi in organizing Board meetings and Shareholders’ meetings of the Company as well as other matters of the Company which are incidental to the duties of a company secretary. Ms. Au-Yeung is expected to work closely with Ms. Shi and will maintain regular contact with Ms. Shi, the Directors and the senior management of the Company.

Ms. Shi will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance her knowledge of the Listing Rules during the three-year period from the [REDACTED].

Our Company will further ensure that Ms. Shi has access to the relevant training, support and advice from the compliance advisor (appointed by the Company pursuant to Rule 3A.19 of the Listing Rules) and our Company’s legal advisor which will provide the Company and its joint company secretaries with professional advice and guidance on continuing obligations under the Listing Rules and compliance with applicable laws and regulations.

The waiver is valid for an initial period of three years from the [REDACTED]. Pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, the waiver requested in this submission shall be granted on two conditions: (i) Ms. Shi must be assisted by Ms. Au-Yeung, who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver shall be valid for a period of three years from the [REDACTED] and will be revoked immediately if and when Ms. Au-Yeung ceases to provide such assistance to Ms. Shi as a joint company secretary or if there are material breaches of the Listing Rules by the Company.

Before the expiration of the initial three-year period, the qualifications of Ms. Shi will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Hong Kong Stock Exchange to enable it to assess whether Ms. Shi, having

**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND
EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

benefited from the assistance of Ms. Au-Yeung for the preceding three years, will have acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

[REDACTED]

**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND
EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

[REDACTED]

**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND
EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

[REDACTED]

**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND
EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

[REDACTED]

**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND
EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality

Executive Directors

Mr. Liu Jian (劉劍)	Room 1401, No. 12 Lane 368 Fengzhou Road Jiading District Shanghai PRC	Chinese

Mr. Wen Qi (溫琦)	12E, Guanhai Pavilion Jinxu Garden 9002 Shennan Avenue Nanshan District Shenzhen City Guangdong Province PRC	Chinese

Non-executive Directors

Mr. Lu Yi (陸怡)	Building 382, Lan'an Mingdi 599 Jinshi Road Binhu District Wuxi City Jiangsu Province PRC	Chinese

Mr. Wang Maoting (王茂廷)	No. 2575, Hunan Road Kangqiao Town Pudong New Area Shanghai PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality

Independent non-executive Directors

Mr. Mi Mingjun (宓明君)	Room 301, Unit 3 Building 2 No. 300, Wantang Road Xihu District Hangzhou City Zhejiang Province PRC	Chinese
Ms. Li Ling (李玲)	Room 202, Unit 3 Building 8, Qiushi Li Hejiayuan Community Xihu District Hangzhou City Zhejiang Province PRC	Chinese
Mr. Pang Peter Chun Ming (彭浚銘) (formerly known as Pang Yan Pak (彭焯栢))	Flat SC, 45/F Tower 2, Festival City 1 1 Mei Tin Road Shatin New Territories Hong Kong	Chinese

For further details regarding our Directors, please see the section headed “Directors and Senior Management” in the document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

China Everbright Capital Limited

12/F, Everbright Centre

108 Gloucester Road

Wan Chai

Hong Kong

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisors to our Company

as to Hong Kong laws:

**Eric Chow & Co. in Association with
Commerce & Finance Law Offices**

3401, Alexandra House

18 Chater Road

Central

Hong Kong

as to PRC laws:

Commerce & Finance Law Offices

10/F, Tower 1, Jing An Kerry Centre

1515 West Nanjing Road

Shanghai

PRC

as to PRC intellectual property laws:

Commerce & Finance Law Offices

12-15th Floor, China World Office 2

No. 1 Jianguomenwai Avenue

Beijing

PRC

**Legal Advisors to the Sole Sponsor
and the [REDACTED]**

as to Hong Kong laws:

DeHeng Law Offices (Hong Kong) LLP

28/F, Henley Building

5 Queen’s Road Central

Central

Hong Kong

&

Room 3507, 35/F, Edinburgh Tower

The Landmark

15 Queen’s Road Central

Central

Hong Kong

&

Room 1111, 11/F, New World Tower I

16-18 Queen’s Road Central

Central

Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

as to PRC laws:

Allbright Law Offices

11/12F, Shanghai Tower
No. 501, Yincheng Middle Road
Pudong New Area, Shanghai
PRC

**Reporting Accountants and
Independent Auditor**

Ernst & Young

Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King’s Road
Quarry Bay
Hong Kong

Industry Consultant

**China Insights Industry Consultancy
Limited**

10/F, Block B, Jing’an International Center
88 Puji Road, Jing’an District
Shanghai
PRC

Compliance Advisor

China Everbright Capital Limited

12/F, Everbright Centre
108 Gloucester Road
Wan Chai Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office in PRC	Room 302, 3rd Floor Building 1, 85 Mingnan Road Zhongshan Subdistrict Songjiang District Shanghai PRC
Head Office and Principal Place of Business in PRC	Room 302, 3rd Floor Building 1, 85 Mingnan Road Zhongshan Subdistrict Songjiang District Shanghai PRC
Principal Place of Business in Hong Kong	Room 1910, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Company’s Website	<u>https://www.simple-touch.cn/</u> <i>(Information contained in this website does not form part of this document)</i>
Joint Company Secretaries	Ms. Shi Zheni (史哲擬) Room 102, No. 39 Lantian New Village Industrial Zone Songjiang District Shanghai PRC Ms. Nelly Au-Yeung (歐陽麗妮) (ACG, HKACG) Room 1922, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Authorized Representatives	Mr. Wen Qi (溫琦) 12E, Guanhai Pavilion Jinxiu Garden Overseas Chinese Town Nanshan District Shenzhen City Guangdong Province PRC

CORPORATE INFORMATION

	Ms. Nelly Au-Yeung (歐陽麗妮) Room 1922, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Audit Committee	Ms. Li Ling (李玲) (<i>Chairperson</i>) Mr. Mi Mingjun (宓明君) Mr. Pang Chun Ming Peter (彭浚銘) (formerly known as Pang Yan Pak (彭焯栢))
Remuneration and Appraisal Committee	Ms. Li Ling (李玲) (<i>Chairperson</i>) Mr. Liu Jian (劉劍) Mr. Mi Mingjun (宓明君)
Nomination Committee	Mr. Mi Mingjun (宓明君) (<i>Chairperson</i>) Mr. Liu Jian (劉劍) Ms. Li Ling (李玲)

[REDACTED]

Principal Bank	China Merchants Bank (Shanghai Songjian Sub-branch) No. 1060, Xin Songjiang Road Songjiang District Shanghai, PRC

INDUSTRY OVERVIEW

The information and statistics set forth in this section and elsewhere in this document have been derived from various official and government publications, publicly available market research sources and from the market research report prepared by China Insights Consultancy, which was commissioned by us, unless otherwise indicated. We believe that the sources of such information are appropriate and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. The information has not been independently verified by our Company, the [Sole Sponsor, the [REDACTED], the [REDACTED]], any other party involved in the [REDACTED] or any of our or their respective directors, officers, representatives, affiliates or advisors and no representation is given as to its correctness, accuracy and completeness. Certain information and statistics included, including those excerpted from official and government publications and sources in China, may not be consistent with other information and statistics compiled within or outside China by third parties.

OVERVIEW OF MEDICAL IMAGING TECHNOLOGY

Before the advent of modern medical imaging technologies, physicians mainly relied on physical examination and limited laboratory tests for diagnosis, resulting in only indirect and constrained understanding of internal anatomical structures. As clinical demand for early screening, accurate diagnosis, and perioperative assessment has increased, the ability to visualize internal organs without surgical incision has become a key clinical pain point.

Against this backdrop, various medical imaging technologies have been developed, among which CT, MRI, and ultrasound are the three most widely used modalities in clinical practice. CT utilizes X-rays and tomographic reconstruction to rapidly generate high-resolution cross-sectional images of multiple body regions; MRI employs strong magnetic fields and radiofrequency pulses to provide superior soft-tissue contrast; ultrasound relies on acoustic reflections to produce real-time images, involves no ionizing radiation and is relatively portable. These three modalities differ in imaging principles and imaging characteristics, and are largely complementary in clinical practice.

	CT	MRI	Ultrasound
Description	Obtain cross-sectional or 3D images of the human body using X-ray computed tomography	Use magnetic fields and radio waves to excite hydrogen atoms and image via their resonance signals	Use differences in ultrasound echoes reflected by various tissues to generate images
Advantages	- Fast scanning speed - Excellent imaging of bones and lungs	- Radiation-free - High soft tissue resolution	- Relatively low cost - short examination time
Disadvantages	- Involves radiation - Lower soft tissue resolution compared to MRI	- Longer scanning time - Limitations for patients with metal implants	- Significantly affected by gas & bone - Poor imaging of deep tissues - Relatively low resolution

Source: CIC

INDUSTRY OVERVIEW

CT is currently the most widely deployed and commonly used medical imaging modality in routine clinical practice, primarily due to its fast-scanning speed and stable, reproducible image quality. MRI is characterized by high soft-tissue contrast, multi-planar imaging capability, and the absence of ionizing radiation, and in certain settings can provide both anatomical and functional information. However, in specific applications such as lung imaging, MRI is subject to inherent technical limitations: the low proton density and short relaxation times of pulmonary parenchyma, together with air-tissue susceptibility effects, may result in low signal intensity and variable image quality. Ultrasound offers real-time imaging and relatively low examination costs, but is highly operator-dependent, with considerable variability in image acquisition and interpretation across different physicians.

Against this backdrop, the deep integration of AI with medical imaging technologies to further amplify the strengths of each modality has become a significant trend in the development of the medical imaging device industry. AI broadly refers to technologies that enable computer systems to simulate certain aspects of human intelligence, such as perception, pattern recognition, learning and decision-making, by automatically discovering patterns and decision rules from data. As AI technologies continue to mature and be refined, they are increasingly being applied to medical imaging devices and associated software, thereby driving the development of more advanced and intelligent medical imaging systems.

As AI technologies are progressively embedded into the hardware and software of imaging systems, AI-enabled medical imaging devices have emerged, whereby image reconstruction, noise reduction, lesion detection and workflow management are increasingly supported by algorithm-driven automation. Among the major imaging modalities, CT which given the large installed base and high examination volumes, is generally regarded as the modality with the greatest modalities best suited for AI integration. These characteristics provide substantial and relatively consistent data inputs for model training, enabling AI algorithms to enhance image quality in low-dose and fast-scan reconstruction, mitigate motion and metal artefacts, and assist in certain lesion detection, measurement and triage tasks, thereby helping to improve imaging quality and diagnostic efficiency. In the future, as AI-enabled solutions on CT platforms are further validated and scaled in clinical practice, their technical pathways and clinical experience are expected to be progressively extended to MRI, ultrasound and other medical imaging devices, thereby facilitating deeper integration of AI across the medical imaging equipment sector.

INDUSTRY OVERVIEW

OVERVIEW OF SURGICAL ROBOTS

A surgical robot is a multidisciplinary medical device that integrates mechanical engineering, biomechanics, and computer science. It is designed to assist surgeons in performing minimally invasive procedures with enhanced precision, stability, and control. By converting surgeons’ hand movements into precise, scaled, and tremor-free actions, surgical robots improve the accuracy and safety of complex procedures, reduce surgical trauma, and support faster patient recovery.

Surgical robots are typically configured as integrated systems comprising a surgeon console or operator workstation, one or more patient-side robotic arms, imaging and navigation modules and system control software, with the patient-side robotic arms serving as the core hardware module that directly performs surgical tasks. Currently, leveraging decades of development in multi-joint robotic arm design and high-precision motion control in the industrial robotics field, these technologies have been rapidly extended and adapted for use in surgical applications. A multi-joint robotic arm consists of several connected segments and joints that enable flexible, precise and repeatable movements, and the proven accuracy and reliability of such industrial platforms allow them to be adapted relatively quickly for medical use once they are redesigned to meet clinical safety and sterility requirements. This robotics arm technology combined with increasingly mature algorithms and medical imaging technologies, assist surgical robots to enhance the precision and stability of surgical procedures and contribute to the ongoing transition of surgery toward more minimally invasive, standardized and digitalized practice.

Evolution Phase		Description
Late-20 th century	Targeted Examination	Early surgical robots were mainly used for targeted positioning based on pre-operative static imaging, with limited real-time adjustment and relatively narrow procedure coverage
	Endoscopy	Endoscopic platforms enabling minimally invasive procedures in urology, general surgery and gynecology, and forming the foundation of modern robotic systems
Early-21 st century	Surgical Robots	Surgical robots are enhancing procedures through pre-operative planning, intra-operative navigation and semi-active execution; similar concepts, they are also applied in early percutaneous puncture surgical robots
	Automation and intelligence	Next-generation platforms integrating AI-assisted planning, real-time sensing, connectivity and higher degrees of automation
2020-Future		

Source: CIC

INDUSTRY OVERVIEW

Since the late 20th century, surgical robots have evolved into increasingly sophisticated platforms. Looking ahead, the deep integration of AI-driven medical image processing with surgical robotic systems is expected to unlock functions such as automated image registration and fusion, lesion and anatomy recognition, real-time instrument tracking, intraoperative decision support and workflow optimization. AI algorithms can help extract more precise, standardized information from CT, MRI and endoscopic images, and feed this information back to the robotic system to improve planning and execution of complex maneuvers. Some leading manufacturers, such as Da Vinci, have already begun to introduce AI-enabled features, gradually incorporating algorithm-based assistance into vision, instrumentation and procedural guidance. As AI continues to empower surgical robots, their existing advantages in precision, stability and minimally invasive operation are expected to be further amplified, supporting more standardized, data-driven and scalable delivery of complex surgical procedures.

Advantages of Surgical Robots

- ***Enhancing Surgical Precision for Surgeons***

Surgical robots enhance procedural accuracy by combining preoperative imaging, patient-specific planning and controlled execution, whether through surgeon-controlled manipulators or semi-/fully automated guidance. These systems help maintain planned trajectories, optimize instrument positioning, and reduce manual variability across operators, supporting more consistent and reproducible technical performance in complex procedures.

- ***Clinical Benefits for Patients Through Reduced Trauma and Improved Recovery***

Robotic surgery can lessen operative trauma and support faster postoperative recovery compared with conventional open procedures. A systematic review of 14,448 patients found that robotic surgery was associated with approximately 50% lower blood loss and nearly 70% shorter hospital stays than open surgery, indicating meaningful benefits in perioperative safety, rehabilitation time and overall patient experience.

INDUSTRY OVERVIEW

- ***Promotion of Standardization and Scalable Delivery of High-Quality Surgical Services***

Surgical robots enable a higher degree of procedural standardization by minimizing performance variations between individual surgeons. Built-in digital control systems and automated motion protocols ensure consistent operation across different hospitals and regions. The ability to record, analyze, and reproduce surgical data supports evidence-based quality management and accelerates the training of new surgeons, laying the foundation for large-scale, standardized clinical application.

- ***Health-Economic Benefits and Contribution to Reducing Social Healthcare Burden***

From a health-economic perspective, robotic-assisted surgery may reduce long-term medical expenditures by lowering complication rates, shortening inpatient length of stay, and decreasing the need for revision procedures. Improved accuracy and minimally invasive techniques lessen postoperative morbidity and support faster patient recovery, which can reduce resource utilization and improve hospital operational efficiency. Over time, these efficiencies help mitigate broader societal healthcare burdens, including costs associated with prolonged hospitalization, postoperative management, and productivity loss, contributing to a more sustainable healthcare delivery framework.

Applications of Surgical Robots

Surgical robots are applied across multiple clinical disciplines, including general surgery, oncology, orthopedics, neurosurgery, and interventional procedures. Different types of robots serve distinct functions, such as percutaneous puncture in tumor diagnosis, laparoscopic systems in general and gynecologic surgery, and orthopedic and neurosurgical robots. Among these, percutaneous puncture robots have the broadest departmental coverage, with applications spanning oncology, general surgery, respiratory, gastroenterology, urology, thoracoabdominal, interventional, and imaging-guided procedures. Their multi-department applicability contrasts with other robot categories that are typically concentrated in single surgical specialties, underscoring the versatility and cross-disciplinary potential of puncture-based robotic systems.

	Percutaneous puncture robot	Laparoscopic robot	Natural orifice robot	Pan-vascular robot	Orthopedic robot	Neurosurgery robot
Oncology						
General Surgery						
Respiratory						
Gastroenterology						
Urology						
Neurosurgery						
Cardiac						
Thoracoabdominal						
Interventional						
Gynecology						
Orthopedics						
Radiology						

Source: Expert Interview, CIC

INDUSTRY OVERVIEW

Industry Chain of Surgical Robot Market

- Upstream of Surgical Robot Market*

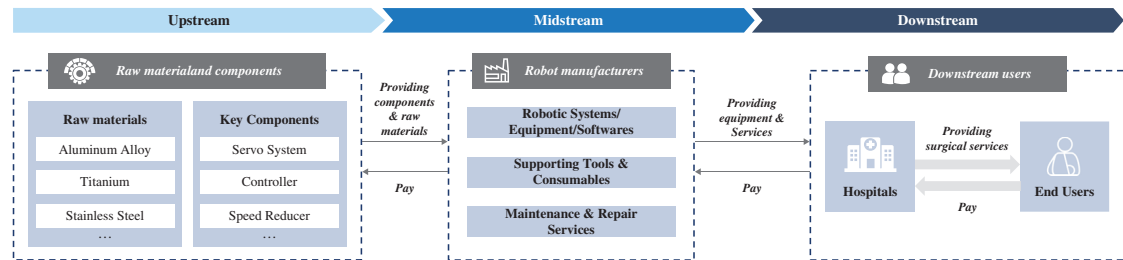
The upstream segment includes suppliers of core components and technologies such as precision actuators, sensors, imaging systems, and medical-grade materials. These elements determine the accuracy, stability, and overall performance of surgical robots.

- Midstream of Surgical Robot Market*

The midstream segment acts as the system integrator, responsible for overall robot architecture and key modules such as imaging, navigation, and motion-control systems. By aligning upstream technologies with regulatory and clinical requirements, it serves as the pivotal link that turns innovation into clinically deployable surgical robots.

- Downstream of Surgical Robot Market*

The downstream segment comprises hospitals and medical institutions that adopt and operate surgical robots. Market growth is driven by the rising demand for precision surgery, improved efficiency, and wider clinical adoption.



Source: CIC

Comparison of Development Status between the Surgical Robot Market in China and Other Mature Market

Globally, the surgical robot market has become gradually mature in certain clinical fields, but overall penetration across the broader surgical landscape is still expanding. The United States and major European countries represent relatively mature markets with well-established regulatory and clinical systems, these regions lead in terms of technological innovation, product diversity, and clinical validation, simultaneously, Japan and South Korea have achieved a moderate level of market development, supported by structured regulatory frameworks and government-backed initiatives for clinical application. Penetration remains concentrated in large medical centers, and further growth is expected as reimbursement mechanisms and surgeon training systems continue to improve.

INDUSTRY OVERVIEW

In contrast, China’s surgical robot market has entered a phase of accelerated commercialization since 2020. Supported by favorable policies, streamlined regulatory pathways, and continuous domestic innovation, the market has expanded across multiple surgical disciplines, including laparoscopic, orthopedic, percutaneous puncture, and other applications. Although the current penetration rate remains lower than that of developed markets, rising hospital demand, advancing localization of core technologies, and declining equipment costs are expected to support significant market growth over the next decade. In the orthopedic segment, for instance, the penetration rate of robot-assisted spinal surgeries in China was approximately 1.2% in 2024 and is projected to reach 10.7% by 2032, compared with 9.4% in the United States in 2024. By contrast, markets in Southeast Asia and the Middle East remain at nascent stages, with applications largely concentrated in major hospitals and constrained by reimbursement coverage and the availability of surgeon training resources.

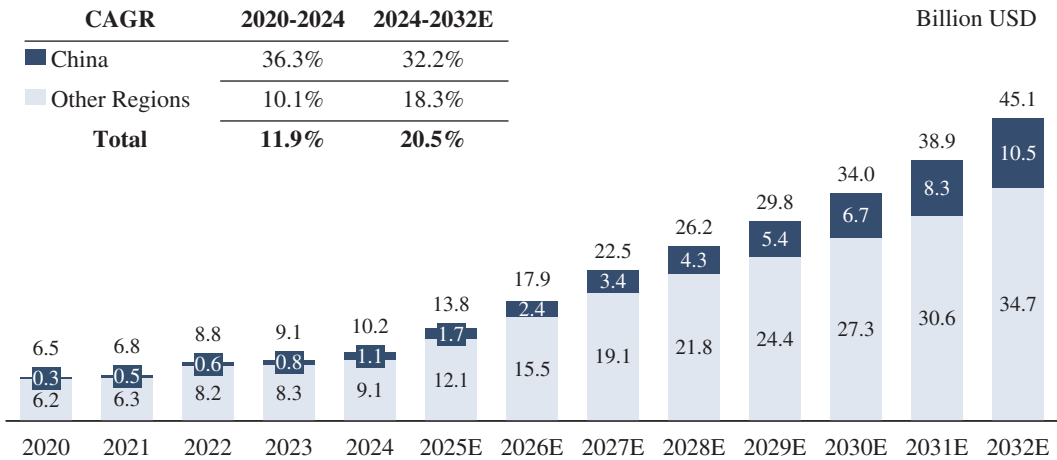
Global Surgical Robot Market Size

The development of the global surgical robot market is driven by a combination of technological innovation, increasing clinical demand, and structural changes within healthcare systems. Continuous advancements in imaging, navigation, and robotic control technologies have enhanced surgical precision and broadened the scope of minimally invasive procedures. At the same time, hospitals worldwide are accelerating the adoption of intelligent surgical systems to improve operating efficiency and reduce human error.

The global surgical robot market was valued at approximately US\$10.2 billion in 2024 and is projected to reach US\$45.1 billion by 2032, representing a CAGR of 20.5%. Growth is primarily driven by the increasing adoption of minimally invasive surgical procedures, continuous technological advancements in imaging, navigation, and automation, as well as supportive regulatory and reimbursement environments. In particular, China is expected to contribute significantly to global expansion, with its market size rising from US\$1.1 billion in 2024 to US\$10.5 billion by 2032, supported by policy incentives, local manufacturing capabilities, and cost advantages. The overall market outlook reflects accelerating hospital adoption, broader clinical indications, and the growing trend toward intelligent, data-driven surgical systems.

INDUSTRY OVERVIEW

Global Surgical Robot Market Size, 2020-2032E



Source: CRSA, OECD, FDA, NMPA, Expert Interview, Annual Report, CIC

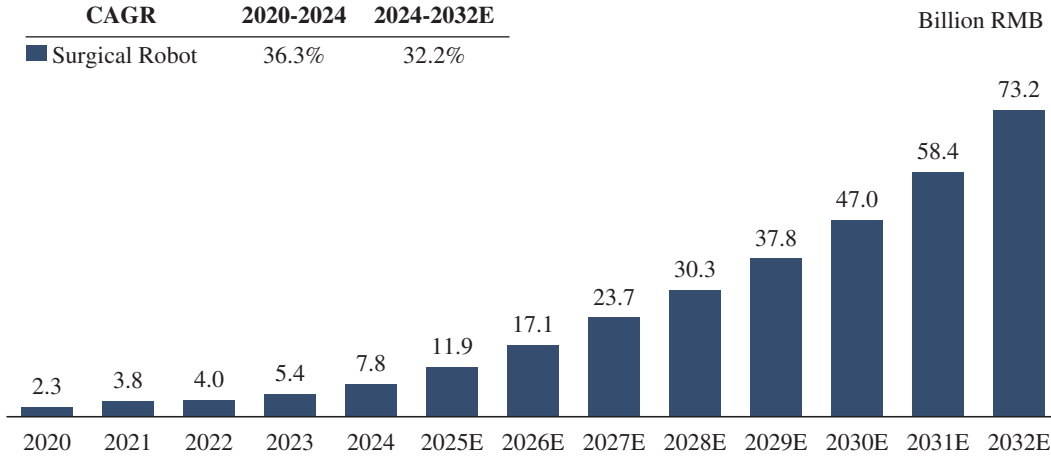
China’s Surgical Robot Market Size

The rapid expansion of China’s surgical robot market is driven by continued policy support for high-end medical equipment, accelerated regulatory approvals for domestically developed systems, and increasing investment in hospital digitalization, which are creating a favorable environment for adoption. The rising demand for minimally invasive and precision surgeries, combined with technological improvements in imaging guidance and control algorithms, is expanding the range of applicable surgical indications. Furthermore, cost reductions through local manufacturing and the improvement of surgeon training systems are enhancing affordability and accelerating clinical acceptance across medical institutions.

The surgical robot market in China reached approximately RMB7.8 billion in 2024 and is projected to grow to RMB73.2 billion by 2032, representing a CAGR of 32.2%. The market primarily comprises laparoscopic robots, orthopedic robots, neurosurgery robots, percutaneous puncture robots, as well as other emerging categories. In particular, China’s orthopedic and neurosurgery surgical robot markets are expected to reach approximately RMB 19.8 billion and RMB 2.0 billion, respectively, by 2032, representing a CAGR of 50.9% and 22.6% from 2024 to 2032. Overall, China’s market is transitioning from single-application adoption toward diversified, data-driven, and precision-focused robotic surgical ecosystems.

INDUSTRY OVERVIEW

China’s Surgical Robot Market Size, 2020-2032E



Source: CRSA, OECD, NMPA, Expert Interview, Annual Report, CIC

Growth Drivers & Future Trends of Surgical Robot Market

- Rising Patient and Hospital Demand***

With improving public health awareness and a growing preference for minimally invasive treatment, patients are increasingly seeking surgical options that offer better perioperative experience and long-term functional outcomes. As overall surgical volume and complexity continue to increase across multiple specialties, surgical robots provide a pathway to deliver complex procedures in a more controlled and reproducible manner, aligning well with patients’ demand for higher-quality, technology-enabled care.

- Payment Reform, Reimbursement Expansion and Policy Support***

From a policy and payment perspective, China is gradually building a more supportive environment for surgical robots. Although robot-assisted surgery has not yet been fully incorporated into the national basic medical insurance system, several provinces have launched pilot reimbursement programs and clarified charging standards. For instance, in 2023, Jiangxi Province included orthopedic robot-related surgical consumables in the “Jiangxi Medical Consumables Reimbursement Catalogue (2023)”, marking a significant step toward cost inclusion at the provincial level. At the national level, initiatives such as the “Robotics+” Application Action Implementation Plan and the Action Plan to Promote Large-scale Equipment Renewals and Trade-ins of Consumer Goods explicitly encourage hospitals to adopt robotic systems for precise and minimally invasive procedures, together helping to improve affordability, expand access, and support wider clinical adoption of surgical robots. Globally, regulators in other markets are likewise refining coding and reimbursement frameworks for robot-assisted procedures, underpinning the long-term growth prospects of the surgical robotics industry.

INDUSTRY OVERVIEW

- ***Technological Advancement and Artificial Intelligence Integration***

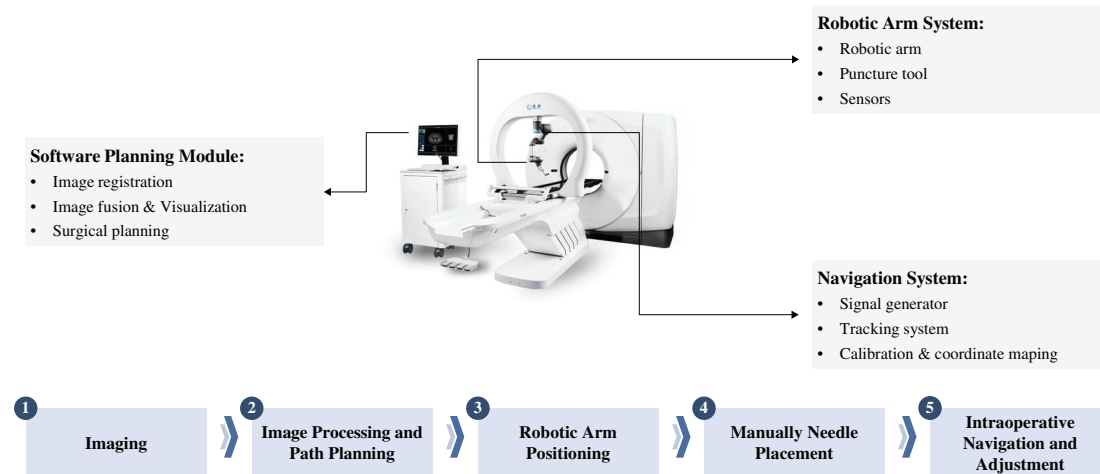
The integration of AI has become a core driver of system innovation, supporting functions such as intelligent medical image interpretation, automated surgical path planning, and real-time navigation assistance. These technologies not only improve surgical accuracy and operational safety but also lay the foundation for remote surgery and tele-collaboration, expanding access to high-quality surgical care in regions with limited medical resources.

OVERVIEW OF PERCUTANEOUS PUNCTURE SURGICAL ROBOTS

Puncture-based surgical procedures constitute a fundamental and indispensable clinical approach in the diagnosis of multiple diseases. As the prevalence of malignant tumors and other solid organ lesions continues to rise, percutaneous puncture has become one of the most essential and frequently performed minimally invasive interventions in clinical practice. However, the overall technical capability and procedural standardization of puncture surgery remain uneven, particularly in primary and secondary hospitals, where limited operator experience continues to constrain the precision, safety, and accessibility of such procedures.

A percutaneous puncture surgical robot is an advanced precision system that assists physicians in performing minimally invasive puncture procedures with enhanced accuracy, safety, and reproducibility. By integrating preoperative imaging, the system identifies anatomical targets, formulates an optimal puncture path, and positions the robotic arm accordingly. In typical use, the robot aligns and stabilizes the needle guide or biopsy channel, while the physician manually inserts and advances the puncture needle along the planned trajectory. Throughout the procedure, sensors and real-time imaging provide continuous navigation and feedback, helping to correct deviations, reduce manual error, and minimize tissue trauma. Structurally, a percutaneous puncture surgical robot generally comprises a navigation system, a software planning module, and a robotic arm, which together enable real-time tracking, adaptive positioning, and intelligent feedback to improve the precision and efficiency of interventions.

INDUSTRY OVERVIEW



Source: CIC

Over the past decades, percutaneous puncture techniques have evolved from fully manual, experience-based procedures to percutaneous puncture navigation systems and, more recently, to percutaneous puncture surgical robots, progressively incorporating imaging guidance and computer assistance. Building on this technological trajectory and leveraging advances in AI algorithms, percutaneous puncture surgical robots now represent an integrated application of AI, medical imaging and robotics, combining intelligent planning and analysis, image-guided navigation and precise mechanical execution. This integrated approach further enhances the accuracy, consistency and minimally invasive nature of puncture procedures and supports their application across a broader range of clinical scenarios.

Comparison between Percutaneous Puncture Surgical Robots and Traditional Percutaneous Puncture Surgery

Compared with traditional percutaneous puncture surgery, percutaneous puncture surgical robots offer notable advantages in precision, efficiency, and safety. Traditional procedures rely heavily on the surgeon’s manual skill and experience, which may result in variability due to human fatigue or hand instability. In contrast, robotic systems combine planning, navigation, and real-time control to enhance positioning accuracy and procedural consistency.

Robotic assistance also shortens surgical duration by reducing repeated manual adjustments and enabling more streamlined operations. By reducing the need for repeated needle repositioning and verification, robotic workflows can decrease the number of intraoperative CT scans and thereby lower radiation exposure for both patients and clinical staff. In addition, standardized robotic workflows lower the learning threshold for surgeons, improving training efficiency and supporting wider clinical adoption. The enhanced precision of robotic systems minimizes tissue trauma and postoperative complications, contributing to faster patient recovery and more stable clinical outcomes.

INDUSTRY OVERVIEW

	Percutaneous puncture surgical robot	Traditional percutaneous puncture surgery
 Accuracy and Stability	Positioning and orientation accuracies of 3-5 mm	Positioning and orientation accuracies of ~ 7 mm
 Surgical Duration	10-25 mins procedure time and 1 needle insertion	25-40 mins procedure time and may require multiple punctures
 Learning Curve	Lower technical difficulty and dependence on operator experience, and shortening the learning curve	High entry barrier, relying on highly experienced physicians
 Postoperative Complications	<5% severe complications rate - Higher puncture success with fewer needle passes, resulting in fewer postoperative complications and faster recovery.	~10% severe complications rate - Repeated needle insertions increase tissue trauma and raise the risk of complications such as bleeding and pneumothorax

Source: Literature review, CIC

Beyond the operating room, robotic systems also address broader healthcare challenges. In regions where experienced surgeons are scarce, such as third-tier cities and primary hospitals, robot-assisted platforms can help bridge the expertise gap by standardizing procedures and reducing reliance on individual skill. This aligns with government-led centralized procurement strategies, as robotic technology not only improves patient outcomes but also supports more consistent provision of high-quality surgical care across different healthcare settings. By facilitating earlier detection and minimally invasive treatment of tumors, robot-assisted systems may enable more patients to receive definitive care at qualified hospitals, thereby supporting incremental procedure volumes and revenue opportunities for healthcare institutions. From a health economics perspective, earlier diagnosis and intervention for oncological diseases can help avoid downstream costs associated with late-stage cancer management and reduce the overall burden on the healthcare system and society.

Comparison between Percutaneous Puncture Surgical Robots and Percutaneous Puncture Navigation System

- Percutaneous Puncture Navigation Systems***

Percutaneous puncture navigation systems primarily function as auxiliary positioning and planning tools during interventional procedures. They rely on preoperative imaging and real-time tracking to assist physicians in locating targets and determining optimal puncture paths. However, as these systems do not incorporate multi-degree-of-freedom robotic arms, they cannot autonomously execute the planned trajectory. The final outcome remains influenced by the operator’s hand movements and technique, which may introduce variability and limit the consistency of puncture accuracy and procedural stability.

INDUSTRY OVERVIEW

• *Percutaneous Puncture Surgical Robots*

Percutaneous puncture surgical robots integrate planning, navigation, and execution into a unified platform. Equipped with multi-degree-of-freedom robotic arms, these systems enable physicians to perform puncture operations through robotic-assisted positioning and automated alignment of the planned puncture trajectory. In typical workflows, the robotic arm moves to the pre-planned position and orients the puncture channel, while the physician advances the needle manually along this trajectory. The system is capable of dynamically monitoring patient movement and soft tissue deformation, helping to maintain high stability and consistent precision throughout the procedure. By standardizing trajectory planning and channel positioning and reducing dependence on free-hand execution, robotic systems effectively minimize human error, enhance repeatability, and improve both accuracy and safety.

Classification of Planning and Navigation Technologies

Imaging and navigation technologies constitute the technological foundation of percutaneous puncture robotic systems. Preoperative imaging planning technologies primarily include CT, MRI, and ultrasound, which are used to design puncture trajectories and localize targets. Navigation and positioning technologies, such as image-guided navigation, optical tracking navigation, and electromagnetic navigation, provide real-time intraoperative guidance and help the robotic arm and needle follow the planned path.

Classification of Planning and Navigation Technologies

	Classification	Description	Advantages	Disadvantages
Preoperative Imaging Planning	CT	Obtain cross-sectional or 3D images of the human body using X-ray computed tomography	- Fast scanning speed - Excellent imaging of bones and lungs	- Involves radiation - Lower soft tissue resolution compared to MRI
	MRI	Use magnetic fields and radio waves to excite hydrogen atoms and image via their resonance signals	- Radiation-free - High soft tissue resolution	- Longer scanning time - Limitations for patients with metal implants
	Ultrasound	Use differences in ultrasound echoes reflected by various tissues to generate images	- Relatively low cost - Short examination time	- Significantly affected by gas & bone - Poor imaging of deep tissues - Relatively low resolution
Navigation and positioning	Image-Guided Navigation	Uses CT imaging to plan and track needle trajectories with integrated image reconstruction and automatic localization	- Rapid turnover rate - No need for marker coordinates on human surface - Compatible with standard CT scanners - Low material cost - Short learning curve	Requires CT environment
	Optical Navigation	Cameras are used to spatially locate markers or objects by capturing optical signals	- High data transmission speed - Unaffected by magnetic fields or environmental interference	- High requirements of marker registration - Navigation and positioning fail when the optical path is blocked
	Electromagnetic Navigation	Sensor coils are attached to the tracked instrument, as the coils move relative to the magnetic field generator, varying currents are induced, which are used to determine the instrument's position	By embedding a sensor coil at the tip of the puncture needle, the needle tip can be accurately located inside the body	- Limited working range - Susceptible to magnetic field interference

Source: CIC

From a navigation and positioning perspective, Image-guided navigation uses intraoperative image coordinate with image reconstruction to plan and track needle trajectories, providing high positioning accuracy, and eliminating the need for the implantation of reference coordinate markers on the patient's body surface. Optical navigation employs cameras to track markers on the patient and instruments, enabling fast, high-precision localization, but failing when the optical path is blocked. Electromagnetic navigation places a field generator near the

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operative field and embeds small sensor coils in the puncture needle, allowing accurate localization of the needle tip inside the body, while its effective range is limited, and it is susceptible to magnetic interference.

Overview of Image-guided Percutaneous Puncture Surgical Robots

Image-guided percutaneous puncture surgical robots represent the advanced generation of image-based interventional systems. Unlike conventional optical or electromagnetic navigation platforms, Image-guided systems leverage imaging derived data coordinates and real-time sensing to visualize internal anatomical structures during the entire surgical process. The robotic system automatically registers and synchronizes CT images with the patient’s body position, enabling precise localization of target lesions and direct trajectory planning. This globally original innovation achieves seamless fusion of imaging, moving, and sensing. By integrating imaging and perception into a unified control loop, the system transforms traditional “image-assist” operations into truly image-driven, autonomous navigation.

Advantages of Image-Guided Percutaneous Puncture Surgical Robots

- ***Reduced Preparation Time and Higher CT Suite Turnover***

Compared with optical or electromagnetic navigation systems, which typically require additional reference sensors and image-field coordinate registration before each procedure, image-guided percutaneous puncture robots operate directly within the CT image coordinate system with integrated sensing. By avoiding time-consuming steps such as placing and fine-tuning external reference markers and repeatedly verifying registration, the system is designed to materially shorten pre-operative preparation and puncture time, thereby improving workflow efficiency and enabling a higher number of procedures per CT suite.

- ***Simplified System Design and Workflow for Better Overall Economics***

Conventional navigation platforms, such as optical systems using dedicated tracking cameras and reflective markers or electromagnetic systems with separate field generators and controllers, typically require a standalone navigation console and additional patient-mounted positioning devices alongside the CT scanner. This multi-component architecture increases capital expenditure, maintenance workloads and room-layout complexity for hospitals, while also adding per-procedure consumable costs for patients and prolonging intraoperative set-up. In contrast, image-guided percutaneous puncture robots adopt a more streamlined system design by integrating the robotic arm and sensing-navigation functions directly with the CT system and operating within the CT image coordinate framework, without the need for an external navigation host or body-surface positioning rings. The simplified hardware configuration and reduced reliance on disposable positioning devices lower both equipment investment and ongoing consumable usage, enhancing overall cost-effectiveness for hospitals across different tiers and making the system easier to deploy, maintain and operate in routine clinical practice.

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- ***Short Learning Curve and Wider Adoption Among Primary-Care Institutions***

Other navigation technologies often require physicians to undergo prolonged training in coordinate modeling workflows and surface marker placement. Image-guided percutaneous puncture robots build on conventional CT-guided workflows and automate key steps such as image-coordinate mapping and path execution, without relying on complex patient-specific modeling. As a result, the learning curve of image-guided navigation robot-assisted procedures is relatively short, facilitating faster skill transfer to junior doctors and teams in primary and regional hospitals and helping to standardize puncture quality across a broader hospital base.

Applications of Percutaneous Puncture Surgical Robots

Percutaneous puncture surgical robots have shown broad clinical applicability in interventional diagnosis, particularly for pulmonary nodules, abdominal tumors, and prostate cancer. Under CT or MRI imaging, the system assists physicians in formulating precise puncture paths and executing targeted operations with high spatial accuracy. By monitoring for respiratory motion and anatomical complexity, robotic assistance reduces repeated needle adjustments, minimizes tissue trauma, and lowers the risk of complications such as bleeding and pneumothorax. In pulmonary and abdominal interventions, these systems enhance lesion targeting and procedural efficiency, while in prostate biopsy, they improve puncture uniformity and diagnostic accuracy.

The increasing adoption of percutaneous puncture surgical robots reflects a broader transformation of interventional medicine toward more imaging-guided, precision-based, and data-driven practice. As indications expand from lung and liver lesions to the thyroid nodules, breast nodules, spinal puncture and other soft-tissue masses, these systems are being applied across a wider range of minimally invasive procedures. Through the integration of real-time navigation, intelligent trajectory control and quantitative imaging feedback, such systems are reshaping standards of minimally invasive surgery and accelerating the transition toward intelligent and automated interventional care. These trends are particularly evident in key indications such as pulmonary nodules, abdominal tumors and prostate tumors, where rising disease burden and the limitations of conventional puncture techniques are accelerating the adoption of percutaneous puncture surgical robots as more precise, image-guided solutions.

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Indication	Pain Points	Advantages
Pulmonary nodules	• Movement due to respiratory motion • Multiple CT scans • Frequent needle adjustments • Complication such as pneumothorax and hemoptysis	• Plan the optimal puncture path • Improve puncture success rate • Reduce the risk of complications • Minimize radiation exposure for both doctors and patients
Abdominal tumor	Liver tumors	• Accurately locates lesions • Protect important structures such as blood vessels and nerves • Shorten operation time • Reduce bleeding and unnecessary damage
	Kidney lesions	
	Pancreatic cysts	
	Other masses	
Prostate tumor	• Technically challenging and carry a high risk due to the dense distribution of adjacent organs and blood vessels • Steep learning curves • Frequent needle adjustments • Increase radiation exposure	• Require the cooperation of two or more doctors • Uneven puncture • Higher rate complications • Certain rate of missed diagnoses

Source: CIC

Pulmonary nodules are one of the primary indications for percutaneous biopsy. With the continued advancement of global lung cancer screening programs, the detection rate of pulmonary nodules has increased significantly, and it is estimated that approximately 73.5 million individuals are identified with pulmonary nodules each year worldwide through imaging examination. In 2024, the global prevalent population with pulmonary nodules was estimated at about 1,569.5 million, and this figure is expected to increase to approximately 1,597.4 million by 2032. In China, the prevalence of pulmonary nodules was estimated at around 303.0 million in 2024 and is projected to reach 337.3 million by 2032, with nationwide screening programs detecting roughly 16.4 million positive pulmonary nodules in 2024 alone.

Abdominal solid tumors, particularly malignancies of the liver, kidney and pancreas, constitute an important group of indications for image-guided percutaneous puncture. In China, the incident cases of liver, kidney, and pancreatic cancers were estimated at approximately 361.9 thousand, 73.1 thousand, and 125.0 thousand, respectively, in 2024, illustrating the substantial and growing burden of abdominal and related solid tumors in the population. As cross-sectional imaging becomes more widely used for screening, diagnosis and follow-up, the number of patients requiring image-guided percutaneous biopsy or ablation for abdominal lesions is expected to continue to increase. However, despite this growing disease burden and wider use of imaging, overall diagnostic rates for abdominal indications remain low. Taking liver cancer as an example, it was estimated that in 2019 only about 0.09% of the Chinese population aged 35–74 years underwent liver cancer screening. In addition, published studies indicate that only around 10%–20% of high-risk patients with kidney cancer are aware of or carry a clinical diagnosis. Consequently, the diagnostic rate remains low in abdominal solid tumors.

Prostate tumors represent a major indication for percutaneous biopsy in male patients, particularly in the context of population aging and wider use of prostate-specific antigen testing and multiparametric imaging. In China, incident prostate cancer cases were estimated

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at about 158.6 thousand in 2024, reflecting a meaningful and rising disease burden. As more patients with elevated PSA or suspicious imaging findings are identified at earlier stages, the demand for accurate, minimally invasive percutaneous biopsy of prostate lesions is expected to grow correspondingly.

Customer Landscape and Key Purchasing Criteria

From an application perspective, percutaneous puncture surgical robots are primarily utilized by Grade III A hospitals that undertake complex interventional procedures in oncology, pulmonology, and urology. These hospitals represent the major early adopters of advanced interventional technologies and play a key role in promoting clinical validation and standardization. Regional secondary hospitals constitute the next layer of users, as they seek to enhance their capabilities in minimally invasive treatment and improve the efficiency and quality of clinical services. With the progressive decline in treatment costs and the continuous optimization of standardized operating workflows, primary and community hospitals are gradually emerging as potential users, particularly in regions with a relative shortage of experienced interventional specialists.

Purchasing priorities differ across hospital tiers. Leading tertiary hospitals generally place greater emphasis on system precision, integration with imaging and navigation platforms, and clinical evidence supporting academic and technical leadership. Secondary hospitals focus on operational efficiency, workflow standardization, and ease of use to facilitate broader team adoption. Primary and community hospitals typically prioritize cost-effectiveness, simplified training, and after-sales service support, given their more limited technical and human resources. To cater to these differentiated needs, manufacturers are expected to offer diversified product portfolios and service models with varying levels of configuration and functionality, while aligning with national and regional centralized procurement initiatives.

Constraints of Percutaneous Puncture Surgical Robot Market

Although percutaneous puncture surgical robots are still at an early stage of commercialization, the market is gradually approaching an inflection point as clinical evidence accumulates and pilot sites expand. However, further penetration is constrained by limited market education and clinical awareness, reimbursement pathways, and the need for service infrastructure. Addressing these constraints will be critical for the market to transition from early adoption to broader, routine clinical deployment.

- ***Market Education and Clinical Awareness***

A major barrier in global markets lies in the challenge of market education. Unlike mature surgical robotics segments, percutaneous puncture robots remain relatively new to many physicians and institutions. Establishing clinical awareness, building confidence in safety and efficacy, and promoting workflow adaptation require long-term investment in physician training, academic publications, and multi-center clinical validation. The difficulty of standardizing education and promotion across diverse healthcare systems makes scaling

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particularly challenging. To address these gaps, leading manufacturers and clinical centers are increasing investment in structured training programs, proctored cases, collaboration with key opinion leaders, and evidence-generation studies, in order to strengthen physician confidence and gradually embed percutaneous puncture robots into routine practice.

- ***Regulatory and Reimbursement Landscape***

Currently, commercialization is further constrained by heterogeneous regulatory and reimbursement environments across countries and regions. Regulatory authorities such as the FDA, EMA, NMPA, and other regulators in emerging markets impose differing requirements on clinical evidence, safety, efficacy, and post-market surveillance, resulting in extended development timelines and higher compliance costs. Currently, reimbursement pathways for robotic-assisted puncture procedures are still evolving, and coverage remains absent or inconsistent in many jurisdictions. These factors may delay hospital adoption until reimbursement visibility becomes clearer.

- ***After-Sales Service and Support Infrastructure***

Beyond technology performance, widespread adoption of the percutaneous puncture surgical robots depend on reliable after-sales service and support infrastructure. Hospitals require timely installation, system integration, user training, preventive maintenance, and rapid technical troubleshooting once robots enter routine use, creating high expectations for uptime and service quality. In response, manufacturers are building regional service hubs, collaborating with local distributors and service providers, and deploying remote monitoring and support tools to improve responsiveness, reduce downtime, and ensure consistent performance across diverse healthcare systems.

Global Clinical Demands and Key Market Drivers

In 2024, approximately 8.0 million percutaneous puncture surgery cases worldwide, with the figure rising to 8.5 million in 2032. Over the longer term, the market is expected to maintain a stable expansion, reaching about penetration rate in developed markets, partially offset by increasing procedural demand in emerging regions.

- ***United States and Europe: Demand for Competitive Differentiation***

In mature markets, demand for percutaneous puncture surgical robots is primarily concentrated in hospitals and specialized centers that already perform a high volume of interventional oncology, pulmonology or urology procedures. For these institutions, robotic systems are adopted to enhance procedural accuracy, standardize complex image-guided punctures, and differentiate their minimally invasive service offerings in competitive healthcare markets. In Europe, early deployments have likewise focused on leading academic hospitals and comprehensive cancer centers that are actively expanding interventional programs.

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- ***Emerging Asia-Pacific Markets (excluding China): Bridging Infrastructure Gaps and Improving Access***

In regions such as India, Southeast Asia, and the Middle East, demand is driven by the need to expand modern interventional capacity in under-served populations. Hospitals invest in robotics to enhance treatment precision while compensating for shortages of senior specialists. However, purchasing decisions are strongly influenced by affordability, simplified training, and local service support. Compared with China, these markets are at an earlier stage of adoption, with slower penetration but strong long-term growth potential as healthcare infrastructure advances.

- ***China: Potential under Centralized Procurement and Hierarchical Diffusion***

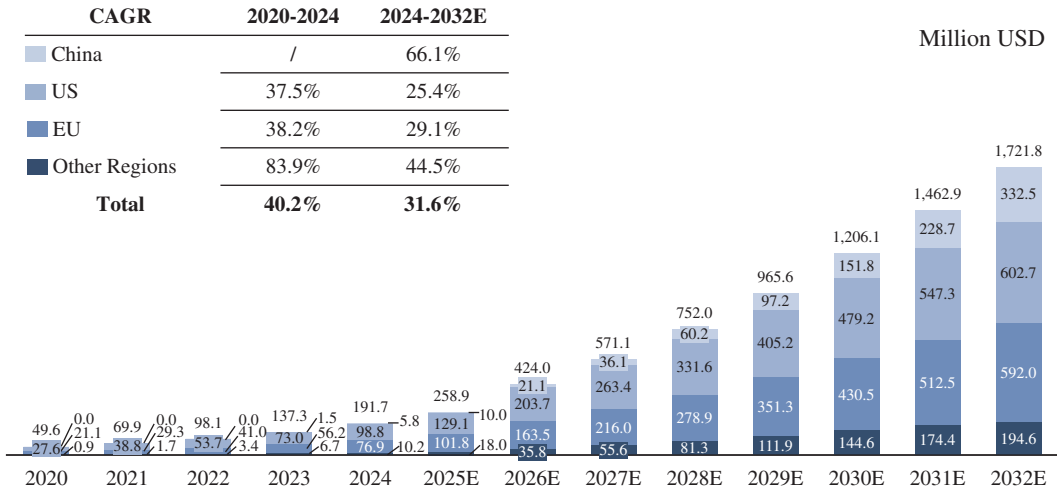
China’s market is characterized by supportive government policies, a large patient population and uneven distribution of interventional expertise. Tertiary hospitals act as early adopters and referral hubs, introducing high-end robotic platforms for complex cases, while regional and secondary hospitals progressively deploy such systems through hierarchical diffusion. Unlike the differentiation-focused private and independent medical centers in mature markets, the current development model in China is shaped by national procurement initiatives, cost control objectives and policy goals to extend high-quality surgical services to provinces and lower-tier cities.

Global Percutaneous Puncture Surgical Robot Market Size

The global percutaneous puncture surgical robot market reached approximately US\$191.7 million in 2024 and is projected to grow to around US\$1,721.8 million by 2032, representing a CAGR of 31.6% during 2024–2032. Growth is driven by the broader uptake of image-guided interventions across the United States, Europe, and China, where hospitals are increasingly adopting percutaneous puncture surgical robots to enhance procedural accuracy and reduce complication risks. Regionally, the United States and Europe currently dominate the market, benefiting from earlier regulatory approvals and clinical adoption of robotic platforms. In contrast, China has entered a rapid market expansion phase. Leveraging accelerated domestic innovation and hospital digitalization, China is expected to become one of the fastest-growing regions, with a projected CAGR of 66.1% from 2024 to 2032, gradually narrowing the market share gap with the U.S. and Europe.

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Global Percutaneous Puncture Surgical Robot Market Size, 2020-2032E



Source: WHO, FDA, NMPA, Expert Interview, Annual Report, CIC

Competitive Landscape of Percutaneous Puncture Surgical Robot Market

The percutaneous puncture surgical robot market has evolved into a competitive landscape characterized by the deep integration of imaging navigation, AI-driven decision-making, and robotic execution. As of the Latest Practicable Date, 7 companies have obtained FDA 510(k) clearance for 15 percutaneous robotic systems. In addition, 4 percutaneous puncture surgical robots are currently in clinical evaluation or premarket submission stages globally, reflecting accelerating innovation and expanding procedural coverage. Meanwhile, leading Chinese manufacturers, which have already obtained regulatory approval in China, are actively expanding into overseas markets.

China’s Clinical Demands and Key Market Drivers

The number of percutaneous puncture surgeries for lung and abdominal indications in China reached approximately 3.0 million cases in 2024 and is projected to grow to around 3.5 million cases by 2032, representing a compound annual growth rate of 2.0% during 2024-2032. This steady increase is primarily driven by the rising incidence of lung and liver tumors, greater clinical adoption of image-guided minimally invasive procedures, and improved accessibility of interventional technologies at tertiary and regional hospitals. Moreover, the promotion of early cancer screening and precision diagnosis programs has expanded the demand for biopsy-based procedures, while advancements in percutaneous puncture robotic systems are further improving procedural safety and success rates. The continuous growth of percutaneous puncture procedures indicates a structural shift in China’s clinical practice from traditional interventions toward precision, image-guided, and robot-assisted operations, reflecting the advancement of diagnostic technology in modern healthcare.

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- ***Expanding Clinical Demand Driven by Oncology Patient Growth***

China continues to report a large and rising number of beginning malignant and solid tumor cases each year. These solid tumors frequently require puncture biopsy during early and mid-stage intervention. Compared with traditional open or manual procedures, percutaneous puncture surgical robots meet the growing clinical need for safer and more precise minimally invasive interventions.

As clinical demand continues to evolve, the treatment cost structure for percutaneous puncture procedures is also undergoing gradual refinement. Current medical pricing policies typically set the base tariff for percutaneous puncture biopsy at approximately RMB 2,000–3,000 per case, while there is still no unified charging standard specifically for percutaneous puncture surgical robots. For systems that only provide navigation and positioning assistance, hospitals usually charge an additional navigation fee equivalent to around 40% of the underlying procedure price, or a fixed surcharge of roughly RMB 1,000–2,000 per case. For robot-assisted procedures, two main pricing approaches have emerged in practice: in regions such as Shanghai and Gansu, robotic procedures are categorized under “AI-assisted treatment technologies,” with an additional charge of about RMB 10,000–30,000 per case; in other regions such as Hunan and Hainan, where the robotic system completes or participates in key operative steps to achieve the surgical objective, hospitals may apply a markup of approximately 80%–300% on top of the base procedure tariff.

- ***Policy-Driven Expansion toward Primary and Regional Hospitals***

China’s ongoing medical reform and the nationwide implementation of a hierarchical diagnosis and treatment system are promoting the redistribution of medical resources. National policies encourage primary and regional hospitals to improve their diagnostic and treatment capabilities for chronic diseases. In particular, the “15th Five-Year” health service system planning emphasizes strengthening primary-level institutions, establishing county-level medical consortia and improving tiered referral mechanisms, with targets such as managing the vast majority of common conditions within county and township facilities. The increasing availability of advanced interventional equipment, including percutaneous puncture surgical robots, supports the gradual extension of robotic-assisted procedures from tertiary hospitals to lower-tier institutions, accelerating overall market adoption.

- ***Technological Maturation and Generational Shift in Clinical Adoption***

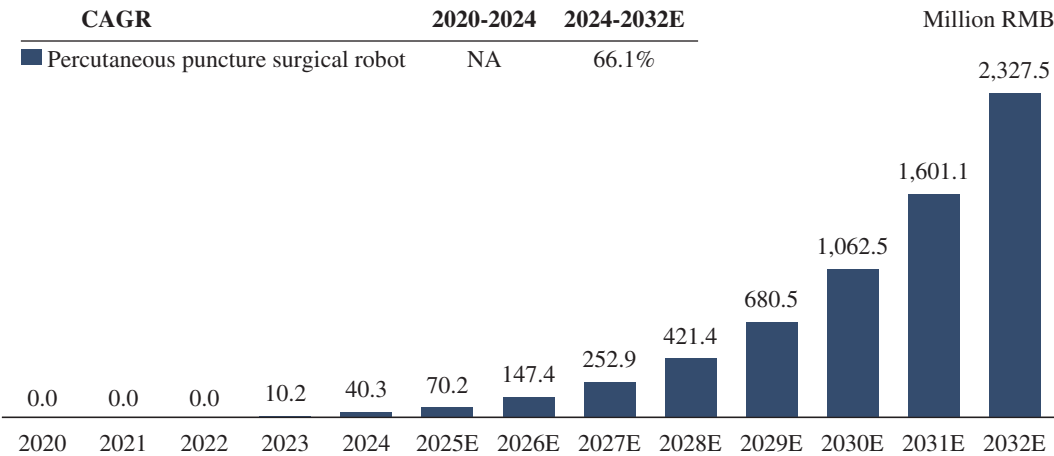
As percutaneous puncture surgical robot technologies become more mature, the establishment of standardized training systems and operational protocols will drive broader clinical acceptance. Meanwhile, younger digitally proficient physicians show higher acceptance of AI and robotics assisted surgery further shortens the learning curve and accelerating technology diffusion across the healthcare system.

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China’s Percutaneous Puncture Surgical Robot Market Size

The percutaneous puncture surgical robot market in China is still at an early stage of commercialization, but is expected to grow rapidly over the coming decade. The market size reached approximately RMB40.3 million in 2024 and is projected to surge to RMB2,327.5 million by 2032, representing a CAGR of 66.1% during 2024-2032. This strong momentum is supported by the increasing clinical demand for precise, image-guided minimally invasive interventions and the continuous advancement of robotic systems. The integration of navigation, planning, and automated execution modules enables these systems to significantly enhance targeting accuracy and procedural safety, particularly in complex tumor biopsies and interventional therapies. The rapid market expansion also reflects China’s accelerating shift from manual image-guided procedures to fully robotic-assisted interventional platforms, driven by policy incentives, domestic technological innovation, and growing hospital investment in intelligent surgical infrastructure.

China’s Percutaneous Puncture Surgical Robot Market Size, 2020-2032E



Source: NMPA, Expert Interview, Annual Report, CIC

China’s Competitive Landscape of Percutaneous Puncture Surgical Robot Market

The competitive landscape of China’s percutaneous puncture surgical robot market remains in its early stage of development, with a limited number of approved products and emerging participants. As of the Latest Practicable Date, a total of 13 companies and 17 systems have obtained regulatory approval, covering major clinical applications in the lung, abdomen, and prostate. Among domestic manufacturers.

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Competitive Landscape in China, by Number of Trial Installations, in 2024

Rank	Name	Description	Number of Trial Installations
1	Company A	Founded in 2018, headquartered in Guangdong, the company focuses on artificial intelligence and robotic control as its core technologies. The company specializes in the R&D, and industrialization of puncture diagnosis and treatment technologies, as of the Latest Practicable Date, it had obtained 4 NMPA registration certificates for percutaneous puncture surgical robots.	26
2	Our Company		20
3	Company B	Founded in 2015, headquartered in Shanghai and listed in 2021 on HKEX, the company’s product portfolio covers laparoscopic, orthopedic, pan-vascular, natural orifice and percutaneous puncture surgical robot. As of the Latest Practicable Date, it had obtained 1 NMPA registration certificate for percutaneous puncture surgical robot.	8
4	Company C	Founded in 1999, headquartered in Shenzhen, the company focuses on manufacturing and development of interventional medical devices for cardiovascular, cerebrovascular and peripheral vascular diseases. As of the Latest Practicable Date, it had obtained 1 NMPA registration certificate for percutaneous puncture surgical robot.	5
5	Company D	Founded in 2019, headquartered in Shenzhen, the company is engaged in the R&D of medical surgical robots. As of the Latest Practicable Date, it had obtained 1 NMPA registration certificate for percutaneous puncture surgical robots.	5

Source: Expert interview, CIC

In China’s percutaneous puncture surgical robot market, product differentiation primarily centers on integration level, automation capability, and procurement cost. Among the players, our company stands out as the only image-guided percutaneous puncture surgical robot that integrates CT imaging technology with intelligent sensing architecture.

Future Trends in Percutaneous Puncture Surgical Robot Market

- **Technological Advancement Driving Precision and System Integration**

Continuous innovation in imaging, robotics, and intelligent algorithms is reshaping percutaneous surgical robots toward higher precision, automation, and interoperability. With sub-millimeter positioning accuracy and flexible multi-degree-of-freedom control, robotic

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systems significantly reduce the risks associated with manual puncture operations while improving surgical consistency. Future systems are expected to achieve deeper integration with hospital information systems and imaging platforms, enabling real-time data sharing, remote collaboration, and intelligent clinical decision support. These advancements will promote the evolution of image-guided interventions toward standardized, data-driven, and automated surgical ecosystems.

- ***Increasing Supported by Policy and Clinical Validation***

Robot-assisted puncture technology has developed steadily since 2014, driven by continuous technological innovation and expanding clinical evidence. Although still in its early stage of clinical application, the technology’s advantages in enhancing accuracy, simplifying procedures, and reducing complication risks are accelerating adoption across tertiary and primary hospitals. In parallel, its clinical scope is gradually expanding from diagnostic biopsies to a broader range of image-guided ablation and minimally invasive therapeutic procedures. With ongoing policy support for medical device innovation and interventional standardization, penetration rates are expected to rise steadily over the coming decade.

Entry Barriers of Percutaneous Puncture Surgical Robot Market

- ***Technical and Intellectual Property***

The market features high technical complexity and strong intellectual property protection. Developing a clinically reliable system requires the integration of precision robotics, multi-modal imaging, and AI navigation, demanding deep interdisciplinary expertise. Established players’ dense patent portfolios further raise the R&D threshold and increase the cost and difficulty for new entrants.

- ***Regulatory and Clinical Validation***

As a high-risk medical device, regulatory approval requires lengthy clinical evaluation to verify safety and efficacy, leading to long development cycles and high compliance costs. Clinical adoption is equally challenging, as hospitals and physicians rely on extensive clinical data and cost-effectiveness evidence before accepting new systems.

- ***Commercialization and Operations***

Successful commercialization depends on capabilities in precision manufacturing, supply-chain management, and post-installation service. The need for continuous doctor training, system integration, and maintenance create high switching costs for hospitals, allowing established players with comprehensive operational systems to maintain long-term competitive advantage. In the US and EU, hospital equipment procurement typically relies on more standardized value-assessment frameworks and long-term service agreements, whereas in China, commercialization more often depends on demonstration cases in leading departments and the gradual diffusion of best practices from benchmark hospitals to a broader network.

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- *AI Capability and Data Accumulation*

The development of AI-assisted navigation algorithms depends on long-term accumulation of clinical data and system feedback. Through iterative learning, established players continuously improve targeting accuracy and workflow intelligence, forming a self-reinforcing advantage that is difficult for late entrants to replicate. In addition, physicians’ long-term familiarity with specific robotic platforms creates strong brand dependency, further increasing substitution barriers. Also, compared with the US and EU, China’s stricter data governance and access controls make it more difficult for new entrants to accumulate large-scale clinical datasets and achieve rapid breakthroughs in AI performance.

SOURCE OF INFORMATION

We engaged CIC, an independent market research and consulting company that provides industry consulting services, commercial due diligence, and strategic consulting, to conduct detailed research on and analysis of the percutaneous puncture surgical robot market in China and globally. We have agreed to pay a fee of RMB1.0 million to CIC in connection with the preparation of the CIC Report. We have incorporated certain information from the CIC Report into this section, as well as into “Summary,” “Business,” and elsewhere in this document to provide potential [REDACTED] with a comprehensive presentation of the industries where we operate.

During the preparation of the CIC Report, CIC conducted both primary and secondary research, and gathered knowledge, statistics, information, and insights on industry trends within the target research markets. The primary research involved interviews with key industry experts and leading industry participants. The secondary research consisted of analyzing data from various publicly available sources, such as the National Bureau of Statistics.

The CIC Report was compiled based on the following assumptions: (i) the overall social, economic, and political environment in China and globally is expected to remain stable during the forecast period; (ii) the economic and industrial development in China and globally is likely to maintain a steady growth trajectory during the forecast period; (iii) key industry drivers are likely to propel the percutaneous puncture surgical robot market in China and globally forward during the forecast period; and (iv) the market will not be dramatically or fundamentally affected by any extreme force majeure events or unforeseen industry regulations.

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OVERVIEW OF LAWS AND REGULATIONS IN THE PRC

Regulations Relating To Medical Devices

Definition of Medical Devices

In accordance with the Regulation on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), the term “medical devices” shall refer to the instruments, equipment, appliances, in vitro diagnostic reagents and calibrators, materials and other similar or relevant articles directly or indirectly used on the human body, including computer software needed.

Classification of Medical Devices

According to the Measures for the Supervision and Administration of the Operation of Medical Devices (《醫療器械經營監督管理辦法》), promulgated by the State Administration for Market Regulation (the “SAMR”) on July 30, 2014, amended on March 10, 2022, and effective from May 1, 2022, and the Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), promulgated by the State Council on January 4, 2000, most recently amended on December 6, 2024, and effective from January 20, 2025, the production and operation of medical devices in China are subject to risk-based classification management, with corresponding qualification requirements according to risk level. Medical devices are categorized into three classes: (i) Class I medical devices, which are considered low risk, can ensure safety and effectiveness through routine management; (ii) Class II medical devices, which are deemed moderate risk, require enterprises to establish strict management and quality control systems; (iii) and Class III medical devices, which are considered high risk, require enterprises to adopt special management measures to ensure their safety and effectiveness.

Registration and Record-Filing of Medical Devices

According to the Administrative Measures on the Registration and Record-filing of Medical Devices (《醫療器械註冊與備案管理辦法》), promulgated by the SAMR on August 26, 2021 and came into effect on October 1, 2021, the National Medical Products Administration (the “NMPA”) is responsible for the nationwide administration of medical device registration and record-filing.

In the PRC, record-filing is required for Class I medical devices and registration is required for Class II and Class III medical devices. Record-filing parties of domestic Class I medical devices shall submit record-filing materials to the drug regulatory authorities at cities with municipal districts. Domestic Class II medical devices shall be examined by the drug regulatory authorities of provinces which shall issue the medical device registration certificate upon approval. Domestic Class III medical devices shall be examined by the NMPA which shall issue the medical device registration certificate upon approval.

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In accordance with Decree No. 47 of the State Administration for Market Regulation “Administrative Measures on the Registration and Record-filing of Medical Devices” (《醫療器械註冊與備案管理辦法》, “Decree 47”), for a Class II or III medical device that has been registered, in the event that there are material changes to the design, raw materials, production process, scope of application and method of use thereof, which may affect the safety and effectiveness of the medical device, the registrant of such medical device shall apply to the original registration authority for modification of registration; in the event of other changes, the registrant shall file the changes for record with the original registration authority within 30 days as of the date of change.

For an application for modification of registration, the technical review agency under the NMPA shall mainly review the modified part and give review opinions on whether the modified product is safe, effective and of controllable quality. Document on modification of registration of a medical device shall be used together with the original medical device registration certificate, and its expiry date shall be the same as that of the original medical device registration certificate.

According to the Regulation on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), Class III medical devices are those devices that pose such a high degree of risk to users that the safety and effectiveness of the medical device can only be ensured through strict control and supervision of special measures. In line with this view, the Administrative Measures on the Registration and Record-filing of Medical Devices (《醫療器械註冊與備案管理辦法》) requires Class III medical devices to be examined by the NMPA, which shall issue the medical device registration certificate only after examination and approval. Similarly, according to the Measures for the Supervision and Administration of Medical Devices Manufacture (《醫療器械生產監督管理辦法》), those who intend to engage in the manufacture of Class III medical devices must first be approved by the drug regulatory authority of a province where they are located and obtain a medical device manufacturing permit in accordance with law.

Research and Clinical Evaluation of Medical Devices

In accordance with the Regulation on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》) and Administrative Measures on the Registration and Record filing of Medical Devices (《醫療器械註冊與備案管理辦法》), the research and development and experiments of medical devices shall be in compliance with the relevant laws, regulations and mandatory standards of China.

According to the Administrative Measures on the Registration and Record-filing of Medical Devices (《醫療器械註冊與備案管理辦法》), promulgated by the SAMR on August 26, 2021 and came into effect on October 1, 2021, clinical evaluation shall be conducted for the registration or record-filing of medical devices, and clinical evaluation materials shall be submitted when applying for the registration of medical devices. Clinical evaluation of medical devices may be carried out through clinical trials or analysis and evaluation of clinical literature materials and clinical data of medical devices of the same kind

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to prove the safety and effectiveness of medical devices in light of product characteristics, clinical risks, existing clinical data and other circumstances. Clinical trials shall be carried out for medical devices for which the existing clinical literature materials and clinical data are insufficient to confirm their safety and effectiveness in the clinical evaluation of medical devices. Clinical trials for medical devices shall be conducted in clinical trial institutions for medical devices that meet the corresponding conditions and have been filed for record as required by the good clinical practice (GCP) for medical devices.

However, clinical evaluation of a medical device may be exempted when: (1) the medical device has a clear mechanism of action, a finalized design and a mature production process, and the medical devices of the same type have been used in clinical use for years without record of serious adverse events, and the new medical device does not deviate from the general purpose of the medical device with an established clinical record; or (2) if the safety and efficacy of the medical device can be proved through non-clinical evaluation. Where clinical evaluation is exempted, a submission of clinical evaluation materials is not required. The catalogue of medical devices exempted from clinical evaluation shall be formulated, adjusted and published by the NMPA.

The Guidelines for the Clinical Evaluation Techniques for Medical Devices (《醫療器械臨床評價技術指導原則》), promulgated by the NMPA on September 18, 2021, primarily introduces the concepts of clinical assessment and clinical evidence, elucidating the relationships among clinical trials, clinical data, clinical assessment, and clinical evidence. It guides applicants on how to conduct clinical evaluations, compile associated documentation, and incorporate them as integral components of the conformity assessment, as well as aims to instruct regulatory authorities on how to assess the clinical evidence submitted by applicants.

The Medical Devices — Application of Usability Engineering to Medical Device (《醫療器械可用性工程對醫療器械的應用》), promulgated by the CFDA on January 26, 2016 and came into effect on January 1, 2017, delineates the manufacturer’s procedural framework for the analysis, determination, design, validation, and confirmation of usability that has a direct bearing on the safety of medical devices. The usability engineering process is deployed to assess and mitigate risks associated with normal usage, encompassing both correct and incorrect utilization. It serves the purpose of identifying, though not actively addressing, risks related to abnormal usage.

The Medical Devices — Application of Risk Management to Medical Device (《醫療器械—風險管理對醫療器械的應用》), promulgated by the SAMR and Standardization Administration of China (國家標準化管理委員會) (the “SAC”) on October 12, 2022 and came into effect on November 1, 2023, prescribes the terminology, principles, and procedures governing the risk management of medical devices, encompassing both medical device software and in vitro diagnostic medical devices. The delineated processes within this document are structured to aid manufacturers of medical devices in the identification of hazards associated with such devices, the estimation and assessment of pertinent risks, the implementation of risk controls, and the ongoing monitoring of the efficacy of these controls.

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Artificial Intelligence Medical Devices

On July 3, 2019, the Center for Medical Device Evaluation (CMDE) of the NMPA issued the Key Review Points for Medical Device Software with Deep Learning-Assisted Decision-Making (深度學習輔助決策醫療器械軟件審評要點), addressing the lack of review standards for most artificial intelligence (AI) medical devices. In March 2022, the CMDE of NMPA promulgated the Guiding Principles for the Registration Review of Artificial Intelligence Medical Devices (《人工智能醫療器械註冊審查指導原則》), providing further regulatory guidance for the registration and application of AI medical devices. On October 20, 2025, the General Office of the National Health Commission (NHC), jointly with several other government departments, issued the Implementation Opinions on Promoting and Regulating the Application and Development of “Artificial Intelligence + Medical and Health Care” (《關於促進和規範“人工智能+醫療衛生”應用發展的實施意見》). This document encourages medical device manufacturers to jointly apply for and participate in AI medical device innovation projects in collaboration with upstream and downstream entities in the industrial chain, such as medical institutions and scientific research institutes. It also supports the first-of-its-kind (pilot) application of domestically produced intelligent medical devices in medical institutions, and promotes the widespread adoption of intelligent medical devices that lead the nation in technological innovation and clinical application.

Production of Medical Devices

According to the Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》) and the Measures on the Supervision and Administration of Medical Devices Production (《醫療器械生產監督管理辦法》), which was promulgated by the SAMR on and effective from July 20, 2004, latest amended on March 10, 2022 and came into effect on May 1, 2022, in order to engage in the production of medical devices, an entity shall meet the following conditions: (1) having the production site, environmental conditions, production equipment and professional technicians that meet the needs of the medical devices to be produced; (2) having the facility or full-time personnel and testing equipment capable of testing the quality of the medical devices to be produced; (3) having a system of internal control that can ensure the quality of medical devices; (4) having the after-sale service capabilities that meet the needs of the medical devices to be produced; and (5) having the capability to meet the requirements as prescribed in the documents on product research and development and production techniques.

To engage in the production of Class II and Class III medical devices, an entity shall apply for a manufacturing licensing to the drug regulatory department of the people’s government of the province where it is located and submit the relevant materials and the registration certificate of the medical devices to be produced. The manufacturing permit for medical devices is valid for five years. When it is necessary to renew the permit upon its expiration, the formalities for renewal shall be completed in accordance with the relevant laws on administrative licensing.

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Operation of Medical Devices

According to the Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》) and the Measures for the Supervision and Administration of Medical Devices Operation (《醫療器械經營監督管理辦法》), promulgated by the SAMR on July 30, 2014 and effective from October 1, 2014, latest amended on March 10, 2022 and came into effect on May 1, 2022, a business operator shall file for record with the drug regulatory department of the government for the business operation of Class II medical devices and apply for operation licensing for the business operation of Class III medical devices. Furthermore, no business operator or using entity of medical devices may operate or use medical devices that have not been registered or filed for record in accordance with the law, or medical devices without conformity certificates, or expired, invalidated or obsolete. The valid period of the operating permit for medical devices is five years. Where it is necessary to renew the permit upon its expiration, the formalities for renewal shall be observed in accordance with the provisions of relevant laws on administrative licensing.

Centralised Procurement of High-value Medical Consumables

On March 5, 2018, six government departments including the NHC issued the Notice on Consolidating the Achievements of Eradicating Pharmaceutical Compensation for Medical Treatment and Continuously Deepening the Comprehensive Reform of Public Hospitals (《關於鞏固破除以藥補醫成果持續深化公立醫院綜合改革的通知》), which states that the deepening of the comprehensive reform of public hospitals includes, among other things, the implementation of centralised purchasing of high-value medical consumables on a categorical basis.

On July 19, 2019, the General Office of the State Council published the Circular on the Reform Plan for the Governance of High-Value Medical Consumables (《治理高值醫用耗材改革方案的通知》), which emphasizes “exploring the centralised procurement of high-value medical consumables by category in accordance with the principles of volume-based procurement, volume-price pegging, and the promotion of market competition, encouraging healthcare organizations to jointly carry out volume-based negotiated procurement, and actively exploring cross-provincial alliance procurement.”

According to the Guiding Opinions on the Implementation of the Centralised Volume-based Procurement and Use of High-value Medical Consumables Organised by the State (《關於開展國家組織高值醫用耗材集中帶量採購和使用的指導意見》) jointly issued by the NHSA, the NMPA and other relevant government authorities on April 30, 2021, the State will focus on the procurement of some high-value medical consumables with large clinical consumption, high procurement amount, more mature clinical use, sufficient market competition and higher level of homogeneity. All public medical institutions shall participate in the centralised volume-based procurement of such high-value medical consumables.

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On May 20, 2024, the National Healthcare Security Administration published the Notice of the National Healthcare Security Administration on Further Promotion of the Experience of Medical Reform in Sanming City and to Continuously Promote the Innovative Development of Medical Insurance (Yi Bao Han [2024] No. 25) (《國家醫療保障局關於進一步推廣三明醫改經驗持續推動醫保工作創新發展的通知》(醫保函[2024]25號)), providing instructions on the centralized procurement practice with an aim to continue the aggressive promotion of the centralized procurement of drugs and high-value medical consumables organized by national authorities, strengthen coordination among regions, guide and promote local governments to carry out centralized procurement in a regulated manner, support and coordinate targeted expansion of the scope of varieties of drugs and medical consumables under centralized procurement led by the willing and responsible provinces with the participation of all provinces, and form a new pattern of centralized procurement with the centralized procurement of drugs and high-value medical supplies organized by the State, and the centralized procurement of drugs and high-value medical supplies by the national alliance as the main body led by provinces, and centralized procurement of drugs and high-value medical supplies at the provincial level as the supplement.

Post-marketing Responsibility about Medical Devices

In accordance with Regulation on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), a registrant or record-filing party of medical devices shall establish a monitoring system for adverse events of medical devices (醫療器械不良事件監測體系), be equipped with a monitoring body and personnel for adverse events suitable for its products, take the initiative to monitor adverse events of its products, and report the information on investigation, analysis, evaluation and product risk control to the technical monitoring agency for adverse events of medical devices in accordance with the provisions of the drug regulatory department under the State Council. The manufacturers or business operators and using entities of medical devices shall assist the registrant or record-filing party of medical devices in monitoring adverse events of the medical devices produced, operated or used by them; if any adverse event of medical devices or suspicious adverse event is found, it shall be reported to the technical monitoring agency for adverse events of medical devices in accordance with the provisions of the drug regulatory department under the State Council.

In accordance with Administrative Measures on the Registration and Record-filing of Medical Devices (《醫療器械註冊與備案管理辦法》), a registrant of medical devices shall take the initiative to carry out post-marketing research, further confirm the safety, effectiveness and quality controllability of the medical devices and strengthen the continuous management of the medical devices on the market.

Advertisements of Medical Devices

Pursuant to the Interim Administrative Measures for the Review of Advertisements for Drugs, Medical Devices, Health Food and Formula Food for Special Medical Purposes (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》), which was promulgated by the SAMR on December 24, 2019 and came into effect on March 1, 2020,

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advertisements for medical devices shall not be released without being reviewed by the relevant administration for market regulation and drug administration of a province or other authorized administrative authorities. In addition, advertisers shall be responsible for the veracity and legitimacy of the contents of advertisements for medical devices.

The contents of a medical device advertisement shall be based on the contents of the registration certificate or filing certificate approved by the drug administrations, or the registered or filed product instructions. Where the medical device advertisement involves the name, scope of application, functional mechanism or structure or composition, etc. of the medical device, the scopes of the registration certificate or filing certificate, or registered or filed product instruction shall not be exceeded.

All advertisements for medical devices recommended for personal use must prominently display a disclaimer stating, “Please read the product instructions carefully or purchase and use the product as directed by a health care professional.” If the product registration certificate of the medical device stipulates any contraindications or precautions, the advertisement shall include a disclaimer in a prominent position stating, “for contraindications and precautions, please refer to the instructions for details.”

Regulations Relating To Cyber Security, Information Security, Privacy And Data Protection

Regulations Relating to Cyber Security

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), the “Cybersecurity Law”), promulgated by Standing Committee of the National People’s Congress (the “SCNPC”) on November 7, 2016, and effective from June 1, 2017, revised on October 28, 2025, and will take effect on January 1, 2026, China establishes the fundamental legal framework in the field of cyberspace. The Cybersecurity Law applies to the construction, operation, maintenance, and supervision of networks within China. It requires network operators to adopt necessary technical and management measures to prevent cyberattacks, intrusions, and other security risks, and to ensure the integrity, confidentiality, and availability of networks and data. When collecting and using personal information, network operators must follow the principles of legality, legitimacy, and necessity, and implement a real-name registration system, under which users who do not provide authentic identity information may not access relevant services.

According to the Cybersecurity Review Measures (《網絡安全審查辦法》), revised and issued by the Cyberspace Administration of China (the “CAC”) and twelve other departments on December 28, 2021, and effective from February 15, 2022, China establishes a security review mechanism for critical information infrastructure operators and network platform operators, focusing on network products, services, and data processing activities that may affect national security. Under these Measures, critical information infrastructure operators that procure key network products or services, as well as network platform operators holding personal information of more than one million users and seeking overseas listing, must apply

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for review with the Cybersecurity Review Office in accordance with the law. At the same time, regulatory authorities may also initiate a review process if they consider that an enterprise’s products, services, or data processing activities may affect national security.

According to the Regulation on the Security Protection of Computer Information Systems (《計算器信息系統安全保護條例》), promulgated by the State Council on February 18, 1994, and revised on January 8, 2011, China establishes a graded protection system for the security of computer information systems. The Regulation requires entities using computer information systems to adopt protective measures to prevent viruses and other hazards, and to ensure the safe operation of the systems. It also specifies the supervisory responsibilities of public security authorities and requires entities to implement necessary technical and management measures to prevent information leakage, tampering, or loss.

Regulations Relating to Personal Information

According to the Civil Code of the PRC (《中華人民共和國民法典》, the “Civil Code”), adopted at the Third Session of the 13th National People’s Congress of the PRC (the “NPC”) on May 28, 2020, and effective from January 1, 2021, the right to privacy of natural persons is recognized as a fundamental personality right, and personal information is protected by law. The Civil Code requires that the processing of personal information follow the principles of legality, legitimacy, and necessity, and satisfy the following conditions: (i) obtain the consent of the natural person or his/her guardian, unless otherwise provided by laws and regulations; (ii) inform the individual clearly of the purpose, method, and scope of information processing; and (iii) refrain from violating laws, regulations, or agreements between the parties. Information processors must adopt technical and management measures to ensure the security of collected and stored information, and to prevent leakage, alteration, or loss. In the event of actual or potential risks, remedial measures must be taken promptly, and the individual must be notified while reporting to the competent authorities in accordance with the law.

The Civil Code also revises internet tort liability and establishes the “notice-and take down rule” as a safe harbor principle. Network service providers that only provide neutral technical services such as information storage, search, or links are not liable for infringement if they are not aware of the infringing activity. However, if they fail to take necessary measures after receiving a notice from the rights holder, or if they knowingly allow infringing activities to continue, they shall bear joint liability with the infringing user. After deleting, blocking, or disconnecting links, network service providers must promptly notify the user concerned. If the user believes his or her actions do not constitute infringement, the user may submit a counter-notice requesting the restoration of the content. The service provider must then restore the content and assume any resulting legal consequences.

According to the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》, the “Personal Information Protection Law”), promulgated by the SCNPC on August 20, 2021, and effective from November 1, 2021, the scope of personal information and the rules for its processing are clearly defined. The Personal Information Protection Law grants individuals rights in the processing of their personal information, including the rights to be

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informed, to decide, to access, to correct, to delete, and to request explanations. At the same time, it imposes compliance obligations on information processors, requiring them to adopt management and technical measures to prevent information leakage, taking into account the purposes, methods, types of information, impacts on individual rights, and security risks. Large internet platforms must establish supervisory mechanisms and assume greater responsibility for personal information protection. With respect to cross-border transfers, the law requires information processors to take measures to ensure that the processing activities of overseas recipients meet China’s personal information protection standards.

Regulations Relating to Data Security

According to the Data Security Law of the PRC (《中華人民共和國數據安全法》, the “Data Security Law”), promulgated by the SCNPC on June 10, 2021, and effective from September 1, 2021, China establishes a data protection system based on data categories and security levels, taking into account the importance of data to economic and social development and the potential harm that illegal use of data may cause to national security, public interest, or the rights of individuals and organizations. Data processors are required to classify and grade data according to its importance and sensitivity. Data that are crucial to national security, the economy, people’s livelihood, and major public interests are defined as “national core data”, which must be subject to the highest level of protection. Data processors must also conduct regular data security assessments, identify potential risks, and report significant risks to relevant authorities with an assessment report. Activities that affect or may affect national security are subject to data security review, and data involving national security, interests, or international obligations are subject to China’s export control regime. Important data processors must appoint a data security officer and establish a management department responsible for data security, regularly assess the risks of their data activities, and submit assessment reports to the relevant supervisory authorities. Data transaction intermediaries must verify the source of the data and the identities of the transaction parties and retain relevant records. Entities or individuals violating the Data Security Law may face warnings, fines, suspension of business, revocation of licenses or business permits, and even criminal liability, with fines up to RMB10 million.

According to the Regulation on Network Data Security Management (《網絡數據安全管理條例》, the “Data Security Regulation”), promulgated by the State Council on September 24, 2024, and effective from January 1, 2025, China further improves the system for important data security. The Data Security Regulation clarifies the responsibilities for formulating catalogs of important data, stipulates the obligations of network data processors to identify and declare important data, and provides detailed requirements for risk assessments. It also emphasizes that network data security management institutions and officers bear direct responsibility for data security. With respect to cross-border data transfer, the Data Security Regulation refines the applicable requirements and specifies the conditions under which network data processors may provide personal information abroad, including transfers based on international treaties or agreements. Where data have not been identified or published as important data, no outbound security assessment for important data is required when such data are provided abroad. The Data Security Regulation further specifies the data security responsibilities of network

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platform service providers and third-party product or service providers. For example, it imposes management requirements on information distribution based on automated decision making, requires large platforms to publish annual social responsibility reports on personal information protection, and obliges them to adopt measures to prevent cross-border data security risks.

According to the Provisions on Promoting and Regulating Cross-Border Data Flow (《促進和規範數據跨境流動規定》), issued by the CAC on March 22, 2024, China aims to facilitate cross-border data flows under the principle of security and controllability. In addition, the Measures for the Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》), effective from September 1, 2022, require data processors to apply to the CAC for a security assessment when providing abroad data collected or generated by critical information infrastructure operators, important data, or personal information reaching a certain threshold, in order to ensure that the overseas recipient’s data processing activities comply with China’s laws and regulations.

Regulations Relating To Foreign Investment

According to the Company Law of the PRC (《中華人民共和國公司法》), the “Company Law”), promulgated by the SCNPC on December 29, 1993, and most recently amended on December 29, 2023, effective from July 1, 2024, the establishment, operation, and management of corporate entities in China are governed by the Company Law. The Company Law regulates two main corporate forms: limited liability companies and joint stock companies. Both forms enjoy the status of independent legal persons. Shareholders of a limited liability company bear liability to the extent of their subscribed capital contributions, while shareholders of a joint stock company bear liability to the extent of their subscribed shares. Unless otherwise provided by foreign investment laws, the Company Law also applies to foreign-invested enterprises, including foreign-invested limited liability companies and joint stock companies.

Foreign-invested entities in China are further subject to foreign investment laws and regulations. The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), promulgated by the NPC on March 15, 2019, together with the Regulation on the Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), promulgated by the State Council on December 26, 2019, both came into effect on January 1, 2020. “Foreign investment” refers to investment activities directly or indirectly carried out within China by foreign investors, including foreign natural persons, foreign enterprises, or other foreign organizations. The Foreign Investment Law establishes the basic institution for foreign investment, implementing a system of pre-establishment national treatment plus a negative list management model. The negative list is approved by the State Council and published or revised in due course.

The Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》), the “2024 Negative List”), jointly issued by the National Development and Reform Commission and the Ministry of Commerce on September 6, 2024, and effective from November 1, 2024, provides unified

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rules on equity structure, management positions, and access to certain industries for foreign investment. Foreign investors are prohibited from entering industries listed in the prohibited category, while investments in restricted industries are subject to specified conditions. For industries and sectors not included in the negative list, foreign investment is managed on the principle of national treatment, consistent with domestic investment. The 2024 Negative List expressly provides that medical institutions may only be established in the form of Sino-foreign joint ventures and may not be wholly foreign-owned. Our business does not fall within the scope of industries restricted or prohibited for foreign investment.

Regulations Relating To Foreign Exchange

According to the Regulations of the PRC on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), promulgated by the State Council on January 29, 1996, and most recently amended on August 5, 2008, the state implements a unified foreign exchange administration system. Under these Regulations, all foreign exchange receipts and payments must be conducted in accordance with the law and are subject to the supervision of the State Administration of Foreign Exchange (the “SAFE”) and its local branches. Foreign exchange receipts and payments under current accounts by domestic institutions and individuals are unrestricted, while cross-border capital flows under capital accounts are strictly regulated. Domestic conversion of RMB into foreign currencies and remittance of the converted foreign exchange abroad require prior approval from SAFE or its authorized institutions.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Management Policy of Capital Account Foreign Exchange Settlement (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), promulgated by SAFE on June 9, 2016, and most recently amended on December 4, 2023, foreign exchange income under capital accounts may be settled in banks according to the actual operational needs of domestic institutions. The tentative proportion of voluntary settlement of capital account foreign exchange income by domestic institutions is set at 100%, and SAFE may adjust this proportion as appropriate based on the balance of payments situation.

According to the Notice of the State Administration of Foreign Exchange on Further Facilitating Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), promulgated on October 23, 2019, and most recently amended on December 4, 2023, non-investment foreign-invested enterprises are allowed, under the premise of compliance with the current negative list and the authenticity and legality of relevant domestic investment projects, to lawfully settle their foreign exchange capital in RMB and use the RMB funds for equity investment within China, removing previous restrictions on the use of capital.

According to the Notice of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), promulgated in April 10, 2020, subject to ensuring the authenticity and compliance of fund use and conformity with current capital account income management rules, qualified enterprises are allowed to use

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capital funds, foreign debt, and capital account income from overseas listings for domestic payments without providing authenticity proof for each transaction to the bank in advance; the handling bank may conduct post-event checks as required.

Regulations Relating To Taxation

Regulations Relating to Enterprise Income Tax (the “EIT”)

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》, the “Enterprise Income Tax Law”), promulgated by the SCNPC on March 16, 2007, came into effect from January 1, 2008, revised and took effect on December 29, 2018 and the Implementation Regulations of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》, the “Implementation Regulations of the Enterprise Income Tax Law”), promulgated by the State Council on December 6, 2007, most recently revised on December 6, 2024, and effective as of January 20, 2025, enterprises established within China, as well as foreign enterprises that have establishments or places in China and derive income, are required to pay EIT in accordance with the law. The statutory EIT rate is 25%, applied equally to domestic and foreign-invested enterprises. Qualified small and low-profit enterprises may be taxed at a reduced rate of 20%, and high-tech enterprises may be taxed at a reduced rate of 15%. Non-resident enterprises that have establishments or places in China and derive income are subject to EIT at a rate of 20%. Non-resident enterprises that do not have establishments or places in China, or have establishments or places but earn income not effectively connected to them, shall pay EIT at a rate of 10% on income sourced within China.

Regulations Relating to Value-added Tax (the “VAT”)

According to the Provisional Regulations of the PRC on Value-Added Tax (《中華人民共和國增值稅暫行條例》, the “VAT Provisional Regulations”), promulgated by the State Council on December 13, 1993, and most recently revised on November 19, 2017, effective on the same date, and the Implementation Rules of the Provisional Regulations on Value-Added Tax (《中華人民共和國增值稅暫行條例實施細則》), promulgated by the Ministry of Finance on December 25, 1993, and most recently revised on October 28, 2011, effective from November 1, 2011, units and individuals selling goods, providing processing, repair, and replacement services, selling services, intangible assets, or real estate, as well as importing goods in China, are required to pay VAT in accordance with the law. Unless otherwise provided, the applicable VAT rate for the sale of goods, labor services, and leasing of tangible movable property, or for imported goods, is 17%, while the applicable rate for the sale of services and intangible assets is 6%. Exported goods are subject to a zero tax rate, and domestic units and individuals providing cross-border services or intangible assets within the scope prescribed by the State Council are also subject to a zero tax rate.

Subsequently, according to the Notice on Adjusting VAT Rates (《關於調整增值稅稅率的通知》), promulgated by the Ministry of Finance and the State Taxation Administration on April 4, 2018, and effective from May 1, 2018, the original VAT rates of 17% and 11% for taxable sales or imported goods were adjusted to 16% and 10%, respectively. Further,

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according to the Announcement on Policies Related to Deepening VAT Reform (《關於深化增值稅改革有關政策的公告》), promulgated by the Ministry of Finance, the State Taxation Administration, and the General Administration of Customs on March 20, 2019, and effective from April 1, 2019, the original 16% rate was adjusted to 13%, and the original 10% rate was adjusted to 9%.

Finally, the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》, the “VAT Law”), promulgated by the SCNPC on December 25, 2024, and effective from January 1, 2026, replaces the original VAT Provisional Regulations. The VAT Law clarifies that, unless otherwise provided, the applicable VAT rate for the sale of goods, processing, repair and replacement services, leasing of tangible movable property, and imported goods is 13%, while the sale of other services and intangible assets is subject to a 6% rate. Taxpayers generally calculate VAT payable by deducting input VAT from output VAT. Only three categories of items are non-deductible: catering services for direct consumption, daily services for residents, and entertainment services.

Regulations Relating to Withholding Income Tax

According to the Enterprise Income Tax Law and the Implementation Regulations of the Enterprise Income Tax Law, non-resident enterprises deriving income from China, such as dividends, interest, and royalties, are generally subject to a withholding income tax at a rate of 10%. Under the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, if a Hong Kong enterprise directly holds at least 25% of the equity of a Chinese enterprise, it may enjoy a reduced withholding tax rate of 5%, benefiting from a 50% tax reduction.

In addition, the Announcement of the State Taxation Administration on the Issuance of the Administrative Measures for Non-Resident Taxpayers to Enjoy Treaty Benefits (《關於發布〈非居民納稅人享受協定待遇管理辦法〉的公告》), issued by the State Taxation Administration on October 14, 2019, and effective from January 1, 2020, simplified the procedures for non-resident taxpayers to enjoy treaty benefits. Non-resident taxpayers do not need approval from the tax authorities to enjoy treaty benefits; if they determine that they meet the conditions, they may claim treaty benefits when filing tax returns or through the withholding agent during withholding declaration. Relevant materials must be collected and retained for record-keeping, and the taxpayers remain subject to subsequent management by the tax authorities.

Furthermore, according to the Announcement on Issues Regarding the “Beneficial Owner” in Tax Treaties (《關於稅收協定中“受益所有人”有關問題的公告》), promulgated by the State Taxation Administration on February 3, 2018, and effective from April 1, 2018, applicants must submit documents to the relevant tax authorities under the Administrative Measures to Demonstrate their “beneficial owner” status. When determining the applicant’s “Beneficial owner” status for dividends, interest, and royalties under a tax treaty, multiple factors are considered, including, but not limited to: whether the applicant is obligated to pay more than 50% of the received income to residents of a third country (or region) within

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12 months; whether the applicant’s business activities constitute substantive business operations; and whether the treaty partner jurisdiction does not tax, exempts, or imposes an extremely low effective tax rate on the relevant income. Applicants failing to meet the beneficial owner criteria are not entitled to preferential tax rates under the treaty.

Regulations Relating To Intellectual Property Rights

Regulations Relating to Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》), the “Trademark Law”), promulgated by the SCNPC on August 23, 1982, and most recently revised on April 23, 2019, and the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), the “Trademark Law Implementation Regulations”), promulgated by the State Council on August 3, 2002, revised on April 29, 2014, and effective as of May 1, 2014, trademarks approved and registered by the Trademark Office of the National Intellectual Property Administration (the “NIPA”) are considered registered trademarks, including commodity trademarks, service trademarks, collective trademarks, and certification trademarks. Registered trademarks are valid for ten years and may be renewed for another ten years upon expiration. Trademark owners enjoy exclusive rights to their registered trademarks. Unauthorized use of identical or similar trademarks on the same or similar goods constitutes infringement and requires the infringer to cease infringement and compensate for damages; in severe cases, criminal liability may also apply.

Regulations Relating to Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》), the “Copyright Law”), promulgated by the SCNPC on September 7, 1990, and most recently revised on November 11, 2020, and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》), the “Copyright Law Implementation Regulations”), promulgated by the State Council on August 2, 2002, and most recently revised on January 30, 2013, effective March 1, 2013, Chinese citizens, legal persons, or other organizations enjoy copyright in their works, including literary works, artistic works, engineering and technical works, and computer software. Copyright arises from the moment a work is created. Copyright holders have moral and economic rights over their protected works, including the right of publication, authorship, modification, protection of integrity, reproduction, distribution, rental, exhibition, performance, broadcasting, information network dissemination, cinematography, adaptation, translation, compilation, and other rights granted by law.

According to the Regulations on the Protection of Computer Software (《計算機軟件保護條例》), promulgated by the State Council on June 4, 1991, and most recently revised on January 30, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), promulgated by the National Copyright Administration (the “NCA”) on February 20, 2002, and most recently revised on June 18, 2004, the NCA is responsible for the registration and administration of computer software copyright and

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authorizes the China Copyright Protection Center (the “CCPC”) as the software copyright registration authority. The CCPC may establish local software registration offices and issue registration certificates to applicants in accordance with relevant regulations. For legal persons or other organizations, the protection period of software copyright is fifty years, expiring on December 31 of the 50th year after publication; if the software is not published within fifty years of completion, copyright protection ceases.

Regulations Relating to Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》, the “Patent Law”), promulgated by the SCNPC on March 12, 1984, and most recently revised on October 17, 2020, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》, the “Implementation Rules”), promulgated by the State Council on June 15, 2001, revised on December 11, 2023 and became effective on January 20, 2024, the NIPA is responsible for patent examination and authorization. The Chinese patent system follows a “first-to-file” principle, meaning that if more than one person applies for a patent for the same invention, the patent is granted to the first applicant. Invention and utility model patents must meet the requirements of novelty, inventiveness, and industrial applicability to be eligible for patent protection. Third parties may only use a patent with the consent or formal authorization of the patent holder; otherwise, unauthorized use constitutes patent infringement. Under the Patent Law, authorized patent holders enjoy exclusive rights to implement their patents and may prohibit unauthorized use.

The Patent Law and its Implementation Rules provide for three types of patents: invention, utility model, and design. The term of protection for invention patents is 20 years from the date of application, for utility model patents is 10 years, and for design patents filed on or after June 1, 2021, the term of protection is 15 years.

Pursuant to the Measures for the Recordal of Patent Licensing Contracts (《專利實施許可合同備案辦法》), promulgated by NIPA on June 27, 2011, and effective from August 1, 2011, NIPA is responsible for the recordal of patent licensing contracts nationwide. Parties must complete the recordal procedures within three months from the effective date of a patent licensing contract.

Regulations Relating to Trade Secret

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by SCNPC, as amended on June 27, 2025 and effective from October 15, 2025, the term “trade secrets” refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the Anti-Unfair Competition Law of the PRC, business persons are prohibited from infringing others’ trade secrets by: (i) acquiring a trade secret from the right holder by theft, bribery, fraud, coercion, electronic intrusion, or any other means; (ii) disclosing, using, or allowing another person to use a trade secret acquired from the right holder by any means as specified in the item (i)

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above; (iii) disclosing, using, or allowing another person use a trade secret in its possession, in violation of its confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential; (iv) abetting a person, or tempting another person into or in acquiring, disclosing, using, or allowing another person to use the trade secret of the right holder in violation of his or her non-disclosure obligation of the requirements of the right holder for keeping the trade secret confidential. If a third party knows or should have known of the above-mentioned illegal conduct but nevertheless obtains, uses or discloses trade secrets of others, the third party may be deemed to have committed a misappropriation of the others’ trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and impose fine on the infringing parties.

Regulations Relating to Domain Name

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), promulgated by the MIIT on August 24, 2017, and effective from November 1, 2017, MIIT is the primary regulatory authority for domain name services in China. Domain name registration follows the principle of “first apply, first register.” Applicants must register through authorized domain name registration service providers and submit true, accurate, and complete identity information. Upon registration, the applicant becomes the domain name holder and enjoys lawful usage rights.

In the Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》), promulgated by the MIIT in November 2017 and effective from January 1, 2018, it is stipulated that domain names used by Internet information service providers must be legally registered and owned by them. Where an entity engages in Internet information services, the domain name registrant shall be the entity itself (including its shareholders), the entity’s principal responsible person, or its senior management personnel.

Regulations Relating To Employment And Social Welfare

Regulations Relating to Employment

According to the Labor Law of the PRC (《中華人民共和國勞動法》), promulgated by the SCNPC in July 1994 and most recently amended in December 2018, employers shall establish and improve labor rules and regulations in accordance with the law, strictly comply with national standards, provide necessary training to employees, ensure that employees enjoy labor rights, and fulfill their labor obligations.

According to the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), promulgated by the SCNPC on June 29, 2007, and most recently amended on December 28, 2012, and its implementing regulations, employers and employees shall conclude written labor contracts when establishing labor relations. Labor contracts may be fixed-term, open-ended, or based on the completion of specific work tasks. If a labor relationship has been established without a written labor contract, a written contract must be signed within one month from the date of employment. Employers shall not force employees to work overtime, shall legally

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control working hours, and shall pay overtime wages. Employee wages shall not be lower than the local minimum wage standard and must be paid in full and on time. Employers may legally terminate labor contracts upon mutual agreement with employees or in accordance with statutory conditions.

According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》), promulgated by the Ministry of Human Resources and Social Security and effective from March 1, 2014, employers may only use dispatched employees for temporary, auxiliary, or substitutive positions and must ensure that they enjoy equal pay for equal work compared to similar employees of the employer. The number of dispatched employees shall not exceed 10% of the total workforce. Employers failing to comply with the proportion limit shall be fined RMB5,000 to 10,000 per employee.

Regulations Relating to Social Insurance

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), promulgated by the SCNPC on October 28, 2010, and most recently amended on December 29, 2018, and the Interim Regulations on the Collection of Social Insurance Premiums (《社會保險費徵繳暫行條例》), promulgated by the State Council on January 22, 1999, and most recently amended on March 24, 2019, the state establishes basic pension insurance, basic medical insurance, work injury insurance, unemployment insurance, and maternity insurance. Employers shall enroll their employees in social insurance in accordance with the law and register with the social insurance agency within 30 days from the date of employment. Employers who fail to pay social insurance contributions on time or in full may be ordered by the social insurance collection agency to pay within a time limit or make up the shortfall; if still unpaid after the deadline, late fees will be charged, and fines of 1 to 3 times the unpaid amount may be imposed.

In addition to general social insurance requirements, enterprises are specifically required to provide maternity insurance for eligible employees in accordance with the Trial Measures for Maternity Insurance for Enterprise Employees (《企業職工生育保險試行辦法》), promulgated by the Ministry of Labor on December 14, 1994, and effective from January 1, 1995; enroll employees in basic pension insurance in accordance with the Decision of the State Council on Establishing a Unified Basic Pension Insurance System for Enterprise Employees (《國務院關於建立統一的企業職工基本養老保險制度的決定》), promulgated and effective on July 16, 1997; enroll employees in basic medical insurance in accordance with the Decision of the State Council on Establishing the Basic Medical Insurance System for Urban Employees (《國務院關於建立城鎮職工基本醫療保險制度的決定》), promulgated and effective on December 14, 1998; enroll employees in unemployment insurance in accordance with the Unemployment Insurance Regulations (《失業保險條例》), promulgated and effective on January 22, 1999; and enroll employees in work-related injury insurance in accordance with the Work-Related Injury Insurance Regulations (《工傷保險條例》), promulgated on April 27, 2003, revised on December 20, 2010, and effective from January 1, 2011.

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Regulations Relating to Housing Provident Fund

According to the Administrative Regulations on Housing Provident Fund (《住房公積金管理條例》), promulgated by the State Council on April 3, 1999, and most recently amended on March 24, 2019, enterprises must register with the designated housing provident fund management centers and open bank accounts for the deposit of employees’ housing provident funds. Employers shall make contributions in accordance with national regulations, with the contribution generally not less than 5% of the employees’ average monthly salary of the previous year.

Employers who fail to register for housing provident fund contributions or fail to open accounts for employees may be ordered by the housing provident fund management center to complete the registration within a time limit; if overdue, they may be fined RMB10,000 to 50,000. Employers who delay or underpay contributions may be ordered to make payments within a specified period, and if still unpaid, the housing provident fund management center may apply to the People’s Court for compulsory enforcement.

Regulations on Lease of Real Property

According to the Civil Code, a lease contract generally shall contain clauses specifying the name, quantity and purpose of use of the leased object, the term of the lease, rent, the schedule and method of its payment, the maintenance and repair of the leased object, etc. The lessee of a lease may, with the consent of the lessor, sublease the leased object to a third party.

According to the Administrative Measures for Leasing of Commodity Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) (the “MOHURD”) on December 1, 2010 and became effective on February 1, 2011, a commodity housing lease contract should be registered and filed with the competent construction (real estate) departments of the municipalities directly under the central government, cities and counties where the house is located within 30 days after the execution of the lease contract. Those who fail to comply with the aforementioned filing regulations may be ordered by the competent authority to correct within a time limit. If the entity does not correct within the specified period, it may be subject to a fine ranging from 1,000 yuan to 10,000 yuan.

Regulations Relating To Securities And Overseas Securities Offering

Regulations Relating to Securities

According to the Securities Law of the PRC (《中華人民共和國證券法》), promulgated by the SCNPC on December 29, 1998, and most recently amended on December 28, 2019, the securities law implements a registration-based system with information disclosure as its core. Issuers are required to ensure that disclosed information is true, accurate, and complete, and shall not contain false records, misleading statements, or material omissions. Domestic enterprises issuing securities directly or indirectly overseas, or having their securities listed

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abroad, must comply with the relevant regulations of the State Council; the China Securities Regulatory Commission (the “CSRC”) is responsible for the legal supervision and administration of the securities market. The issuance and trading of H-shares are primarily governed by regulations and rules issued by the State Council and CSRC.

Regulations Relating to Overseas Listing

On July 6, 2021, the General Office of the State Council and General Office of the Central Committee of the Communist Party of China issued Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). The opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies.

The Measures for the Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (Trial) (《境內企業境外發行證券和上市管理試行辦法》), promulgated by CSRC on February 17, 2023, and effective from March 31, 2023, together with five supporting guidelines, establishes a filing management system. Domestic enterprises intending to directly or indirectly issue and list securities overseas shall submit filing materials to CSRC within three working days after submitting the overseas listing application.

The trial measures stipulate that domestic enterprises shall not issue or list securities overseas under any of the following circumstances: (i) explicitly prohibited by laws, administrative regulations, or relevant national provisions; (ii) deemed by the competent authorities of the State Council to potentially endanger national security; (iii) in the past three years, the domestic enterprise or its controlling shareholder or actual controller has committed criminal offenses such as embezzlement, bribery, misappropriation of property, or disruption of the socialist market economy order; (iv) the domestic enterprise is under legal investigation for suspected criminal or major illegal acts, without a clear conclusion; (v) there exist major ownership disputes over shares held by controlling shareholders or shareholders under the actual control of the controlling person.

Furthermore, the trial measures require that issuers report to CSRC within three working days after the overseas listing if any of the following occurs: (i) change of control; (ii) investigation or penalty measures taken by overseas securities regulators or competent authorities; (iii) conversion of listing status or board segment; (iv) voluntary or involuntary termination of listing. Overseas listed enterprises must also strictly comply with national laws and regulations concerning foreign investment, cybersecurity, data security, and national security, and duly fulfill the obligation to safeguard national security.

Regulations Relating to Confidentiality and Archival Management

According to the Notice on Strengthening Confidentiality and Archival Management Related to Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), jointly issued by CSRC and

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three other relevant departments on February 24, 2023, and effective from March 31, 2023, during the process of direct or indirect overseas issuance and listing by domestic enterprises, when domestic enterprises provide or publicly disclose documents or materials to securities companies, accounting firms, other securities service institutions, or overseas regulatory authorities that may involve state secrets, confidential information of state agencies, or could adversely affect national security or public interest, they must strictly comply with national regulations regarding approval and filing procedures. The Notice further requires that securities companies and securities service institutions providing services for overseas issuance and listing by domestic enterprises must retain working papers generated within China in the Chinese mainland. Such working papers may not be carried, mailed, or transferred outside the Chinese mainland without prior approval from the competent authorities. If it is necessary to transfer the working papers abroad, approval must be obtained from the competent authorities. The Notice also establishes and strengthens a cross-border regulatory cooperation mechanism, shifting the overall approach to cross-border supervision of overseas issuance and listing from “domestic regulatory authorities taking the lead or relying on conclusions from domestic inspections” to a “cross-border regulatory cooperation” mechanism.

The specific provisions include: (i) During overseas issuance and listing, domestic enterprises must strictly comply with requirements for safeguarding state secrets and managing archives, establish and maintain sound confidentiality and archival systems, and take necessary measures to fulfill their confidentiality and archival management responsibilities; (ii) When providing or publicly disclosing documents or materials involving state secrets, confidential information of state agencies, or materials that could adversely affect national security or public interest, domestic enterprises must complete the relevant approval, filing, or other regulatory procedures; (iii) Securities companies and securities service institutions must retain working papers generated within the Chinese mainland, and if it is necessary to transfer such materials abroad, prior approval must be obtained from the competent authorities in the Chinese mainland.

Regulations On The H Share Full Circulation

“Full circulation” means listing and circulating on the stock exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC issued the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》) (the “Guidelines for the Full Circulation”), which was amended on August 10, 2023.

According to the Guidelines for the Full Circulation, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for full circulation. To

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apply for full circulation, an H-share listed company shall file the application with the CSRC according to the filing procedures necessary for the Measures for the Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (Trial). After the application for full circulation has been approved by the CSRC, the H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with China Securities Depository and Clearing Limited (the “CSDC”) of the shares related to the application has been completed. After domestic unlisted shares are listed and circulated on the Hong Kong Stock Exchange, they may not be transferred back to China.

On December 31, 2019, CSDC and the Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share Full Circulation Business (《H股“全流通”業務實施細則》) (the “Measures for Implementation”) to regulate the H-share full circulation business, such as cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc.

In addition, the Shenzhen Branch of CSDC released the Guide for “Full Circulation” Business of H Shares by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股“全流通”業務指南》) on June 27, 2025, which became effective on June 30, 2025, and provides for business arrangements and procedures related to H-share full circulation business, including business preparation, cross-border transfer registration, overseas depository of shares and initial maintenance and change in maintenance of domestic holding details, corporate behavior processing, clearing and settlement, risk management and business charges.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to 2019 when our predecessor Company, Shanghai Simple-Touch Technology Co., Ltd.* (上海睿觸科技有限公司), was established by Ms. Chen Miao (陳苗), an Independent Third Party. Mr. Liu, the chairman of our Board, our executive Director, our general manager and one of our Controlling Shareholders, then acquired the control of our predecessor Company from Ms. Chen Miao in July 2019 and has since become the key person steering our development. For details of Mr. Liu’s biographical background, please refer to “Directors and Senior Management”.

After several rounds of shareholding changes, our predecessor Company was converted into a joint stock limited company under the laws of PRC on November 17, 2025, thereby became Shanghai Simpletouch Robot Co., Ltd. (上海睿觸機器人股份有限公司), our Company. Years of dedicated development under the leadership of Mr. Liu have established us as a seasoned participant in China’s percutaneous puncture surgical robot industry. We have also completed four tranches of Pre-[REDACTED] Investments from investors during 2020 to 2025. For further details, please refer to the subsection headed “— Pre-[REDACTED] Investment” in this section.

KEY MILESTONES

The following table illustrates the key milestones of our business development:

Year	Event
2019 . . .	Our predecessor Company was established under the laws of the PRC as a limited liability company in Shanghai, the PRC, in March. We commenced operations in July.
2020 . . .	We entered into series pre-A financing in July. We commenced biocompatibility test, and obtained integration test report and third party test report between August and October.
2021 . .	We successfully completed type testing for RC120 in June. We commenced sterilization test for the components of RC120 in September.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Event
2022 . .	We commenced clinical trial for RC120 in January. We entered into series A financing in January. We entered into series A+ financing in May.
2023 . .	The clinical trial for RC120 was completed in February and Class III medical device registration for RC120 was submitted with the NMPA in March. We were recognized as a Specialized, Refined, Distinctive and Innovative SME in Shanghai (上海市專精特新中小企業) in July.
2024 . . .	We obtained the Class III medical device registration certificate from NMPA for RC120 in February.
2025 . .	The first sales of RC120 was completed in July. We entered into series B financing in August. Our predecessor Company was converted into a joint stock limited company under the name of Shanghai Simpletouch Robot Co., Ltd. (上海睿觸機器人股份有限公司) in November.

OUR CORPORATE DEVELOPMENTS

The following sets forth the corporate history and major shareholding changes of our Company during the Track Record Period.

Establishment of our Company

Our predecessor Company, Shanghai Simple-Touch Technology Co., Ltd.* (上海睿觸科技有限公司), was established in Shanghai, the PRC as a limited liability company on March 28, 2019 with an initial registered capital of RMB2,000,000, which was fully paid up as of October 21, 2021. As of the date of its establishment, our predecessor Company was wholly-owned by Ms. Chen Miao (陳苗), an Independent Third Party, from whom Mr. Liu acquired the control of our predecessor Company in July 2019.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Our predecessor Company has undertaken a series of equity transfers, capital increases and several rounds of Pre-[REDACTED] Investments to, amongst others, raise funds for the development of our business and diversify our Shareholder base. Please refer to “—Pre-[REDACTED] Investments” below for more information. As of September 22, 2022, upon completion of the last capital increase prior to the Track Record Period, our predecessor Company’s registered share capital was RMB24,893,226, the details of which are set out below:

Shareholders	Registered capital subscribed for	Approximate percentage of corresponding equity interest in our predecessor Company ⁽¹⁾
	(RMB)	(%)
Mr. Liu ⁽²⁾	13,600,000	54.63
Shanghai Ruicong L.P.	2,400,000	9.64
Mr. Lu Yining (陸逸寧)	2,000,000	8.03
Xinyu Shangjia Investment Partnership (Limited Partnership)* (新余市上嘉投資合夥企業(有限合 夥)) (“Xinyu Shangjia L.P.”)	1,304,095	5.24
Jiaxing Qiangrui Venture Capital Partnership (Limited Partnership)* (嘉興強睿創業投資合夥 企業(有限合夥)) (“Jiaxing Qiangrui L.P.”)	1,197,653	4.81
SOLEIL CAPITAL LIMITED (“SOLEIL CAPITAL”)	1,189,523	4.78
Mr. Lu Yi (陸怡)	1,000,000	4.02
Xuzhou Jiesheng Jinrui Industrial Investment Fund Partnership (Limited Partnership) (徐州惠盛金瑞產業投資基金合夥企業(有限合 夥)) (“Xuzhou Jiesheng L.P.”)	948,148	3.81
Xinyu Shangrong Equity Investment Partnership (Limited Partnership)* (新余市上容股權投資合 夥企業(有限合夥)) (“Xinyu Shangrong L.P.”)	779,733	3.13
Suzhou Qianrong Tairun Venture Capital Partnership Enterprise (Limited Partnership)* (蘇州乾融泰潤創業投資合夥企業(有限合夥)) (“Suzhou Qianrong L.P.”)	474,074	1.90
Total	24,893,226	100.00

Notes:

- (1) The figures may not add up to 100 due to rounding.
- (2) Among the registered capital of RMB13.6 million shown to be held by Mr. Liu above, registered capital of approximately RMB1.47 million were subject to Mr. Liu’s shareholding arrangements with third parties, and such arrangements had been terminated in March 2023.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Equity Transfer in June 2025

On June 25, 2025, Xuzhou Jiesheng L.P. transferred its 1.00% equity interest in our predecessor Company at a consideration of RMB6,954,091.34 to Mr. Jiao Shihao (焦世豪) and its 2.81% equity interest in our predecessor Company at a consideration of RMB19,533,305.92 to Mr. Jiao Weimin (焦为民). Both Mr. Jiao Shihao and Mr. Jiao Weimin are Independent Third Parties. The considerations for the said equity transfers were determined through arm’s length negotiations primarily with reference to the cost and value of investment of Xuzhou Jiesheng L.P.. The considerations had been fully settled as of August 29, 2025.

The following table sets out the shareholding structure of our predecessor Company immediately after the completion of the equity transfer mentioned above:

Shareholders	Registered capital subscribed for	Approximate percentage of corresponding equity interest in our predecessor Company ⁽¹⁾
	(RMB)	(%)
Mr. Liu	13,600,000	54.63
Shanghai Ruicong L.P.	2,400,000	9.64
Mr. Lu Yining	2,000,000	8.03
Xinyu Shangjia L.P.	1,304,095	5.24
Jiaxing Qiangrui L.P.	1,197,653	4.81
SOLEIL CAPITAL	1,189,523	4.78
Mr. Lu Yi	1,000,000	4.02
Xinyu Shangrong L.P.	779,733	3.13
Mr. Jiao Weimin	699,218	2.81
Suzhou Qianrong L.P.	474,074	1.90
Mr. Jiao Shihao	248,930	1.00
Total	24,893,226	100.00

Note:

(1) The figures may not add up to 100 due to rounding.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Series B Financing and Equity Transfer in August 2025

Pursuant to the share subscription agreement entered into between our predecessor Company and A2Z Group Limited (“**A2Z Group**”), Wuxi Chirun Technology Co., Ltd.* (無錫馳潤科技有限公司) (“**Wuxi Chirun**”), Ms. Zhu Wen (朱雯), Mr. Ding Xiaodong (丁曉東), Mr. Zhan Tao (戰濤) and Mr. Cai Xingnan (蔡興南) (collectively, “**Series B Investors**”) dated August 30, 2025, the Series B Investors in aggregate subscribed for an increased registered capital of RMB580,843 in our predecessor Company at a total consideration of RMB70,000,000 (the “**Series B Financing**”), details of which are set out below:

Series B Investor	Consideration	Registered capital subscribed for	Approximate percentage of corresponding equity interest in our predecessor Company
	(RMB)	(RMB)	(%)
A2Z Group ⁽¹⁾	25,000,000	207,444	0.81
Wuxi Chirun	20,000,000	165,955	0.65
Ms. Zhu Wen	8,000,000	66,382	0.26
Mr. Ding Xiaodong	7,000,000	58,084	0.23
Mr. Zhan Tao	5,000,000	41,489	0.16
Mr. Cai Xingnan	5,000,000	41,489	0.16
Total	70,000,000	580,843	2.28

Note:

(1) The consideration was paid in USD in the amount of USD3,516,718.48, equivalent to RMB25,000,000.

The relevant considerations were determined based on arm’s length negotiations between the parties primarily taking into account our predecessor Company’s pre-capital increase valuation and our then business development. For further details of the Series B Financing, see “— Pre-[REDACTED] Investments” below.

On August 30, 2025, Mr. Liu entered into an equity transfer agreement to transfer its 2.00% equity interest (equivalent to registered capital of RMB497,865) in our predecessor Company at a consideration of RMB497,865 to Shanghai Ruiru L.P.; and Shanghai Ruicong L.P. entered into an equity transfer agreement to transfer its 2.95% equity interest (equivalent to registered capital of RMB733,325) in our predecessor Company at a consideration of RMB733,325 to Mr. Wen Qi (溫琦), our executive Director and deputy general manager. Both Shanghai Ruiru L.P. and Shanghai Ruicong L.P. are limited liability partnerships under the control of Mr. Liu as a general partner thereof, with the latter being our employee incentive platform. The considerations for both equity transfers were determined through arm’s length negotiations with reference to the registered capital of our predecessor Company at that time, and had been fully settled as of November 7, 2025.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of the Series B Financing and the equity transfers mentioned above, our registered capital was increased to RMB25,474,069 and the shareholding structure of our predecessor Company was as follows:

Shareholders	Registered capital subscribed for	Approximate percentage of corresponding equity interest in our predecessor Company ⁽¹⁾
	(RMB)	(%)
Mr. Liu	13,102,135	51.43
Mr. Lu Yining	2,000,000	7.85
Shanghai Ruicong L.P.	1,666,675	6.54
Xinyu Shangjia L.P.	1,304,095	5.12
Jiaxing Qiangrui L.P.	1,197,653	4.70
SOLEIL CAPITAL	1,189,523	4.67
Mr. Lu Yi	1,000,000	3.93
Xinyu Shangrong L.P.	779,733	3.06
Mr. Wen Qi	733,325	2.88
Mr. Jiao Weimin	699,218	2.74
Shanghai Ruiru L.P.	497,865	1.95
Suzhou Qianrong L.P.	474,074	1.86
Mr. Jiao Shihao	248,930	0.98
A2Z Group	207,444	0.81
Wuxi Chirun	165,955	0.65
Ms. Zhu Wen	66,382	0.26
Mr. Ding Xiaodong	58,084	0.23
Mr. Zhan Tao	41,489	0.16
Mr. Cai Xingnan	41,489	0.16
Total	25,474,069	100.00

Note:

(1) The figures may not add up to 100 due to rounding.

Conversion into a Joint Stock Company

Pursuant to the Shareholders’ resolutions and the promoters’ agreement dated November 3, 2025, our predecessor Company was converted into a joint stock limited company under the name of Shanghai Simpletouch Robot Co., Ltd. (上海睿觸機器人股份有限公司). Upon completion of the conversion, the share capital of our Company was RMB25,474,069 and was divided into 25,474,069 Shares with a nominal value of RMB1.00 per Share, which were subscribed for by our then Shareholders in proportion to their respective equity interest in our predecessor Company immediately before the conversion.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shares Subdivision

Pursuant to the Shareholders’ resolutions dated November 25, 2025, our Shares will be subdivided on a one-for-ten basis immediately prior to the completion of the [REDACTED]. Accordingly, the nominal value of the Shares will be changed from RMB1.00 each to RMB[0.10] each, and the registered capital of our Company will remain unchanged of RMB25,474,069 with [254,740,690] Shares with a nominal value of RMB[0.10] each.

EMPLOYEE INCENTIVE PLATFORM

In recognition of the contributions of our employees and to incentivize them to further promote our development, Share-based payments were made to certain of our employees in 2023, 2024 and 2025 by granting them partnership interests in Shanghai Ruicong L.P., our employee incentive platform. For further details, please refer to “Appendix IV — Statutory and General Information — Further Information about Our Directors and Substantial Shareholders — Employee Incentive Arrangements” to this document.

Shanghai Ruicong L.P. was established in the PRC as a limited partnership on July 7, 2020 in the PRC, the general partner of which is Mr. Liu, our executive Director, chairman of our Board and our general manager, holding approximately 11.73% of the partnership interest as of the Latest Practicable Date. As of the Latest Practicable Date, Shanghai Ruicong L.P. had 26 limited partners, all being current employees of our Company, and three of which are our senior management members. Other than Ms. Shen Shuting (申淑婷) and Ms. Zhang Yue (章悦), both being members of our senior management, who respectively held approximately 11.5% and 9.7% partnership interest in Shanghai Ruicong L.P., none of the limited partners of Shanghai Ruicong L.P. held more than 7.0% partnership interest in Shanghai Ruicong L.P. as of the Latest Practicable Date. The voting rights attached to the Shares held by Shanghai Ruicong L.P. are controlled by Mr. Liu, its general partner.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRE-[REDACTED] INVESTMENTS

Overview

Between 2020 and 2025, we conducted several rounds of Pre-[REDACTED] Investments, which are summarized below:

	Registered capital of our predecessor Company subscribed	Date of the relevant subscription agreement(s)	Date on which consideration was fully and irrevocably settled	Consideration	Cost per unit of registered capital paid (approximation)	Discount to the [REDACTED] (approximation) ⁽¹⁾	Percentage of equity interest acquired immediately after the round of investment	Post-money valuation after each round of subscription of equity interest (approximation) ⁽²⁾
Series Pre-A Financing								
Xinyu Shangjia L.P. ⁽³⁾ . . .	RMB1,333,333	July 10, 2020	October 23, 2020	RMB10 million	RMB7.5	[REDACTED]	6.25%	RMB160 million
Series A Financing								
Xuzhou Jiesheng L.P. ⁽⁴⁾ . .	RMB948,148	January 29, 2022,	May 12, 2022	RMB20 million			4.00%	
Suzhou Qianrong L.P. . . .	RMB474,074	March 2, 2022	March 4, 2022	RMB10 million	RMB21.09	[REDACTED]	2.00%	RMB500 million
Jiaxing Qiangrui L.P. ⁽⁵⁾ . .	RMB948,148		March 30, 2022	RMB20 million			4.00%	
Series A+ Financing								
SOLEIL CAPITAL	RMB1,189,523	May 10, 2022	November 21, 2022	USD5 million	RMB30.09	[REDACTED]	4.78%	RMB749 million

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

	Registered capital of our predecessor Company subscribed	Date of the relevant subscription agreement(s)	Date on which consideration was fully and irrevocably settled	Consideration	Cost per unit of registered capital paid (approximation)	Discount to the [REDACTED] (approximation) ⁽¹⁾	Percentage of equity interest acquired immediately after the round of investment	Post-money valuation after each round of subscription of equity interest (approximation) ⁽²⁾
Series B Financing								
AZZ Group ⁽⁶⁾	RMB207,444		September 29, 2025	RMB25 million			0.81%	
Wuxi Chirun	RMB165,955		September 16, 2025	RMB20 million			0.65%	
Ms. Zhu Wen	RMB66,382		September 18, 2025	RMB8 million			0.26%	RMB3,070 million
Mr. Ding Xiaodong	RMB58,084	August 30, 2025	September 17, 2025	RMB7 million	RMB120.51	[REDACTED]	0.23%	
Mr. Zhan Tao	RMB41,489		September 24, 2025	RMB5 million			0.16%	
Mr. Cai Xingnan	RMB41,489		September 17, 2025	RMB5 million			0.16%	

Notes:

- (1). The discount to the [REDACTED] is calculated based on the foreign exchange rate as of the Latest Practicable Date and that the [REDACTED] is HK\$[REDACTED] per H Share (being the mid-point of the indicative [REDACTED] range of as stated in this document), with adjustments made to reflect the effect of the Shares Subdivision.
- (2). The post-money valuation figures equal the total consideration paid by the Pre-[REDACTED] Investors in each round divided by the shareholding percentage held by them immediately following their respective round of investment. The increase in valuation from Series Pre-A Financing to Series A Financing was mainly due to the fact that RC120 had successfully completed type testing. The increase in valuation from Series A Financing to Series A+ Financing was mainly due to the progress of the clinical trial of RC120. The increase in valuation from Series A+ Financing to Series B Financing was mainly due to the completion of clinical trial of RC120 and the grant of the Class III medical device registration certificate from NMPA for RC120.
- (3). On July 10, 2020 and July 12, 2020, Xinyu Shangjia L.P. entered into an equity transfer agreement and a supplemental agreement with Mr. Liu, respectively. Pursuant to such agreements, Mr. Liu agreed to transfer registered capital of our predecessor Company of RMB1,000,000 (representing approximately 5% equity interest in our predecessor Company at the time) to Xinyu Shangjia L.P. for a consideration of RMB4,000,000, which was fully settled on October 19, 2021. The consideration was determined after arm’s length negotiations with reference to among others, our then-valuation in the Series Pre-A Financing.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On March 4, 2022, Xinyu Shangjia L.P. entered into an equity transfer agreement with Jiaying Qiangrui L.P. and Xinyu Shangrong L.P., pursuant to which, Xinyu Shangjia L.P. agreed to transfer (i) registered capital of our predecessor Company of RMB779,733 (representing approximately 3.29% equity interest in our predecessor Company at the time) to Xinyu Shangrong L.P. for a consideration of RMB15,625,000, which was fully settled on March 28, 2022, and (ii) registered capital of our predecessor Company of RMB249,505 (representing approximately 1.05% equity interest in our predecessor Company at the time) to Jiaying Qiangrui L.P. for a consideration of RMB5,000,000, which was fully settled on March 24, 2022. The consideration was determined after arm's length negotiations with reference to among others, our then-valuation in the Series A Financing. Both Jiaying Qiangrui L.P. and Xinyu Shangrong L.P. are considered as our Pre-[REDACTED] Investors.

(4). On June 25, 2025, Xuzhou Jiesheng L.P. entered into an equity transfer agreement with Mr. Jiao Shihao and Mr. Jiao Weimin, pursuant to which Xuzhou Jiesheng L.P. agreed to transfer (i) registered capital of our predecessor Company of RMB248,930 (representing approximately 1% equity interest in our predecessor Company at the time) to Mr. Jiao Shihao for a consideration of RMB6,954,091.34, which had been fully settled as of August 29, 2025, and (ii) registered capital of our predecessor Company of RMB699,218 (representing approximately 2.81% equity interest in our predecessor Company at the time) to Mr. Jiao Weimin for a consideration of RMB19,533,305.92, which had been fully settled as of August 29, 2025, and Xuzhou Jiesheng L.P. has accordingly exited as an investor. To the best of our Directors' knowledge, the consideration was determined after arm's length negotiations primarily with reference to the cost and value of investment of Xuzhou Jiesheng L.P. before its exit. Both Mr. Jiao Shihao and Mr. Jiao Weimin are considered as our Pre-[REDACTED] Investors.

(5). Lianyungang Yoda Venture Capital Partnership (Limited Partnership) (連雲港市友達創業投資合夥企業 (有限合夥)) (“Lianyungang”) was one of the parties to the subscription agreement dated January 29, 2022 (the “First Agreement”). Prior to allotment of any equity interest from our predecessor Company to Lianyungang, on March 2, 2022, Lianyungang entered into a supplemental agreement with our predecessor Company and our then Shareholders, pursuant to which Lianyungang's rights and obligations as a subscriber under the First Agreement were succeeded by Jiaying Qiangrui L.P., such that Jiaying Qiangrui L.P. became our Pre-[REDACTED] Investor. For the avoidance of doubt, Lianyungang had not paid any subscription price to us and we had not allotted any equity interests to Lianyungang.

(6). The consideration was paid in USD in the amount of USD3,516,718.48, equivalent to RMB25,000,000.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Principal terms of the Pre-[REDACTED] Investments

Basis of determination of the consideration	The consideration for each tranche of Pre-[REDACTED] Investment was determined through arm’s length negotiation between the respective parties with reference to, among others, the status and continuous development of our business and the then pre-money valuation of our predecessor Company.
Lock-up period upon [REDACTED]	Pursuant to the applicable PRC law, within 12 months following the [REDACTED], holders of any Shares issued prior to the [REDACTED] (including those held by the Pre-[REDACTED] Investors) cannot transfer such Shares.
Use of proceeds from the Pre-[REDACTED] Investments	We utilized the proceeds to support the payment of the [REDACTED] expenses and our daily operation and management fees. As of the Latest Practicable Date, all of the net proceeds from Series Pre-A and Series A Pre-[REDACTED] Investments had been utilized for the aforementioned purposes. As of the Latest Practicable Date, (i) approximately 11.9% of the proceeds of Series A+ Financing (amounting to approximately RMB4.28 million) and (ii) approximately 85% of the proceeds of Series B (amounting to approximately RMB59 million), remained unutilized. Such unutilized proceeds will be used as our working capital to support our development, the [REDACTED] expenses and our daily operation and management fees.
Strategic benefits from the Pre-[REDACTED] Investments to our Company	Our Directors were of the view that our Company would benefit from the additional capital injected by the Pre-[REDACTED] Investors in our Company, their business resources, knowledge and experience, potential business opportunities and other benefits that may be provided by them. Our Pre-[REDACTED] Investors include institutional investors, some of which are experienced in investing in the healthcare industry. Our Directors believed that our Company could benefit from the industry insights and guidance of the Pre-[REDACTED] Investors. Our Directors are also of the view that the Pre-[REDACTED] Investments demonstrate the Pre-[REDACTED] Investors’ commitment and confidence in the business performance and operations, strengths and long-term prospects of our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Special rights of the Pre-[REDACTED] Investors

Pursuant to the Pre-[REDACTED] Investment agreements, certain Pre-[REDACTED] Investors had been granted certain special rights, including but not limited to director nomination rights, divestment rights, pre-emptive rights, rights of first refusal. On November 16, 2025, all the then Shareholders (including the Pre-[REDACTED] Investors) entered into a supplemental agreement to the then effective Shareholders’ agreement (the “**Special Rights Supplemental Agreement**”), pursuant to which (a) all Shareholders’ special rights (other than divestment rights (redemption rights), anti-dilution rights, exclusivity rights, exit arrangement, liquidation preference rights and liability for compensation in relation to breach of contract, collectively “**Special Rights I**”) will automatically terminate upon [REDACTED]; and (b) the Special Rights I shall cease to have effect on November 16, 2025 and be considered as *void ab initio*, and other than our Company’s obligations thereunder, the Special Rights I shall be reinstated upon our Company withdrawing its [REDACTED] voluntarily, the expiry of our Company’s [REDACTED] (whereby our Company fails to submit a renewal [REDACTED] within 12 months thereafter), our Company failing to pass the review by CSRC or the relevant stock exchange (and our Company does not complete a qualified [REDACTED] on any other stock exchange within the subsequent 12 months), or the [REDACTED] not being completed within the 24 months of the Special Rights Supplemental Agreement.

Sole Sponsor’s Confirmation

On the basis that (i) the considerations for the Pre-[REDACTED] Investments were settled more than 28 clear days before the date of first submission of the [REDACTED] to the Stock Exchange, or no less than 120 clear days before the [REDACTED]; and (ii) the special rights granted to the Pre-[REDACTED] Investors had been suspended or terminated prior to the submission of the application for the [REDACTED] and/or will be terminated upon completion of the [REDACTED], the Sole Sponsor confirms that the Pre-[REDACTED] Investments are in compliance with chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

Information about our Pre-[REDACTED] Investors

Below sets out information of our Pre-[REDACTED] Investors, including our Sophisticated Investors, namely, Shanghai NSR Leading Private Equity Fund Management Co., Ltd.* (上海新絲路領軍私募基金管理有限公司) (“**Shanghai NSR**”) (through Xinyu Shangjia L.P. and Xinyu Shangrong L.P.) and the investment committee of Walden Technology Ventures IV, L.P. (“**Walden Ventures IV**”). Each Sophisticated Investor has made meaningful investment in our Company at least six months before the [REDACTED]. Saved as otherwise disclosed in this section, we became acquainted with the Pre-[REDACTED] Investors primarily through our business network or through the introduction of others including then Shareholders and Pre-[REDACTED] Investors.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

1. *Shanghai NSR*

Each of Xinyu Shangjia L.P. and Xinyu Shangrong L.P. is a limited partnership established under the laws of the PRC and is managed by its general partner, Shanghai NSR. As of the Latest Practicable Date, Xinyu Shangjia L.P. had 16 limited partners, none of which holding 13% or more partnership interest therein, whereas Xinyu Shangrong L.P. had 13 limited partners, none of which holding 25% or more partnership interest therein. As of the Latest Practicable Date, Shanghai NSR was owned as to approximately 65% by Mr. Wang Maoting (王茂廷), our non-executive Director, 10% by Mr. Wang Hanlin (王瀚霖), 10% by Mr. Wang Yan (王炎), and 15% by Shanghai Medico Enterprise Management Partnership (Limited Partnership)* (上海麥迪考企業管理合夥企業(有限合夥)) (“**Shanghai Medico L.P.**”) (a limited liability partnership with Mr. Wang Maoting as its general partner holding 99% partnership interest therein). Accordingly, Shanghai NSR, Xinyu Shangjia L.P. and Xinyu Shangrong L.P. are connected persons of our Company.

To the best knowledge of the Directors, save as disclosed above each of Xinyu Shangjia L.P., Xinyu Shangrong L.P. and their respective general partner and limited partners, Mr. Wang Hanlin and Mr. Wang Yan is an Independent Third Party, and has no relationship with other Pre-[REDACTED] Investors.

Both Xinyu Shangjia L.P. and Xinyu Shangrong L.P. are investment arms of NSR Capital (新絲路資本), a venture capital founded in 2015 and operated by Shanghai NSR, with a focus on biotechnology, medical device and innovative drug investment. Based on the information provided by Shanghai NSR, as of September 30, 2025, the size of the assets under management (“AUM”) of Shanghai NSR was approximately RMB523.0 million. Apart from its investment in our Company, the investment portfolio of Shanghai NSR includes other pharmaceutical and medical robotics companies such as Nanjing Leads Biolabs Co., Ltd. (南京維立志博生物科技股份有限公司), a company listed on the Stock Exchange (stock code: 9887), Hangzhou Shuchuang Robotics Co., Ltd.* (杭州術創機器人有限公司), Hangzhou Dishu Medical Biotechnology Co., Ltd.* (杭州迪視醫療生物科技股份有限公司) and Beijing Precision Medical Devices Technology Co., Ltd.* (北京精準醫械科技有限公司). Accordingly, Shanghai NSR is a Sophisticated Investor by virtue of its focus on investments in the healthcare and biopharmaceutical sectors, and it has made meaningful investment in our Company during the Series Pre-A and A Financing, which was more than six months before the [REDACTED] in accordance with Chapter 2.3 of the Guide for New Listing Applicants.

2. *Walden Ventures IV*

SOLEIL CAPITAL is a limited company incorporated in Hong Kong, and is the investment vehicle of, and wholly-owned by, Walden Ventures IV. Walden Ventures IV is one of the venture capital funds under the umbrella of Walden International, and is registered as a limited partnership in the Cayman Islands. Walden International is a venture capital firm with broad investment portfolio across industries and sectors.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The investment committee of Walden Ventures IV (the “**Walden IC**”) is responsible for the investment management and decision making of Walden Ventures IV. Since the establishment of Walden Ventures IV, Walden IC has comprised the same three members, who are all part of the management team of Walden International. Walden IC has also been the investment committee of other venture capital fund of Walden International since the establishment of such fund, responsible for the fund’s investment management and decision making.

Based on the information provided by Walden IC, the AUM of funds controlled and managed by Walden IC was more than HK\$1.0 billion as of September 30, 2025. On top of our Company, the investment portfolio of funds controlled and managed by Walden IC includes companies in the advanced technology and automotive sectors.

Walden IC is a Sophisticated Investor and has made meaningful investment in our Company through SOLEIL CAPITAL at least six months before the [REDACTED]. To the best knowledge of our Directors, save as disclosed above, each of SOLEIL CAPITAL, Walden Ventures IV and its partners, each member of the Walden IC, and Walden International is an Independent Third Party, and has no relationship with other Pre-[REDACTED] Investors.

3. *Suzhou Qianrong L.P.*

Suzhou Qianrong L.P. is a limited partnership established on September 7, 2021 and is an investment fund registered under the Asset Management Association of China (“**AMAC**”). As of the Latest Practicable Date, Suzhou Qianrong L.P. was held as to approximately 1.66% by its general partner, Suzhou Qianrong Taizhen Enterprise Management Consulting Partnership (Limited Partnership)* (蘇州乾融太真企業管理諮詢合夥企業(有限合夥)) (“**Qianrong Taizhen L.P.**”), and approximately 98.34% by its 13 limited partners, with each holding no more than 17% partnership interest therein. As of the Latest Practicable Date, Qianrong Taizhen L.P. was owned as to 10% by its general partner Qianrong Cresc Innovation Capital Management Co., Ltd.* (蘇州乾融創禾創新資本管理有限公司) (“**Qianrong Cresc**”) and 90% by its limited partner Shanghai Taizhen Enterprise Management Partnership (Limited Partnership)* (上海太真企業管理合夥企業(有限合夥)); Qianrong Cresc was held as to 90% by Jiangsu Qianrong Capital Management Co., Ltd. (江蘇乾融資本管理有限公司) (“**Qianrong Capital Management**”) and 10% by Suzhou Dongfang Chuanghe Private Equity Fund Management Co., Ltd.* (蘇州東方創禾私募基金管理有限公司); and Qianrong Capital Management was ultimately owned as to approximately 51.0% by Ye Xiaoming (葉曉明) and 49.0% by Ye Xuanxi (葉玄羲).

To the best knowledge of the Directors, save as disclosed above, each of Suzhou Qianrong L.P. and its general partner and limited partners is an Independent Third Party and has no relationship with other Pre-[REDACTED] Investors.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

4. *Jiaxing Qiangrui L.P.*

Jiaxing Qiangrui L.P. is a limited partnership established in the PRC on March 3, 2022 and is an investment fund registered under the AMAC. As of the Latest Practicable Date, Jiaxing Qiangrui L.P. was held as to 4% by its general partner, Shanghai Chief Investment & Management Co., Ltd.* (上海奇福投資管理有限公司) (“**Shanghai Chief**”), with the remaining 96% being held by a total of seven limited partners, including Ms. Zhu Wen, one of our Pre-[REDACTED] Investors, holding 14% partnership interest, with the other six limited partners each holding no more than 18% partnership interest. On the other hand, as of the Latest Practicable Date, Shanghai Chief had a total of 12 shareholders, with their respective shareholding ranging from approximately 0.4% to approximately 21.3%.

To the best knowledge of the Directors, save as disclosed above, each of Jiaxing Qiangrui L.P. and its general partner and limited partners is an Independent Third Party and has no relationship with other Pre-[REDACTED] Investors.

5. *Mr. Jiao Shihao*

Mr. Jiao Shihao is an individual investor of our Company and is the son of Mr. Jiao Weimin. He became acquainted with us following his acquisition of equity interests in our Company from Xuzhou Jiesheng L.P. To the best knowledge of the Directors, save as disclosed above, Mr. Jiao Shihao is an Independent Third Party and has no relationship with other Pre-[REDACTED] Investors.

6. *Mr. Jiao Weimin*

Mr. Jiao Weimin is an individual investor of our Company and is the father of Mr. Jiao Shihao. He became acquainted with us following his acquisition of equity interests in our Company from Xuzhou Jiesheng L.P.. To the best knowledge of the Directors, save as disclosed above, Mr. Jiao Weimin is an Independent Third Party and has no relationship with other Pre-[REDACTED] Investors.

7. *A2Z Group*

A2Z Group is a company incorporated in the British Virgin Islands with limited liability on June 20, 2025, primarily engaging in investments in high-growth enterprises focusing on medical services, innovative medical devices, and health management, primarily targeting the PRC and Hong Kong markets. As of the Latest Practicable Date, A2Z Group was owned as to 50% by SS Morgan Capital Limited (“**SS Morgan**”) (which was in turn founded and wholly-owned by Ms. Zeng Qi, a seasoned expert in healthcare and wellness) and 50% by Alpha Care Holdings Limited (which was in turn wholly-owned by Ms. Yeung Oi Kan). Separately, Mr. Edwin Wing Shun Kwok serves as an advisor to SS Morgan. Mr Kwok holds a Bachelor of Arts degree in Economics from Harvard University and an Executive Master of Business Administration (EMBA) degree from the Kellogg-HKUST Executive MBA Program.

To the best knowledge of the Directors, save as disclosed above, each of A2Z Group Limited, SS Morgan, Alpha Care Holdings Limited, Ms. Zeng Qi, Ms. Yeung Oi Kan and Mr. Edwin Wing Shun Kwok, is an Independent Third Party and has no relationship with other Pre-[REDACTED] Investors.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

8. *Wuxi Chirun*

Wuxi Chirun is a limited liability company established in the PRC on May 21, 2008 and is primarily engaged in the production and sale of wind turbine control cabinet. As of the Latest Practicable Date, Wuxi Chirun was owned as to 43.75% by Mr. Lu Yining (one of our Shareholders and the son of Mr. Lu Yi, our non-executive Director), 37.5% by Ms. Ou Hongyin (歐泓吟), 12.5% by Mr. Kuang Mingxin (匡明新) and 6.25% by Mr. Lu Yi. According, Wuxi Chirun is a connected person of our Company. We became acquainted with Wuxi Chirun in 2025 through Mr. Lu Yi.

In light of the relationship among Mr. Lu Yi, Mr. Lu Yining and Wuxi Chirun, they are considered as a group of Shareholders. To the best knowledge of the Directors, save as disclosed above, each of Ms. Ou Hongyin and Mr. Kuang Mingxin is an independent third party and each of Wuxi Chirun and its shareholders has no relationship with other Pre-[REDACTED] Investors.

9. *Ms. Zhu Wen*

Ms. Zhu Wen is an individual investor of our Company. She became acquainted with us through Jiaying Qiangrui L.P., of which she is a limited partner holding 14% partnership interest. To the best knowledge of the Directors, save as disclosed above, Ms. Zhu is an Independent Third Party and has no relationship with other Pre-[REDACTED] Investors.

10. *Mr. Ding Xiaodong*

Mr. Ding Xiaodong is a business man who has experience in sheet metal processing business. He became acquainted with us through the introduction by Mr. Lu Yi, our non-executive Director. To the best knowledge of the Directors, save as disclosed above, Mr. Ding is an Independent Third Party and has no relationship with other Pre-[REDACTED] Investors.

11. *Mr. Zhan Tao*

Mr. Zhan Tao is an entrepreneur specializing in the field of medical devices as well as an individual investor. He is also the chief executive officer and is interested in approximately 49% equity interest in Shanghai Youhe Medical Technology Co., Ltd.* (上海友合醫療科技股份有限公司), one of our distributors. Mr. Zhan was introduced to us through Ms. Zhang Yue, one of our senior management members. To the best knowledge of the Directors, save as disclosed above, Mr. Zhan is an Independent Third Party and has no relationship with other Pre-[REDACTED] Investors.

12. *Mr. Cai Xingnan*

Mr. Cai Xingnan is an entrepreneur in the manufacturing and trading sector, as well as an individual investor. Mr. Cai became acquainted with us through the introduction by Mr. Liu, the Chairman of our Board, our executive Director and general manager. To the best knowledge of the Directors, save as disclosed above, Mr. Cai is an Independent Third Party and has no relationship with other Pre-[REDACTED] Investors.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALIZATION

Set out below is a summary of capitalization of our Company (a) as of the Latest Practicable Date and (b) immediately upon completion of the Shares Subdivision, [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] and the [REDACTED] are not exercised).

Shareholders	As of the Latest Practicable Date		Immediately upon completion of the Shares Subdivision, [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] and the [REDACTED] are not exercised)		
	Number of Shares	Approximate percentage of shareholding in the total issued share capital	Number of Shares	Description of Shares	Approximate percentage of shareholding in the total issued share capital ⁽¹⁾
Mr. Liu	13,102,135	51.43%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Mr. Lu Yining	2,000,000	7.85%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Ruicong L.P.	1,666,675	6.54%	[REDACTED]	[REDACTED]	[REDACTED]
Xinyu Shangjia L.P.	1,304,095	5.12%	[REDACTED]	[REDACTED]	[REDACTED]
Jiaxing Qiangrui L.P.	1,197,653	4.70%	[REDACTED]	[REDACTED]	[REDACTED]
SOLEIL CAPITAL	1,189,523	4.67%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Lu Yi	1,000,000	3.93%	[REDACTED]	[REDACTED]	[REDACTED]
Xinyu Shangrong L.P.	779,733	3.06%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Wen Qi	733,325	2.88%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Jiao Weimin	699,218	2.74%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Ruiru L.P.	497,865	1.95%	[REDACTED]	[REDACTED]	[REDACTED]
Suzhou Qianrong L.P.	474,074	1.86%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Jiao Shihao	248,930	0.98%	[REDACTED]	[REDACTED]	[REDACTED]
A2Z Group	207,444	0.81%	[REDACTED]	[REDACTED]	[REDACTED]
Wuxi Chirun	165,955	0.65%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Zhu Wen	66,382	0.26%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Ding Xiaodong	58,084	0.23%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhan Tao	41,489	0.16%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Cai Xingnan	41,489	0.16%	[REDACTED]	[REDACTED]	[REDACTED]
Other public Shareholders	—	—	[REDACTED]	[REDACTED]	[REDACTED]
Total	25,474,069	100.00%	[REDACTED]		100.00%

Note:

(1) The figures may not add up to 100 due to rounding.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRC REGULATORY REQUIREMENTS

As advised by our PRC Legal Advisors, our Company has completed the necessary registrations or filings with the relevant local SAMR in respect of the aforesaid establishment, conversion, subscriptions, transfers and changes of our shareholdings in accordance with applicable PRC laws and regulations in all material respects.

REASONS FOR THE [REDACTED]

For reasons for our [REDACTED] and details of our future plans, please refer to “Future Plans and Use of [REDACTED]” in this document.

PUBLIC FLOAT AND FREE FLOAT

Public Float

Our Company has applied for the Conversion of Unlisted Shares into H shares pursuant to the instructions of the relevant Shareholders. The Conversion of Unlisted Shares into H Shares will take place following completion of the Shares Subdivision, and will involve an aggregate of [REDACTED] Unlisted Shares held by 19 existing Shareholders, representing approximately [REDACTED]% of the total issued Share capital of our Company upon completion of the Shares Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] and the [REDACTED] are not exercised). For further details, see “Share Capital” in this document.

Immediately upon completion of the Shares Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] and the [REDACTED] are not exercised), our Company will have [REDACTED] Unlisted Shares and [REDACTED] H Shares, among which:

- (i) [REDACTED] Unlisted Shares (representing approximately [REDACTED]% of our total issued Shares upon [REDACTED]) held by Mr. Liu, will not be considered as part of the public float as such Unlisted Shares will not be converted into H Shares;
- (ii) among the [REDACTED] H Shares,
 - a. the [REDACTED] H Shares held by Mr. Liu, Shanghai Ruicong L.P. and Shanghai Ruiru L.P. to be converted from Unlisted Shares pursuant to the Conversion of Unlisted Shares into H Shares (representing approximately [REDACTED]% of our total issued Shares upon [REDACTED]) will not be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules after the [REDACTED] as such Shares are held by our Controlling Shareholders and therefore constitute Shares held by core connected persons of our Company;

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- b. the [REDACTED] H Shares held by Mr. Wen Qi to be converted from Unlisted Shares pursuant to the Conversion of Unlisted Shares into H Shares (representing approximately [REDACTED]% of our total issued Shares upon [REDACTED]) will not be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules after the [REDACTED] as such Shares are held by our Director and therefore constitute Shares held by core connected person of our Company;
- c. the [REDACTED] H Shares held by Xinyu Shangjia L.P. and Xinyu Shangrong L.P. to be converted from Unlisted Shares pursuant to the Conversion of Unlisted Shares into H Shares (representing approximately [REDACTED]% of our total issued Shares upon [REDACTED]) will not be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules after the [REDACTED] as Xinyu Shangjia L.P. and Xinyu Shangrong L.P. are close associates of Mr. Wang Maoting, our Director and a core connected person of our Company;
- d. the [REDACTED] H Shares held by Mr. Lu Yi, Mr. Lu Yining and Wuxi Chirun to be converted from Unlisted Shares pursuant to the Conversion of Unlisted Shares into H Shares (representing approximately [REDACTED]% of our total issued Shares upon [REDACTED]) will not be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules after the [REDACTED] as such Shares are held by substantial shareholders of our Company and therefore constitute Shares held by core connected persons of our Company;
- e. the [REDACTED] H Shares to be converted from Unlisted Shares pursuant to the Conversion of Unlisted Shares into H Shares (representing approximately [REDACTED]% of our total issued Shares upon [REDACTED]). These H Shares are held by our Pre-[REDACTED] Investors (other than Xinyu Shangjia L.P. and Xinyu Shangrong L.P.), and will be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules after the [REDACTED] as these entities will not be core connected persons of our Company upon [REDACTED] nor are they accustomed to take instructions from the Company’s core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by the Company’s core connected persons; and
- f. [REDACTED] H Shares (representing approximately [REDACTED]% of our total issued Shares upon [REDACTED]) to be issued by our Company pursuant to the [REDACTED] will be counted towards the public float.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

In light of above, immediately following the completion of the Shares Subdivision, [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] and the [REDACTED] are not exercised), the total number of the H Shares expected to be held by the public represents approximately [REDACTED]% of the total issued share capital of our Company. Pursuant to Rule 19A.13A(1) of the Listing Rules, where the expected market value at the time of listing of the class of Shares to which our H Shares belong is over HK\$6 billion but does not exceed HK\$30 billion, the minimum prescribed percentage of H shares held by the [REDACTED] at the time of [REDACTED] would be the higher of (i) the percentage that would result in the expected market value of H Shares held by the [REDACTED] to be HK\$1,500,000,000 at the time of [REDACTED]; and (ii) 15%. Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the low-end of the indicative [REDACTED] range), the expected market [REDACTED] of our Shares would be approximately [REDACTED], and the expected market capitalization of the H Shares held in the [REDACTED] would be approximately HK\$[REDACTED] billion. As such, our Directors are of the view that our Company will be able to satisfy the public float requirement under Rule 19A.13A(1) of the Listing Rules.

Satisfaction of the Free Float Requirement

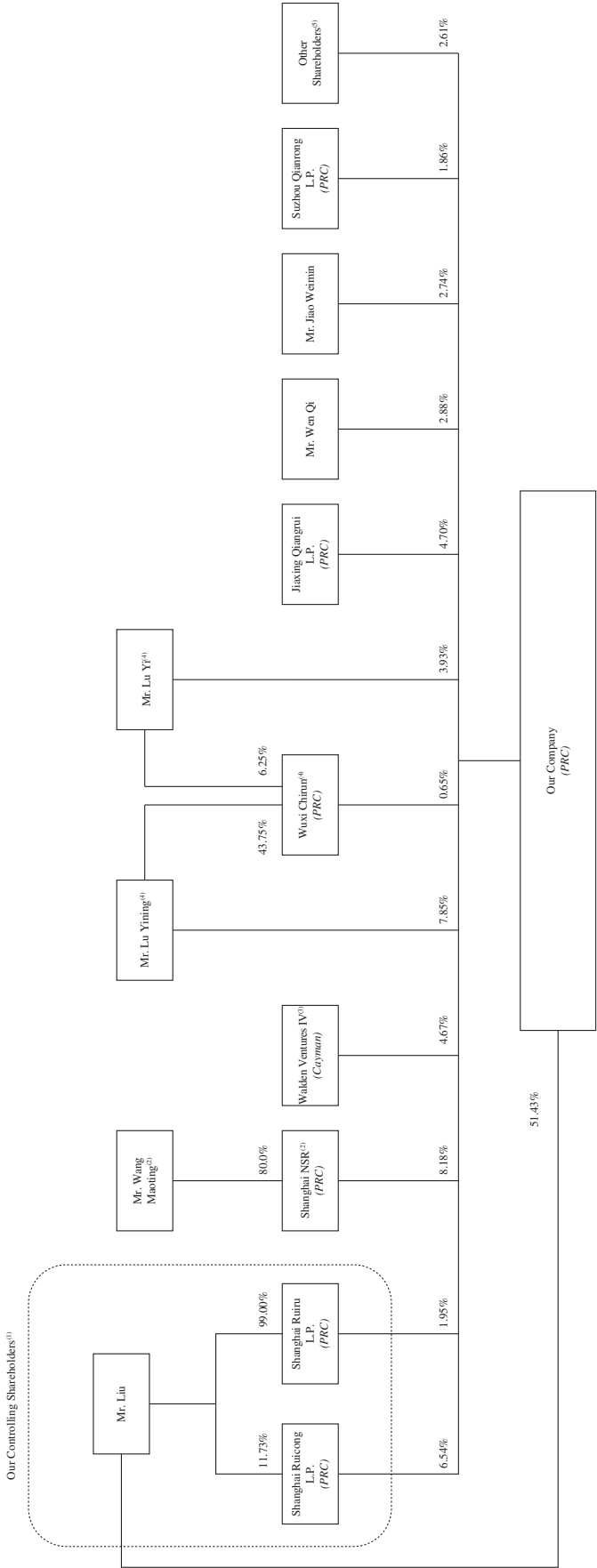
Rule 19A.13C(1) of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000.

Pursuant to the applicable PRC law, within the 12 months following the [REDACTED], all existing Shareholders (including the Pre-[REDACTED] Investors) cannot dispose of any of the Shares held by them. As such, H Shares held by the existing Shareholders as of the date of this document shall not be counted towards the free float of the H Shares of the Company at the time of [REDACTED]. Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the low-end of the indicative [REDACTED] range), our Company will satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE [REDACTED]

The chart below sets out the shareholding structure of our Company immediately before completion of the Shares Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares:



Notes:

- (1) Mr. Liu, Shanghai Ruicong L.P. (an employee incentive platform of our Company with Mr. Liu being its general partner and entitled to exercise the voting rights attaching to the Shares held by it) and Shanghai Ruiyu L.P. (a limited liability partnership with Mr. Liu being its general partner and entitled to exercise the voting rights attaching to the Shares held by it), by virtue of their relationship with each other, are regarded as a group of Controlling Shareholders. For further details of our Controlling Shareholders, please refer to “Relationship with Our Controlling Shareholders” in this document.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (2) Shanghai NSR is the general partner of Xinyu Shangjia L.P. and Xinyu Shangrong L.P. and is entitled to exercise the voting rights attaching to the Shares held by Xinyu Shangjia L.P. and Xinyu Shangrong L.P., respectively. As of the Latest Practicable Date, Shanghai NSR was owned as to (i) 65% directly by Mr. Wang Maoting, and (ii) 15% indirectly by Mr. Wang Maoting through Shanghai Medico L.P., a partnership to which Mr. Wang Maoting is the general partner. For details, please refer to “— Pre-[REDACTED] Investments — Information about our Pre-[REDACTED] Investors — 1. Shanghai NSR” above.
- (3) For details, please refer to “— Pre-[REDACTED] Investments — Information about our Pre-[REDACTED] Investors — 2. Walden Ventures IV” above.
- (4) Mr. Lu Yi, Mr. Lu Yining and Wuxi Chirun are considered as a group of Shareholders. For details, please refer to “— Pre-[REDACTED] Investments — Information about our Pre-[REDACTED] Investors — 8. Wuxi Chirun” above.
- (5) Other Shareholders include Mr. Jiao Shihao, A2Z Group, Ms. Zhu Wen, Mr. Ding Xiaodong, Mr. Zhan Tao and Mr. Cai Xingnan, each holding less than 1% of our total issued Shares both immediately before and after completion of the Shares Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares. For further details, please refer to “— Pre-[REDACTED] Investments” above.

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OVERVIEW

We are a pioneer and leading player in percutaneous puncture surgical robot market in China, according to CIC. We primarily engage in R&D, production and commercialization of percutaneous puncture surgical robots. As of the Latest Practicable Date, we had successfully commercialized our RC120 Puncture Surgical Robot. We obtained Class III medical device registration certificate in 2024 for our RC120 Puncture Surgical Robot. RC120 Puncture Surgical Robot is a surgical robot independently developed by us to assist doctors in navigation and positioning in adult lung percutaneous puncture surgeries and features 7-degree-of-freedom robot platform, operative precision, safety and efficiency. We provided RC120 Puncture Surgical Robot to hospitals for clinical use during the Track Record Period. In the emerging medical technology sector, recognition from leading hospital users validates the product’s excellence and potential for large-scale commercialization. As of the Latest Practicable Date, RC120 Puncture Surgical Robot had been put into clinical use in 39 hospitals nationwide, most of which were top-tier Class III Grade A hospitals, including First Affiliated Hospital of Sun Yat-sen University, Zhongnan Hospital of Wuhan University, First Hospital of Jilin University, North Jiangsu People’s Hospital, Qishan Branch of Union Hospital Affiliated to Fujian Medical University, and Shanxi Bethune Hospital. In 2024, our RC120 Puncture Surgical Robot ranked second in terms of the number of trial installation in the percutaneous puncture surgical robot market in China, according to CIC.

Precise positioning is crucial in the minimally invasive interventional diagnosis and treatment of pulmonary nodules. Traditional manual pulmonary nodule puncture relies on doctors’ tactile sensation and experience, usually requiring repeated CT scans and multiple needle adjustments, which may cause more tissue damage and pain to patients and is time-consuming. We believe that our puncture surgical robots address these pain points. Based on CT imaging data, doctors use our software to design, tailor and confirm the optimal puncture path, and then through 3D reconstruction, the execution system of RC120 Puncture Surgical Robot will move to the precise needle insertion position for the doctor’s subsequent puncture. It can help doctors accurately avoid bones and blood vessels, reducing the number of intraoperative needle adjustments, shortening the procedure time, and effectively reducing tissue damage to patients. According to CIC, China’s percutaneous puncture surgical robot industry has tremendous future potential and is expected to become the fastest-growing regional market, driven by technology advancement, aging population and increasing prevalence of chronic disease, and the improving affordability and increasing awareness of health.

We are a technology platform-based enterprise specializing in percutaneous puncture surgical robot. We have established an innovative CT-based Sensing Technology Platform, which is the core and basic technology platform for R&D of our percutaneous puncture surgical robot product pipeline, and are also in the continuous R&D of AI-driven technology platform for the further upgrade of certain AI-assisted functions of our puncture surgical robots. As of the Latest Practicable Date, we held 101 patents in China, including 44 invention patents, 50 utility models and seven appearance designs. Our core intellectual property mainly revolves around RC120 Puncture Surgical Robot and the relevant technology platform with full

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independent intellectual property rights. We have been continuously making efforts to expand new indications and upgrade the functions of RC120 Puncture Surgical Robot and plan to actively explore business opportunities in other jurisdictions. We have built a product portfolio with one approved product, namely RC120 Puncture Surgical Robot, and other product candidates mainly consisting of puncture surgery robots with other indications, models and new advanced AI-assisted functions and dynamic respiratory motion compensation function, such as RC100, spinal surgical navigation and positioning system, neurosurgical surgery navigation and positioning system, CT integrated puncture surgery navigation and positioning system, and consumables used in puncture surgeries.

We have established a clear commercialization pathway by forging strategic alliances with distributors. Our primary go-to-market strategy utilizes a distributorship model, through which we had already secured partnerships with five established distributors as of the Latest Practicable Date. A cornerstone of this strategy is our collaboration with Shanghai Youhe, which is one of the leading and comprehensive high-end medical device service providers specializing in respiratory, thoracic surgery, and early digestive cancer diagnostics in China according to CIC. With an extensive network of over 700 partner hospitals and a proven track record in commercializing premium medical devices, including those from global leaders like Olympus, Shanghai Youhe brings exceptional domain expertise and market access. In our distributorship arrangement with Shanghai Youhe, we have also set an indicative target purchase amount of RC120 over four years, which is indicative in nature.

We are led by an experienced and dedicated management team with solid professional foundation, strategic market insight and extensive experience in key sectors related to surgical robot technology R&D, product commercialization, market access and quality management. Our growth is further bolstered by a group of prominent pre-[REDACTED] investors, including, among others, Shanghai NSR, Walden Ventures IV, Suzhou Qianrong L.P. and Jiaxing Qiangrui L.P. Their extensive experience in, and in-depth understanding of, market trends have been invaluable to us.

As of the Latest Practicable Date, we were in the clinical evaluation stage for the indication expansion to adult abdominal solid organ percutaneous puncture surgeries and in the preclinical development stage for nine projects in relation to RC100, indication expansions and function upgrade. In addition, as of the Latest Practicable Date, our consumable product portfolio primarily consisted of three types of consumables in registration application stage and one type of consumables in preclinical development stage. During the Track Record Period and up to the Latest Practicable Date, we generally conducted R&D on our Core Product and other product candidates in-house. The following diagram sets forth key details of our product portfolio as of the Latest Practicable Date:

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Category	Product	Indication/Function	Stages				Country or Region	Registration Class	Approval or Estimated Approval
			Preclinical Development	Clinical Evaluation	Application for Registration	Approval			
Surgical Robot	Puncture Surgery Navigation and Positioning System RC120 ★	Navigation and Positioning for Adult Pulmonary Puncture Surgery ⁽¹⁾					China	Class III	Q1 2024
		Navigation and Positioning for Adult Pulmonary and Abdominal Solid Organ Puncture Surgery					China	Class III	Q4 2026
		AI-assisted 3D Reconstruction and Surgery Path Planning Function					China	Class III	Q3 2030
		Dynamic Respiratory Motion Compensation Function					China	Class III	Q3 2030
		Navigation and Positioning for Adult Pulmonary and Abdominal Solid Organ Puncture Surgery					U.S.	Class III	Q4 2029
	Puncture Surgery Navigation and Positioning System RC100						E.U.	Class IIb	Q1 2030
	Navigation and Positioning for Adult Pulmonary and Abdominal Solid Organ Puncture Surgery					China	Class III	Q3 2027	
						Southeast Asia	Class C ⁽²⁾	Q4 2030	
	Spinal Surgery Navigation and Positioning System	Navigation and Positioning of Surgical Instruments and Implants during Adult Spinal Surgery					China	Class III	Q4 2031
	Neurosurgical Surgery Navigation and Positioning System	Navigation and Directional Positioning for Neurosurgical Surgical Instruments and Implants					China	Class III	Q4 2031
CT Integrated Puncture Surgery Navigation and Positioning System	Navigation and Positioning for Routine Clinical Examinations and Adult Pulmonary and Abdominal Solid Organ Puncture Surgery					China	Class III	Q4 2031	
Consumables	Disposable Pulmonary Nodule Positioning Puncture Needle	Intended for CT-guided pulmonary nodule positioning in patients with pulmonary nodules prior to thoracoscopic surgery					China	Class II	Q2 2026
	Disposable Biopsy Needle	Indicated for obtaining biopsy tissue from the lung, liver, kidney, prostate, spleen, lymph nodes and various soft tissue tumors					China	Class II	Q2 2026
	Disposable Coaxial Biopsy Needle	Used in conjunction with disposable biopsy needles to serve as a guide needle during the acquisition of soft tissue biopsy specimens					China	Class II	Q2 2026
	Disposable Puncture Guide	Used in conjunction with puncture surgery navigation and positioning system for the guidance of puncture instruments					China	Class II	Q4 2026

★ Core Product

Notes:

- (1) On June 6, 2025, we applied for the change of registration with the NMPA to add four new models based on the same medical device registration certificate of RC120. The different models are of primary distinction lying in the configuration of certain components (such as the control cabinet and foot switch) of RC120. As of the Latest Practicable Date, the NMPA was in the process of reviewing our application and supplemental information provided by us as required by the NMPA.
- (2) For our future market expansion in Southeast Asia, we plan to initiate applications in Indonesia and Malaysia first. Our Puncture Surgery Navigation and Positioning System RC100 will be registered as Class C medical device in Indonesia and Malaysia.

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OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiate us from other medical device companies.

Innovative CT-based sensing technology platform with breakthrough capabilities: in-depth layout in percutaneous puncture surgical robot market to address unmet clinical needs

Lung cancer is one of the malignant tumors with the highest incidence and mortality rates globally. There are many new cases of lung cancers in China every year, among which the number of lung cancer cases reached 1,144.9 thousand in 2024 and will increase to 1,454.5 thousand in 2032, according to CIC. According to CIC, percutaneous puncture biopsy and local ablation are important medical methods in the early precise diagnosis and treatment process of lung cancer, providing critical support for clinical precision therapy. Suspected cancer patients can obtain sufficient and quality-controllable tissues through percutaneous or transbronchial approaches to establish pathological diagnosis, complete molecular typing and PD-L1 assessment. This enables the timely identification of key signals related to targetable and immunotherapies, based on which treatment strategies are formulated. The percutaneous puncture biopsy ensures diagnostic accuracy and significantly improves the success rate of early intervention, making it the “gold standard” for lung cancer intervention and precision treatment.

We are a technology platform-based enterprise specializing in percutaneous puncture surgical robot, and are also in the continuous R&D of AI-driven technology platform which is intended to further enhance of certain AI-assisted functions of our puncture surgical robots and is currently under R&D. Built on our proprietary CT-based Sensing Technology Platform, our percutaneous puncture surgical robots can achieve sub-millimeter level positioning accuracy within a large movement range, leveraging CT image-based navigation, multi-dimensional precision motion control technology, and large stroke and high rigidity special structure technology. Combined with lightweight and rapid adapter module technology that is compatible with different CT models, our percutaneous puncture surgical robots can serve as a surgical navigation and positioning system. It can realize surgical navigation and positioning by matching different accessories according to various surgical needs. Supported by our technology platform and intellectual property portfolio, we are well positioned to contribute to the ongoing intelligent transformation of surgical procedures such as tumor puncture. We strive to achieve the integration of multi-modality real-time imaging fusion and high-flexibility robotic arms to create a fully intelligent surgical robot system that realizes the entire process of planning, navigation and execution. Validated through clinical applications in 39 hospitals as of the Latest Practicable Date, most of which are top-tier Class III Grade A hospitals, we consider our percutaneous puncture surgical robots are reliable in terms of surgical success rate and safety.

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Given the inherent risks, dependence on experienced doctors, costs and uneven resource distribution associated with manual puncture, our robots aim to address or alleviate the following long-standing unmet clinical needs:

- (i) **To Reduce the Impact of Human Error: Our product replaces experience-dependent manual procedures with consistent precision to lower the risks posed by minimal deviations in operational accuracy and path positioning.**

Clinical Challenges: According to CIC, the success rate of manual puncture is highly reliant on the operator’s tactile and spatial sensation and experience. Doctors must rely entirely on static or quasi-real-time imaging for external-internal mapping. This operational model may easily result in positioning deviations, making it difficult to accurately target pulmonary nodules or deep abdominal lesions affected by respiratory motion. Particularly in surgeries for deep, tiny lesions or those adjacent to vital blood vessels or nerves, deviations in manual puncture may increase the risk of tissue damage, bleeding, or pneumothorax, or lead to inaccurate sampling requiring a second surgery. Facing a growing number of tiny, deep, or mobile lesions, doctors encounter significant challenges in diagnostic accuracy, surgical efficiency, and safety.

Our Solutions:

- **Assist in improving puncture accuracy.** Based on CT imaging data, doctors use our software to design, tailor and confirm the planned puncture path, and then through 3D reconstruction, the execution system of RC120 Puncture Surgical Robot will move to the precise needle insertion position for the doctor’s subsequent puncture. RC120 is designed to help doctors avoid bones and blood vessels and to reduce the need for repeated intraoperative adjustments, shortening the procedure time, and may help reduce the risk of tissue damage to patients.
- **Reduce puncture frequency and surgical time.** As demonstrated in our clinical trials, the RC120-assisted group has significantly fewer average punctures and shorter surgical duration than the manual group. For instance, the median number of punctures in the RC120-assisted group is one, versus four as recorded in published medical literature for manual operations. The median operation time for the RC120-assisted group is 18 minutes, representing a significant reduction from the mean or median operative duration of CT-guided manual puncture generally ranging from 28.8 to 45 minutes as recorded in several studies published in prestigious journals (such as the American Journal of Roentgenology, Canadian Association of Radiologists Journal, and Journal of Thoracic Disease). During a surgery performed at a hospital in Wuhan using our RC120 Puncture Surgical Robot in March 2025, the entire process of puncture even took less than 10 minutes as

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reported by Changjiang Daily. The reduction in the number of needle adjustments and the shortening of surgical time may help lower the risk of major complications such as pneumothorax and bleeding in patients.

- **Shorten surgical intervals.** Our RC120 Puncture Surgical Robot can reduce surgical time and intervals between preoperative preparation steps and intra-operative adjustments, and operating room turnover intervals. Specifically, the preoperative preparation process is optimized because no complex preoperative surface marking is needed, and the intra-operative precise lesion positioning further reduces redundant operations. These features may improve operating room turnover and resource utilization, thereby supporting more efficient hospital operations, and may also alleviate patients’ waiting anxiety, and lowers intraoperative trauma and postoperative complication risks.
- (ii) **To Mitigate the Impact of Unbalanced Distribution of Medical Resources: The standardize operation of RC120 can reduce reliance on experienced doctors and benefit a broader patient population.**

Clinical Challenges: According to CIC, puncture surgeries are primarily performed by experienced doctors. In inexperienced hands, the error rate may be 1.5 to 2 times that of experienced doctors. Most experienced doctors are concentrated in top-tier hospitals. Such disparities in the distribution of medical resources make it difficult for hospitals in lower-tier cities and counties to successfully conduct puncture surgeries. Furthermore, it will prevent many patients in lower-tier cities and counties from accessing early cancer diagnosis and may be more likely to face the risk of severe complications arising from improper operation.

Our Solutions:

- **Standardize surgical processes.** Our RC120 Puncture Surgical Robot encapsulates expert surgical experience into standardized workflows. Empowered by our products, doctors only need to import images and plan the puncture path, and our robot will automatically plan the movement paths of its main frame and the robotic arm to the position for the doctor to perform the puncture. This helps shorten the learning curve, enabling inexperienced doctors with basic qualifications to perform puncture surgeries with the assistance of our puncture surgical robot.

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- **Empower primary healthcare.** RC120 Puncture Surgical Robot facilitates the promotion of high-level puncture technology to hospitals in lower-tier cities and counties, allowing more patients in such areas receive precise and minimally invasive diagnosis and treatment locally. We believe this is consistent with the national policy of hierarchical diagnosis and treatment. RC120 Puncture Surgical Robot will also increase the turnover rate of valuable medical resources such as CT imaging facilities, enabling services for more patients. The application of our puncture surgical robots may spare patients the hassle of long-distance travel to top-tier hospitals, which is particularly beneficial for the elderly, disabled, or critically ill patients with limited mobility. We believe that beyond physical health, the convenience and effectiveness of RC120 Puncture Surgical Robot-assisted treatment may, over time, also contribute to improving patients’ quality of life. To the extent that our solutions may help reduce the risk of complications, we believe this may also help alleviate the anxiety and stress associated with surgery.
- (iii) **To Mitigate Radiation Exposure and Related Safety Risks: Traditional puncture methods can be time-consuming, which may increase cumulative radiation exposure for doctors and patients physical exhaustion, thereby potentially increasing surgical risks.**

Clinical Challenges: According to CIC, during traditional manual percutaneous puncture surgeries, the procedure is technically demanding and highly dependent on doctors’ clinical experience. Doctors often need to repeatedly adjust and confirm the needle insertion path under CT guidance. In addition, for certain existing puncture robots in the market, doctors may need to perform surface marking and relatively cumbersome coordinate registration before, resulting in complex and time-consuming processes. This not only takes time but also increases unnecessary radiation exposure to doctors and patients. Meanwhile, maintaining a fixed posture for extended periods to locate the path causes physical and mental fatigue as well as musculoskeletal discomfort in doctors, affecting their long-term occupational health and surgical performance.

Our Solutions: Through pre-planning and real-time synchronization, our RC120 Puncture Surgical Robot is able to reduce repeated and potentially avoidable radiation exposure during puncture procedures. The average number of CT scans for patients in the robot navigation group is significantly lower than that in the manual group as demonstrated in our clinical trials for RC120. In certain applications, our percutaneous puncture surgical robot can even achieve zero-correction puncture, greatly ensuring the safety of doctors, patients and other relevant staff.

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- (iv) **To Address Inefficiencies in Service Provision: Medical institutions in lower-tier cities and counties may face challenges in effectively attracting and treating cancer patients, which may lead to issues such as suboptimal utilization of resources and lower financial efficiency.**

Clinical Challenges: According to CIC, due to information asymmetry and other factors, patients generally prefer hospital with better reputations that are usually concentrated in large cities and population centers. Relevant departments of medical institutions in lower-tier cities and counties may find it more difficult to attract and retain cancer patients, and their case mix may be concentrated in lower-profit, lower-risk basic diagnoses and treatments.

Our Solutions: Our puncture surgical robot is designed to lower technical barriers and releases the potential of hospital departments and doctors. For example, as demonstrated in our clinical trials for RC120, the average operation time of the RC120-assisted group was shorter than that of the manual group. Meanwhile, RC120 Puncture Surgical Robot reduces the need for intraoperative CT scans. In the clinical trials, the median number of CT scans for patients in the RC120-assisted group is three (IQR: 3-3, representing that 50% of patients have their number of CT scans concentrated at 3, with highly focused data, reflecting the product’s markedly stable efficacy in reducing scan frequency), significantly lower than six of the manual group (IQR: 5-6, representing that 50% of patients have their CT scan counts distributed between 5 and 6, with slight dispersion, demonstrating weaker consistency in scan frequency for manual operations). The shortened operation time and reduced scan frequency directly improve the turnover rate of CT imaging facilities and the profitability for hospitals.

Thus, hospital departments can launch puncture services using our percutaneous puncture surgical robots without materially increasing complication-related workload, to the extent that complication rates are effectively managed. We believe that, by supporting more efficient and precise puncture procedures, our products may help hospitals enhance certain core operational indicators such as revenue, bed turnover and resource utilization. Furthermore, by enabling more complex cases to be managed locally, our solution may help increase the local volume of clinical cases, including complex and rare lesion cases that were previously difficult to be treat locally. We believe that they will serve as valuable research resources, supporting the hospital’s academic studies, clinical trials and publication initiatives.

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The only puncture surgical robot integrating CT imaging technology with intelligent sensing architecture in China, bypassing image registration and empowering us with unparalleled competitiveness in clinical workflow efficiency, cost competitiveness and spatial versatility

We believe our RC120 Puncture Surgical Robot represents an advancement over existing technologies in the percutaneous puncture surgical robot market. RC120 Puncture Surgical Robot leads not just in a single parameter but also boasts advantages in clinical recognition, innovative technology, clinical data, clinical efficiency, cost efficiency and safety. RC120 Puncture Surgical Robot offers significant advantages over competitors, including ease of use and higher efficiency (registration-free, and eliminating the need for complex alignment), and a lower cost structure. We believe that these strengths will enable us to achieve faster and more effective commercialization, and rapidly capture a substantial share of the expansive market.

Global top-tier recognition and clinical data validation. The research findings of RC120 Puncture Surgical Robot were selected for an oral presentation at the American Society of Clinical Oncology (“ASCO”) Breakthrough Summit, which is a well-recognized leading conference, and the abstract of this oral presentation was also published online in the Journal of Clinical Oncology. This makes RC120 one of the first few devices of its kind among global puncture surgical navigation and positioning robots to receive such a distinction, according to CIC. Being selected for an oral presentation at ASCO is widely recognized by top global oncologists as a significant acknowledgment of a technology’s innovation, data quality and clinical prospects, signifying RC120’s huge potential to transform clinical practice. The aforementioned recognition of our product is built on our solid clinical data which has been published in Lung Cancer, an international authoritative journal.

The only puncture surgical robot directly integrating CT imaging system with intelligent sensing architecture in China and a “registration-free” revolution that redefines surgical workflows. Our innovative registration-free process has built us a profound technical moat. The efficiency and precision advantages of RC120 Puncture Surgical Robot stem from our CT-based Sensing Technology Platform. It eliminates the time-consuming and labor-intensive process of attaching surface markers and the “hand-eye-needle” registration required by traditional devices, achieving seamless human-machine integration and avoiding errors caused by marker displacement. We believe that our CT-based Sensing Technology Platform redefines the reproducibility and usability of surgical navigation systems, making puncture surgery safer and more efficient for both doctors and patients.

BUSINESS

Clinical efficiency empowering hospital operations. Our RC120 Puncture Surgical Robot’s streamlined workflow is user-friendly and reduces the learning curve for operators. Unlike rival products that require professionals to perform registration and alignment procedure from optical data inputs, our product allows operation without the need of a resident engineer, minimizing the need for specialized technical support or lengthy training. Hospitals can therefore integrate the RC120 Puncture Surgical Robot seamlessly into their routines, giving medical professionals more autonomy and confidence in its adoption. RC120 Puncture Surgical Robot can be used for surgeries right away after starting up. It does not require time-consuming setup and adjustments. This leads to much shorter preparation time for each procedure, enabling hospitals to handle more surgeries efficiently and utilize medical resources more effectively. It not only benefits patients by reducing waiting time but also helps hospitals achieve better overall financial outcomes.

Cost efficiencies to unlock greater profitability. Currently, most of the key components of RC120 Puncture Surgical Robot can be domestically produced, resulting in a more favorable cost structure. The NMPA approved model of RC120 Puncture Surgical Robot includes domestically manufactured sensing board module, and since our RC120 Puncture Surgical Robot does not require additional navigation beacons, optical cameras, electromagnetic sensors, or other similar components, our costs have been significantly reduced as compared to other major competing products. We are also developing a model equipped with domestic robotic arm, namely RC100, with projected costs expected to drop further to a high level of cost effectiveness in the market, tapping into the vast underserved market from lower-tier cities and counties. This provides us with a strong foundation for highly competitive pricing and we expect that we have significant profit potential from sales of RC120 Puncture Surgical Robots. The use of RC120 Puncture Surgical Robot also lowers the cost of consumables per-surgery, such as eliminating the use of costly marker sphere which are required in optical surgical robot-assisted surgeries.

Flexible spatial adaptability and seamless integration into existing workflows. Our product can integrate with existing CT devices, ensuring that no additional valuable operating room space occupied. Our design enables seamless incorporation into current workflows of the departments where puncture surgeries are performed, eliminating the need for disruptive adjustments or accommodations of existing equipment layout. Moreover, the use of RC120 Puncture Surgical Robot secures uninterrupted surgical environment. Unlike certain competing devices that may interfere with the doctor’s operation, our product guarantees an undisturbed and native surgical workflow. This ensures that doctors can perform with confidence and precision, thereby supporting a higher rate of first-attempt surgical success.

One-stop platform strategy: a clinical platform covering full scenarios. RC120 Puncture Surgical Robot is a highly flexible one-stop minimally invasive interventional platform. Its modular design allows for flexible configuration, meeting the diverse budgetary and clinical needs of institutions ranging from top-tier teaching hospitals to regional medical centers. In addition to pulmonary puncture biopsy, RC120 Puncture Surgical Robot has been successfully applied in various complex procedures such as ablation, preoperative localization and seed implantation, greatly expanding the product’s application boundaries and market space.

BUSINESS

Forward-looking AI layout: building a future-oriented intelligent ecosystem. We are endeavoring to build our AI algorithmic advantages. Our self-developed automatic path planning AI algorithm has been accepted by a well-recognized journal. With an average calculation time of 1.9 seconds, it far outperforms traditional methods and will further enhance RC120’s intelligence level. We are also committed to creating integrated hardware-software intelligent solutions. From deep learning-based pulmonary nodule detection to exploratory integration with large AI models, we are building a continuously iterating and self-evolving AI technological ecosystem.

Excellent reproducibility: empowering high-speed commercial expansion. Through intelligent standardized processes, RC120 Puncture Surgical Robot significantly reduces surgical reliance on individual doctors’ experience, boasting far superior commercial reproducibility compared to competitors. It provides a solid foundation for us to seize the nationwide and global markets.

Strategic penetration into China’s leading hospitals, accelerating product adoption through enhanced clinician education, while cooperating with distributors to ensure effective commercial execution and market penetration

We successfully penetrate into top-tier Class III Grade A hospitals and establish industry gold standards. In the emerging medical technology sector, recognition from leading hospital users validates the product’s excellence and potential for large-scale commercialization. As of the Latest Practicable Date, RC120 Puncture Surgical Robot had been put into clinical use in 39 hospitals nationwide, most of which were top-tier Class III Grade A hospitals, including First Affiliated Hospital of Sun Yat-sen University, Zhongnan Hospital of Wuhan University, First Hospital of Jilin University, North Jiangsu People’s Hospital, Qishan Branch of Union Hospital Affiliated to Fujian Medical University, and Shanxi Bethune Hospital. We select following testimonies to further demonstrate the important role and great value of our product in hospitals.

BUSINESS

Hospital	Market position	Number of surgeries	Clinical feedbacks
First Affiliated Hospital of Sun Yat-sen University	This Class III Grade A hospital is among Guangdong’s first batch of high-level hospital construction units. It features five national key disciplines and 36 national key clinical specialties, ranking sixth in the Fudan University Hospital Ranking for 2018-2019 and ninth in the 2021 China Hospital Comprehensive Ranking.	As of the Latest Practicable Date, RC120 had been utilized to complete 17 surgeries in this hospital.	As reported in the hospital’s WeChat Official Account, a 70-year-old thyroid cancer patient with lung metastasis, prior left lobectomy, and severe pulmonary adhesions faced high reoperation risks and traditional puncture challenges. RC120’s precise navigation and stable operation enabled one-step accurate subpleural lesion puncture, cutting surgery time and tissue damage risk. Administered under general or Beam CT at the First Affiliated Hospital of Sun Yat-sen University. A chief doctor of thoracic surgery commented that we have broken the traditional model of puncture first, surgery later, integrating two separate procedures into one anesthesia session. This reduces patients’ physical and mental suffering and surgical trauma, enabling them to regain health in a shorter time with minimal trauma, achieving an upgraded patient-centered medical experience.
Shanxi Bethune Hospital	It is one of the national Class III Grade A tertiary general hospitals, funded by the Shanxi Provincial Party Committee and Provincial Government, integrates medical treatment, teaching, scientific research, disease prevention and health protection, emergency care, and rehabilitation services. It serves as a regional medical center.	As of the Latest Practicable Date, RC120 had been utilized to complete 159 surgeries in this hospital, covering various departments such as oncology department, thoracic surgery department and pulmonary medicine department.	As reported in the hospital’s WeChat Official Account, a chief doctor recognized the clinical application of RC120 Puncture Surgical Robot in small pulmonary nodule biopsy and complex lesion puncture (including biopsy and ablation). Through 3D reconstruction of CT images and precise control of the intelligent robotic arm, RC120 Puncture Surgical Robot achieved a breakthrough in one-needle success diagnosis and treatment, significantly improving surgical precision and reducing operational risks.

BUSINESS

Hospital	Market position	Number of surgeries	Clinical feedbacks
Zhongnan Hospital of Wuhan University . . .	As one of China’s first Class A tertiary general hospitals, it has long maintained an A+ rating in national tertiary public hospital performance evaluation ranking 33rd in the 2023 China Hospital STEM and 31st in the five-year cumulative STEM ranking.	As of the Latest Practicable Date, RC120 had been utilized to complete 133 surgeries in this hospital.	As reported by Changjiang Daily, in October 2024, Zhongnan Hospital of Wuhan University used the RC120 to complete five pulmonary nodule biopsies and one lung metastasis radiofrequency ablation — Hubei’s first application of this new technology for pulmonary lesion diagnosis and lung tumor treatment, benefiting 10 patients to date. A chief doctor noted the robot effectively supports precise percutaneous lung biopsy and tumor ablation.

The abovementioned hospitals all represent the commanding heights and benchmarks of China’s medical technology. Their recognition not only serves as the highest endorsement of our product’s technology, safety and stability but also paves the way for our subsequent market expansion through a lighthouse effect, reducing customer education costs.

Moreover, we make efforts to building an academic ecosystem with clinical professionals to accelerate commercialization. Top clinical experts are not only users but also setters of industry standards. We communicate with hospitals, doctors and experts in the industry, transforming the clinical application of RC120 Puncture Surgical Robot into high-level academic achievements and building a strong academic moat. As of the Latest Practicable Date, clinical experts collaborating with us on RC120 Puncture Surgical Robot had published five research papers in authoritative journals abroad and domestically. These include a prospective clinical study published in Lung Cancer (an international authoritative journal in the field of lung cancer) and core algorithm elaborations in international journals such as Scientific Data (a Nature Portfolio journal). Our research findings of RC120 Puncture Surgical Robot were selected for an oral presentation at the ASCO Breakthrough Summit, which is a well recognized leading conference, and the abstract of this oral presentation was also published online in the Journal of Clinical Oncology. These third-party, objective academic achievements all serve as the validation of our product’s effectiveness.

Shanghai East Hospital, a Class III Grade A hospital, also commented on RC120 Puncture Surgical Robot in their WeChat Official Account that “we hope to take this as a starting point to establish a training center for precise tumor diagnosis and treatment, integrating clinical practice, scientific research, teaching, and application. We will further carry out ‘industry-medical-research-application’ cooperation to ultimately provide more targeted treatment plans for patients and lead tumor diagnosis and treatment into an era of intelligent precision” after successfully performing several pulmonary puncture procedures using RC120 Puncture Surgical Robot.

BUSINESS

We have established a clear commercialization pathway by forging strategic alliances with distributors. Our primary go-to-market strategy utilizes a distributorship model, through which we had already secured partnerships with five established distributors as of the Latest Practicable Date. A cornerstone of this strategy is our collaboration with Shanghai Youhe, which is one of the leading and comprehensive high-end medical device service providers specializing in respiratory, thoracic surgery, and early digestive cancer diagnostics in China according to CIC. With an extensive network of over 700 partner hospitals and a proven track record in commercializing premium medical devices, including those from global leaders like Olympus, Shanghai Youhe brings exceptional domain expertise and market access. In our distributorship agreement with Shanghai Youhe, we have also set an indicative target purchase amount of RC120 over four years, which is indicative in nature.

This multi-distributor framework is designed to ensure extensive geographic coverage and market penetration, laying a solid and scalable foundation for the successful commercialization and widespread adoption of our RC120 across China.

Aligning with national strategies, we become a technology innovator and pioneer in percutaneous puncture surgical robot field. Our establishment and development are firmly based on and supported by the national core strategy of developing new quality productive forces. Our goal is to become an innovator and setter of technical standards in the global competition for high-end medical equipment. As a benchmark for domestic independent innovation, we believe that RC120 Puncture Surgical Robot and our other product candidates will enjoy policy advantages in future hospital procurement, bidding, and entry into national procurement catalogs, providing a solid foundation for long-term, steady growth.

Focusing on pulmonary puncture surgical positioning system as the core, continuously expanding into adjacent fields to build a full-stack integrated platform for multi-organ tumor diagnosis

According to CIC, with the popularization of precise tumor treatment and image-guided technology, the demand for percutaneous puncture surgeries on organs such as the liver, kidneys, and brain continues to grow. Over one million new solid tumor patients are added in China each year, and a considerable proportion of them rely on image navigation to complete biopsy, ablation, or focal therapy. Meanwhile, prefecture-level and county-level hospitals still have obvious gaps in tumor intervention capabilities, operator experience, and equipment utilization. Traditional manual puncture methods are difficult to achieve high-precision, standardized, and efficient operations under primary care conditions. Therefore, introducing intelligent puncture robots into the underserved market not only meets the rapidly growing interventional demand but also addresses the urgent need to improve diagnosis and treatment quality and balance regional medical resources.

BUSINESS

We have built a highly flexible and sustainable precision surgical platform. Our core technologies — including positioning precision of sub-millimeter, the AI-driven intelligent path planning and navigation under R&D, and a high-stability robotic arm execution system — possess strong universality. We are expanding RC120 Puncture Surgical Robot into other organs to provide higher-quality products and services for patients and doctors, while covering multiple promising markets. We believe that our CT-based Sensing Technology Platform as well as the constantly upgrading AI-driven technology platform can be adapted to other organs requiring high-precision puncture, including:

- ***Abdominal organs.*** Needle biopsy is an important method for diagnosing abdominal cancer lesions. Currently, the mainstream biopsy solution is ultrasound-guided, but its diagnostic rate is limited to about 78.8%, and the risk of undeterminable biopsy specimens is about 27.3%, which may lead to repeated punctures or false negative results, according to CIC. Robotic navigation can significantly reduce the number of punctures and scans, improve the quality of lesion sampling, shorten the doctors’ learning curve and dependency, and reduce postoperative complications in patients.

According to CIC, in 2024, there were approximately 1.8 million new cases of liver, kidney and pancreatic cancers worldwide, including 827.1 thousand liver, 461.8 thousand kidney and 534.7 thousand pancreatic cancer cases. In 2024, China recorded approximately 361.9 thousand new liver cancer cases, 73.1 thousand kidney cancer cases and 125.0 thousand pancreatic cancer cases, accounting for 43.8%, 15.8% and 23.4% of global incident cases, respectively.

- ***Orthopedics.*** According to CIC, traditional spinal surgery faces pain points such as complex structure, deep location, poor visibility and high risk, resulting in long operation time, insufficient precision, and the need for multiple X-ray fluoroscopies to assist in screw placement during surgery. Robot-assisted spinal surgery offers advantages of safety, precision, and efficiency. It can improve screw placement accuracy, shorten operation time, minimize soft tissue damage, shorten the physician learning curve, and reduce postoperative complications in patients.

According to CIC, the market size of orthopedic surgical robots in China was approximately RMB734.5 million in 2024 and is expected to grow rapidly to RMB19,777.6 million by 2032, with a CAGR of 51%.

- ***Neurosurgery.*** According to CIC, deep brain surgery requires stripping covering tissues to expose lesions due to tissue obstruction, resulting in significant surgical trauma. In addition, during deep brain surgery, doctors struggle to distinguish the boundary of invasive malignant tumors from surrounding normal brain tissue, making it difficult to accurately resect lesions in high-risk areas. Robot assistance maximizes the reduction of neurological function damage while improving tumor resection rate and prolonging patient survival. In brain surgery, the navigation system helps surgeons plan the optimal surgical path, guiding surgical instruments to the lesion target along the safest and most convenient route, thereby improving surgical safety and reducing complications.

BUSINESS

According to CIC, the market size of neurosurgical robots in China was approximately RMB389.8 million in 2024 and is expected to grow to RMB1,991.3 million by 2032, with a CAGR of 23%.

Furthermore, we believe that the underlying technology platform of our puncture surgical robots can support expanded applications across surgical approaches, from precise biopsy to minimally invasive treatment including ablation. On the premise of controllable costs, we believe these initiatives can generate substantial commercial value for us: (i) increasing per-unit revenue output. Our product will achieve better equipment utilization and higher revenue by adding therapeutic functions for hospitals; (ii) enhancing customer stickiness. We will establish a comprehensive end-to-end solutions from diagnosis to treatment, thereby deeply engaging different departments of hospitals; and (iii) tapping into new blue ocean markets. Each newly expanded indication of our puncture surgical robots corresponds to a brand-new and vast market space.

Our IP and AI-driven technology platform under continuous development contribute to our differentiated competitive position in the market

We have established technical barriers through a two-pronged driving strategy of patent protection and continuous development of AI-driven technology platform. This dual-driver strategy not only safeguards our technological innovations but also ensures that our technological leading edge continues to strengthen over time.

Construct a comprehensive and rigorous intellectual property moat. We have built a comprehensive and rigorous intellectual property moat around our core technologies. As of the Latest Practicable Date, we held 101 patents in China, including 44 invention patents, 50 utility models and seven appearance designs. Our core intellectual property mainly revolves around RC120 Puncture Surgical Robot. RC120 Puncture Surgical Robot adopts our CT-based Sensing Technology Platform with full independent intellectual property rights, overcoming the shortcomings of existing navigation methods such as optical navigation and electromagnetic navigation. In addition, we have established advantages in structural design, motion control, and image algorithms related to surgical robots. We have established a medical image segmentation model and are currently undergoing continuous training. Our automatic path planning algorithm has also been realized and is currently under continuous optimization.

Build a dynamic and integrated AI technology platform, having the potential to lead puncture surgery from precise navigation to cognitive intelligence and decision support. As one of the leading medical robot enterprises in China endeavoring to develop and apply AI technology to drive puncture surgery, our experiments and research have demonstrated that we have achieved initial outcomes in the integration of puncture surgical robots and AI. We believe that we have the capability to further achieve technological advancement in product positioning — from assisting doctors in diagnosis and treatment decisions to autonomous decision-making. Our understanding of technological innovation goes beyond developing a single AI algorithm, instead, it involves building a collaborative and evolving AI technology ecosystem. The cornerstone of our technology is a powerful multi-modality image cognitive engine, which we believe will empower us to realize a technology leap from “seeing” to “understanding.”

BUSINESS

Our AI-driven technology platform has gained widespread recognition in international and domestic journals. For example, the performance of our AI-driven technology platform has been published in international journals such as Scientific Data and Sensors. We have independently developed a surgery path planning AI algorithm, which recommends clinically feasible puncture paths and are in the R&D of integrating such technology with our puncture surgical robot to support efficient and safe robot-assisted execution of percutaneous puncture procedures.

Flywheel effect of big data-driven AI evolution: to form a strong competitive barrier through internal data accumulation and iterative self-circulation. We continuously acquire valuable structured surgical data in compliance with relevant laws and regulations such as the Data Security Law and Personal Information Protection Law of the PRC. These valuable data are securely utilized for training AI algorithms, constantly improving the accuracy of our AI models in path planning, complication prediction, critical tissue recognition, and other aspects. A large volume of high-quality clinical data also forms a data gap that new entrants cannot easily overcome for a long period of time, greatly increasing the entry barrier. Once a hospital purchases our equipment, it enters our ecosystem, further enhancing our user stickiness.

Experienced and dedicated management team with strong support from renown investors

We are led by an experienced and dedicated management team with solid professional foundation, strategic market insight and extensive experience in key sectors related to surgical robot technology R&D, product commercialization, market access and quality management. The chairman of our Board and the general manager of our Company, Mr. Liu Jian, has over 20 years of experience in the medical technology field. Mr. Liu holds a master’s degree in engineering from Nanjing University of Science and Technology and a bachelor’s degree in engineering from Nanchang University. As early as 2004, as demonstrated in Mr. Liu’s master’s thesis, he already conducted research on the application of computational intelligence in mechanical optimization design and achieved academic results.

Our management team is supported by a highly talented, committed and loyal R&D team consisting of professionals with a full spectrum of expertise across mechanics, electrical and electronic engineering, software, algorithms, medicine and motion control. Our R&D team members have an average of around eight years of industry experience. There were 17 R&D employees that hold master’s or doctor’s degrees as of the Latest Practicable Date. Our core R&D team members have extensive experience in motion control of electromechanical products, mechanical manufacturing and automation, medicine and cross-disciplinary research. Our core R&D team members primarily graduated from leading domestic and/or overseas universities, bringing a global perspective and deep expertise. Through the untiring efforts of our management and R&D team, our RC120 Puncture Surgical Robot has been named one of the Top 10 Innovative Surgical Robot Products in 2025 by Medical Device Home. In 2025, we participated in the “AI Ningbo” First Artificial Intelligence Empowers Industry Competition co-organized by Organizing Committee of the First AI Ningbo Artificial Intelligence Empowering Industry Competition, and won the third prize. We are committed to attracting talented individuals such as AI experts, medical experts and other R&D talents by the incentive schemes and reward program.

BUSINESS

Our growth is further bolstered by a group of prominent pre-[REDACTED] investors, including, among others, Shanghai NSR, Walden Ventures IV, Suzhou Qianrong L.P. and Jiaxing Qiangrui L.P.. Their extensive experience in, and in-depth understanding of, market trends have been invaluable to us. We believe that we will further achieve great synergy with our renown investors with respect to industrial chain collaboration and resource integration, overseas market access and global compliance experience.

OUR STRATEGIES

Enhancing market penetration in China and advancing the integrated “equipment, consumables, and services” business model

To accelerate the adoption of RC120 Puncture Surgical Robots in hospitals throughout China, we will implement a targeted, tiered market expansion strategy.

- For Class III Grade A hospitals, our approach will emphasize the product’s advanced technical features, such as navigation accuracy and our multi-modality real-time imaging fusion technology under R&D. We will collaborate with leading experts in relevant medical fields to host “Surgical Demonstration Days,” where live demonstrations will showcase how our products enhance efficiency in complex puncture procedures. In addition, we will align with hospitals’ research objectives by jointly initiating clinical research projects, thereby facilitating product acceptance through clinical validation.
- For Class II Grade A hospitals and other hospitals in lower-tier cities and counties, our focus will be on addressing the fundamental needs of primary healthcare, including offering products with high efficiency, user-friendliness, and cost-effectiveness. We plan to introduce affordable versions of our products tailored to primary care environments. Leveraging our network of resident engineers across provinces, we will deliver localized support services such as on-site installation and maintenance, reducing barriers for hospitals in lower-tier cities and counties to adopt our solutions.
- On the academic promotion front, will establish a comprehensive promotional framework comprising national and regional experts. Our team will participate in major medical conferences, organize regional seminars, and publish clinical case studies to systematically communicate the value of our products.

BUSINESS

We pursue transitioning from traditional equipment sales to an “equipment, consumables, and services” model, securing recurring high-margin consumables orders. While the initial sale of our puncture surgical robots establishes our market presence and scales to market dominance, we expect that the recurring revenue from proprietary, single-use consumables will become the driver of our long-term profitability. We intend to operate on an integrated “equipment, consumables, and services” business model, designed to generate sustainable, high-margin revenue streams. We project that the contribution from consumables sales will constitute an increasingly significant portion of our total revenue over time. By integrating sales of puncture surgical robots, long-term consumables supply, and ongoing technical services to customers and users, we aim to strengthen user loyalty, secure recurring consumables procurement, and maximize the lifetime value of our clients.

Strategically pursuing global clinical and commercial partnerships to capture international market opportunities

We pursue to expand our products’ international presence, including but not limited to RC120 Puncture Surgical Robots, and other products that are already in regulatory approval cycles and earlier stages of development. We will implement a “compliance-first, targeted expansion follows” approach to systematically advance our global footprint. Initially, we will establish a dedicated overseas clinical team and collaborate with third-party organizations experienced in FDA and CE certifications and other relevant application requirements in jurisdictions where we plan to expand our business. These partnerships will ensure a thorough understanding of regulatory processes and technical requirements. Our priority will be to complete registration applications for the RC120 Puncture Surgical Robots in key markets such as the EU and the United States, while concurrently gathering clinical data that meets international standards, thereby paving the way for entry into other regulated regions.

In Southeast Asia, we will maintain cost-effectiveness by partnering with local medical device distributors, participating in ASEAN medical device exhibitions, and introducing product versions and streamlined service solutions tailored to tropical climates and local primary healthcare needs. For the EU and U.S. markets, our focus will be on academic and regulatory endorsement. We will establish clinical collaboration centers with leading hospitals, conduct multi-center clinical trials, and participate in premier international medical exhibitions such as the International Trade Fair for Medical Devices, Diagnostics, and Therapeutics, as well as events hosted by the Radiological Society of North America. Additionally, we will organize technology salons and engage overseas research institutes and industry KOLs to strengthen global brand recognition.

We will also promote our other products internationally when their respective research and development and regulatory approval progresses materialize.

BUSINESS

To support these initiatives, we will enhance our sales and marketing team by recruiting professionals with expertise in international medical device sales and forming an overseas clinical support team capable of providing multilingual technical consultations. We will also establish overseas spare parts warehouses to guarantee rapid supply of consumables and maintenance components, ensuring that international customers receive after-sales service equivalent to our domestic standards.

Accelerating pipeline development via expanding indications, functional developments and consumable product candidates

Focusing on the future development of our pipelines, we will pursue three primary objectives: functional enhancement, indication expansion, and innovation in consumables to comprehensively boost product competitiveness.

- For indication expansion, we will progress with the research and development for specialized applications in orthopedics and neurosurgery. By collaborating with leading hospitals, we will optimize the equipment’s mechanical structure and navigation algorithms to accommodate specialized procedures such as spinal and intracranial puncture, driving advancements in precision interventions. On the other hand, we will conduct clinical needs assessments and design and carry out regulatory clinical trials for the approval of new indications for existing and new pipeline products.
- For functional development, we will refine puncture path planning AI algorithm and incorporate organ motion compensation technology to offset the effects of physiological movements such as respiration and heartbeat, thus improving puncture accuracy. We will also enhance the AI decision-making module by adding a surgical risk early warning feature, which uses AI algorithm to analyze patient imaging and physiological data to predict potential complications and assist physicians in developing safer surgical plans.
- For the development of supporting consumables, we will expand the variety and product portfolio of our consumables, for example, launching ablation needles and dedicated consumable kits to enhance safety and convenience. These efforts will enrich our product portfolio, enabling coverage of a broader spectrum of clinical scenarios.

With the above three-pronged development strategy, we consider we can cover the market needs for puncture surgical robots.

BUSINESS

Enhancing our AI capability with the aim to establish an AI-empowered technology ecosystem

Our goal is to create an industry-leading AI-empowered robotic technology platform by advancing research and development along two fronts: immediate technological implementation and mid-to-long-term ecosystem development.

- In the short term, we will focus on developing AI algorithm to solving critical challenges in the intelligent lesion detection and diagnosis module, by assembling a multidisciplinary team of AI algorithm engineers, mechanical engineers, and clinical physicians. Capturing on the surgical operation data we collect, we will develop annotated datasets covering various lesion types and imaging modalities, optimizing our hierarchical cascaded AI diagnostic architecture. The entry-level module will enable rapid screening to enhance puncture efficiency, while the expert-level module will provide precise localization to address challenges related to small or moving lesions. By dynamically adjusting puncture paths based on real-time feedback, we aim to achieve an optimal balance between speed and accuracy. Simultaneously, we will advance our single-modality imaging fusion technology to multi-modality real-time imaging fusion technology through close collaboration with CT, MRI, and PET-CT equipment manufacturers, developing specialized data interfaces and calibration algorithms for seamless integration of diverse imaging sources.
- In the medium to long term, we aim to develop a self-evolving AI ecosystem by collecting surgical operation data to create a standardized procedure database. This will facilitate the training of autonomous learning and decision-making models for our robotic systems, gradually achieving a transition from assisted navigation to autonomous puncture decision-making. Furthermore, we will implement a technology iteration mechanism, regularly collecting clinical feedback and continuously enhancing product functionality and establishing a robust cycle of R&D, clinical application and iterative improvement.

OUR BUSINESS MODEL

We primarily engage in R&D, production and commercialization of percutaneous puncture surgical robots. We obtained Class III medical device registration certificate in 2024 for RC120 Puncture Surgical Robot, which is used for navigation and positioning in adult lung percutaneous puncture surgeries. As of the Latest Practicable Date, we had successfully commercialized our RC120 Puncture Surgical Robot, but was still at an early stage of the commercialization process. Our target users are primarily hospitals that have needs for percutaneous puncture surgeries. We provided RC120 to hospitals for clinical use during the Track Record Period. We mainly purchase raw materials and components (such as robotic arms, sensing boards and machined parts) from our suppliers for R&D and production activities. We have been continuously making efforts to expand new indications and models, and upgrade the functions of RC120 and plan to actively explore business opportunities in other jurisdictions.

BUSINESS

Along with the commercialization progress of our puncture surgical robots and the R&D of consumables product candidates, we will pursue transitioning from traditional equipment sales to an “equipment, consumables, and services” business model. By integrating sales of puncture surgical robots, long-term consumables supply, and ongoing technical services to customers and users, we aim to strengthen user loyalty, secure recurring consumables procurement, and maximize the lifetime value of our customers.

OUR PRODUCT PORTFOLIO

We are a pioneer and leading player in percutaneous puncture surgical robot market in China, according to CIC. In 2024, our RC120 ranked second in terms of the number of trial installation in the percutaneous puncture surgical robot market in China, according to CIC. We have built a product portfolio with one approved product, namely RC120 which is used for the navigation and positioning in adult lung percutaneous puncture surgeries, and other product candidates mainly consisting of puncture surgery robots with other indications, models and new advanced functions, such as RC100, spinal surgical navigation and positioning system, neurosurgical surgery navigation and positioning system, CT integrated puncture surgery navigation and positioning system, and consumables used in puncture surgeries.

As of the Latest Practicable Date, we were in the clinical evaluation stage for the indication expansion to adult abdominal solid organ puncture and in the preclinical development stage for nine projects in relation to RC100, indication expansions and function upgrade. In addition, as of the Latest Practicable Date, our consumable product portfolio primarily consisted of three types of consumables in registration application stage and one type of consumables in pre-clinical development stage. During the Track Record Period and up to the Latest Practicable Date, we generally conducted R&D on our Core Product and other product candidates in-house. The following diagram sets forth key details of our product portfolio as of the Latest Practicable Date:

BUSINESS

Category	Product	Indication/Function	Stages				Country or Region	Registration Class	Approval or Estimated Approval
			Preclinical Development	Clinical Evaluation	Application for Registration	Approval			
Surgical Robot	Puncture Surgery Navigation and Positioning System RC120 ★	Navigation and Positioning for Adult Pulmonary Puncture Surgery ⁽¹⁾					China	Class III	Q1 2024
		Navigation and Positioning for Adult Pulmonary and Abdominal Solid Organ Puncture Surgery					China	Class III	Q4 2026
		AI-assisted 3D Reconstruction and Surgery Path Planning Function					China	Class III	Q3 2030
		Dynamic Respiratory Motion Compensation Function					China	Class III	Q3 2030
		Navigation and Positioning for Adult Pulmonary and Abdominal Solid Organ Puncture Surgery					U.S.	Class III	Q4 2029
							E.U.	Class IIb	Q1 2030
	Puncture Surgery Navigation and Positioning System RC100	Navigation and Positioning for Adult Pulmonary and Abdominal Solid Organ Puncture Surgery					China	Class III	Q3 2027
							Southeast Asia	Class C ⁽²⁾	Q4 2030
	Spinal Surgery Navigation and Positioning System	Navigation and Positioning of Surgical Instruments and Implants during Adult Spinal Surgery					China	Class III	Q4 2031
	Neurosurgical Surgery Navigation and Positioning System	Navigation and Directional Positioning for Neurosurgical Surgical Instruments and Implants					China	Class III	Q4 2031
Consumables	CT Integrated Puncture Surgery Navigation and Positioning System	Navigation and Positioning for Routine Clinical Examinations and Adult Pulmonary and Abdominal Solid Organ Puncture Surgery					China	Class III	Q4 2031
	Disposable Pulmonary Nodule Positioning Puncture Needle	Intended for CT-guided pulmonary nodule positioning in patients with pulmonary nodules prior to thoracoscopic surgery					China	Class II	Q2 2026
	Disposable Biopsy Needle	Indicated for obtaining biopsy tissue from the lung, liver, kidney, prostate, spleen, lymph nodes and various soft tissue tumors					China	Class II	Q2 2026
	Disposable Coaxial Biopsy Needle	Used in conjunction with disposable biopsy needles to serve as a guide needle during the acquisition of soft tissue biopsy specimens					China	Class II	Q2 2026
	Disposable Puncture Guide	Used in conjunction with puncture surgery navigation and positioning system for the guidance of puncture instruments					China	Class II	Q4 2026

★ Core Product

Notes:

- (1) On June 6, 2025, we applied for the change of registration with the NMPA to add four new models based on the same medical device registration certificate of RC120. The different models are of primary distinction lying in the configuration of certain components (such as the control cabinet and foot switch) of RC120. As of the Latest Practicable Date, the NMPA was in the process of reviewing our application and supplemental information provided by us as required by the NMPA.
- (2) For our future market expansion in Southeast Asia, we plan to initiate applications in Indonesia and Malaysia first. Our Puncture Surgery Navigation and Positioning System RC100 will be registered as Class C medical device in Indonesia and Malaysia.

BUSINESS

Percutaneous Puncture Surgical Robots

RC120 Puncture Surgical Robot — Our Core Product

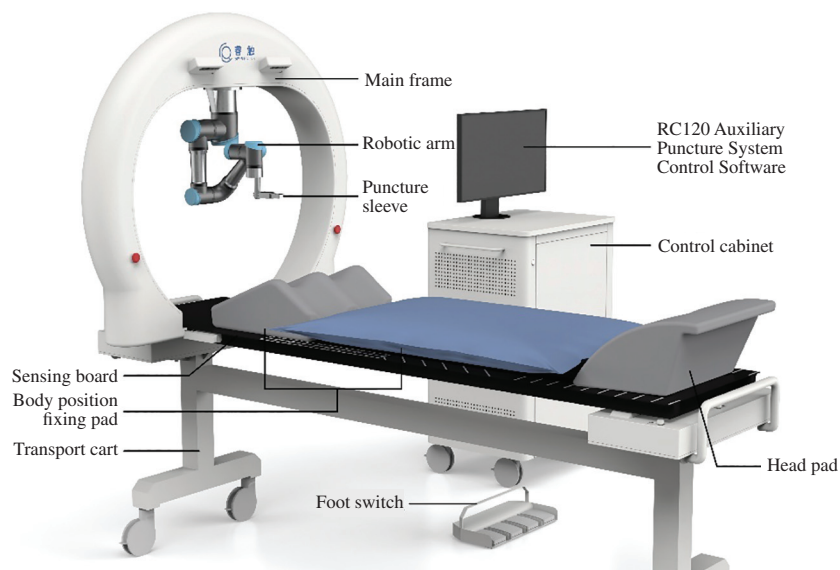
Overview

RC120 is a percutaneous puncture surgical robot independently developed by us to assist doctors in the navigation and positioning in adult lung percutaneous puncture surgeries and features 7-degree-of-freedom robot platform, operative precision, safety and efficiency. We obtained Class III Medical Device Registration Certificate for RC120 in February 2024. As of the Latest Practicable Date, RC120 had been used in 39 hospitals in China. As of the Latest Practicable Date, no material unexpected or adverse changes have occurred since the date of issue of the Class III Medical Device Registration Certificate by the NMPA for RC120.

Precise positioning is crucial in the minimally invasive interventional diagnosis and treatment of pulmonary nodules. Traditional manual pulmonary nodule puncture relies on doctors’ tactile sensation and experience, usually requiring repeated CT scans and multiple needle adjustments, which causes additional pain and medical risks to patients. We believe that RC120 addresses these pain points. Based on CT imaging data, doctors use our software to design, tailor and confirm the optimal puncture path, and then through 3D reconstruction, the execution system of RC120 Puncture Surgical Robot will move to the precise needle insertion position for the doctor’s subsequent puncture. RC120 can help doctors accurately avoid bones and blood vessels, reducing the number of intraoperative needle adjustments, shortening the procedure time, and effectively reducing the risk of tissue damage to patients.

Product structure

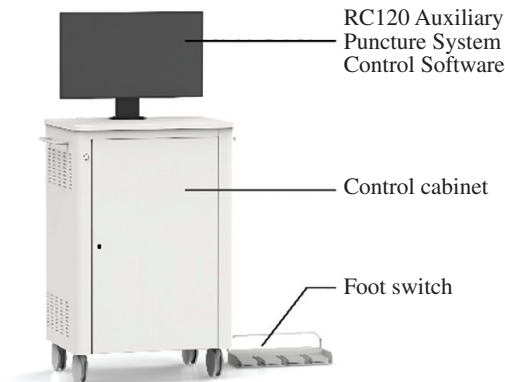
RC120 consists of a control cabinet, a transport cart, a sensing board, a main frame, a robotic arm, a foot switch, a mains power cable, RC120 Auxiliary Puncture System Control Software and accessories. Accessories include a puncture sleeve, a head pad, a chest strap, a body position fixing pad and a sensing board adapter block. The following diagram illustrates the key components of RC120:



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Doctor’s Console

The doctor’s console has three major components: the control cabinet, the footswitch panel and RC120 Auxiliary Puncture System Control Software.



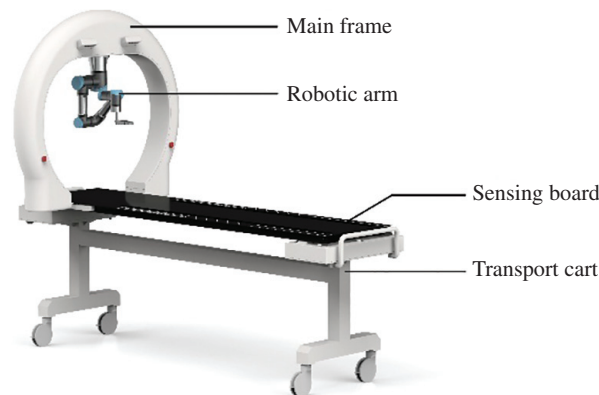
The doctor’s console is used for software function interaction, navigation and positioning path planning, and sending motion commands to the execution system, serving as the control center of the entire RC120. RC120 Auxiliary Puncture System Control Software is installed on the host computer inside the control cabinet. The software interface is user-friendly, with convenient and efficient interaction and operation. 2D and 3D images can be displayed simultaneously, allowing doctors to quickly plan the path. It has a built-in anti-collision function to ensure the patient is free from mechanical injury during the surgery.

Execution System

The sensing board, main frame and robotic arm constitute the execution system of RC120, which are the moving components responsible for positioning in the surgery. The entire execution system forms a 7-degree-of-freedom gantry structure composed of the main frame and robotic arm. It features high spatial expandability, covers the entire lung surgical area, and allows doctors to operate from both sides of the sensing board. There is no need for doctors to attach any markers to the patient’s body surface or perform separate registration with marks throughout the entire surgery, simplifying the surgical workflow and improving surgical efficiency.

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The following diagram illustrates the execution system installed on the transport cart:

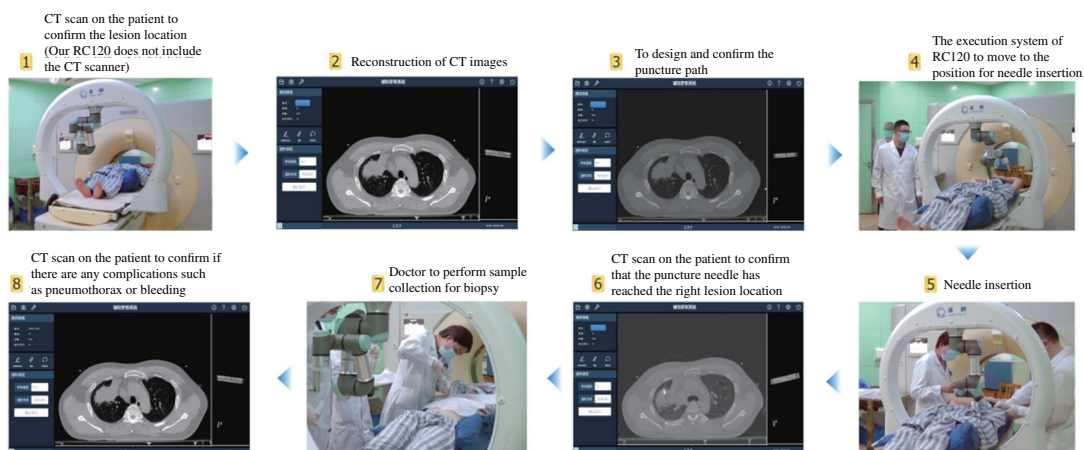


Accessories

Accessories mainly include a puncture sleeve and several accessories used to fix the body position of patients. The puncture sleeve is mounted on the end of the robotic arm for guiding and positioning the puncture instrument. Our puncture sleeves are compatible with 11-22G puncture consumables (including puncture needles, ablation needles, positioning needles, etc.) and can meet different clinical surgical needs.

Operational procedure

The following diagram illustrates the clinical workflow of RC120, taking biopsy as an example:



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Further details of certain key steps of operating RC120 are summarized below:

- **CT scan, data import and image reconstruction.** The doctor determines the patient’s puncture position based on the pre-operative diagnosis, uses the head pad and body position fixing pad to assist in securely positioning the patient on the RC120 sensing board, and fastens the chest strap around the patient’s chest and abdomen area to perform a CT scan on the patient. After the scan is completed, the doctor will import the patient’s image data for RC120 Auxiliary Puncture System Control Software to perform image reconstruction, displaying 2D and 3D images as well as the patient’s relevant information.
- **Trajectory planning.** The doctor identifies the lesion location and sequentially selects the target position and the needle insertion point on the body surface, and the needle insertion path will then be automatically demonstrated by RC120 Auxiliary Puncture System Control Software. The doctor will then confirm the path. The software will then identify the position of the needle insertion path, and plan the movement paths of the main frame and the robotic arm. The doctor steps on the foot switch, and the main frame and robotic arm will automatically move into position.
- **Puncture operation.** The doctor selects a puncture sleeve matching the specifications of the puncture needle and mounts it into the hole at the end of the robotic arm. After completing disinfection and anesthesia, the doctor performs the puncture positioning operation. Once the puncture is completed, the doctor steps on the foot switch to let the robotic arm retreat and return to its original position.
- **CT scanning and surgical operation.** The doctor uses CT to scan the patient’s puncture site, and confirms that the puncture instrument has reached the lesion location along the planned path. After the puncture instrument reaches the lesion, the doctor can perform subsequent surgical operations in accordance with the operational process of the implemented surgical procedure.

Features and competitive advantages

Our competitive position is defined by distinct advantages over two key benchmarks: traditional manual procedures and competing optical and magnetic robotic systems.

(i) Advantages over manual procedures

- **Precision and Consistency:** We replace experienced doctor-dependent skill and hand-eye coordination with sub-millimeter robotic accuracy. This eliminates the variability of freehand techniques, delivering standardized, reliable clinical outcomes regardless of the operator’s experience level.

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- **Reduced Complication Risk:** Our stable robotic execution minimize deviations, reducing the risk of off-target damage, hemorrhage, and other procedure-specific complications common in manual approaches.
- **Lowered Technical Barrier and Learning Curves:** Our puncture surgical robot simplifies complex procedures, enabling a broader range of clinicians, including those in hospitals in lower-tier cities and counties, to perform high-precision interventions safely and effectively, without a decades-long learning curve.
- **Enhanced Operational Efficiency and Financial Throughput:** The streamlined workflow of our puncture surgical robot shortens procedure time and reduces post-operative complications. This acceleration directly increases daily surgical throughput and improves bed turnover rates for hospitals, directly addressing and alleviating the core challenge of low financial efficiency in hospitals in lower-tier cities and counties by maximizing their existing asset utilization. In addition, by facilitating earlier detection and minimally invasive treatment of tumors, our puncture surgical robot may enable more patients to receive subsequent treatment at qualified hospitals, thereby supporting incremental procedure volumes and revenue opportunities for hospitals.
- **Improved Patient and Staff Safety:** Our platform’s high first-pass accuracy dramatically reduces the need for the iterative scan-and-adjust cycles inherent in manual procedures. This directly minimizes the cumulative radiation exposure to patients or medical staff from multiple CT scans, significantly lowering health risks.

(ii) Advantages over competing robotic systems

- **Superior Guidance Technology:** Our RC120 Puncture Surgical Robot stands out as the only image-guided percutaneous puncture surgical robot that integrates CT imaging technology with intelligent sensing architecture in China’s percutaneous puncture surgical robot market. Our CI-based Sensing Technology Platform creates a more stable and reliable navigation field compared to other existing devices in the market such as optical systems (prone to line-of-sight failure) and electromagnetic systems (vulnerable to field distortion).
- **Structural Cost Advantage:** Through the localized production of key components such as sensing board module, and since our RC120 Puncture Surgical Robot does not require additional navigation beacons, optical cameras, electromagnetic sensors, or other similar components, we have achieved a fundamentally lower cost structure sensing board module, building a powerful and formidable barrier for competition, difficult for new entrants or smaller rivals to replicate and compete with in the long term.

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- **Streamlined Surgical Workflow:** Our system requires no disposable fiducial markers or time-consuming pre-operative 3D modelling for each procedure. Such marker-less approach reduces per-procedure modelling time and costs and simplifies setup, increasing daily surgical throughput.
- **Operational Independence:** The platform is designed for operation by doctor and technician only, eliminating the reliance on dedicated technical support staff for system setup and calibration, which reduces the hospital’s long-term operational overhead.
- **Optimal Space Utilization:** Designed to integrate natively with existing CT facilities, our system does not require dedicated operating room space, unlike larger competitive platforms that demand significant and permanent floor space.

Clinical achievements

As of the Latest Practicable Date, RC120 had been used in 39 hospitals in China to assist performing percutaneous puncture surgeries. As of the Latest Practicable Date, RC120 had reached various mainstream hospital departments that may perform puncture surgeries, such as thoracic surgery department, interventional department, cardiothoracic surgery department, radiological imaging department, oncology department, respiratory medicine department, department of respiratory and critical care medicine and nuclear medicine department. Forms of surgeries cover puncture biopsy, ablation, preoperative localization, and seed implantation.

Summary of clinical trial results

Overview

Precise positioning and percutaneous puncture is crucial in the minimally invasive interventional diagnosis and treatment of pulmonary nodules. However, traditional manual procedures may have drawbacks such as inaccurate positioning, cumbersome operation, repeated CT scans, and high radiation exposure. The application of new technologies like surgical navigation and positioning systems has become a research focus. To verify the safety and effectiveness of our independently developed RC120 in clinical use and provide clinical evidence for its registration, we conducted this clinical trial. This clinical trial started in January 2022 and was completed in February 2023.

Trial design

This clinical trial was a multicenter, prospective and single-arm study to evaluate the safety and effectiveness of our RC120. We designed the clinical trial in adherence to the GCP for Medical Devices. We cooperated with Shanghai Pulmonary Hospital and Anhui Provincial Chest Hospital to conduct our clinical trial. We prepared clinical trial protocol drafts, delivered the clinical equipment and provided training to clinical trial

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institutions and researchers in these clinical trial institutions, which then commenced the enrollment of patients. Clinical trial institutions are required to conduct the clinical trial, obtain consent from enrolled patients, collect data, issue clinical trial reports at the end of clinical trial strictly in accordance with the protocol, and keep trial records after the end of the trial within the period indicated in the Good Clinical Practice for Medical Devices (《醫療器械臨床試驗質量管理規範》).

A total of 98 subjects were enrolled in this clinical trial. Patients must fulfill the following criteria to be enrolled: (i) patients who are 18 years old to 80 years old (including 18 and 80 years old); (ii) patients who are diagnosed with pulmonary space-occupying lesions via clinical and imaging examinations and required puncture biopsy; (iii) patients must have good compliance and can cooperate to complete the surgery and other requirements of this study; and (iv) patients must have chosen to participate voluntarily and have signed informed consent. Patients with coagulation disorders, bleeding tendency, severe cardiopulmonary insufficiency, severe hepatic or renal insufficiency, severe pulmonary lesions or cystic lesions, pregnant or lactating women, those using devices susceptible to electromagnetic interference, those with a history of allergy to contrast agents for enhanced CT, and other patients deemed unsuitable for enrollment by doctors were excluded.

The primary endpoint of this trial was the positioning success rate with no more than two puncture adjustments. The secondary endpoints included the positioning success rate with no more than one puncture adjustment, aiming precision, total number of CT plain scans at the time of successful positioning, and evaluation of device functions (including device functionality, ease of use, reliability and safety). Based on the target value (85%), expected value (95%), and dropout rate (20%) of the primary endpoint, the calculated sample size was 98 cases. The safety endpoints included the incidence and frequency of adverse events (“AEs”) and serious adverse events (“SAEs”); the incidence and frequency of device-related AEs and SAEs; and the incidence and frequency of device defects.

Trial status

The clinical trial commenced on January 7, 2022 and was completed on February 20, 2023. A total of 98 subjects were enrolled.

Trial results

- **Primary endpoint:** Among the 98 subjects, 97 subjects achieved successful positioning when the number of puncture adjustments was no more than two, resulting in a positioning success rate of 98.98%.
- **Secondary endpoints:** Among the 98 subjects, (i) 96 subjects achieved successful positioning when the number of puncture adjustments was no more than one, resulting in a positioning success rate of 97.96%; (ii) the puncture aiming precision (mm) was 5.78 ± 2.67 , 5.78 being the mean and 2.67 being the standard deviation; and (iii) the total number of CT plain scans (times) at successful positioning was

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1.04 $\pm$ 0.29, 1.04 being the mean and 0.29 being the standard deviation. In the doctors’ evaluation on our puncture surgical robot, all of the 98 participating doctors expressed satisfaction with the device’s reliability and safety. Moreover, in the evaluation on the performance, functionality and convenience of our puncture surgical robot, 95, or 96.94% of the participating doctors were satisfied with the device’s function and ease of use, and three, or 3.06% of the doctors rated it as average and none of the doctors was dissatisfied.

- **Safety endpoints:** (i) AEs occurred to 37 subjects, with an incidence rate of 37.76%; (ii) no SAEs occurred, with an incidence rate of 0.00%; and (iii) no device defects occurred, with a device defect incidence rate of 0.00%.

The AEs include (i) bleeding, the most common complication of CT-guided percutaneous puncture surgeries; (ii) pneumothorax, which was caused by air leakage from the lung into the pleural space and was common in patients with emphysema, bullae and chronic obstructive pulmonary diseases; and (iii) others, including elevated blood pressure, cough, anemia and other individual cases. Symptomatic and supportive treatments were provided to relevant patients to alleviate or control their symptoms (such as providing oxygen therapy or drugs). Each adverse event was processed with standardized clinical management.

According to the clinical trial report, AEs being recorded as related or possibly related to the device occurred to 23 subjects in total. Following detailed traceability analysis conducted by researchers, these AEs were determined to be (i) common complications associated with puncture procedures in general, such as needle tract bleeding and lesion bleeding (which are sometimes unavoidable); or bleeding that occurs during biopsy sampling of hypervascular lesions (which is unavoidable); or (ii) related to the patient’s own conditions, such as the patient having a certain type of lung disease, or experiencing a stress response during the puncture process.

Key findings

The effectiveness and safety of RC120 have both met the expected targets and met the requirements for clinical use. The clinical trial results are qualified.

- **Effectiveness results:** RC120 is clinically effective in assisting positioning during pulmonary puncture surgery. Its primary and secondary endpoints show excellent performance, meeting the requirements for clinical use.
- **Safety results:** No SAEs or device defects were reported during the trial. RC120 did not present difficulties in mastery or inconvenience in use, demonstrating excellent operational performance, ease of use, and a good safety profile.
- The median total process time for patients from entering to exiting the operating room was 18 minutes, with three CT scans performed.

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Preclinical studies

From 2017 to 2023, we performed a series of preclinical studies, primarily including (i) product lifetime test, which was conducted in October 2021, to verify the operational reliability of RC120 under high-load conditions; (ii) sterilization test, which was conducted from September to November 2021 to verify that the sterilization method we provide is reliable; (iii) type test, which was conducted from October 2020 to June 2021 and was aimed to evaluate the structural strength, durability, and reliability of RC120, as well as whether the electrical systems of RC120 comply with relevant standards and regulations; and (iv) functional performance test, which was conducted in September 2020 to evaluate whether RC120 can operate in accordance with their intended functions and performance. These tests involve the evaluation of equipment precision and stability, etc., to ensure that RC120 can effectively fulfill their intended functions.

There was no occurrence of AE or robotic mechanical error during such preclinical studies.

Market opportunities and competition

Driven by favorable policies, technological innovation and aging population and increasing prevalence of cancer, China’s percutaneous puncture surgical robot market size is expected to have strong growth with a CAGR of 66.1% to increase from RMB40.3 million in 2024 to RMB2,327.5 million in 2032, according to CIC. RC120 has competitive advantages in terms of its precision positioning, safety, efficiency, and standardized surgical procedure. We believe RC120 is poised for significant market development opportunities.

As of the Latest Practicable Date, 17 products, in total, have obtained NMPA approval in the percutaneous puncture surgical robot market in China. Our RC120 ranked second in terms of the number of trial installation in the percutaneous puncture surgical robot market in China in 2024, according to CIC.

Development plan

We obtained Class III medical device registration certificate from the NMPA for RC120 in February 2024. See “— Our Strategies” for further development details for our Core Product to reach commercialization.

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Indication expansion to adult abdominal solid organs puncture surgery

In September 2025, we commenced same-type product comparison for the expansion of RC120’s indications to percutaneous puncture surgery for adult abdominal solid organs and completed in October 2025. We collected clinical literature on a same-type approved percutaneous puncture surgery and conducted comparisons with our product candidate from more than 20 perspectives, including, among others, appearance, degrees of freedom of the robotic arm, effective working space, and position accuracy of the robotic arm. Through the evaluation of clinical literature data of such same-type product, the safety and effectiveness of our product candidates in clinical use have been confirmed. We plan to apply for a registration approval of new indications with the NMPA and expect to obtain the NMPA’s approval in 2026.

Abdominal solid organs percutaneous puncture surgery navigation and positioning system can be used in a wide range of liver tumors, kidney lesions, pancreatic cysts and other masses. In China, the incident cases of liver, kidney, and pancreatic cancers were estimated at approximately 361.9 thousand, 73.1 thousand, and 125.0 thousand, respectively, in 2024, illustrating the substantial and growing burden of abdominal and related solid tumors in the population. As cross-sectional imaging becomes more widely used for screening, diagnosis and follow-up, the number of patients requiring image-guided percutaneous biopsy or ablation for abdominal lesions is expected to continue to increase. As of the Latest Practicable Date, among the 17 approved percutaneous puncture surgical robot products in China, there were 11 products being applicable to both lung and abdomen punctures. We believe that our indication expansion to adult abdominal solid organs puncture surgery of RC120 will further enhance our competitiveness, which is also in line with the market trend and customer demand, according to CIC.

Dynamic respiratory motion compensation, and AI-assisted 3D reconstruction and surgery path planning functions

As of the Latest Practicable Date, we were in the process of preclinical development for developing more advanced functions to upgrade RC120, including the dynamic respiratory motion compensation function, which is designed to address the problem of lesion movement caused by patients’ breathing or body movement and enhance the stability of puncture in dynamic scenarios; and certain AI-assisted functions capable of offering organ and tissue segmentation, automatic surgical path planning and automatic nodule lesion recognition.

The dynamic respiratory motion compensation function mainly utilizes tracking technology. This function performs real-time monitoring of the patient’s body position and respiratory status during the surgery. It simultaneously matches the status of intraoperative scanned images, identifies the displacement of the patient between the scanning moment and the needle insertion moment, and dynamically compensates for intraoperative positioning — thus greatly reducing the impact of patient movement or breathing on positioning deviation. This technology can recognize and compensate for the

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patient’s dynamic displacement, improving the dynamic accuracy of the navigation and positioning system as well as the precision and safety of the surgery. We expect to initiate clinical evaluation in 2027 and obtain the registration approval in 2030.

The AI-assisted functions are developed based on deep learning technology. After training with a large amount of high-quality data manually segmented by doctors, the AI algorithm can learn the inherent laws of the data. It will realize the extraction of regions of interest in 2D images, aligns the whole series of imaging data through registration, and ultimately constructs a 3D model of tissues, organs and lesions. Subsequently, based on the doctor’s selection of the lesion, it can automatically plan optimal needle insertion paths in multiple directions for the doctor to choose from. This technology not only improves the accuracy of reconstruction but also significantly shortens the reconstruction time. Through precise 3D reconstruction of the lesion site, doctors can intuitively observe the positional relationship between the lesion tissue and surrounding tissues and organs, select the optimal path, reduce surgical risks, and improve the surgical success rate. This solution enables doctors with insufficient clinical experience and imaging knowledge to achieve the path planning level of experienced doctors, and the equipment can better meet the needs of general hospitals. We expect to start clinical evaluation in 2027 and obtain the registration approval in 2030.

The deep integration of AI with medical imaging technologies has become a significant trend in the development of the medical imaging industry. As AI technologies continue to mature and be refined, they are increasingly being applied to medical imaging devices and associated software, thereby driving the development of more advanced and intelligent medical imaging systems. Leveraging advances in AI algorithms, percutaneous puncture surgical robots now represent an integrated application of AI, medical imaging and robotics, combining intelligent planning and analysis, image-guided navigation and precise mechanical execution. This integrated approach further enhances the accuracy, consistency and minimally invasive nature of puncture procedures and supports their application across a broader range of clinical scenarios. According to CIC, surgical robots equipped with dynamic respiratory motion compensation, and AI-assisted 3D reconstruction and pathway planning are entering a strong commercialization window as precision-guided minimally invasive procedures continue to expand. These capabilities directly address accuracy challenges in organs affected by respiratory motion, by stabilizing the target in real time and reducing deviation during needle-based interventions. Combined with high-fidelity AI-assisted 3D anatomical modelling and optimized path planning, such robots can significantly reduce the number of punctures, shorten procedure time, and improve overall clinical safety and success rates. With the rise of early cancer detection, increasing adoption of image-guided interventions, and hospitals’ growing demand for navigation technologies, these “intelligent planning plus dynamic control” surgical robots are positioned to capture substantial market opportunities across biopsy, ablation, and other percutaneous therapeutic workflows.

We believe and CIC concurs, our R&D with respect to such advanced functions will bring us huge market potential if the relevant product candidates are approved by the NMPA.

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Business expansion in overseas markets

As of the Latest Practicable Date, we were also conducting relevant market research and preparing for applying registration approvals for the navigation and positioning system for percutaneous puncture surgery of adult pulmonary and abdominal solid organs in overseas jurisdictions such the United States and Europe. We plan to initiate the applications in the United States and the Europe in the second half of 2026 and obtain relevant approvals by 2030.

Globally, the surgical robot market remains at an early stage of overall penetration, though regional development levels vary in terms of technological maturity, regulatory environment, and clinical adoption. The United States and major European countries represent relatively mature markets with well-established regulatory and clinical systems. According to CIC, the market size of percutaneous puncture surgical robot in the United States was USD98.8 million in 2024 and is expected to increase to USD602.7 million in 2032 at a CAGR of 25.4%% from 2024 to 2032. According to CIC, the market size of percutaneous puncture surgical robot in Europe was USD76.9 million in 2024 and is expected to increase to USD592.0 million in 2032 at a CAGR of 29.1%% from 2024 to 2032.

Material communication with the NMPA

When preparing for the type test of our RC120, we jointly applied for the Designated Registration Inspection to the NMPA with the Shanghai Institute of Medical Device Supervision and Testing in September 2020 to seek the NMPA’s approval that the registration inspection of our product would be conducted by the Shanghai Institute of Medical Device Supervision and Testing. The NMPA started to process our application on October 13, 2020, and approved our registration on October 21, 2020.

We applied for Class III medical device registration for RC120 with the NMPA on March 9, 2023. The NMPA started to process our application on April 21, 2023, and issued written comments requiring us to supplement certain information mainly with respect to the product name, product structure, product workflow, risk management, product performance and clinical trials. Between July and November 2023, we had several rounds of communications with the NMPA and submitted all the required information by 2023. We obtained Class III medical device registration certificate for RC120 on February 21, 2024.

We applied for the change of registration for RC120 with the NMPA on June 6, 2025 to add four new models of RC120, with the primary distinction lying in the configuration of certain components (such as the control cabinet and foot switch) of RC120. As of the Latest Practicable Date, the NMPA was in the process of reviewing our application and supplemental information provided by us as required by the NMPA.

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On November 27, 2025, we consulted the Yangtze River Delta Center for Medical Device Evaluation and Inspection of NMPA (“**NMPA Yangtze Delta Center**”) for the registration application pathway for our indication expansion to adult abdominal solid organs puncture surgery. It confirmed that, if product adjustments do not fundamentally affect its actual clinical use or functionality, a registration change can be applied based on the same medical device registration certificate. It also confirmed that we should apply for the change of registration based on the same medical device registration certificate of RC120. Considering Article 5 of the Announcement of the NMPA on Issuing the Special Review Procedures for Innovative Medical Devices (《國家藥監局關於發佈創新醫療器械特別審查程序的公告》) and other applicable PRC rules and regulations, our PRC Legal Advisors are of the view that the NMPA Yangtze Delta Center is a competent authority to take part in the consultation, to interpret the NMPA rules applicable to us and has the authority to assess the procedures applicable to expansion of indications and the upgrade of certain functions of our products.

WE CANNOT GUARANTEE YOU THAT WE CAN SUCCESSFULLY DEVELOP AND MARKET OUR SURGICAL ROBOT PRODUCT CANDIDATES.

RC100

Basically, RC100 will adopt the same product principles, architecture and operational procedure as RC120. The main difference lies in the replacement of certain key components (such as robotic arm and industrial control computer) with domestically produced alternatives. It will integrate a compact control cabinet structure for reduced dimensions and weight. It is designed to employ quick-connect communication interfaces. Such approach lowers our production costs while minimizing space requirements and enhancing installation convenience, achieving cost reduction without compromising quality. We believe that RC100 will provide a solution better suited to the needs of hospitals in lower-tier cities and counties with different budgets. According to CIC, the market price of domestic robotic arms is generally 75% lower than those provided by renown foreign suppliers.

We will strategically market RC100 targeting primary medical care level in China and in Southeast Asia, which are of huge market potential, according to CIC. Influenced by factors such as regulatory requirements and operational costs, surgical robots are currently predominantly deployed in Class III Grade A hospitals, demonstrating low overall market penetration, according to CIC. The simplified workflow achieved by surgical robots eliminates complex manual positioning requirements, lowers the technical threshold, and enables more doctors to master puncture techniques, thereby helping to promote the adoption of such technology at the grassroots level, responding to the national trend of hierarchical diagnosis and treatment, emphasizing the optimization of primary medical care levels. We were still at a preliminary preclinical development stage for RC100 and expect to obtain the registration approval in 2027 in China.

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On November 27, 2025, we consulted the NMPA Yangtze River Delta Center for the registration application pathways for RC100. It confirmed that whether to file a registration change application for different models of puncture surgical robots on the same certificate mainly depends on factors such as relevant technical differences and the impact on the product’s functions. It suggested us to apply for a new registration certificate for RC100.

In Southeast Asia, market demand is driven by the need to expand modern interventional capacity in underserved populations. Local hospitals tend to invest in robotics to enhance treatment precision while compensating for shortages of senior specialists. Compared with China, Southeast Asia markets are at an earlier stage of adoption, with slower penetration but strong long-term growth potential as healthcare infrastructure advances, according to CIC. In countries and regions with relatively underdeveloped medical care in Southeast Asia, we will conduct market education to seize the first-mover advantage, enabling doctors unfamiliar with traditional puncture procedures to quickly master robot-assisted puncture surgeries. We expect to initiate the applications in Indonesia and Malaysia first in 2027 and obtain the registration approval by 2030.

Spinal Surgery Navigation and Positioning System

Robotic systems extend the physical and visual capabilities of doctors by providing greater dexterity, multi-angle articulation, and enhanced visualization. In particular, according to CIC, in orthopedic and neurosurgical operations, robotic systems enable fine manipulation within rigid anatomical structures and confined cranial spaces, ensuring consistent accuracy where manual adjustments are limited by visual and physical constraints. It allows for more precise interventions and facilitates the adoption of minimally invasive techniques in previously inaccessible surgical areas.

Our spinal surgery navigation and position system is designed for spinal screw placement surgery. The designed product structural, composition and operational procedure of spinal surgery navigation and position system are similar to those of RC120, except for certain accessories. Different from most other puncture surgery navigation and positioning systems in the market, our product eliminates the need for sticker operations and the implantation of reference coordinate markers on the patient’s body surface, which greatly shortens the surgical time and reduces patient injury. As of the Latest Practicable Date, we were still at preclinical development stage for the spinal surgery navigation and position system and we expect to obtain registration approval of NMPA by 2031.

According to CIC, the patient populations in China that need spinal surgeries reached 17,091 in 2024 and is expected to reach 383,085 in 2032 at a CAGR of 47.5% from 2024 to 2032, driven by the rising burden of age-related spinal degeneration. Robot-assisted orthopedic surgery is growing rapidly in the United States, while China’s market is still in its early stage with significant room for growth as it is expected to follow the trend of developed countries, according to CIC. In China, the penetration rate of robotic spinal surgeries was 1.2% in 2024,

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and is estimated to grow to 10.7% by 2032, according to CIC. In certain regions in China, such as Beijing and Jiangxi Province, the use of orthopedic surgical robots has been included in the medical reimbursement catalog either covering the whole surgery cost or materials and consumables at specified ratios.

Neurosurgical Surgery Navigation and Positioning System

Our neurosurgical navigation and positioning system is designed for multiple neurosurgical fields, including intracranial tumors, cerebral hemorrhage, Parkinson’s disease, trigeminal neuralgia, epilepsy, etc. The designed product structural, composition and operational procedure of neurosurgical navigation and positioning system are similar to those of RC120, except for certain accessories. Different from most other puncture surgery navigation and positioning systems in the market, our product eliminates the need for sticker operations and the implantation of reference coordinate markers on the patient’s body surface, which greatly shortens the surgical time and reduces patient injury. In the future, we will also explore its application in the implantation of flexible microelectrodes for brain-computer interfaces (BCIs), facilitating the implantation of flexible microelectrodes into the cerebral cortex and providing key support for BCI and brain science research. As of the Latest Practicable Date, we were still at preclinical development stage for the neurosurgical navigation and positioning system and we expect to obtain registration approval of NMPA by 2031.

In China, the neurosurgical robot market is projected to grow from RMB89.2 million in 2020 to approximately RMB1,991.3 million in 2032, indicating a strong long-term demand for high precision guided solutions. Currently, the market is primarily concentrated in top-tier tertiary hospitals. Meanwhile, domestic manufacturers are accelerating product approval and upgrades by offering more cost-effective systems, localized software, and tighter integration with domestic imaging and robotic platforms. The penetration rate in hospitals in lower-tier cities and counties remains relatively low, leaving significant room for medium- to long-term penetration, functional upgrades, and new installations of neurosurgical robots, according to CIC.

CT Integrated Puncture Surgery Navigation and Positioning System

The CT integrated puncture surgery navigation and positioning system will deeply integrate CT and the navigation and positioning system into a single system, achieving the unification of imaging coordinates and robotic arm coordinates and eliminating the need for coordinate conversion. Surgical planning and positioning will be performed directly under the same coordinate system, avoiding deviations from coordinate conversion and coordinate system registration, which further enhances the convenience and accuracy of surgical operations. Imaging data is directly transmitted and utilized internally, eliminating the need for additional image transmission steps and improving surgical efficiency. As of the Latest Practicable Date, we were still at preclinical development stage for the CT integrated puncture surgery navigation and positioning system and we expect to obtain registration approval of NMPA by 2031.

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According to CIC, CT integrated percutaneous puncture surgical robots, which combine high-resolution CT imaging with advanced sensor and robotic guidance in one system, are expected to form a differentiated, fast-growing niche within the broader image-guided intervention market. Leveraging the large installed base of CT systems, these solutions support a more standardized end-to-end workflow for small pulmonary nodules and deep abdominal lesions, enhancing targeting consistency across operators and enabling hospitals to extend minimally invasive puncture services to a broader patient population. According to CIC, we are expected to become the only provider of CT integrated percutaneous puncture surgical robots in China if approved by the NMPA, positioning it to shape clinical practice standards and capture the early growth of this emerging segment.

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Consumables

As of the Latest Practicable Date, we had four types of medical consumable product candidates, among which three were in the process of applying for the Class II medical device registration certificates, and one was still in the preclinical R&D stage. These product candidates are designed to work synergistically with our self-developed RC120, ensuring efficient and seamless integration. In accordance with the requirements of regulations related to clinical evaluation of medical devices, our consumables are not required to undergo clinical trials. We have conducted relevant preclinical studies mainly covering the following aspects: physical and mechanical properties, chemical/material characterization, biocompatibility and toxicological evaluation, non-material-mediated pyrogen testing, sterilization validation, and usability. All the relevant tests and validations had been completed prior to our application for Class II medical device registration certificates with the competent authorities.



Disposable Pulmonary
Nodule Positioning
Puncture Needle



Disposable Biopsy Needle



Disposable Coaxial
Biopsy Needle



Disposable Puncture Guide

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- **Disposable Pulmonary Nodule Positioning Puncture Needle.** This product is intended for CT-guided pulmonary nodule positioning in patients with pulmonary nodules prior to thoracoscopic surgery. We applied for Class II medical device registration with the competent authority on August 14, 2025. The competent authority issued written comments requiring us to conduct clinical evaluations and supplement certain information on October 20, 2025. As of the Latest Practicable Date, we were in the process of preparing for the same-type product comparison for our disposable pulmonary nodule positioning puncture needle. We expect to obtain the Class II medical device registration certificate in 2026.
- **Disposable Biopsy Needle.** This product is suitable for obtaining biopsy tissues of the lung, liver, kidney, prostate, spleen, lymph nodes, and various soft tissue tumors. We applied for Class II medical device registration with the competent authority on August 14, 2025. The competent authority issued written comments requiring us to certain information on October 20, 2025. As of the Latest Practicable Date, we were in the process of supplementing and updating relevant information to be submitted to the competent authority. We expect to obtain the Class II medical device registration certificate in 2026.
- **Disposable Coaxial Biopsy Needle.** This product is designed to be used in conjunction with disposable biopsy needles. During the process of obtaining soft tissue biopsy specimens, it can serve as a guide needle for guiding and sampling in biopsy examinations of the liver, spleen, kidney, lymph nodes, lung, breast, prostate, and various soft tissue lesions. We applied for Class II medical device registration with the competent authority on August 14, 2025. The competent authority issued written comments requiring us to supplement certain information on October 20, 2025. As of the Latest Practicable Date, we were in the process of supplementing and updating relevant information to be submitted to the competent authority. We expect to obtain the Class II medical device registration certificate in 2026.
- **Disposable Puncture Guide.** This product is designed to be used in conjunction with our percutaneous puncture navigation and positioning system for guiding puncture instruments. It can meet the hospital’s requirement for non-resterilizable use. It can be precisely compatible with the above three types of disposable needles, ensuring the optimal positioning effect. We expect to obtain the Class II medical device registration certificate in 2026.

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The market size of consumables used in percutaneous puncture surgical robots in China was approximately RMB4.1 million in 2024, according to CIC. As surgical robot-assisted percutaneous procedures expand and the use of disposable needles, guides and other consumables increases, the market size is projected to grow rapidly to RMB831.4 million in 2032, according to CIC.

WE CANNOT GUARANTEE YOU THAT WE CAN SUCCESSFULLY DEVELOP AND MARKET OUR CONSUMABLES PRODUCT CANDIDATES.

OUR TECHNOLOGY PLATFORMS

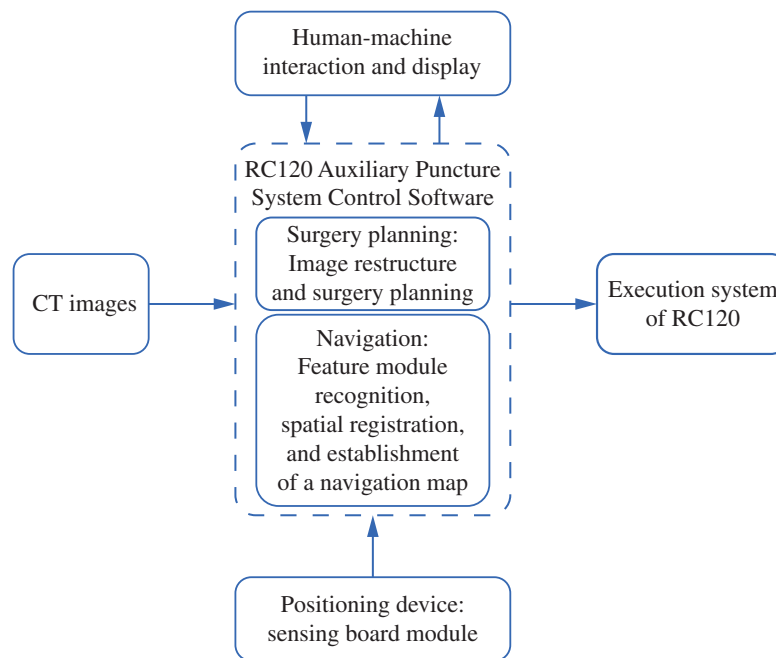
Our proprietary CT-based Sensing Technology Platform forms the foundational cornerstone of our puncture surgical robots, delivering unprecedented real-time fusion of CT imaging coordinates with the physical robotic arm and enabling millimeter-level precision guidance across diverse anatomical regions. Building upon this robust hardware-software sensing backbone, we are strategically advancing our AI-driven technology platform as the intelligent evolution layer that will primarily empower and revolutionize the 3D reconstruction and path planning phase of the workflow of our puncture surgical robots. By integrating our high-dimensional anatomical perception foundation model and learning-enabled optical path-planning algorithm, our puncture surgical robots will automatically generate puncture trajectories quickly, enhancing preoperative decision-making efficiency, safety, and personalization while seamlessly leveraging the real-time synchronization capability of the CT-based Sensing Technology Platform for flawless intraoperative execution.

CT-based Sensing Technology Platform

We have established an innovative CT-based Sensing Technology Platform, which is the core and basic technology platform for R&D of our percutaneous puncture surgical robot product pipeline. The key intellectual property rights in respect of this platform are owned by our Company.

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The basic principle of the CT-based Sensing Technology Platform is to form a chip-like 3D precision module through 3D precision processing of the positioning and imaging models and integrating into the sensing board, thereby achieving high-definition parsing of CT images. Combined with our self-developed algorithms, it can realize the real-time synchronization function between the 3D data coordinates of CT images and the 3D data coordinates of the robotic arm. Specifically, both the sensing board and the robotic arm of RC120 are connected to the main frame, forming a physical connection. The sensing board, a chip-like 3D precision module made of special materials, utilizes the principle of X-ray ionization attenuation imaging to synchronously transmit imaging information to the robotic arm, completing the fusion of CT position information and the 3D coordinates of the robotic arm. The following diagram briefly illustrates the workflow of our CT-based Sensing Technology Platform:



Furthermore, through the real-time synchronization effect between the 3D data coordinates in CT images and the 3D data coordinates of the robotic arm, the robot can quickly and accurately locate any planned surgical path in CT images, thereby enabling the robot to guide doctors to quickly and safely complete precision puncture surgeries.

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Such platform-based technology is geometrically compatible with different tumor lesions in patients. It facilitates us to replicate the successful experience from the current pulmonary indications to the 3D imaging and positioning functions for many other areas, such as abdominal, orthopedic, and neurosurgical. Therefore, we believe that our CT-based Sensing Technology Platform can accommodate the R&D and clinical needs of numerous other body parts.

We master certain key technologies that interact well together to make the hardware and software of a percutaneous puncture surgical robot work, especially in the areas of robot precision motion structure, medical image processing, control algorithms, electrical engineering, image-based navigation and precision imaging. Our coverage of and deep penetration into these technical areas has enabled us to establish advanced and sustainable product capabilities. Our key technologies applied in the operation of CT-based Sensing Technology Platform include, among others:

- **Multi-dimensional precision motion control technology.** We adopt precision servo motors and servo drives for our robot, combined with servo motion control algorithms, enabling the 7-degree-of-freedom robot platform with enough working area to achieve a positioning precision of submillimeter level. It can also provide a force protection function and an emergency stop function.
- **Medical imaging special composite material technology.** By combining medical polymer matrix composite materials with precision structural processing technology, we achieve the lightweight and high precision of the entire sensing board, while ensuring low deformation under high load. It also enables our sensing board to achieve X-ray compatibility.
- **Large stroke and high rigidity special structural technology.** Based on the large-part integrated molding technology of medical polymer matrix composite materials, our percutaneous puncture surgical robot can achieve a high-precision, lightweight guide rail design in a compact space within a large stroke range.
- **Lightweight and rapid adapter module technology.** Adopting modular adapter interfaces, our percutaneous puncture surgical robot is compatible with the vast majority of mainstream models of CT adapter interfaces, enabling quick adaptation to CT models and meeting the requirements for the robot to quickly mount and dismount from the CT.

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AI-Driven Technology Platform

The deep integration of AI with medical imaging technologies has become a significant trend in the development of the medical imaging industry. During the Track Record Period and up to the Latest Practicable Date, we had been committed to the R&D of AI-assisted functions for our RC120. We plan to integrate a range of AI technologies to upgrade our products and further deepen our commitment to precision medicine. We are in the process of developing imaging segmentation technology and optical propagation path planning technology. The effectiveness and innovation of our core algorithms have been validated through peer review in two SCI journals, with the relevant papers published in *Scientific Data — Nature* and *Sensors* in 2025. We expect to start clinical evaluation with respect to such AI-assisted functions in 2027 and obtain the registration approval in 2030.

We have independently developed a deep learning perception model endowed with comprehensive anatomical understanding capability. This engine is built upon a specialized deep-learning architecture and incorporates our proprietary optical simulation-based path-planning algorithm, achieving technological coverage spanning quantitative image analysis, image reconstruction, and robot-assisted path planning. The underlying model has been completed and validated across specific clinical scenarios.

High-dimensional Anatomical Perception Model

We have independently developed a high-resolution encoder-decoder architecture integrating residual connections. This model is capable of simultaneously processing vessels (slender structures), lesions (small targets), and organs (large-scale targets), effectively resolving the limitations of other existing models in the market that struggle to address multiple scales concurrently.

To address the constraints imposed by medical data ethics and availability, we have established a data augmentation framework combining an “open-source base model and proprietary high-dimensional annotation” approach. The foundational dataset is derived from publicly available repositories, ensuring adaptability across equipment from different vendors. By employing automated segmentation supplemented with expert-in-the-loop validation, we have achieved secondary development of the data assets.

Our model delivers vessel-level reconstruction and comprehensive multi-element parsing, enabling pixel-level separation of pulmonary arteries and veins, complete bronchial tree delineation, airway wall and lumen segmentation, and full coverage of key abdominal organs. Compared with single-task models, our engine perceives approximately 19 organs and tissue types, providing a comprehensive anatomical view. For micro-target segmentation, it achieves pixel-level continuity with complete arterial-venous separation and intact vascular trees. In terms of cross-device generalization, the engine exhibits verified performance owing to its multi-source heterogeneous data training strategy.

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Learning-Enabled Path-Planning Algorithm

Building upon precise perception of human anatomical structures, we have developed a hybrid decision-making algorithm that integrates optical simulation computation with machine-learning-derived clinical preferences.

At the physical layer, we innovatively model human tissue as an optical medium, transforming the feasible spatial domain into an energy propagation model and performing GPU-accelerated parallel ray tracing to simulate the accessible space for a puncture needle. This approach reduces the computation time for complex three-dimensional paths from minutes (as required by conventional algorithms) to approximately 1.9 seconds, enabling rapid integration into surgical planning workflows.

At the AI layer, we incorporate random forests and multi-layer perception to enable the system to learn from historical procedural paths of doctors. After training, the algorithm not only performs obstacle avoidance but also replicates doctors’ implicit preferences (such as habitual insertion angles and tolerance thresholds for high-risk zones), thereby generating best-practice trajectories that align with the intuitive judgment of experienced clinical experts.

RESEARCH AND DEVELOPMENT

We believe that our future success will depend on, to a large extent, our ability to develop new or improved percutaneous puncture surgical robots. For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025, we incurred R&D costs of RMB23.9 million, RMB18.9 million, RMB9.2 million and RMB9.1 million, respectively. See “Financial Information — Description of Major Components of Statements of Profit or Loss and Other Comprehensive Income — R&D Costs” for further details. For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our R&D costs attributable to our Core Product were RMB7.9 million, RMB11.2 million, RMB3.9 million and RMB7.7 million, respectively, accounting for 33.0%, 59.2%, 42.3% and 84.8% of our total R&D costs in the respective period, and accounting for 22.4%, 29.5%, 19.7% and 42.3% of our total operating expenses (i.e. R&D costs, selling and distribution expenses and administrative expenses) in the respective period.

Our R&D Team

We have a highly experienced and multidisciplinary in-house research and development team that comprises of 21 employees as of the Latest Practicable Date. Our R&D team members have an average of around eight years of industry experience, covering professional fields such as mechanics, electrical and electronic engineering, software, algorithms, medicine and motion control. There are 17 R&D employees that hold master’s or doctor’s degrees. The chairman of our Board and the general manager of our Company, Mr. Liu Jian, has over 20 years of experience in the medical technology field. Mr. Liu holds a master’s degree in engineering from Nanjing University of Science and Technology and a bachelor’s degree in engineering from Nanchang University. As early as 2004, as demonstrated in Mr. Liu’s master’s thesis, he already conducted research on the application of computational intelligence in mechanical optimization design. Our core R&D team members have extensive experience in motion control of electromechanical products, mechanical manufacturing and automation,

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medicine and cross-disciplinary research. Our core team members primarily graduated from leading domestic and/or overseas universities, bringing a global perspective and deep expertise. Mr. Niu Bing, our chief AI architect, supervisor of the software algorithms department, and clinical expert, holds a doctor’s degree in philosophy in pharmacology from Fudan University and possesses a solid background in neurobiology and medicine, with hands-on experience spanning the entire chain from AI algorithm development to medical device registration. He has published eight SCI-indexed papers. Ms. Shi Zheni, our clinical engineer and Joint Company Secretary, holds a doctor’s degree in clinical medicine from Tsinghua University. She has extensive experience in healthcare and medical digital and clinical engineering support. Mr. Fang Chunfu, our project director, holds a master’s degree in mechanical manufacturing and automation from Southeast University. He has in-depth experience in medical device product design and project management. This interdisciplinary talent pool grants us a unique edge in technological innovation and a profound understanding of clinical applications, supporting our R&D projects and the effective translation of research into practical outcomes. These efforts ensure that our core technologies remain cutting-edge and forward-looking. All the key R&D personnel involved in the development of our Core Product remain employed by us, and are expected to remain within our Company by the time of the [REDACTED] and in the foreseeable future.

We have entered into legally binding confidentiality and non-compete agreements with our key employees and employees involved in our research and development activities, pursuant to which any intellectual property conceived and developed during their employment belongs to us and they waive all relevant rights or claims to such intellectual property.

The R&D team works along the development and maintenance of our product candidates throughout their entire lifecycle. The team strives to bring high-quality, innovative products to market in a timely manner. To leverage the expertise of our R&D personnel, enhance efficiency and maximize synergy, the team is organized into five sub-departments, namely mechanical department, electronics and electrical department, software and algorithm department, project management department and Simple Touch Research Institute. These sub-departments are structured to monitor and manage cross-departmental collaboration based on distinct business needs.

- **Mechanical Department.** It is mainly responsible for mechanical demand analysis, mechanical design and relevant mechanical and dimensional chain analysis; overseeing the organization and implementation of mechanical design reviews during R&D process; initiating and implementing mechanical design changes; and mechanical knowledge management.
- **Electronics and Electrical Department.** It is mainly responsible for establishing and implementing electrical R&D processes and specifications; defining electrical technical requirements and formulating electrical design and development plans; overseeing the architectural and detailed electrical design of products; leading the functional and performance verification of electrical components; resolving electrical-related defects during R&D process; and electrical knowledge management; and be responsible for the procurement application and acceptance of electrical-related equipment.

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- **Software and Algorithm Department.** This department is responsible for establishing and maintaining agile software development process management, software quality assurance, and code management systems; defining and refining software technical requirements; carrying out application development of AI algorithms; identifying and implementing software cybersecurity strategies; and software knowledge management.
- **Project Management Department.** It primarily conducts customer demand research and competitor and industry trend analysis in order to formulate product pipeline development plans and phased goals. It runs pre-feasibility studies for AI algorithm applications. It is also responsible for R&D related system and process establishment, resource coordination and project oversight, risk control and cross-departmental collaborations.
- **Simple Touch Research Institute.** We establish Simple Touch Research Institute in order to better identify potential market and user requirements, propose R&D directions and further improve our products and technologies. It is also responsible to liaising with external R&D cooperative partners.

R&D Process

We adopt a clinical demand-oriented R&D model, covering the entire R&D process from the product concept and definition as the project initiation, product realization and verification, product confirmation and design transfer, to product launch and after-sales support. Certain key steps of our R&D process are set forth below:



- **Project initiation and planning.** We take into account various key factors such as business and market analysis, product concept and development planning when deciding whether to initiate an R&D project. We internally collect product opinions first. In general, our product managers will put forward suggestions for project initiation and conduct market research and preliminary preparations together with our sales and marketing staff. After the R&D project is initiated, a project manager will be designated to lead and monitor the project and formulate overall plans and quality management plans.
- **Product definition.** We consider market demands to establish product and system requirements that can achieve our strategic objectives. In addition, we conduct market research to analyze market potential, market structure (such as market size,

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homogeneity and accessibility) and target customers. We also analyze strengths and weaknesses of the product candidate to find relevant strategies, considering our existing strategic technology roadmaps and trying to create synergies.

- **Design input.** This stage mainly includes the formulation of detailed design specifications, design implementation, and verification of components and hardware subsystems. The design inputs shall integrate comprehensive requirements and critical information essential for product development, including functional, performance, usability and safety requirements derived from the intended use; competitive advantage-driven requirements identified through competitor product analysis; market demands and customer expectations; applicable laws, regulations and standards; risk management; applicable insights from similar designs; and key characteristic requirements pivotal to ensuring product safety and effectiveness. All the design inputs shall be reviewed and approved by the project manager to confirm their alignment with the project objectives, as well as their completeness and appropriateness.
- **Product realization and verification.** We translate system functional specifications into subsystem or component functional specifications, formulate design specifications, and implement them. We develop system configuration descriptions (integrating hardware and software configurations) and create system flowcharts for illustration. After the completion of components or subsystems and software realization, unit-level and/or subsystem-level verification shall be performed. Following unit-level verification, system integration testing shall be carried out to ensure that all requirements specified in the system functional specifications are validated through such testing.
- **Product validation and design transfer.** This step is to provide final confirmation of the realization of product requirements, as well as the final evaluation of product usability and intended purpose. Product validation is conducted to verify that the user needs and intended use of the product are fully achieved. After design completion and finalization, the project manager will issue design transfer documents. Our process engineers will develop production process documents based on these outputs to ensure design intent and correctness are reflected in production specifications. Design transfer covers both document handover and knowledge and experience sharing. Upon the completion of R&D, the R&D team need to transfer relevant documents to other corresponding team or departments, such as supply chain management team or quality control department.
- **Product launch and support.** During this stage, we deliver the internally approved products and then submit further applications with relevant regulatory authorities. We will also launch product support, maintenance and after-sales services.

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Clinical Trial

We have a dedicated clinical trial team responsible for the day-to-day operation and management of the clinical trials of our pipeline products. We have specialized clinical trial personnel to be responsible for different aspects, including, among others, monitoring and managing clinical research projects, coordinating and discussing with investigators and research institutions, conducting regular training to sales and marketing personnel, providing medical knowledge support for marketing activities, conducting statistical analysis of clinical data, as well as drafting relevant academic papers, to ensure that clinical trials comply with our protocols and the GCP standard.

When selecting hospitals for our clinical trials, we evaluate number of patients, research experiences and number of clinical trials carried out at the relevant departments of the hospital to ensure that sufficient resources will be allocated to our clinical trials. We only select reputable and experienced doctors for our clinical trials.

In line with industry practice, we also engaged a clinical research organization (“**CRO**”) and a site management organization (“**SMO**”) for the clinical trials of RC120. The CRO was mainly responsible for screening clinical trial hospitals, designing clinical trial plans, preparing application reports to the ethical committee at each hospital, managing and monitoring the implementation of clinical trials, collecting, analyzing and keeping clinical trial data and providing progress summary reports. The SMO was mainly responsible for assigning clinical research coordinators to support the trials, managing the use of clinical trial supplies and collecting source data, among other things. We select CROs and SMOs based on various factors, including service quality, capability, reputation, cost-effectiveness and relevant research experience. We enter into service agreements with them with a detailed scope of work, establishing specific and detailed metrics on working methods, procedures and standards to further ensure the quality of the outcomes. We communicate with the CRO and SMO frequently with respect to daily work such as preparation of study or trial reports and monitor them to ensure they perform their duties with a standard in line with our protocols and industry benchmark to safeguard the integrity of the data collected from the trials and studies.

Collaborations with External Services Providers

During our R&D process, we may from time to time engage with external testing services providers to conduct testing on our products or components, such as product performance test, CT scan services, and sterilization validation, to ensure that they comply with relevant standards. We enter into service agreements with such services providers, the salient terms of which are set out below:

Term	The agreements typically do not have a fixed term. We place orders with our suppliers as needed.

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- Pricing** The agreed service price is set out in the agreement, which is generally determined based on a comprehensive assessment of the costs, service complexity, technical difficulty, and regulatory compliance requirements and taxes.
- Payment** We may (i) make full payment in advance; (ii) pay a certain proportion of the total prices in advance; or (iii) pay upon the completion of relevant services as agreed with suppliers.
- Service scope** . . . The service scope and relevant requirements are specified in the agreement. Under certain circumstances, the relevant testing services shall be conducted and completed within the agreed timeframe.
- Confidentially** . . Our suppliers are required to keep confidential any information relating to our products or product candidates. The confidentiality provision in some cases remains effective after termination or expiration of the agreement.

MANUFACTURING

We obtained medical device production license in April 2024 with a valid term of five years. During the Track Record Period, we conducted manufacturing activities at our manufacturing facility located in our leased properties in Shanghai, China, with an aggregate approved GFA of approximately 746.8 sq.m.. Our manufacturing facility and manufacturing processes undergo internal process controls and regular self-examination to ensure compliance with quality system requirements, and are subject to supervision and periodic inspections by the NMPA or other comparable regulatory agencies. Along with the commercialization progress of RC120, we plan to expand our manufacturing facility in the future to support the increasing demand for our products. See “Future Plans and Use of [REDACTED]” for further details.

Our major manufacturing machinery and equipment include high-precision specialized testing tools for calibration and testing, robotic arm calibration fixture, sensing board calibration fixture, and some inspection equipment such as absolute laser tracker, medical ground resistance tester, medical leakage current tester and multimeter.

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Manufacturing Process

The following diagram illustrates major steps of our manufacturing process for our percutaneous puncture surgical robots:



- **Material issuance.** Upon receiving the production order, our warehouse will issue the corresponding quantity of qualified parts to the production personnel.
- **Component assembly.** Production staff will assemble the structural components according to the work instructions.
- **System integration.** All components are installed and connected, cables are routed, and a power-on test is performed to verify proper hardware connections.
- **Software installation.** RC120 Auxiliary Puncture System Control Software is installed onto the main console.
- **System debugging.** The system is calibrated and undergoes a trial run.
- **Finished product inspection.** The product is tested according to finished product inspection requirements, including visual inspection, accuracy test, functional test and safety compliance tests (such as insulation resistance test, withstand voltage test and leakage current test). A product certificate will be issued upon passing all inspections.
- **Packaging and warehousing.** The qualified products are packaged and transferred into the finished goods warehouse for storage.

We conduct all of the steps above in-house. This vertical integration increases our production efficiency, reduces our dependence on third-party suppliers, and enables us to flexibly adjust production in response to changes in market demand for our products.

During the Track Record Period, we mainly manufactured products through manual assembly by our manufacturing staff. Due to the limitation on our production space, we generally can produce one unit of RC120 in a week. As of December 31, 2023 and 2024 and June 30, 2025, we had one, two and two manufacturing staff, respectively. In the year ended December 31, 2023 and 2024 and the six months ended June 30, 2025, we produced nil, 12 and 6 units of RC120, respectively. During the Track Record Period, our production planning adopted a demand-driven model. As future demand increases, we will expand our production space and workforce to ensure adequate supply.

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RAW MATERIALS AND PROCUREMENT

For production of our percutaneous puncture surgical robots, our key raw materials include robotic arms, industrial control machines, circular frame, sensing board, intermediate plate and servo motor. We transact with domestic suppliers to purchase raw materials. We typically purchase these materials from suppliers, followed by in-house processing and assembly. We manage the quality of these raw materials and, to ensure their quality, we only procure them from selected suppliers that can satisfy our stringent raw material requirements. We have warehouses to store raw materials in accordance with requirements of storage condition, distinguishing different usages and batches of the raw materials. Our raw materials are typically not subject to expiration, except that robotic arms may have an expiration period of one to two years. We have dedicated warehouse personnel responsible for the storage management and distribution. To mitigate the interruptions or terminations of critical component parts of our percutaneous puncture surgical robots from our suppliers, we typically maintain a safety inventory level of two months.

To mitigate fluctuations in raw material prices, we prioritize selecting suppliers that offer standard components with readily available alternative models, preferably including at least one domestic brand option, thereby reducing risks associated with shortages and price volatility. We maintain appropriate stock levels and proactively communicate to customers prior to order confirmation any potential price increases arising from these market dynamics. We generally will not pass on raw material price increases to our customers because raw materials account for only a limited portion of our product price where we can maintain a reasonable level of margin.

We have set up a procurement department. Our R&D team and production team in need of supplies submit specific purchase requirements and standards to our procurement department, who will then formulate purchase schedules. Our procurement department has established stringent rules for selection of supplier candidates and maintenance and management of suppliers. We will classify suppliers based on the impact of their provided products or services on the quality, effectiveness and safety of our products, and manage them accordingly. For key components, we require the supplier candidates to keep technical and compliance certificates and qualifications, and provide inspection reports or certificates for each batch of materials. Once we consider a supplier as qualified, we will conduct verification of its new sample products before final confirmation of the selection.

We typically enter into a quality assurance agreement with our suppliers, which sets out our quality standards and inspection procedures. We have a quality management department who is responsible for inspections on the materials we purchased. Upon receiving the raw materials, we retain the right to reject, or return based on our inspection results. We conduct audit for our suppliers and assess their performance annually on criteria such as quality of supplies, service and delivery timeliness. During the Track Record Period, we did not encounter any material dispute with our suppliers or any material breach of our purchase agreements.

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INVENTORY MANAGEMENT

Our inventories consist of raw materials and finished goods. For our percutaneous puncture surgical robots, we generally maintain an inventory level of three units of RC120 ahead of forecasted sales for our near finished goods sub-assemblies and two months’ supply of our raw materials. We generally consider three to six months’ supply of raw materials to be sufficient for our production requirements, primarily because the procurement for our raw materials usually takes at most 12 weeks. The safety inventory level will vary according to the demand of our customers, sales and production plans.

Our inventories are typically utilized or sold on a first-in-first-out basis. We also carry out physical stock counts and stock inspections to identify damaged products or about-to-expire products. Our procurement department formulates material procurement plans based on the annual delivery forecast, material lead times, and inventory levels, while dynamically adjusting the procurement plans in accordance with actual production demands. During the Track Record Period, we did not experience any material shortage of inventory.

QUALITY CONTROL

We have established our own quality control system and obtained the ISO 13485:2016 quality management system certification, creating a comprehensive quality management framework that spans the entire lifecycle of our products and signifying that our quality management level has reached the international standard. This lifecycle begins with R&D initiation and encompasses product design, raw material procurement, manufacturing, warehousing and logistics, marketing and sales, and extends to after-sales services. We are holding Class III medical device registration certificate and production license, which ensures that our products are legally and compliantly marketed. We adopt Unique Device Identification (UDI) to ensure the traceability of the product throughout its entire lifecycle and batch tracking from raw material procurement to final product delivery. Production and finished product quality are ensured through multi-level process validation, real-time parameter recording, and mandatory comprehensive performance testing for every batch, guaranteeing consistent stability, reliability, and regulatory compliance. Within this framework, we have implemented a multiple-tier standardized document system, including quality manual, which defines our quality policy and objectives; procedure documents which regulate core business processes and detail specific operational steps; and quality records, which document data from every stage, forming a traceable and verifiable closed-loop management mechanism.

To ensure the effective operation of this quality control system, we have established an independent quality department that reports directly to senior management. This department oversees annual internal audits and management reviews, ensuring the system remains compliant with regulatory requirements. Through reviews and meetings as needed from time to time, we continuously optimize and enhance our quality control processes, maintaining high standards of product safety, reliability and performance.

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As of June 30, 2025, our quality control team consisted of five employees dedicated to the quality management of our products. The leader of our quality control team has more than 15 years of team and project management experience in medical device and new materials industries. She holds professional qualifications and certifications such as ISO 13485 Internal Auditor, and Project Management Professional. With deep expertise in project management and relevant regulatory requirements and standards, she ensures our quality system complies with both domestic and international regulations. Her leadership enables seamless coordination among the quality system, quality control and quality assurance, maintaining high quality standards across all operations. All personnel have been trained in advance and have the necessary qualifications to perform their duties. Our quality control team performs comprehensive functions, including design and development review, supplier quality management, quality inspection, process control, finished product release inspection, document and record management, and quality system maintenance. This establishes a complete quality control chain, from source management to end-of-line oversight.

SALES AND MARKETING

Sales and Marketing Team

As of the Latest Practicable Date, we had an in-house sales and marketing team of four full-time members focusing on sales and marketing, client services, clinical training and other relevant marketing activities. During the Track Record Period, we also enhanced our marketing capabilities by appointing some external sales and marketing personnel through labor outsourcing. We provide sales and marketing personnel with comprehensive training, which includes content on our product pipeline, medical theories, and sales and marketing strategies. Our sales and marketing team is also structured by different geographic regions and different channels. We expect our sales and marketing team to cover a majority of the provinces and municipalities in China and to support the further commercialization of our Core Product and develop into a seasoned and experienced team as we grow in anticipation of further product launches expected from our pipeline.

Our Sales and Marketing Model

Currently, our major channels of marketing activities of our products are academic promotion and providing our products to hospitals for clinical use, by which we are dedicated to growing our brand recognition and establish collaboration hospitals and doctors in China. We regularly meet with doctors or other professional personnel to discuss our RC120, provide our RC120 to potential customers for clinical use, conduct product demonstrations and provide training to doctors. We believe that through such frequent communications, we are able to maintain good working relationships with those hospitals and doctors, and help them familiarize with our products. Our academic marketing and promotion activities also include participating in medical conferences and industry exhibitions, such as 2025 Sino-Euro Forum on Cardiothoracic Diseases, the 4th Academic Conference of the Interventional Pulmonology Committee of China Association for the Promotion of Human Health Technology (2025) , the 91st China International Medical Equipment Fair (Spring), and American Society of Clinical Oncology Breakthrough Summit 2024.

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During the Track Record Period, we provided RC120 to hospitals for clinical use. As of the Latest Practicable Date, we were still in the relatively early stage of the commercialization process of our RC120. We expect that we will primarily sell our product through distributors.

Our Distributors

Our primary go-to-market strategy utilizes a distributorship model, which is also a common practice in medical device industry, according to CIC. As of the Latest Practicable Date, we had five distributors. During the Track Record Period, we did not generate any revenue from our distributors. As of the Latest Practicable Date, one distributor had placed order with us to purchase a unit of RC120. We require distributors to make full prepayment for the purchase of our products, which is specified in the sales contract. We screen and select distributors whom we believe have the required qualifications and capabilities and are suited to our strategic marketing model. Upon selecting distributors, we will first evaluate their qualifications. They must possess the requisite business licenses and permits to sell medical devices in the respective jurisdictions. We also take into account their experience in the medical device industry, particularly their familiarity with their target markets, market management capabilities, financial strength, credit records, scale of operations, and their established relationships with hospitals and doctors within their designated territories. We will manage our network of distributors by regularly reviewing their performances and financial conditions. During the Track Record Period, we ceased our distributorship arrangements with three distributors and did not renew our distribution agreement after expiration with one distributor, mainly as a result of their lower-than-expected marketing efforts put on our product after our assessment.

We enter into distribution agreements with each distributor, in which we typically specify, among others, the valid term, price, designated distribution territory, target purchase amount, and major rights and responsibilities of both parties. In particular, when we first established our business relationships with these distributors, we have included an initial indicative purchase amount in the distribution agreements with our distributors, which was intended to provisionally set targets subject to a review of market feedback. Subsequently, the parties have confirmed a more certain indicative purchase amount after a review of market feedback, which are 120 units in aggregate by the year ending December 31, 2029. The following table summarizes the salient terms of the existing distribution agreements we entered into with distributors:

Term	Generally ranging from two to five years, with renewal clause or any other term as specified in the agreement.
Designated geographical regions	The distributor is authorized to sell designated products to designated distribution territory which is specified in the agreement.

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Target purchase amount	Typically, we set target purchase amounts for our distributors which is indicative in nature. We may consider terminating our cooperation with the distributor when, among other things, the distributor fails to meet target purchase amount as agreed.
Deposit	Under the circumstances that we provide sample units of our puncture surgical robots to the distributors, the distributors shall pay us a deposit at the amount as agreed and set forth in the agreement.
Product return . . .	We generally do not accept product returns.
Delivery	We are responsible for transporting our products to the designated location and bear the risk of damage or loss during the transportation.
Warranty	We warrant that our products are in compliance with applicable laws and regulations and meets relevant quality standards.
Regulatory compliance	We require our distributors to comply with all relevant laws and regulations. The agreement also set out anti-bribery and anti-corruption obligations for distributors, under which they are prohibited from providing or promising any form of improper benefits, directly or indirectly, to persons who may affect and make decisions on cooperation; and are required to comply with and require their employees to comply with applicable anti-bribery laws and regulations.
Termination	The agreement may be terminated by us when certain termination events occurred. Such termination events typically include, among other things, the distributor fails to meet target purchase amount, fails to comply with relevant laws and regulations, or breaches any undertaking in the agreement.

A cornerstone of our go-to-market strategy is our collaboration with Shanghai Youhe, a comprehensive high-end medical device service provider specializing in respiratory, thoracic surgery, and early digestive cancer diagnostics. With an extensive network of over 700 partner hospitals and a proven track record in commercializing premium medical devices, including those from global leaders like Olympus, Shanghai Youhe brings exceptional domain expertise and market access. In our distributorship agreement with Shanghai Youhe, we have also set an indicative target purchase amount of RC120 over four years, with the annual indicative targets structured on a ramp-up basis such that lower targets are set for the initial years and higher targets for the later years, taking into account the time expected for market education and recognition of RC120. Such indicative targets for Shanghai Youhe account for a significant portion of the total target purchase amount we set forth with all of our distributors. During the

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Track Record Period, we have received deposits and prepayments from Shanghai Youhe as agreed in the distribution agreement, and such prepayments will be offset by revenue to be realized. Mr. Zhan Tao, the chief executive officer and is interested in approximately 49% equity interest in Shanghai Youhe, is one of our Pre-[REDACTED] Investors. As of the Latest Practicable Date, Mr. Zhan Tao held approximately 0.16% of the shareholding in our total issued share capital. Our Directors confirm that we have, and in the future will have transactions with Shanghai Youhe on an arm’s length basis.

Save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties and none of the distributors had any other past or present relationship (business or otherwise) with us, our Directors, Shareholders, senior management or any of their respective associates.

Pricing

We determine prices of our products based on various factors such as our products’ advantages, our costs, target profit margins, prices of competing products, budget of our customers and differences in features between our products and competing products. As of the Latest Practicable Date, there was no guidance price or centralized procurement scheme set by the relevant PRC government authorities in relation to our RC120. We might sell our products to distributors at the prices determined by us from time to time, and might be required to, or choose to, participate in a public tender process to facilitate our distributors’ sales of our products to public hospitals. Nonetheless, in China, the government maintains a high level of involvement in the determination of retail prices, as the prices are affected by the bidding and tender processes organized by government agencies and hospitals and their budget.

Furthermore, we have developed four additional models of RC120, with the primary distinction lying in the configuration of certain components (such as the control cabinet and foot switch) of RC120 and have applied for the change of registration with the NMPA to add such four new models based on the same medical device registration certificate of RC120. As of the Latest Practicable Date, the NMPA was in the process of reviewing our application and supplemental information provided by us as required by the NMPA. We design these differentiated variants in order to offer products across diverse price ranges, specifically catering to the needs of customers with varying budget constraints. By adjusting the proportion of domestically produced parts, from partial substitution to high-level localization, we will optimize production costs while maintaining the consistent precision, reliability, and clinical performance that define the RC120 series. We believe that such tiered pricing strategy will not only expand our customer base to include healthcare institutions with different investment capacities but will also enhance market penetration by addressing unmet demands in both high-end and cost-sensitive segments.

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To expand our market share, we plan to include our consumable product candidates, namely the disposable pulmonary nodule localization needle, disposable biopsy needle, and disposable coaxial biopsy needle, in government centralized procurement scheme once they are commercialized. While we intend to price these products competitively, we believe participation in centralized procurement will drive substantial sales volume while maintaining reasonable profitability.

After-sales Services

To ensure and monitor the proper use of our products, we provide comprehensive after-sales services including customer services, product repairment, maintenance and upgrade and other technical support. We ensure that for equipment failure, prompt responses are provided within two hours, a maintenance plan is delivered within six hours, engineers arrive within 24 hours, and the issue shall be resolved within 48 hours. If the equipment cannot be repaired in a timely manner, a standby machine will be provided. Our customers can file complaints and get support through our customer service hotline. We did not receive any material customer complaints during the Track Record Period. To ensure the quality of after-sales services and user experience, we also provide training sessions to our customers and end users through our sales and marketing personnel, who follow up after sales to collect feedback regarding our products and provide after-sale supports.

Product Warranty and Return

We typically provide a warranty period of one year from the installation of our products, and may offer customers an extended warranty period on a case-by-case basis, during which we will provide free repair services except for repairs for damage caused by improper use, force majeure, or third parties. We will provide lifetime upgrades for the software of our products

In general, we do not accept product return or exchange unless the product has material quality issue or defect, which is in line with industry practice, according to CIC. Only products that pass factory inspection would be released for delivery to customers. If customers report any quality issues, we will trace the issue causes and resolve accordingly. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any product quality defects and did not experience any material complaint or product return.

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OUR CUSTOMERS

During the Track Record Period, we only have one customer who engaged us to provide one-off technical support services in 2023. This customer is a public hospital in Shanghai, China. We generated revenue of RMB0.2 million, nil, nil and nil from this customer in 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. This customer is an Independent Third Party. As of the Latest Practicable Date, none of our Directors, their associates or any shareholders which, to the knowledge of our Directors, owned more than 5% of the issued share capital of the Company as of the Latest Practicable Date, had any interest in this customer during the Track Record Period. During the Track Record Period, we did not generate any revenue with respect to RC120. During the Track Record Period, there was no customer that is also a supplier of our Company, or vice versa.

OUR SUPPLIERS

During the Track Record Period, our suppliers were primarily (i) materials and components providers for the production and R&D of our percutaneous puncture surgical robots and other product candidates; and (ii) type test, inspection, consulting and other services providers.

We select suppliers based on our established procurement control standards and requirements. We maintain a list of qualified suppliers and backup suppliers that meet the our standards and review their qualifications annually. Majority of raw materials, consumables and equipment we procure for our R&D and production are widely available. We primarily source materials domestically to ensure a reliable and efficient supply chain. We place orders with suppliers to purchase components and raw materials based on the needs of the research and development of our product candidates and the production plan, and we did not experience any shortage or delay in the supply of key components and raw materials during the Track Record Period. Our principal suppliers provide us with credit terms on a case-by-case basis.

All of our five largest suppliers are Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any shareholders which, to the knowledge of our Directors, owned more than 5% of the issued share capital of the Company as of the Latest Practicable Date, had any interest in our five largest suppliers during the Track Record Period.

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For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025, our purchases from our largest supplier accounted for 12.1%, 21.9% and 32%, respectively, of our total purchases during the same years or period, and purchases from our five largest suppliers in the aggregate accounted for 35.2%, 48.1% and 63.4%, respectively, of our total purchases during the same years or period. The following table sets forth details of our five largest suppliers during the Track Record Period:

Supplier	Background	Products/ services purchased	Credit term	Year of commencement of business relationship	Purchase amount (RMB in thousands)	% of total purchases in the same period
<i>Year ended December 31, 2023</i>						
Supplier A . .	A private company specializing in real estate development and property management	Rent/Electricity fees	No credit term	2020	1,032	12.1%
Shanghai Shengxin Computer Technology Development Co., Ltd. (上海生信計算機科技發展有限公司)	A private company specializing in manufacturing informatization solutions	Software R&D and maintenance service fees	30 days	2022	568	6.7%
Supplier B . .	A private high-tech company specializing in electronic product manufacturing services	Electronic components	No credit term	2023	476	5.6%
Supplier C . .	A private high-tech enterprise specializing in minimally invasive surgical equipment	Laparoscopic system	7 days	2023	467	5.5%
Supplier D . .	A private company specializing in architectural decoration and construction	Renovation	3 days	2020	447	5.3%
Total					<u>2,990</u>	<u>35.2%</u>

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Supplier	Background	Products/services purchased	Credit term	Year of commencement of business relationship	Purchase amount (RMB in thousands)	% of total purchases in the same period
<i>Year ended December 31, 2024</i>						
Shanghai Ding'ao Robotics Technology Co., Ltd. (上海鼎傲機器人科技有限公司) . .	A company specializing in intelligent robot sales and technical services	Robotic arm	30 days	2019	1,694	21.9%
Supplier A . .	A private company specializing in real estate development and property management	Rent/Electricity fees	No credit term	2020	823	10.6%
Maobo Automation (Shanghai) Co., Ltd. (懋博自動化(上海)有限公司) . . .	A private company specializing in industrial robot installation, maintenance and electronics component sales	Machined parts	No credit term	2020	545	7.1%
Supplier E . .	A private company specializing in enterprise management and business consulting services	Consulting services	7 days	2023	339	4.4%
China Medicinal Exhibition Co., Ltd. (國藥勵展展覽有限責任公司) . . .	A Sino-foreign joint-venture company specializing in pharmaceutical and medical device exhibitions	Exhibition services	No credit term	2023	317	4.1%
Total					<u>3,718</u>	<u>48.1%</u>

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Supplier	Background	Products/services purchased	Credit term	Year of commencement of business relationship	Purchase amount (RMB in thousands)	% of total purchases in the same period
<i>Six months ended June 30, 2025</i>						
Shanghai Ding'ao Robotics Technology Co., Ltd. (上海鼎傲機器人科技有限公司) . . .	A private company specializing in intelligent robot sales and technical services	Robotic arm	30 days	2019	1,912	32.0%
Shanghai Donghao Human Resources Management Service Co., Ltd. (上海東浩人力資源管理服務有限公司) . . .	A state-owned enterprise specializing in human resources outsourcing service	Labor outsourcing	10 days	2024	724	12.1%
Supplier A . . .	A private company specializing in real estate development and property management	Rent/Electricity fees	No credit term	2020	491	8.2%
Comtech (Shanghai) Information Technology Co., Ltd. (康泰克(上海)信息科技有限公司)	A foreign-invested company specializing in industrial computer	Main frame	No credit term	2020	418	7.0%
Xiamen Tuoda Composite Materials Technology Co., Ltd. (廈門拓達復材科技有限公) . . .	A private company specializing in manufacturing of high-performance composite products	Composite material components	No credit term	2019	252	4.2%
Total					<u>3,797</u>	<u>63.6%</u>

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Key Terms of Supply Agreements

We typically enter into standard procurement agreements with our raw materials and components suppliers. The salient terms of standard procurement agreements are set out below:

Term	The agreements typically do not have a fixed term. We place orders with our suppliers as needed.
Pricing	The agreed unit price is set out in the agreement and determined based on a comprehensive assessment of the production costs of suppliers, delivery costs, and taxes.
Payment	We may (i) make full payment in advance; (ii) pay a certain proportion of the total prices in advance; or (iii) pay upon the delivery of goods or receipt of invoices as agreed with suppliers.
Delivery	Suppliers are responsible for delivering the goods to the designated place within a specified period as agreed in the agreement.
Inspection and acceptance	We are entitled to conduct inspections of the delivered goods before acceptance.
Warranty	The warranty period of robotic arms is generally one to two years. During the warranty period, our suppliers are responsible for technical support, hardware warranty, and maintenance and replacement in case of product quality issues.

DATA PRIVACY AND SECURITY

Our data privacy and security protection measures are an integral part of our internal control systems. We have established policies and procedures to ensure that any personal information is collected, stored and used securely and that risks to data privacy are identified and addressed.

Our data privacy and protection measures include security requirements for collecting personal information in a manner that is not fraudulent, deceptive or misleading. We limit the amount of personal information collected to what is necessary for our business functions. We retain personal information only for the duration of time necessary and take steps to ensure the security of personal information during transmission and storage. We have an access control policy to prevent unauthorized access to personal information, and users have the right to access, correct, delete and withdraw consent for their personal information. We do not disclose personal biometric information, race, ethnicity, political opinions, religious beliefs, or other sensitive personal data analysis results. We seek to preserve the security of our information technology infrastructure by maintaining physical security of our premises and physical and

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electronic security of our information technology systems by measures such as installing antivirus software, establishing firewalls, backing up data on a stand-alone workstation with password protection and saving physical copy of data when appropriate.

During the Track Record Period and up to the Latest Practicable Date, we did not receive any claim from any third party against us on the ground of infringement of such party’s right to data and privacy protection as provided by any applicable laws and regulations in the PRC. Based on the foregoing, we and our PRC Legal Advisors are of the view that, in all material respects, our data privacy and protection practices are in compliance with all applicable PRC laws and regulations governing privacy and personal data protection.

AWARDS AND RECOGNITIONS

The table below sets forth an indicative list of some of the awards and recognitions we have received as of the Latest Practicable Date.

Year Granted	Award/Recognition	Granting Authority
2025	“AI Ningbo” Artificial Intelligence Empowers Industry Competition — Third Prize (“AI寧波”首屆人工智慧賦能產業大賽三等獎)	Organizing Committee of the First AI Ningbo Artificial Intelligence Empowering Industry Competition (“AI寧波”首屆人工智慧賦能產業大賽組委會)
2025	2025 Top 10 Innovative Surgical Robot Products (2025十大手術機器人創新產品)	Medical Device Home (器械之家)
2025, 2024, 2023, 2022, 2021, 2020	Technology-Based SME (科技型中小企業)	Shanghai Municipal Science and Technology Commission (上海市科學技術委員會)
2024	Shanghai Technology-Based SME Technology Innovation Fund Program (上海市2024年度科技型中小企業技術創新資金計畫)	Shanghai Municipal Science and Technology Commission (上海市科學技術委員會)
2023	ISO 13485:2016 Certification	TÜV SÜD Product Service GmbH
2023	Shanghai Municipal-Level Specialized and New Small and Medium-sized Enterprise (上海市專精特新中小企業)	Shanghai Municipal Commission of Economy and Informatization (上海市經濟和信息化委員會)
2023	“Future Star” Enterprise (「未來之星」企業)	TusPark (啟迪科技園)

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Year Granted	Award/Recognition	Granting Authority
2022	Shanghai Technology-Based SME Technology Innovation Fund Program (上海市2022年度科技型中小企業技術創新資金計畫)	Shanghai Municipal Science and Technology Commission (上海市科學技術委員會)
2022	Shanghai Innovative SME (上海市創新型中小企業)	Shanghai Municipal Commission of Economy and Informatization (上海市經濟和信息化委員會)
2021	Shanghai Technology-Based SME Technology Innovation Fund Program (上海市2021年度科技型中小企業技術創新資金計畫)	Shanghai Municipal Science and Technology Commission (上海市科學技術委員會)

COMPETITION

According to CIC, China’s percutaneous puncture surgical robot industry has tremendous future potential and is expected to become the fastest-growing regional market. Compared to traditional percutaneous puncture surgery, percutaneous puncture surgical robots improve surgical precision and stability, reduce surgery time, shorten learning curve, and decrease complications. Driven by technology advancement, aging population and increasing prevalence of chronic disease, and the improving affordability and increasing awareness of health of Chinese residents, China’s percutaneous puncture surgical robot market is expected to increase rapidly in the future. In 2022, the percutaneous puncture surgical robot medical device product was approved by NMPA for the first time. China’s market size of percutaneous puncture surgical robot was RMB40.3 million in 2024 and is expected to increase at a CAGR of 66.1% to RMB2,327.5 million from 2024 to 2032. As of the Latest Practicable Date, 17 products, in total, have obtained NMPA approval in the percutaneous puncture surgical robot market in China. In 2024, our RC120 ranked second in terms of the number of trial installation in the percutaneous puncture surgical robot market in China, according to CIC. We believe that our RC120 has competitive advantages in terms of its precision positioning, safety, efficiency, and standardized surgical procedure. See “— Our Product Portfolio” and “Industry Overview” for further details.

INTELLECTUAL PROPERTY

Intellectual property rights are important to our business. Our future commercial success depends, in part, on our ability to obtain and maintain patents and other intellectual property and proprietary protections for commercially important technologies, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties.

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As of the Latest Practicable Date, we held 101 patents in China, including 44 invention patents, 50 utility models and seven appearance designs. As of the Latest Practicable Date, we also had 22 patent applications in China and one application with the World Intellectual Property Organization. The patents that we owned or applied for are primarily related to our self-developed technologies. As of the Latest Practicable Date, we also owned 51 registered trademarks and four domain names. See “Statutory and General Information — Further Information about Our Business — Intellectual Property Rights” in Appendix IV in this document.

We have adopted certain measures with respect to intellectual property risk management, including assessing violation risks relating to third-party rights from time to time, identifying potential disputes and formulating precautionary measures, to avoid potential infringement against our competitors’ products. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material proceedings in respect of, and we had not received notice of any material claims of infringement of, any intellectual property rights that are threatened or pending, in which we may be a claimant or a respondent.

The table below lists certain material patents owned by our Company relating to RC120 and other product candidates as of the Latest Practicable Date:

Registration Number	Patent Name	Inventor ⁽¹⁾	Patent type	Registration Date	Expiration date	Jurisdiction
202211272174.4	A cable-driven surgical instrument with force feedback function (一種具有力反饋功能的絲傳動手術器械)	Yan Huang, Chen Feijiao, Chao Xu	Invention	October 18, 2022	October 17, 2042	PRC
202310288390.6	A master control device for a pan-vascular interventional surgical robot simulating physician operations (模擬醫生操作的泛血管介入手術機器人主端操作裝置)	Xu Decheng, Cao Zihan	Invention	March 23, 2023	March 22, 2043	PRC
202411256688.X. . . .	A master manipulator and master-slave minimally invasive surgery system (一種主操作手及主從式微創手術系統)	Chen Feijiao	Invention	September 9, 2024	September 8, 2044	PRC

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Registration Number	Patent Name	Inventor ⁽¹⁾	Patent type	Registration Date	Expiration date	Jurisdiction
202210180326.1	A synchronous linear and rotary actuation mechanism for an interventional guidewire (一種介入導絲直線和旋轉同步執行機構)	Chen Feijiao, Liu Jian	Invention	February 25, 2022	February 24, 2042	PRC
202210204751.X	A vascular interventional surgery system (一種血管介入手術系統)	Chen Feijiao, Liu Jian	Invention	March 2, 2022	March 1, 2042	PRC
202210274699.5	A rapid alignment mechanism between a surgical instrument cartridge and a power cartridge (一種手術器械盒與動力盒的快速對准機構)	Liu Jian	Invention	March 21, 2022	March 20, 2042	PRC
202210484092.X	A modular open-close puncture needle guide sleeve (一種開合模塊式的穿刺針引導套筒)	Chen Feijiao, Liu Jian, Cai Qiangguo, Ren Juan	Invention	May 6, 2022	May 5, 2042	PRC
202330844231.0	A medical surgical robot (醫用手術機器人)	Fang Chunfu, Liu Jian, Cai Qiangguo, Wu Fengjie	Appearance design	December 21, 2023	December 20, 2038	PRC
202311229177.4	An X-ray based surgical positioning and navigation device and its positioning method (一種基於X射線的手術定位導航設備及其定位實現方法)	Chen Feijiao	Invention	September 22, 2023	September 21, 2043	PRC
202310650198.7	A slave manipulator for vascular interventional surgery (一種用於血管介入手術的從端操作裝置)	Du Miaoyan, Chen Feijiao, Li Xindi	Invention	June 2, 2023	June 1, 2043	PRC
202210025317.5	A lesion position dynamic tracking method for an auxiliary puncture system (一種用於輔助穿刺系統的病灶位置動態跟蹤方法)	Liu Jian	Invention	January 11, 2022	January 10, 2042	PRC

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Registration Number	Patent Name	Inventor ⁽¹⁾	Patent type	Registration Date	Expiration date	Jurisdiction
202210764280.8	A rapid and high-precision robot TCP calibration method (一種機器人TCP快速高精度標定方法)	Chen Yuxing, Zhang Ruihao, Chen Feijiao, Shen Xiang	Invention	June 30, 2022	June 29, 2042	PRC
202223217573.9	A quick-change and release puncture guidance device (一種快速更換和釋放的穿刺導向裝置)	Fang Chunfu	Utility model	December 2, 2022	December 1, 2032	PRC
202110569147.2	An acquisition method for spherical marker mounting position on robot end-effector (球形標記物在機器人末端安裝位置的獲取方法)	Liu Yang	Invention	May 25, 2021	May 24, 2041	PRC
202220893821.2	A thoracic cavity registration auxiliary device (一種胸腔配准輔助裝置)	Liu Jian	Utility model	April 18, 2022	April 17, 2032	PRC

Note:

- (1) All the inventors of the patents listed in this table were employees of our Company when the related inventions were conceived. As of the Latest Practicable Date, we had no dispute with these inventors regarding the ownership and disposition rights of the patents listed in this table.

The valid term of our patents is generally 10 to 20 years from the filing date of the earliest non-provisional patent application on which the patent is based. The actual protection afforded by a patent depends upon many factors, including the type of patent, the scope of its coverage, the availability of any patent term extension or adjustment, the availability of legal remedies in a particular country/region and the validity and enforceability of the patent. We cannot provide any assurance that patents will be issued with respect to any of our pending patent applications or any such patent applications that may be filed in the future, nor can we provide any assurance that any of our issued patents or any such patents that may be issued in the future will be commercially useful in protecting our portfolio.

We may rely, in some circumstances, on trade secrets and/or confidential information to protect aspects of our technology and other proprietary information, including but not limited to our development plan and strategies, unpatented know-how, technology, customer information, material contracts and statistical data. We have entered into confidentiality agreements and non-competition agreements with our key employees. Our standard employment contract contains an assignment clause, under which we own all the rights to all inventions, technologies, know-how and trade secrets derived during the course of such

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employees’ work. We also seek to protect our proprietary technologies, in part, by entering into non-disclosure and confidentiality agreements or including such provisions in our relevant agreements with third parties who have access to confidential or patentable aspects of our R&D output, such as certain raw material suppliers, CROs and SMOs. See “Risk Factors — Risks Relating to Our Intellectual Property Rights” for further details of our risks relating to intellectual property rights.

We have engaged an intellectual property counsel to conduct freedom-to-operate searches and analysis (“**FTO Analysis**”) in China, the U.S. and Europe in relation to our Core Product. Pursuant to the FTO analysis, our Core Product has relatively low risk of infringement on third parties’ patents or patent applications in China, the U.S. and Europe.

EMPLOYEES

As of the Latest Practicable Date, we had 39 full-time employees in total in China. The following table sets forth the number of our employees categorized by function as of the Latest Practicable Date.

Function	Number of Employees
Sales and Marketing	4
Research and Development	21
Management and Administrative	11
Supply Chain Management	3
Total	39

We recruit employees through recruitment websites, internal referrals and recruiters. All of our employees are stationed in China. In compliance with the applicable labor laws, we enter into individual employment contracts with our employees covering matters such as wages, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. During the Track Record Period, we entered into labor outsourcing arrangements with human resources service providers for a term of two years in general. Based on our business needs, we submit specific requests to the suppliers, who in turn assigns designated personnel to provide services to us. We bear the service fees and related labor costs as stipulated in the agreements, and settle with the service providers on a monthly basis.

Our training policy follows the principles of training on demand, integrating learning with practice, and pre-employment training. It covers basic training, position-specific training for new employees and special training for in-service employees (such as targeted training for production and inspection purposes). Our training is conducted through a combination of internal training and external training. The training records are systematically archived for long-term retention.

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During the Track Record Period and up to the Latest Practicable Date, we did not experience any material strikes, labor disputes or industrial actions which had a material effect on our business. None of our employees are currently represented by labor unions, and we consider our relations with our employees to be good. As of the Latest Practicable Date, we did not have any material non-compliance with statutory social security insurance fund and housing fund obligations applicable to us under applicable laws in all material respects.

INSURANCE

We maintain insurance policies that are required under PRC laws and regulations as well as based on our assessment of our operational needs and industry practice. During the Track Record Period and as of the Latest Practicable Date, we made contributions to the social insurance and housing provident funds for our employees in accordance with relevant PRC laws and regulations in all material respects.

We have elected not to maintain certain types of insurances such as business interruption insurance, product liability insurance and keyman insurance at current stage. See “Risk Factors — Risks Relating to Our General Operations — Our insurance coverage strategy may not be adequate to protect us from all business risks and cover all of our potential losses.” Our Directors consider that our existing insurance coverage is sufficient for our present operations. During the Track Record Period, we did not submit any material insurance claims, nor did we experience any business interruptions that had a material adverse effect on our business or financial position.

PROPERTIES

As of the Latest Practicable Date, we did not have any self-owned properties. As of the Latest Practicable Date, we had seven leased properties in China, with a total aggregate gross floor area of approximately 2,000.7 sq.m. Our leased properties are primarily for daily business operations, R&D and manufacturing purposes. We believe our current facilities are sufficient to meet our near-term needs, and additional space can be obtained on commercially reasonable terms to meet our future needs. We do not anticipate undue difficulty in renewing our leases upon their expiration.

We expect to renew and extend these leases before their respective expirations, or seek other premises based on business needs. If we are unable to renew such leases, our Directors believe that we can find alternative offices within a short time as there are plenty of comparable supplies in the market.

As of the Latest Practicable Date, one lease agreement relating to our leased property in Shenzhen, China had not been filed with the relevant PRC housing administration authorities mainly because the lessor had not provided their proof of ownership to us. See “Risk Factors — We may face penalties for the non-registration of our lease agreements in China.” As advised by our PRC Legal Advisors, the validity of such lease agreement, although not filed with the relevant PRC housing administration authorities, are not affected, and we have the

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right to continue to occupy and use such leased property pursuant to the lease agreement. Our PRC Legal Advisors are of the view that the failure to complete the filing of such lease agreements does not constitute any material non-compliance of our Company or have any material or adverse effect on our business operations.

As of June 30, 2025, none of the properties leased by us has a carrying amount of 15% or more of our total assets. Therefore, according to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our interests in land or buildings.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Governance

ESG Governance

We proactively fulfill our environmental, social and governance (“**ESG**”) responsibilities, striving to achieve a balance between social benefits and economic benefits. We have established a clear ESG governance structure with defined responsibilities, which systematically facilitates the integration of sustainable development and corporate governance, thereby improving comprehensive ESG management capabilities continuously.

ESG Governance

We have established a top-down three-tier ESG governance structure of “decision-making level — management level — execution level”, which fully integrates the concept of sustainable development into its operations, thus effectively enhancing ESG risk management capabilities, ensuring compliance operations, and promoting the realization of long-term sustainable value.

Our Board, being the highest decision-making body of ESG matters, is mainly responsible for:

- 1) assuming the ultimate responsibility for the ESG strategies, objectives and disclosure of our Company;
- 2) approving material ESG policies, annual ESG reports and key performance indicators;
- 3) convening meeting at least once a year to review ESG risk and opportunity assessment report and monitor ESG performance;

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- 4) appointing a member of the Strategic Committee to be responsible for ESG-related matters, reviewing his/her work reports, and reserving the ultimate rights of approval for material ESG decision-making.

The Strategic Committee, being the coordinator for ESG management, is mainly responsible for:

- 1) planning, implementing and monitoring ESG strategies and objectives under the leadership of our Board;
- 2) guiding and supervising the ESG working group on its routine work, and reviewing the draft of ESG report as submitted by the ESG working group;
- 3) identifying business-related material ESG risks and opportunities, and reporting to the decision-making body;
- 4) securing effective communications between internal and external stakeholders, such as investors, employees and regulators, on ESG issues.

ESG working group, being the ESG governance “execution level” of our Company, is a multi-functional department comprises of EHS responsible officer, human resources responsible officer, legal and compliance responsible officer, production and operation responsible officer, R&D representative, investor relation representative and other representatives, and is mainly responsible for:

- 1) facilitating the specific implementation of daily ESG works, and incorporating ESG requirements into business procedures of different departments;
- 2) gathering and sorting ESG data, and preparing annual ESG report;
- 3) assisting in preliminary ESG risk identification and assessment;
- 4) arranging internal ESG trainings and promotion in order to enhance awareness of all employees;
- 5) reporting work progress to the management on regular basis.

ESG Strategies

In the process of formulating business development strategies and plans, we deeply recognize the importance of ESG factors for achieving long-term sustainable growth. We have systematically integrated ESG concepts into decision-making and operational processes for core operations, aiming to effectively identify and manage relevant risks while actively seizing

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opportunities arising from sustainable development. We aim to create long-term value for all stakeholders and promote the steady sustainable development of our Company by aligning the objectives of key ESG issues with the overall strategies of our Company.

ESG Risks and Opportunities Management

ESG-related factors may affect our prudent operation. For instance, stricter regulatory requirements, industry standard updates, changes in information handling rules or unstable supply chain may result in rising investments in design, testing, deployment and maintenance. Extreme weather, fluctuation in energy supply or changes in transportation conditions arising from climate change may affect the stable supply of key components and conditions for system operation, thus exerting higher pressure on us in respect of securing reliability and compliance operation. If we are unable to make response to policy adjustment, cost fluctuation or change in scenario risk control requirement in a timely manner, we may experience rise in operational cost, delay in delivery or stricter review from partners, which may adversely affect our business performance.

The trend and policy direction in ESG-related industries may also create opportunities for new development. Demands for quality services, digital management, green operation and resources efficiency enhancement continue to grow, enabling us to enhance our competitiveness through enhancement in safety, efficiency and transparency. The improvement in regulatory system has also increased market awareness on traceability, energy conservation and full lifecycle management. It is expected that our investments in technology R&D and operation will be applied in a wider range. If future policies continue to support effective, reliable and green solutions, our long-term growth potential and market position in the aforementioned fields may further enhance.

ESG Indicators and Objectives

When managing various ESG issues, we will set specific key performance indicators and measurable objectives to promote sustainable development systematically. With reference to industry practice and relevant standards, based on our operation characteristics, we will formulate specific management plan on core issues such as environmental, social and governance, and set corresponding quantitative or qualitative indicators accordingly so as to regularly evaluate performance, trace progress and continuously improve management efficiency. By incorporating objectives into relevant business links and integrating with daily management, we ensure the practical implementation of ESG management, and continuously promote the coordinated integration between business operation and sustainable development strategies.

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Corporate Governance

We always attach great importance to sound corporate governance. Our Board is responsible for formulating our development direction and governance requirements, supervising management performance in respect of operation, compliance and internal control, and reviewing important matters through regular meetings. To ensure transparent decision-making and clear division of responsibilities, we have established corresponding segregation of duties for our Board. Each Board Committee shall handle financial reporting, nomination procedures, remuneration arrangements and governance-related matters within their respective scope of authorization. The management shall be responsible for daily operation management in accordance with the authorization. Material matters shall be subject to consideration at Board meeting or general meeting, and sufficient information shall be provided in accordance with prescribed procedures so as to ensure directors can perform their duties on informed basis.

We have established comprehensive governance arrangements, including director trainings, conflict of interests handling, continuous professional development, insider information management and other systems, so as to support directors in performing their supervision and decision-making duties. Our Company secretary shall give necessary support to our Board, and assist in ensuring compliance of meeting procedures, information provision and information disclosure. We will gather opinions of stakeholders through general meetings and other communication channels, review the effectiveness of the governance arrangement implementation on regular basis, and adjust relevant systems where necessary, thereby enhancing overall governance standards and operational transparency.

Risk Management and Internal Control

We have established risk management and internal control arrangements covering key business links based on actual situation, so as to ensure legal compliance of operational activities and procedure controllability. In order to ensure operations are conducted in accordance with laws and regulations and within internal regulatory framework, we have formulated specific requirements for department duties and employee behaviors. Each department shall conduct daily risk inspection based on their positions and duties, and timely report operational risks through cross-department coordination mechanism. In respect of specific execution, matters such as contracts, fees, human resources, procurement and seal shall be approved through standardized systematic procedures to ensure transparent procedures and authorization standards. Decision-making procedures for general meetings and senior management shall be performed in accordance with the Articles of Association, while material matters shall be considered by convening meeting in accordance with regulations with relevant information provided. Our finance department shall prepare true and accurate monthly financial report, and conduct inspection and periodic audit on fees and expenses, so as to support the effective implementation of overall internal control.

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In respect of special project management, we have established systematic control measures in respect of procurement management, information security, integrity operation and internal supervision, and continuously improving internal control effectiveness through regular review. For example, in order to mitigate supply chain compliance risk and ensure the stability and reliability of supply chain, the inclusion of new supplier shall subject to passing of qualification review, as well as appraisal based on quality system requirements. We explicitly prohibit soliciting or accepting improper benefits from suppliers, and have added integrity requirements under the cooperation contract. Employee behaviors are regulated under the Employee Handbook. Any violations shall be handled in accordance with regulations, with serious violations to be transferred to judicial authorities. In order to ensure data security and compliance system operation, our Company requires the use of authorized software, and has established IT management system. In addition, the administrative officers and management are responsible for amending systems on regular basis, inspecting the execution of internal control and facilitating rectification and optimization, thereby continuously enhancing the effectiveness and adaptability of internal control.

Business Ethics

In strict compliance with the Anti-Unfair Competition Law of the People’s Republic of China, we have formulated various internal systems such as the Integrity and Compliance Management System, the Anti-Money Laundering Management System and the Corporate Internal Control System, which explicitly prohibit bribery, corruption, improper transfer of benefits, and require compliance of rules for customer identification, transaction monitor and information security for business transactions. In addition, we have extended business ethics requirements to our business partners, and systematically established the business ethics management system centring integrity, compliance and anti-money laundering. We have established the compliance department. The department head, who will directly report to the chairman of our Board, is responsible for overseeing matters in relation to anti-bribery, anti-money laundering and business compliance. Meanwhile, we have introduced the compliance whistleblowing mailbox to encourage employees to report actual situation anonymously, and to ensure whistleblowing details are kept strictly confidential. At the annual general meeting, the chairman of our Board will explain the overall compliance works of our Company to shareholders and directors, thereby strengthening supervision on business ethics issues at director level.

We focus on creating business ethics culture centring integrity and compliance, so as to ensure employees and business partners are in compliance with high standard of conduct, and jointly perform responsible business conducts. All new employees are required to attend training and appraisal in relation to integrity requirements, anti-money laundering regulations and internal rules so as to ensure they fully understanding relevant obligations. In respect of suppliers and agencies, we will provide necessary trainings or education before establishing partnership with them, and require them to comply with systems and compliance requirements formulated by our Company. We will conduct preliminary compliance review on business partners, including identity identification, qualification inspection and potential risk assessment, and keep records for transaction documents, approval records and cooperation

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information, so as to ensure the transparency and traceability of business operations. Through the establishment of systematic mechanisms and effective management practices, we have integrated the business ethics, integrity operation, anti-money laundering and compliance requirements into key business links, thereby laying a solid foundation for steady, transparent operation.

Environmental

Environmental Management

In strict compliance with laws and regulations such as the *Environmental Protection Law of the People’s Republic of China*, we formulated internal systems such as the *Rules for Office Management* to promote environmental management work. For partners involved in the production process, the Company will assess their environmental management compliance to ensure standardized management of hazardous materials and harmful waste.

We do not discharge hazardous wastes during production. In our daily operation, we have engaged qualified third-party supplier to conduct treatment for general waste and exhaust gas produced by us in compliance with regulations. Relevant treatment expenses and environmental impact evaluation expenses have been included in regular environmental budget of our Company. During the Track Record Period, we have not incurred any environmental penalties.

Emission Management of Our Company

Indicator		Unit	For the six months ended June 30, 2025	2024	2023
Waste	Domestic waste	tonne	2.46	5.52	5.85

Energy and Resources Consumption

We adhere to systematically integrating the concept of resources conservation and efficiency improvement into daily operations. Our energy consumption mainly includes electricity and gasoline purchases. Apart from the lightning and air conditioning in normal work areas, no other equipment with huge energy consumption is used in the production, thus establishing a low-energy consumption structure at source.

In response to the national policy on energy conservation and emission reduction, we specifically require all staff to switch off power equipment in office area and production premise during non-office hours and in unmanned state. In practice, we focus on integration of energy conservation measures and operational efficiency. By promoting efficient work, we avoid energy consumption in under capacity operations, thus achieving synergy between management efficiency and green operation.

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In 2023, 2024 and for the six months ended June 30, 2025, our electricity consumption was 106,682 kWh, 105,137 kWh and 46,242 kWh respectively. During the same period, the gasoline consumption was 4.88 tons, 6.90 tons and 3.27 tons respectively. Based on the current effectiveness of energy efficiency management, we will continue to promote energy-saving renovations and operational optimizations, and strive to achieve a continuous reduction in energy consumption per unit of revenue.

Energy and Water Consumption of Our Company

Indicator		Unit	For the six months ended June 30, 2025	2024	2023
Energy	Gasoline	ton	3.27	6.90	4.88
	Purchased electricity	kWh	46,242	105,137	106,682
	Total integrated energy consumption	ton of coal equivalent	10.49	23.07	20.29

Greenhouse Gas Emission

The sources of greenhouse gas emission of our Company include scope 1 (direct emission), scope 2 (indirect emission) and scope 3 (other indirect emission). Scope 1 emission is mainly arising from gasoline and other fuels used in vehicles of our Company. Scope 2 emission is fully arising from indirect emission generated from purchased electricity. Scope 3 emission currently mainly includes indirect emission generated from employee commute. As a high-tech company focusing on high-end medical robot R&D and manufacturing, the operational activities of our Company mainly focus on R&D, testing and office operation. Energy consumption during production is relatively simple and clear. Hence, the overall greenhouse gas emission is at a relatively low level. Looking forward, we will continue to enhance greenhouse gas emission monitor and management, and plan to gradually establish a more comprehensive carbon data calculation system. We will proactively seek for opportunities to improve energy utilization efficiency, explore the feasibility of use of clean energy, and strive to achieve continuous reduction in carbon emission level during operation through technology and management innovation, thereby fulfilling our social responsibilities in respect of climate change tackling.

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Greenhouse Gas Emission of Our Company

Type of greenhouse gas	Unit	For the six months ended June 30, 2025	2024	2023
Scope 1 greenhouse gas emission	tonne of carbon dioxide equivalent	10.61	22.38	15.84
Scope 2 greenhouse gas emission	tonne of carbon dioxide equivalent	27.08	61.57	62.47
Total greenhouse gas emission (Scope 1 and Scope 2)	tonne of carbon dioxide equivalent	37.69	83.95	78.31
Scope 3 greenhouse gas emission — business travel	tonne of carbon dioxide equivalent	7.21	23.88	24.89

Climate Change Tackling

We fully recognize the potential risks on asset security and operation continuity of our Company arising from climate change. In order to manage such risk exposures effectively, we have established systematic internal responsive mechanism. Specifically, in case of predicted or encountered extreme weather, the administrative management department will publish notice to all employees in a timely manner and arrange check and on-site inspection on door and window closing condition in office and production area, so as to eliminate safety hazards and remind employee of commuting safety simultaneously.

In respect of physical risks, we identify the potential impacts of extreme weather, such as typhoon, rainstorm and extreme high temperature, on key assets including R&D facilities and precision instruments, and enhance risk prevention capability through the emergency procedures. In respect of transition risks, we actively monitor the direction of the national “dual carbon targets” policy, as well as future regulatory requirements in respect of carbon emission calculation, energy conservation standards and other aspects. Despite our current operations are not within the scope of high emission, we continue to promote green office and enhance energy efficiency, and plans to explore the possibility of use of clean energy when conditions are met, so as to actively adapt ourselves to policy changes and steadily response to transition challenges.

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Social

Employees

Adhering to the concept of people-orientated, we have established and continuously optimized our human resources management system, striving to provide employees with a fair and healthy work environment full of opportunities for personal growth. We strictly comply with national labor laws and regulations, and formulate internal policies such as the Employee Handbook and the Administrative Measures on Performance Appraisal, so as to ensure every employee enjoys equal development opportunities and competitive benefits. In addition, we offer competitive remuneration packages and comprehensive performance appraisal systems, which link performance appraisal results to remuneration adjustment, promotion mechanism and long-term incentives, thus effectively stimulating the enthusiasm of employees.

In order to protect employee interests, we proactively gather feedbacks from employees through employee meetings, internal communication platforms, specific mailbox and other channels, and updates the Employee Handbook on irregular basis. We continue to provide more employee caring measures. In addition to statutory benefits, we also provide employees with extra annual leave, paid sick leave, festival benefit and people-oriented support such as condolences on significant events. Furthermore, we attach great importance to employee career development, and have established multi-level training system covering new employee introduction training, R&D personnel training and other trainings.

Employment Condition of Employees

Indicator		Unit	As of December 31, 2023	As of December 31, 2024	As of June 30, 2025
Total employees		/	47	44	40
Number of employees by gender	Male employees	/	31	27	24
	Female employees	/	16	17	16
Number of employees by age	30 and below	/	13	14	9
	31-50	/	33	29	30
	Over 50	/	1	1	1
Number of employees by region	Domestic	/	47	44	40
	Overseas	/	0	0	0
Number of employees by position	Senior management	/	3	2	2
	Middle management	/	2	3	3
	Ordinary employee	/	42	39	35

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Occupational Health and Work Safety

We attach great importance to occupational health and work safety for employees, and strictly follow requirements of laws and regulations such as the Production Safety Law of the People’s Republic of China and the Regulations of Shanghai Municipality on Safety Production. We have established clear production safety responsibility system. The production manager is specifically responsible for the formulation of safety rules for production area, training implementation and execution supervision, and reports the overall safety condition to the responsible person of our Company on regular basis. To ensure the safety of production staff, we have provided necessary labor protection equipment for all relevant employees, and implemented clear separation and management for production area with entry prohibited for unauthorized person.

In respect of safety capability building, in 2024, we arranged all production staff to participate in the safety production training held in Songjiang District, Shanghai, with all participants successfully obtained the Qualification Certificate for Safety Production Management Personnel Safety Training. In 2024, we have further formulated and issued the Safety Production Rules and Regulations, and completed special training for all staff work in production area, so as to continuously enhance safety regulations for on-site operation and risk control capabilities. To date, we have not experienced any work injuries or causalities.

Clinical Trial Safety

In respect of clinical trial safety management, we have established standardized evaluation and decision-making procedures, and formulated strict mechanism for selection of third-party collaborators. When selecting partners, we focus on reviewing the scientificity and compliance of their clinical trial protocol, and assessing their project experience and expertises. We also arrange face-to-face communication with such candidates to further confirm its execution standards and quality assurance measures, and ultimately select qualified partner through comprehensive assessment to ensure that trial procedures are regulated and the rights of subjects are being protected.

Product Liability

In strict compliance with the laws and regulations of the Company’s operating regions, we have formulated product promotion guidelines, conducted market activities in a standardized manner and established mechanisms for marketing activities records, risk warnings and feedback to ensure our products are used correctly within the registered scope in accordance with clinical guidelines, which effectively mitigates risks such as product misuse or off-label use. In terms of product pricing, the Company adheres to principles of fairness and compliance. Pricing strategy recommendations are developed based on market research, competitive landscape and patient needs. The Company is responsible for pricing policy communication, data collection and outcomes tracking to ensure pricing strategies of our products comply with regulatory requirements. In addition, the Company conducts accessibility impact analysis, reports to the management and provides improvement recommendations in a regular basis.

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Social Responsibilities

We strive to provide users with safe, reliable and useable products and services. We always respect and protect patient privacy and data security, and proactively respond to feedbacks and demands of users. We have established and maintained fair, transparent and effective cooperation relationships with suppliers, partners and regulatory departments. In respect of community engagement, we actively organize and initiate charity activities. From 2023 to 2024, we have initiated a total of 17 community charity activities, providing charity healthcare services in old revolutionary base areas in Songjiang, Jiading, Xuhui and Qingpu, Shanghai and Jinggangshan, Jiangxi. We supported the community by providing blood glucose test, blood pressure measurement and other services for elderly in the community. Meanwhile, we proactively participated in poverty alleviation works organized by government. We purchased agricultural products from targeted poverty alleviation regions as gifts for employees by means of “making purchase instead of donation”, thus promoting rural revitalization and increasing revenue of farmers. Within our internal departments, we also encourage and support employees to actively participate in various social charity works.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we were not a party to, and we were not aware of any threat of, any legal, arbitral or administrative proceeding, which, in our opinion, is likely to have a material and adverse effect on our business, financial conditions or results of operation. Our PRC Legal Advisors are of the opinion that our business was in compliance with applicable laws and regulations of the PRC in all material aspects during the Track Record Period and up to the Latest Practicable Date. However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. We are committed to maintaining the highest standards of compliance with the laws and regulations applicable to our business, and we intend to maintain this culture through the strict implementation of our risk management and internal control policies. See “— Risk Management and Internal Control.”

LICENSES, PERMITS AND CERTIFICATES

We are required to obtain and renew certain certificates, permits and licenses for the production and sales of medical devices. See “Regulatory Overview” for more information about the material certificates, permits and licenses required for our business operations in China. As advised by our PRC Legal Advisors, during the Track Record Period and as of the Latest Practicable Date, we obtained all requisite certificates, permits and licenses that are material for our operation, and all of such certificates, permits and licenses are valid and up-to-date to the extent that they are still needed.

We did not experience any material difficulties in renewing such certificates, permits and licenses during the Track Record Period and up to the Latest Practicable Date, and do not expect to face any material difficulties in renewing them upon their expiry, if applicable.

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The following table sets forth details of certain material license and certificate that we hold as of the Latest Practicable Date:

License/Permit	Holder	Issuing Authority	Issue Date	Expiration Date
Medical Device Manufacturing License	Our Company	Shanghai Drug Supervision and Administration Bureau	April 11, 2024	April 10, 2029
Class III Medical Device Registration Certificate	Our Company	The NMPA	February 21, 2024	February 20, 2029
Class II Medical Devices Operation Record Certificate	Our Company	Shanghai Songjiang District Administration for Market Regulation	October 19, 2022	N/A

During the Track Record Period and up to the Latest Practicable Date, we were not penalized by any government authorities for any non-compliance relating to our material certificates, permits and licenses.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We recognize that risk management is critical to our business operation. Key operational risks faced by us include changes in general market conditions and the regulatory environment of the Chinese and global percutaneous puncture surgical robot markets, our ability to develop, manufacture and commercialize our products, and our ability to compete with other similar products, particularly those AI-assisted puncture surgical robot products. See “Risk Factors” for a discussion of various risks and uncertainties we face. We also face various market risks. In particular, we are exposed to credit, liquidity and foreign currency risks that arise in the normal course of our business. See Note 33 to the Accountants’ Report included in Appendix I to this Document for details regarding these risks. We have adopted a series of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis. The following key principles outline our approach to risk management:

- The relevant departments in our Company, including but not limited to the finance department and the human resources department, are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. Each department is responsible for identifying and evaluating risks associated with its working scope. In order to standardize risk management and set

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a common level of transparency and risk management performance, the relevant departments will (i) identify the source of the risks and potential impact, (ii) monitor the development of such risks, and (iii) prepare risk management reports periodically for our management’s review.

- Our internal control department will coordinate, oversee and manage the overall risks associated with our business operations and quality control mainly including (i) reviewing our corporate risk in light of our corporate risk tolerance, (ii) maintaining a key risk list and leading corresponding risk management activities, and (iii) organizing revision and update of the key risk list. Our management and internal control department will be responsible for carrying out risk prevention and management activities.
- Our management will be responsible for (i) regularly reviewing the risk management information collected by our internal control department, (ii) reviewing annual risk management report of our Company, and (iii) overseeing internal control department and conducting annual risk evaluations.

Internal Control

Our Board of Directors is responsible for establishing and ensuring effective internal controls to safeguard our Shareholder’s investment at all times. Our internal control policies set out a framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis.

Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have adopted various measures and procedures regarding each aspect of our business operation, such as related party transaction, risk management, protection of intellectual property, environmental protection and occupational health and safety. For more information, see “— Intellectual Property” and “— Environmental, Social and Governance.” We plan to provide periodic training about these measures and procedures to our employees as part of our employee training program. Our internal audit department conducts audit field work to monitor the implementation of our internal control policies, reports the weakness identified to our management and audit committee and follows up on the rectification actions.
- Our Directors (who are responsible for monitoring our corporate governance) with help from our legal advisors, will also periodically review our compliance status with all relevant laws and regulations after the [REDACTED].

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- We have established an Audit Committee which (i) makes recommendations to our Directors on the appointment and removal of external auditors, and (ii) reviews the financial statements and renders advice in respect of financial reporting as well as oversees our internal control procedures.
- We plan to engage a PRC law firm to advise us on and keep us abreast with PRC laws and regulations after the [REDACTED]. We will continue to arrange various trainings to be provided by external legal advisors from time to time when necessary and/or any appropriate accredited institution to update our Directors, senior management, and relevant employees on the latest PRC laws and regulations.
- We plan to seek advice from law firms in the United States, the European Union and other jurisdictions where we may operate in the future to keep us abreast of applicable local laws and regulations after the [REDACTED]. We will continue to arrange various trainings to be provided by external legal advisors from time to time when necessary and/or any appropriate accredited institution to update our Directors, senior management, and relevant employees on the latest laws and regulations in the jurisdictions in which we currently operate or may operate in the future.

We maintain strict confidentiality and privacy policies regarding the collection, analysis, storage and transmission of the data of our subjects and clinical trial results. The company safeguards the confidentiality and privacy of subject data and clinical trial results through measures encompassing protocol development (including contractual obligations and de-identification protocols), comprehensive data lifecycle management (using compliant EDC systems for collection, encrypted transmission channels, and locked storage with backups), and oversight of noncompliance handling. We will monitor project progress continuously against the guidelines of ICH GCP and China GCP and make corrections as needed. Our IT team are responsible for, from technical perspective, ensuring the usage, maintenance and protection of preclinical and clinical data to comply with our internal policies and applicable laws and regulations.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As of the Latest Practicable Date, Mr. Liu, Shanghai Ruicong L.P. and Shanghai Ruiru L.P. held 13,102,135 Shares, 1,666,675 Shares and 497,865 Shares, respectively, representing approximately 51.43%, 6.54% and 1.95% of our total issued Shares, respectively. Mr. Liu is the sole general partner of both Shanghai Ruicong L.P. and Shanghai Ruiru L.P. and can exercise the voting rights attached to the Shares held by them. Hence, Mr. Liu, Shanghai Ruicong L.P. and Shanghai Ruiru L.P. are considered as a group of Controlling Shareholders, collectively holding approximately 59.93% of our total issued Shares as of the Latest Practicable Date.

Immediately following the completion of the Shares Subdivision and the [REDACTED] (assuming the [REDACTED] and the [REDACTED] are not exercised), Mr. Liu, Shanghai Ruicong L.P., and Shanghai Ruiru L.P. will collectively hold approximately [REDACTED]% of our total issued Shares. Accordingly, Mr. Liu, Shanghai Ruicong L.P., and Shanghai Ruiru L.P. will remain as our Controlling Shareholders immediately after [REDACTED].

Mr. Liu is one of our executive Director, the chairman of our Board and our general manager. For further information of Mr. Liu, see “Directors and Senior Management” in this document. Shanghai Ruiru L.P. is a shareholding platform of Mr. Liu. As of the Latest Practicable Date, Shanghai Ruiru L.P. was owned as to 99.00% by Mr. Liu as sole general partner, and 1.00% by Ms. Lu Ying (路迎), the spouse of Mr. Liu, as limited partner. Shanghai Ruicong L.P. is our employee incentive platform. For further information of Shanghai Ruicong L.P., see “History, Development and Corporate Structure — Employee Incentive Platform” in this document.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

The Controlling Shareholders confirm that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Company, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules. Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates after [REDACTED].

Operational Independence

Although our Controlling Shareholders will retain a controlling interest in our Company after [REDACTED], for the reasons stated below, we have full rights to make all decisions on, and to carry out, our own business operations independently. We have our independent and separate senior management team and our own staff to support the operations and management of our business. We have our own departments specializing in the respective areas which have been in operation and are expected to continue to operate independently from our Controlling Shareholders and their close associates. We have registered the relevant intellectual property rights relating to relevant technologies of our business and our product candidates. We hold the licenses and qualifications necessary to carry on our current business, and have sufficient

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

capital, facilities, technology and employees to operate the business independently from our Controlling Shareholders. We have access to suppliers and customers independently from and not connected to our Controlling Shareholders for sources of suppliers and customers.

Based on the above, our Directors are satisfied that there is no operational dependence by us on our Controlling Shareholders.

Management Independence

Our management and operational decisions are made by our Board and our senior management. Our Board comprises two executive Directors, two non-executive Directors and three independent non-executive Directors. The executive Directors and senior management team are responsible for the day-to-day management of our operations. Other than Mr. Liu, our executive Director and one of our Controlling Shareholders, none of the other Directors, who forms the majority of our Board, is a Controlling Shareholder. Notwithstanding the roles of Mr. Liu as described above, our Directors are of the view that our Company is able to function independently from them for the following reasons:

- (i) All of the other Directors are independent of Mr. Liu and decisions of our Board require the approval of a majority vote from our Board;
- (ii) We have appointed three independent non-executive Directors, comprising more than one-third of the total members of our Board, who have sufficient knowledge, experience and competence to provide a balance of the potentially interested Director with a view to promote the interests of our Company and our Shareholders as a whole;
- (iii) Our Company has established internal control mechanisms to identify connected transactions to ensure that our Directors with material conflict of interest in a proposed transaction will abstain from voting on the relevant resolutions;
- (iv) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director is obliged to declare and fully disclose such potential conflict of interest and if such conflict of interest is material, such Director shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum; and
- (v) each of our Directors is aware of his or her fiduciary duties and responsibilities under the Listing Rules as a director, which require that he or she acts for the benefit and in the best interest of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interests.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team is able to perform the managerial role in our Company independently.

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, and reporting functions of our Company, independent from our Controlling Shareholders. We can make financial decisions independently and our Controlling Shareholders do not intervene with our use of funds. In addition, our source of funding is independent from our Controlling Shareholders. As of the Latest Practicable Date, there were no loans, advances and balances due to and from our Controlling Shareholders, and no share pledges or guarantees provided by our Controlling Shareholders and their associates on our borrowings. Our Directors believe that we are able to obtain financing independently from our Controlling Shareholders. During the Track Record Period and up to the Latest Practicable Date, we had our own finance department and independent accounting systems.

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and do not place undue reliance on our Controlling Shareholders and their close associates after [REDACTED]. We have also established an audit committee comprising three independent non-executive Directors in compliance with Rule 3.21 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders’ interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflicts of interests between our Company and our Controlling Shareholders:

- (a) under the Articles of Association, where a Shareholders’ meeting is to be held for considering proposed connected transactions with our Controlling Shareholders or any of their associates, our Controlling Shareholders and, where applicable, their associates will not vote on the relevant resolutions and shall not be counted in the quorum for the voting;
- (b) our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (c) our Board consists of a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors), with independent non-executive Directors representing not less than one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Company and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (d) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company’s expenses; and
- (e) we have appointed China Everbright Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws in Hong Kong and the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors believe that sufficient corporate governance measures have been put in place to manage conflicts of interests that may arise between our Company and our Controlling Shareholders and to protect our Shareholders’ interests as a whole after the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board consists of seven Directors, including two executive Directors, two non-executive Directors and three independent non-executive Directors. Our Board serves a term of three years, which is renewable upon re-election and re-appointment. Our Board is responsible and has general powers for the management and conduct of our business.

The table below sets out certain information in respect of the members of the Board as of the Latest Practicable Date.

Name	Age	Position	Date of appointment as Director	Date of joining our Company	Role and responsibilities	Relationship with other Directors and senior management
<i>Executive Directors</i>						
Mr. Liu Jian (劉劍)	47	Chairman of the Board, executive Director and general manager	October 15, 2020	July 15, 2019	Responsible for strategic planning, driving business decisions and product development and management of our Company	None
Mr. Wen Qi (溫琦)	40	Executive Director and deputy general manager	November 3, 2025	December 7, 2020	Responsible for business expansion, market operations, strategic planning, resource coordination and financial matters of our Company	None
<i>Non-executive Directors</i>						
Mr. Lu Yi (陸怡)	64	Non-executive Director	November 3, 2025	November 3, 2025	Responsible for providing management and strategic advice to our Company	None
Mr. Wang Maoting (王茂廷)	62	Non-executive Director	October 15, 2020	October 15, 2020	Responsible for providing management and strategic advice to our Company	None
<i>Independent-non executive Directors</i>						
Mr. Mi Mingjun (宓明君)	53	Independent non-executive Director	November 3, 2025	November 3, 2025	Supervising and providing independent opinion to our Board	None
Ms. Li Ling (李玲)	40	Independent non-executive Director	November 3, 2025	November 3, 2025	Supervising and providing independent opinion to our Board	None
Mr. Pang Chun Ming (彭浚銘) (formerly known as Pang Yan Pak (彭忻栢))	48	Independent non-executive Director	November 3, 2025	November 3, 2025	Supervising and providing independent opinion to our Board	None

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Liu Jian (劉劍), aged 47, joined our Company in July 2019 and has been serving as our general manager ever since. He was appointed as our Director on October 15, 2020 and was re-designated as our executive Director on November 25, 2025. He is primarily responsible for strategic planning, driving business decisions and product development and management of our Company.

Mr. Liu is a seasoned professional with over 20 years of experience in the medical technology field. Since August 2005, he successively worked at Siemens Shanghai Medical Equipment, Ltd. (上海西門子醫療器械有限公司), a company primarily engaged in the R&D, production and sales of medical imaging equipment, with his last position as a manager of the R&D department, and Philips Healthcare (Suzhou) Co., Ltd.* (飛利浦醫療(蘇州)有限公司), a company primarily engaged in the R&D, production and sales of medical imaging equipment. From April 2012 to July 2019, he worked at Shanghai United Imaging Healthcare Co., Ltd. (上海聯影醫療科技股份有限公司), a company principally focused on medical imaging equipment and the shares of which are listed on the Shanghai Stock Exchange (stock code: 688271), with his last position as the director of component technology strategy & development department.

Mr. Liu obtained a bachelor’s degree of engineering (majoring in mechanical engineering and automation) from Nanchang University (南昌大學) in the PRC in July 2000. He then obtained a master’s of engineering (majoring in mechanical manufacturing and automation) from Nanjing University of Science and Technology (南京理工大學) in the PRC in July 2004. He is currently pursuing a part-time doctoral degree of engineering (majoring in advanced manufacturing) from Shanghai Jiao Tong University (上海交通大學) in the PRC since September 2018.

Mr. Liu is the general partner of Shanghai Ruicong L.P. (an employee incentive platform of our Company) and Shanghai Ruiru L.P., our Controlling Shareholders, holding approximately 11.73% and 99% interests therein as of the Latest Practicable Date.

Mr. Wen Qi (溫琦), aged 40, joined our Company in December 2020 and has been serving as our deputy general manager ever since. He was further appointed as our Director on November 3, 2025, and re-designated as our executive Director on November 25, 2025. He is primarily responsible for business expansion, market operations, strategic planning, resource coordination and financial matters of our Company.

Mr. Wen has 17 years of experience in the robotics industry. Prior to joining our Company and since July 2008, he served several positions in Shenzhen Kinco Electric Co., Ltd.* (深圳市步科電氣有限公司), a wholly-owned subsidiary of Kinco Automation (Shanghai) Co., Ltd. (上海步科自動化股份有限公司) (the shares of which are listed on Shanghai Stock Exchange with the stock code 688160) that primarily engages in the R&D and the production of industrial automation products, such as the chief executive officer of the medical and robotics division.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Wen obtained a bachelor’s degree of engineering (majoring in electronic information engineering) from Guilin University of Electronic Technology (桂林電子科技大學) in the PRC in July 2008.

Non-executive Directors

Mr. Lu Yi (陸怡), aged 64, was appointed as our Director on November 3, 2025, and re-designated as our non-executive Director on November 25, 2025. He is primarily responsible for providing management and strategic advice to our Company.

He is currently the director of Wuxi Chirun Technology Co., Ltd.* (無錫馳潤科技有限公司) (“**Wuxi Chirun**”), a company primarily engaged in the production and sale of wind turbine control cabinet, and joined by Mr. Lu in August 2008. As the director of Wuxi Chirun, Mr. Lu is primarily responsible for its overall strategic decision-making. Wuxi Chirun is also one of our Pre-[REDACTED] Investors. Mr. Lu had also previously worked in Wuxi Little Swan Electric Industrial Co., Ltd.* (無錫市小天鵝電器工業公司) (currently known as Wuxi Little Swan Company Limited (無錫小天鵝股份有限公司)) (“**Wuxi Little Swan**”) after graduating from high school in July 1977. Wuxi Little Swan is a subsidiary of Midea Group, a global conglomerate in the consumer and industrial electronics industry, with its shares listed on both the Shenzhen Stock Exchange (stock code: 000333) and the Stock Exchange (stock code: 0300).

Mr. Lu is the father of Mr. Lu Yining (陸逸寧), one of our Shareholders, and held 6.25% equity interests in Wuxi Chirun as of the Latest Practicable Date.

Mr. Wang Maoting (王茂廷), aged 62, joined our Company in October 2020 as our Director and was re-designated as our non-executive Director on November 25, 2025. He is primarily responsible for providing management and strategic advice to our Company.

Prior to joining our Company, Mr. Wang was employed for various positions at Shanghai United Architecture Design Co., Ltd.* (上海聯創設計集團股份有限公司), a company primarily focused on architectural engineering design, since January 1, 2002. His responsibilities included the company’s overall management where he has served roles, such as its president and its director. Concurrently, Mr. Wang has also been serving as a director of Shanghai NSR Leading Private Equity Fund Management Co., Ltd.* (上海新絲路領軍私募基金管理有限公司) (“**Shanghai NSR**”) since his joining the same in April 2015. He is also serving as the chairman of its board of directors. Shanghai NSR is principally engaged in private equity fund management and operates NSR Capital (新絲路資本).

Mr. Wang obtained a bachelor’s degree in architecture from Nanjing Institute of Technology* (南京工學院) (currently known as Southeast University (東南大學)) in the PRC in July 1984. He further obtained a doctoral degree in business administration from the Business School Netherlands in the Netherlands in September 2015. He was also a certified consulting engineer by China National Association of Engineering Consultants (中國工程諮詢協會) since July 2005.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Wang was selected as a 2014 Shanghai Leading Talent (2014年上海領軍人才) by the Organization Department of the Shanghai Municipal Committee of the Communist Party of China* (中共上海市委組織部) and the Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局) in November 2014. He was also awarded a government special allowance (政府特殊津貼) per the special allowance certificate by the State Council in January 2019 in recognition of his outstanding contributions to the development of the PRC’s engineering and technology sector per the special allowance certificate.

As of the Latest Practicable Date, Mr. Wang directly and indirectly owned 80% equity interests in Shanghai NSR, which is the general partner of two of our Pre-[REDACTED] Investors, Xinyu Shangjia Investment Partnership (Limited Partnership)* (新余市上嘉投資合夥企業(有限合夥)) and Xinyu Shangrong Equity Investment Partnership (Limited Partnership)* (新余市上容股權投資合夥企業(有限合夥)), which first invested in us in July 2020.

Independent Non-executive Directors

Mr. Mi Mingjun (宓明君), aged 53, was appointed as our Director on November 3, 2025, and re-designated as our independent non-executive Director on November 25, 2025. He is primarily responsible for supervising and providing independent opinion to our Board.

With his background as a qualified attorney in the PRC, Mr. Mi has established a career in legal education. Mr. Mi is currently an associate professor of the School of Law of the Zhejiang University of Technology (浙江工業大學法學院), which he joined since as early as November 2021. As an associate professor, Mr. Mi’s research areas primarily pertain to economic law, commercial law and labor law.

Since January 2024, Mr. Mi has been serving as the independent director at Zhejiang Sanfer Electric Co., Ltd. (浙江帥豐電器股份有限公司), a company primarily engaged in the development and manufacture of integrated kitchen appliances and whole-home solutions and the shares of which are listed on the Shanghai Stock Exchange (stock code: 605336).

Mr. Mi obtained a bachelor’s degree in economic law from the Southwest University of Political Science and Law (西南政法大學) in the PRC in July 1995. He further obtained a master’s degree and a doctoral degree in economic law from the same University in July 2004 and December 2016, respectively. He was qualified as an attorney by the Ministry of Justice of the PRC (中華人民共和國司法部) in August 1997. He also obtained the senior professional technical qualification certificate (高級專業技術資格證) by Zhejiang Provincial Personnel Department* (浙江省人事廳) (currently known as the Zhejiang Province Human Resources and Social Security Department (浙江省人力資源和社會保障廳)) and the independent director qualification certificate by the Shanghai Stock Exchange in September 2007 and April 2022, respectively.

Ms. Li Ling (李玲), aged 40, was appointed as our Director on November 3, 2025, and re-designated as our independent non-executive Director on November 25, 2025. She is primarily responsible for supervising and providing independent opinion to our Board.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Li has over 16 years of experience in auditing and corporate finance. Prior to joining our Company, from January 2009 to June 2010, she worked at Pan-China Certified Public Accountants Co., Ltd. (天健會計師事務所有限公司). From July 2010 to May 2013, she served as the financial department manager at Zhejiang Runhe Real Estate Group Co., Ltd.* (浙江潤和房產集團有限公司) (“**Zhejiang Runhe**”), a company primarily focusing on real estate development and construction. She was subsequently employed as its risk management director at Zhejiang Cybernaut Investment Management Co., Ltd.* (浙江賽伯樂投資管理有限公司) from June 2013 to September 2014, a company primarily focusing on investment management and consulting, and was primarily responsible for building the company’s risk control framework and leading due diligence for portfolio companies. From October 2014 to January 2017, was employed at Zhejiang Branch of Ruihua CPA (Special General Partnership)* (瑞華會計師事務所(特殊普通合夥)浙江分所). From February 2017 to June 2021, she served as the risk control director of Hangzhou Shenghui Investment Co., Ltd.* (杭州勝輝投資有限公司). From June 2021 to February 2022, she served as an audit manager at Hangzhou Branch of Zhitong Certified Public Accountants (Special General Partnership)* (致同會計師事務所(特殊普通合夥)杭州分所). Further, she worked in the Zhejiang Branch of Dahua CPA (Special General Partnership) (大華會計師事務所(特殊普通合夥)浙江分所) from March 2022 to May 2023, where she has served as a senior audit manager. Since June 2023, she has been serving as a department manager of the Zhejiang Branch of Mazars CPA (Special General Partnership) (中審眾環會計師事務所(特殊普通合夥)浙江分所).

Ms. Li obtained a bachelor’s degree in management (majoring in accounting) from the Zhejiang Gongshang University in the PRC in July 2006. She has obtained a certified public accountant qualification from Zhejiang Institute of Certified Public Accountants (浙江省註冊會計師協會) since April 2009. She has also received the intermediate accounting title by Zhejiang Human Resources and Social Security Department in September 2011. In June 2012, she received the 2011 Outstanding Employee (2011年度先進工作者) award from Zhejiang Runhe.

Mr. Pang Chun Ming Peter (彭淦銘) (formerly known as Pang Yan Pak (彭焄栢)), aged 48, was appointed as our Director on November 3, 2025, and re-designated as our independent non-executive Director on November 25, 2025. He is primarily responsible for supervising and providing independent opinion to our Board.

Mr. Pang has over 21 years of experience in accounting and finance. From July 2003 to February 2006 and February 2007 to October 2007, he worked in the assurance standards services group of Ernst & Young LLP in the United States with his last position as a senior in the assurance standards services group. From November 2007 to March 2008, he served as a manager of the assurance and advisory business services department of Ernst & Young LLP in the United States, where he was primarily responsible for auditing and accounting work. From March 2008 to September 2010, he served as an associate director of BOCI Asia Limited, where he was responsible for corporate finance services. From September 2010 to April 2011, he served as an associate in the Global Banking Division of the Hong Kong branch of Deutsche Bank AG. He subsequently served as the chief financial officer and company secretary of Renjian Antong International Holdings Limited (仁建安通國際控股有限公司), a company

DIRECTORS AND SENIOR MANAGEMENT

primarily providing container logistics solutions, where he was primarily responsible for overall financial matters, prior to his employment as the chief financial officer and joint company secretary of Pa Shun Pharmaceutical International Holdings Limited (百信藥業國際控股有限公司) (currently known as Pa Shun International Holdings Limited (百信國際控股有限公司)), a company primarily engaged in pharmaceutical distribution and pharmaceutical manufacturing and the shares of which are listed on the Stock Exchange (stock code: 574), where he was primarily responsible for financial reporting, investor relationship and listing matters from January 2015 to July 2018. Since August 2018, he has been serving as the chief financial officer and joint company secretary of Fuli Peridot Mining Industry (Hong Kong) Limited (富麗橄欖石礦業(香港)有限公司), a company primarily engaged in the mining, processing and sales of gemstones, where he was primarily responsible for the company’s overall financial matters and secretarial matters.

Mr. Pang obtained a bachelor’s degree in arts (majoring in economics) from the University of California at Berkeley in the United States in August 1999. He further obtained a master’s degree in accounting from the University of Southern California in the United States in May 2003. He has been a certified public accountant of the California Board of Accountancy of the State of California since February 2006 and a chartered financial analyst (CFA) charterholder by CFA Institute since November 2006.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table sets forth the key information about our senior management as of the Latest Practicable Date.

Name	Age	Position	Date of appointment as senior management	Date of joining our Company	Role and responsibilities	Relationship with other Directors and senior management
Mr. Liu Jian (劉劍) . . .	47	Chairman of the Board, executive Director and general manager	July 15, 2019	July 15, 2019	Responsible for the strategic planning, driving business decisions and product development and management of our Company	None
Mr. Wen Qi (溫琦) . . .	40	Executive Director and deputy general manager	December 7, 2020	December 7, 2020	Responsible for business expansion, market operations, strategic planning, resource coordination and financial matters of our Company	None
Ms. Zhang Yue (章悅) .	35	National sales director	January 25, 2025	December 1, 2023	Responsible for the development and implementation of our Company’s sales strategies	None
Ms. Shen Shuting (申淑婷)	38	Senior director of the clinical medicine and quality management department	May 6, 2020	May 6, 2020	Responsible for our Company’s clinical research management, quality control, and coordination with the general manager’s office	None
Mr. Fang Chunfu (方春富)	33	Project director	February 23, 2024	June 7, 2021	Responsible for our Company’s project planning and management and our clinical application support	None

Mr. Liu Jian (劉劍), aged 47, is the executive Director and the general manager of our Company. For his biography, please see “— Board of Directors — Executive Directors” in this section.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Wen Qi (溫琦), aged 40, is the executive Director and the deputy general manager of our Company. For his biography, please see “— Board of Directors — Executive Directors” in this section.

Ms. Zhang Yue (章悅), aged 35, joined our Company in December 2023 as a regional sales manager (區域銷售經理) and has been serving as our national sales and marketing director (全國銷售總監) since January 2025. She is responsible for the development and implementation of our Company’s sales strategies.

Prior to joining our Company, from September 2012 to June 2013, she served as an assistant manager of the sales department/business development department at Wuxi Sinomune Pharmaceutical Co., Ltd. (無錫知原藥業有限公司), a company primarily engaged in the R&D, production and sales of pharmaceuticals in the dermatology field, and was primarily responsible for assisting the department in daily operations, including managing national distributors, preparing monthly reports and taking minutes at sales meetings. From April 2017 to November 2022, she served as a regional sales manager in Jiangsu Weiersai Technology Co., Ltd.* (江蘇威爾賽科技有限公司), a technology-driven enterprise integrating R&D, production and sales in the field of hospital logistics, and was primarily responsible for product promotion and sales within her assigned region and building a sales team for the company. From December 2022 to January 2024, she served as a sales director at Wuxi Yuejie Health Technology Co., Ltd.* (無錫悅傑健康科技有限公司), a company primarily engaged in food sales, and was primarily responsible for product promotion and sales within a designated region, as well as managing the sales team.

Ms. Zhang obtained a bachelor’s degree in international economics and trade from Concord University College Fujian Normal University (福建師範大學協和學院) in the PRC in June 2012.

Ms. Shen Shuting (申淑婷), aged 38, joined our Company in May 2020 as the person-in-charge of our quality management department, where she was primarily responsible for quality system management and product quality control. From February 2021 to February 2024, she served as the manager of our quality and market operations department, where she was primarily responsible for brand building and public relations and management of our quality system operations. Since February 2024, she has been serving as our senior director of the clinical medicine and quality management department, where she was responsible for our Company’s clinical research management, quality control, and coordination with the general manager’s office.

Prior to joining our Company, since July 2010 to August 2015, she served as a researcher of the R&D department at Wuxi Honghui New Materials Technology Co., Ltd. (無錫洪匯新材料科技股份有限公司), a company primarily engaged in the R&D, manufacturing and sales of vinyl chloride-vinyl acetate copolymer resins, vinyl chloride copolymer emulsions, and their modified water-based series products and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002802). From April 2016 to April 2020, she served as the deputy general manager of Shanghai Jiaoke Zhongchuang Space Management Co., Ltd.* (上海交科眾創空間管理有限公司), where she was responsible for managing an industrial park, providing enterprise services and government liaison.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Shen obtained a bachelor’s degree in polymer materials and engineering from Beijing University of Chemical Technology (北京化工大學) in the PRC in July 2010. She was qualified as an ISO13485:2016 Medical Devices Quality Management System Internal Auditor by TÜVRheinland in August 2020 and a Project Management Professional (PMP) by the Project Management Institute in March 2023.

Ms. Shen was awarded the Third Prize for Scientific and Technological Progress of Wuxi City (無錫市科技進步三等獎) by the Wuxi Municipal People’s Government (無錫市人民政府) in December 2012.

Mr. Fang Chunfu (方春富), aged 33, joined our Company in June 2021 as our mechanical engineer, and was primarily responsible for product design and development. He was appointed as our senior project manager in March 2023 and was further promoted as our project director in February 2024, where he was primarily responsible for our Company’s project planning and management and our clinical application support.

Mr. Fang has over eight years of experience in the medical technology industry. Prior to joining our Company, from June 2017 to June 2021, he served as a mechanical engineer (entry) at Shanghai United Imaging Healthcare Co., Ltd. (上海聯影醫療科技股份有限公司), a company principally focused on medical imaging equipment and the shares of which are listed on the Shanghai Stock Exchange (stock code: 688271).

Mr. Fang obtained a bachelor’s degree in mechanical design, manufacturing and automation from Wuhan Textile University (武漢紡織大學) in the PRC in June 2014. He further obtained a master’s degree in mechanical manufacturing and automation from Southeast University in the PRC in June 2017.

GENERAL

As of the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries,

- (i) save as disclosed above, none of the Directors or senior management has held any directorship in any public company the securities of which are listed on any securities market in Hong Kong or overseas during the three years immediately preceding the date of this document;
- (ii) none of the Directors or members of the senior management of our Company was related to any other Directors and members of the senior management;
- (iii) save as disclosed in “Substantial Shareholders” and “Appendix IV — Statutory and General Information — Further Information about Our Directors and Substantial Shareholders” in this document, none of the Directors or general manager of our Company held any interest in the Shares which would be required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance; and

DIRECTORS AND SENIOR MANAGEMENT

- (iv) there was no additional matter with respect to the appointment of the Directors that needs to be brought to the attention of the Shareholders, and there was no additional information relating to the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

CONFIRMATIONS FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on November 25, 2025, and (ii) understands his or her obligations as a director of a [REDACTED] issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) that his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he or she have no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his/her appointments.

Rule 8.10 of the Listing Rules

From time to time our non-executive Directors may serve on the boards of both private and public companies within the broader healthcare and biopharmaceutical industries. However, as these non-executive Directors are neither our Controlling Shareholders nor members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which they may hold directorships from time to time.

Save as disclosed herein and in the section headed “Relationship with Our Controlling Shareholders,” each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules.

JOINT COMPANY SECRETARIES

Ms. Shi Zheni (史哲擬), aged 32, was appointed as one of our joint company secretaries on November 3, 2025. She joined our Company in August 2023 and has been the Board secretary ever since, in which she is responsible for the management of our Company’s shareholder information and the handling of information disclosure matters. She has been serving as our clinical engineer concurrently.

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Ms. Shi is acquainted with the medical technology industry for an ample period of time. From November 2021 to April 2022, she served as a marketing manager of the pharmaceutical and medical device marketing department at Shanghai Linlic Healthcare Management Co., Ltd.* (上海凌立健康管理股份有限公司), a company primarily focused on health consulting and the shares of which are quoted on the National Equities Exchange and Quotations (stock code: 870008). From April to December 2022, she served as a consultant at the Shanghai Branch of Jinye Tiancheng (Beijing) Technology Co., Ltd.* (金葉天成(北京)科技有限公司上海分公司), a company primarily engaged in medical digital marketing and medical information services.

Ms. Shi obtained a bachelor’s degree in biological sciences from Tsinghua University (清華大學) in the PRC in July 2017. She further obtained a doctoral degree in clinical medicine from the same University in June 2021.

Ms. Nelly Au-Yeung (歐陽麗妮), aged 36, has been appointed as our joint company secretary on November 3, 2025, with effect from the [REDACTED].

Ms. Au-Yeung is a senior manager of company secretarial services of Tricor Services Limited, a global professional services provider specialising in integrated business, corporate and investor services. She has over 10 years of experience in corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

She currently serves as one of the joint company secretaries of Anton Oilfield Services Company, the shares of which are listed on the Stock Exchange (Stock Code: 3337) and Hesai Company, the shares of which are listed on the Stock Exchange (Stock Code: 2525). She is a chartered secretary, a chartered governance professional and an associate of both The Hong Kong Institute of Chartered Governance Institute (“HKCGI”, previously known as the Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom.

Ms. Au-Yeung obtained a bachelor’s degree in art (majoring in economics and finance) from the Hong Kong Shue Yan University in Hong Kong in July 2011. She further obtained a master’s degree in corporate governance from the Hong Kong Polytechnic University in Hong Kong in September 2018.

Ms. Au-Yeung is not an employee of our Company but will coordinate with Ms. Shi, the other joint company secretary, in discharging their duties as the joint company secretaries of our Company.

BOARD COMMITTEES

Our Company has established three committees under the Board in accordance with the relevant laws and regulations in mainland China, the Articles of Association and the code of corporate governance practices under the Listing Rules, including the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee.

DIRECTORS AND SENIOR MANAGEMENT

Audit Committee

Our Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Ms. Li Ling, Mr. Mi Mingjun and Mr. Pang Chun Ming Peter, with Ms. Li Ling serving as the chairperson, whom hold the appropriate professional qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the audit committee are to assist and advise our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Company, overseeing the audit process, review and approve connected transactions and performing other duties and responsibilities as assigned by our Board.

Remuneration and Appraisal Committee

Our Company has established a Remuneration and Appraisal Committee in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Remuneration and Appraisal Committee comprises one executive Director and two independent non-executive Directors, namely Mr. Liu Jian, Ms. Li Ling and Mr. Mi Mingjun, with Ms. Li Ling serving as the chairperson.

The primary duties of the Remuneration and Appraisal Committee include, but are not limited, the following: (i) making recommendations to our Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) determining the specific remuneration packages of all Directors and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Board from time to time.

Nomination Committee

Our Company has established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of Part 2 of Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely Mr. Liu Jian, Ms. Li Ling and Mr. Mi Mingjun, with Mr. Mi Mingjun serving as the chairperson.

The primary duties of the Nomination Committee include, without limitation, reviewing the structure, size and composition of our Board, assessing the independence of independent non-executive Directors and making recommendations to our Board on matters relating to the appointment of Directors.

DIRECTORS AND SENIOR MANAGEMENT

CORPORATE GOVERNANCE CODE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the [REDACTED].

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive should be segregated and should not be performed by the same individual. Mr. Liu currently serves as both the chairman of the Board and the general manager of our Company. While this will constitute a deviation from Code Provision C.2.1 of the Corporate Governance Code, our Board believes that this structure will not impair the balance of power and authority between our Board and the management of our Company, given that (i) our Board comprises three independent non-executive Directors, and we believe there is sufficient check and balance in our Board to protect the interests of our Company and the Shareholders; (ii) Mr. Liu is a Controlling Shareholder, our Directors are of the view that vesting both roles on him helps to maintain the continuity of the policies and the stability of the operations of our Company; and (iii) Mr. Liu has assumed the role of general manager of our Company since July 2019. He has extensive experience in the business operations and management of our Company. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Mr. Liu is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our general manager.

The Board also believes that vesting the roles of both chairman and general manager in the same person has the benefit of (i) ensuring consistent leadership within us, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for us. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this arrangement will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and general manager of the Company at a time when it is appropriate by taking into account the circumstances of us as a whole.

Save as disclosed above, our Directors consider that upon [REDACTED], we will comply with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

BOARD DIVERSITY

We have adopted a board diversity policy (the “**Board Diversity Policy**”) to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a

DIRECTORS AND SENIOR MANAGEMENT

Director, the nomination committee of our Company will consider a range of diversity perspectives with reference to our Company’s business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service.

Our Directors have a balanced mix of knowledge and skills, including but not limited to finance and accounting, research and development, and investment. They obtained degrees in various majors including engineering, law, accounting and economics. Furthermore, our Board has a relatively wide range of ages, ranging from 40 years old to 64 years old and consists of six male members and one female member. The Board is of the view that our Board satisfies the Board Diversity Policy.

The Nomination Committee of our Company is responsible for reviewing the diversity of the Board, reviewing the Board Diversity Policy from time to time, developing and reviewing measurable objectives for implementing the Board Diversity Policy, and monitoring the progress on achieving these measurable objectives in order to ensure that the policy remains effective. Our Company will (i) disclose the biographical details of each Director and (ii) report on the implementation of the Board Diversity Policy (including whether we have achieved board diversity) in its annual corporate governance report. Our Company also intends to promote gender diversity when recruiting staff at the mid to senior level so that our Company will have a pipeline of female senior management and potential successors to the Board. We believe that such merit-based selection process with reference to our diversity policy and the nature of our business will be in the best interests of our Company and our Shareholders as a whole.

KEY TERMS OF EMPLOYMENT CONTRACTS

We normally enter into (i) an employment contract and (ii) a confidentiality and non-competition agreement with our senior management members and other key personnel (other than Directors). Below sets forth the key terms of these contracts we enter into with our senior management and other key personnel.

Confidentiality

The employee shall, during the course of employment with our Company and thereafter, keep in confidence all technical, operational information, supplier and customer information or trade secrets belonging to our Company or other third parties to whom our Company owes confidentiality obligations. Without our Company’s prior consent, the employee shall not leak, disclose, publish, announce, issue, teach, transfer or otherwise make available to any third party (including employees who are not privy to such trade secrets) any such trade secrets of our Company or the aforementioned third parties in any manner and shall not utilize such trade secret beyond his or her scope of work.

DIRECTORS AND SENIOR MANAGEMENT

Non-competition

Within a period from the date of the employee’s departure and during the course of employment by our Company, they shall not, among others, directly or indirectly engage in any business that competes with us. In addition, the employee shall not have any business connection with any our customer during the employment with us. If the employee breaches this provision, we may choose to terminate the employment contract, without compensation, claim all benefits gained by the employee from such breach, demand penalty(ies) from the employee and hold the employee accountable for all of the loss incurred by us as a result of the breach.

Ownership of intellectual property rights

The employee acknowledges and agrees that our Company shall own all intellectual property rights in any invention, work or non-patent technical result that is produced by him or her during the course of employment with our Company for the purposes of undertaking their duties and responsibilities.

Compensation for breach of covenants

If the employee breaches the obligations under the confidentiality and intellectual property covenant, our Company shall be entitled to recover from the employee any losses incurred by the employee as a result of the breaches.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive compensation in the form of salaries and other benefits, retirement benefits scheme contribution, discretionary bonus and share-based payments. Our Directors’ remuneration is determined with reference to the relevant Director’s experience and qualifications, level of responsibility, performance and the time devoted to our business, and the prevailing market conditions.

The aggregate amount of remuneration of our Directors (including director fee, salaries and other benefits, discretionary bonuses, retirement benefit scheme contributions and share-based payments) which was recorded for the years ended December 31, 2023 and 2024 and six months ended June 30, 2025 were approximately RMB0.9 million, RMB5.6 million and RMB0.4 million, respectively.

Under the arrangements currently in force, the aggregate amount of remuneration (including salaries and other benefits, retirement benefits scheme contribution, discretionary bonus and share-based payments) payable by our Company to our Directors for the financial year ending December 31, 2025 is expected to be approximately RMB1.2 million.

DIRECTORS AND SENIOR MANAGEMENT

The five highest paid employees during the December 31, 2023 and 2024 and six months ended June 30, 2025 included nil, one and nil Directors, respectively, and the aggregate amount of remuneration (including salaries and other benefits, retirement benefits scheme contribution, discretionary bonus and share-based payments) which were paid by our Company to the five highest paid employees who are neither a director nor chief executive of our Company were approximately RMB5.1 million, RMB4.8 million and RMB3.9 million, respectively.

During the Track Record Period, (i) no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining our Company, (ii) no compensation was paid to, or receivable by, our Directors, past Directors, past Supervisors, or the five highest paid individuals for the loss of office as director of any member of our Company or any other office in connection with the management of the affairs of any member of our Company, and (iii) there was no arrangement under which a Director has waived or agreed to waive any emoluments.

Except as disclosed above, no other payments have been paid, or are payable, by our Company to our Directors or the five highest paid individuals of our Company during the Track Record Period.

For additional information on Directors’ remuneration during the Track Record Period as well as information on the highest paid individuals, see Notes 9 and 10 to the Accountants’ Report set out in Appendix I to this document.

COMPLIANCE ADVISOR

We have appointed China Everbright Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. The compliance advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, our compliance advisor will advise our Company in certain circumstances including:

- (a) before the publication of any regulatory announcement, circular, or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (c) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where the business activities, development or results of our Company deviate from any forecast, estimate or other information in this document; and
- (d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the [REDACTED] or [REDACTED] of its [REDACTED] securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Rule 3A.24 of the Listing Rules, the compliance advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The compliance advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the applicable requirements under the Listing Rules and laws and regulations.

The term of appointment of our compliance advisor shall commence on the [REDACTED] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

EMPLOYEE INCENTIVE ARRANGEMENTS

In recognition of the contributions of our employees and to incentivize them to further promote our development, Share-based payments were made to certain of our employees in 2023, 2024 and 2025 by granting them partnership interests in Shanghai Ruicong L.P., our employee incentive platform. For further details, please refer to “Appendix IV — Statutory and General Information — Further Information about Our Directors and Substantial Shareholders — Employee Incentive Arrangements” to this document.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Shares Subdivision, [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] and the [REDACTED] are not exercised), the following persons will have interests and/or short positions in the Shares or underlying Shares of our Company, which would be required to be disclosed to us and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of our Company:

LONG POSITIONS IN THE SHARES OF OUR COMPANY

Name	Nature of Interest	Shares interested in as of the Latest Practicable Date		Shares interested in immediately following the completion of the Shares Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming no exercise of the [REDACTED] and the [REDACTED])			
		Number	% of shareholding in the total issued share capital	Number	Description of Shares	% of shareholding in the Unlisted Shares/H Shares ⁽¹⁾	% of shareholding in the total issued share capital ⁽¹⁾
Mr. Liu ⁽²⁾	Beneficial interest	13,102,135	51.43%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	Unlisted Shares	[REDACTED]%	[REDACTED]%
	Interest in controlled corporation	2,164,540	8.50%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Shanghai NSR Leading Private Equity Fund Management Co., Ltd.* (上海新絲路領軍私募基金管理有限公司)(“Shanghai NSR”) ⁽³⁾	Interest in controlled corporation	2,083,828	8.18%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Mr. Wang Maoting (王茂廷) ⁽³⁾	Interest in controlled corporation	2,083,828	8.18%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Mr. Lu Yining (陸逸寧) ⁽⁴⁾	Beneficial interest	2,000,000	7.85%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
	Interest in controlled corporation	165,955	0.65%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Shanghai Ruicong L.P. ⁽²⁾	Beneficial interest	1,666,675	6.54%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%

SUBSTANTIAL SHAREHOLDERS

Notes:

- (1). The calculation is based on the total number of [REDACTED] Unlisted Shares and [REDACTED] H Shares in issue immediately upon completion of the Shares Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares. Unlisted Shares and H Shares are both ordinary Shares of our Company and are considered as one class of Shares.
- (2). As of the Latest Practicable Date, Mr. Liu was the general partner of Shanghai Ruicong L.P. and Shanghai Ruiru L.P., entitling to control the voting rights attached to the Shares held by Shanghai Ruicong L.P. and Shanghai Ruiru L.P., respectively. Hence, Mr. Liu is deemed to be interested in the 1,666,675 Shares (after Shares Subdivision: [16,666,750] Shares) held by Shanghai Ruicong L.P. and the 497,865 Shares (after Shares Subdivision: [4,978,650] Shares) held by Shanghai Ruiru L.P. by virtue of the SFO.
- (3). As of the Latest Practicable Date,
 - (i) Shanghai NSR was the general partner of Xinyu Shangjia Investment Partnership (Limited Partnership)* (新余市上嘉投資合夥企業(有限合夥)) (“**Xinyu Shangjia L.P.**”) and Xinyu Shangrong Equity Investment Partnership (Limited Partnership)* (新余市上容股權投資合夥企業(有限合夥)) (“**Xinyu Shangrong L.P.**”), entitling to control the voting rights attached to the Shares held by Xinyu Shangjia L.P. and Xinyu Shangrong L.P., respectively; and
 - (ii) Shanghai NSR was owned as to approximately 65% by Mr. Wang Maoting, 10% by Mr. Wang Hanlin (an Independent Third Party), 10% by Mr. Wang Yan (an Independent Third Party), and 15% by Shanghai Medico Enterprise Management Partnership (Limited Partnership)* (上海麥迪考企業管理合夥企業(有限合夥)) (a limited liability partnership with Mr. Wang as its sole general partner holding 99% partnership interest therein).

By virtue of the SFO, Mr. Wang Maoting is deemed to be interested in the Shares held by Shanghai NSR, and Shanghai NSR is deemed to be interested in the 1,304,095 Shares (after Shares Subdivision: [13,040,950] Shares) held by Xinyu Shangjia L.P. and the 779,733 Shares (after Shares Subdivision: [7,797,330] Shares) held by Xinyu Shangrong L.P.
- (4). As of the Latest Practicable Date, Mr. Lu Yining held approximately 43.75% equity interests in Wuxi Chirun Technology Co., Ltd.* (無錫馳潤科技有限公司)(“**Wuxi Chirun**”). Accordingly, he is deemed to be interested in the 165,955 Shares (after Shares Subdivision: [1,659,550] Shares) held by Wuxi Chirun by virtue of the SFO.

Save as otherwise disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the Shares Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares, have any interests and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of our Company.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and upon the completion of the Shares Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares.

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered share capital of our Company was RMB25,474,069, comprising 25,474,069 Unlisted Shares with a nominal value of RMB1.00 each.

UPON THE COMPLETION OF THE [REDACTED]

Immediately upon completion of the Shares Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] and the [REDACTED] are not exercised), the share capital of our Company will be as follows:

Description of Shares ⁽¹⁾	Number of Shares	Approximate percentage of the total issued share capital (%)
Unlisted Shares in issue	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares ⁽²⁾ .	[REDACTED]	[REDACTED]
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

Immediately upon completion of the Shares Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] and the [REDACTED] are fully exercised), the share capital of our Company will be as follows:

Description of Shares ⁽¹⁾	Number of Shares	Approximate percentage of the total issued share capital (%)
Unlisted Shares in issue	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares . .	[REDACTED]	[REDACTED]
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

Notes:

- (1). Unlisted Shares and H Shares are both ordinary Shares of our Company, and are considered as one class of Shares.

SHARE CAPITAL

SHARES OF OUR COMPANY

Upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares, the share capital of our Company will consist of Unlisted Shares and H Shares. Unlisted Shares and H Shares are both ordinary Shares in the share capital of our Company and are regarded as the same class of Shares under the Articles of Association. However, the H Shares generally may not be subscribed for by, or traded between, legal or natural persons of the PRC, apart from certain qualified domestic institutional [REDACTED] in the PRC, the qualified PRC [REDACTED] under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold the H Shares pursuant to relevant PRC laws and regulations or upon approval by any competent authorities.

RANKING

Unlisted Shares and the H Shares carry the same rights and will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be declared in RMB and paid by our Company in Hong Kong dollars or RMB, whereas all dividends for Unlisted Shares will be paid in RMB. Other than cash, dividends could also be paid in the form of Shares or a combination of cash and Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

Upon completion of the [REDACTED], all our Unlisted Shares (other than those converted to H Shares) are not [REDACTED] or [REDACTED] on any stock exchange. The holders of our Unlisted Shares may convert their Shares into H Shares provided that such conversion shall have gone through the requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s), and shall complete the filing process procedure with CSRC. The [REDACTED] of such converted Shares on the Stock Exchange will also require the approval of the Stock Exchange.

In accordance with the Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請“全流通”業務指引》) (the “**Full Circulation Guidelines**”) published and implemented by the CSRC on November 14, 2019 and amended on August 10, 2023 and the Overseas Listing Trial Measures, domestic unlisted shares of H-share companies (including domestic unlisted shares held by domestic shareholders prior to the overseas listing, domestic unlisted shares further issued in the PRC after the overseas listing and unlisted shares held by foreign shareholders) could be listed and traded on the Stock Exchange after application to file with the CSRC. The Full Circulation Guidelines are applicable to domestic companies listed on the Stock Exchange only and not applicable to companies dual listed in the PRC and on the Stock Exchange.

SHARE CAPITAL

Upon completion of the Shares Subdivision and the [REDACTED], [REDACTED] Unlisted Shares held by certain Shareholders will be converted into H Shares on a one-for-one basis. The conversion of these Unlisted Shares into H Shares has been filed with CSRC and the CSRC issued notice of filing on [●] and an application has been made to the [REDACTED] Committee for such H Shares to be [REDACTED] on the Stock Exchange. Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the [REDACTED] of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the [REDACTED]. With respect to any [REDACTED] of additional Shares after our [REDACTED] on the Stock Exchange, it will not require prior application with the Stock Exchange for [REDACTED] at the time of our [REDACTED] in Hong Kong. No class Shareholder voting is required for the [REDACTED] and [REDACTED] of the converted Shares on the Stock Exchange. Any application for [REDACTED] of the converted Shares on the Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

After all the requisite approvals having been obtained, the following procedures will need to be completed: the relevant Unlisted Shares will be withdrawn from the Share register and we will re-register such Shares on our [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to issue [REDACTED]. Registration on our [REDACTED] will be on the condition that (a) our [REDACTED] lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the [REDACTED] of members and the due dispatch of [REDACTED], and (b) the admission of the H Shares to [REDACTED] on the Stock Exchange will comply with the Listing Rules and the [REDACTED] and [REDACTED] in force from time to time. Until the converted Shares are re-registered on our [REDACTED], such Shares would not be [REDACTED] as H Shares.

For further details, see “Risk Factors — Risks Relating to the [REDACTED] — Future sales or perceived sales of substantial amounts of our H Shares in the [REDACTED] following the [REDACTED] could have a material adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future, and may result in dilution of your shareholding.”

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

The PRC Company Law provides that in relation to the public share offering of a company, the shares of the company which have been issued prior to the offering shall not be transferred within one year from the date of the listing. Accordingly, Shares issued by our Company prior to the [REDACTED], shall be subject to this statutory restriction and shall not be transferred for a period of one year from the [REDACTED].

Pursuant to the PRC Company Law, Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in

SHARE CAPITAL

our Company cannot be transferred within one year from the date on which the H Shares are [REDACTED] and [REDACTED], nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions on the transfer of our Shares held by our Directors, Supervisors and members of senior management, a summary of which is set out in “Appendix III — Summary of the Articles of Association.”

SHAREHOLDER’S GENERAL MEETINGS

For details of circumstances under which our general Shareholders’ meeting is required, see “Appendix III — Summary of the Articles of Association.”

GENERAL MANDATES TO ISSUE SHARES, SELL AND/OR TRANSFER TREASURY SHARES AND REPURCHASE SHARES

Subject to the completion of the [REDACTED], our Board has been granted general unconditional mandates to issue our Shares and sell and/or transfer our Shares out of treasury that are held as treasury shares and repurchase our Shares.

For details, see “Appendix IV — Statutory and General Information — Further Information about Our Company — Shareholders’ Resolutions.”

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with financial statements, including the notes thereto included in the Accountants’ Report in Appendix I to this document and the selected historical financial information presented elsewhere to this document. Our financial statements were prepared in accordance with HKFRSs.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make considering our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in the sections headed “Risk Factors”, “Forward-Looking Statements” and elsewhere in this document.

OVERVIEW

We are a pioneer and leading player in percutaneous puncture surgical robot market in China, according to CIC. We primarily engage in R&D, production and commercialization of percutaneous puncture surgical robots. We obtained Class III medical device registration certificate in 2024 for our RC120. RC120 is a surgical robot independently developed by us to assist doctors in navigation and positioning in adult lung percutaneous puncture surgeries and features 7-degree-of-freedom robot platform, operative precision, safety and efficiency. We provided RC120 to hospitals for clinical use during the Track Record Period. As of the Latest Practicable Date, we were in the clinical evaluation stage for the indication expansion to adult abdominal solid organ percutaneous puncture surgeries and in the preclinical development stage for nine projects in relation to RC100, indication expansions and function upgrade. In addition, as of the Latest Practicable Date, our consumable product portfolio primarily consisted of three types of consumables in registration application stage and one type of consumables in pre-clinical development stage.

During the Track Record Period, we only had one customer who engaged us to provide one-off technical support services in 2023. We generated revenue of RMB0.2 million, nil, nil and nil in 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. Our net loss was RMB34.2 million, RMB37.0 million, RMB19.1 million and RMB18.1 million in 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

FINANCIAL INFORMATION

BASIS OF PRESENTATION

Our Company was established in the PRC as a limited liability company on March 28, 2019. On November 17, 2025, the Company was converted into a joint stock company with limited liability under the Company Laws of the PRC. Our historical financial information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the HKICPA. All HKFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by our Company in the preparation of the historical financial information throughout the Track Record Period and the interim comparative financial information of our Company for the six months ended June 30, 2024 and other explanatory information.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations have been, and will continue to be, affected by a number of factors, including those set out below.

Growth and Competitive Landscape of Surgical Robot Market in China

Our financial performance and future growth depend on the overall growth of surgical robot market, as well as changes in its competitive landscape. In China, the surgical robot market is still at an emerging stage, but with significant growth potential. The surgical robot market in China reached approximately RMB6.7 billion in 2024 and is projected to grow to RMB55.7 billion by 2032, representing a CAGR of 30.2%. In particular, we expect the market segments for percutaneous puncture surgical robots to continue to grow. The market size of percutaneous puncture surgical robots in China reached approximately RMB12.6 million in 2024 and is projected to surge to RMB1,503.6 million by 2032, representing a CAGR of 81.8%. For details, see “Industry Overview.”

In addition, our position and changes in the competitive landscape in the surgical robot market in China will also impact our results of operations. We are a domestic pioneer in the fast-growing percutaneous puncture surgical robot industry in China. Our RC120, is approved and recently commercialized. We face competition with international and domestic surgical robot companies, especially those focused on percutaneous puncture surgical robots. The market incumbents and the development of their products may affect our market position and demand for our products, which may in turn affect our results of operations. In addition, new competitors may emerge with potentially superior products, which may affect our competitive advantages and in turn affect our results of operations.

FINANCIAL INFORMATION

Development and Commercialization of Our Pipeline Products

Our business and results of operations depend on our ability to successfully advance the development of our pipeline products. We received NMPA approval of RC120 in 2024 and recently commercialized the product, but our other pipeline products are still at different stages of development. For more information on the development status of our pipeline products, see “Business — Our Product Portfolio.” Whether our pipeline products can demonstrate favorable safety and efficacy clinical evaluation results, whether we can obtain the requisite regulatory approvals for our pipeline products in time, and whether we can build a sales and marketing network to commercialize our products successfully are crucial for our business and results of operations.

R&D Costs

Our results of operations are significantly affected by our ability to control our costs and expenses, particularly, R&D costs. Since our inception, we have focused our resources on R&D activities. The development of medical devices requires significant investment of resources over a prolonged period of time, and we intend to continue making sustained investments in this area. We have devoted significant resources to R&D activities, and our pipeline of product candidates have been steadily advancing and expanding. Our current R&D activities mainly relate to indication expansions and function upgrade of percutaneous puncture surgical robot product candidates and other relevant consumable product candidates. For details, see “Business — Research and Development” in this document. In 2023, 2024 and the six months ended June 30, 2024 and 2025, we incurred R&D costs of RMB23.9 million, RMB19.0 million, RMB9.2 million and RMB9.1 million, respectively. For the same years or periods, our R&D costs accounted for 67.7%, 49.5%, 46.3% and 49.6% of our total costs and expenses, respectively. In 2023, 2024 and the six months ended June 30, 2024 and 2025, we recorded RMB7.9 million, RMB11.2 million, RMB3.9 million and RMB7.7 million, respectively, in R&D costs for our Core Product. We expect that our R&D costs will continue to contribute to a large proportion of our total operating expenses for the foreseeable future as we move pipeline products currently at preclinical stage into more advanced clinical evaluation stage.

Administrative Expenses

Our financial results are also significantly affected by our administrative expenses. We incurred administrative expenses of RMB8.3 million, RMB13.7 million, RMB8.6 million and RMB5.3 million in 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The share-based compensation expenses amounted to RMB0.7 million, RMB7.0 million, RMB5.4 million and RMB1.8 million in 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, representing 8.3%, 51.4%, 62.1% and 34.6% of our total administrative expenses for the same years or periods, respectively. As a result, issuance of share incentives during the Track Record Period had and will continue to have an impact on our administrative expenses. We expect to continue to incur considerable administrative expenses for ordinary course of business in the future to support our growing business scale. We also anticipate our administrative expenses for ordinary course of business, in particular, expenses in legal, compliance, accounting, recruitment, and investor and public relations areas, will increase as we operate as a public company following the completion of the [REDACTED].

FINANCIAL INFORMATION

Funding for Our Operation

During the Track Record Period, we primarily funded our working capital requirements through equity financing. Going forward, in the event of the successful commercialization of our product candidates, we expect to fund our operations in part with revenue generated from sales of our commercialized products. However, with the continuing expansion of our business, we may require further funding through public or private offerings, debt financing or other sources. Any fluctuation in the funding for our operations will impact our cash flow plan and our results of operations.

SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

This discussion and analysis of our financial position and results of operations is based on our financial statements, which have been prepared in accordance with HKFRS. The preparation of our financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each year or period of the Track Record Period. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Our more critical accounting policies and significant estimates and assumptions are described below. See Note 2 and Note 3 to the Accountants’ Report in Appendix I to this document for further details on our accounting policies and estimates.

Our management has identified below the accounting policies and estimates that they believe are critical to the preparation of our historical financial information:

Significant accounting policies

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. Revenue from testing services is recognized at the point in time when the service is provided and accepted by the customer.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is recognized and deferred only when we can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

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Share-based payments

In recognition of the contributions of our employees and to incentivize them to further promote our development, Share-based payments were made to certain of our employees in 2023, 2024 and 2025 by granting them partnership interests in Shanghai Ruicong L.P., our employee incentive platform, whereby employees render services as consideration for equity instruments (“**equity-settled transactions**”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a discounted cash flow model.

The cost of equity-settled transactions is recognized in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and our best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the our best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is canceled, it is treated as if it had vested on the date of cancelation, and any expense not yet recognized for the award is recognized immediately.

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Critical accounting and estimates

Impairment of non-financial assets

We assess whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, our management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Estimation of grant date fair value of restricted shares

We granted restricted shares to our director and employees during the Track Record Periods. We have engaged an independent valuer to evaluate the grant date fair value of the restricted shares, which is determined based on the fair value of our ordinary shares at the grant date of the award. Estimation of the fair value of our ordinary shares involves significant assumptions, such as risk-free interest rate and weighted average cost of capital, that might not be observable in the market, and it could have a significant impact on the share-based payment expenses charged to profit or loss.

Leases — Estimating the incremental borrowing rate

We cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that we would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what we “would have to pay”, which requires estimation when no observable rates are available (such as for companies that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in our functional currency). We estimate the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as our stand-alone credit rating).

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Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth our statements of profit or loss and other comprehensive income for the periods indicated:

	Year ended December 31,		For the six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	
Revenue	156	—	—	—
Cost of sales	(33)	—	—	—
Gross profit	123	—	—	—
Other income and gains	871	1,157	776	129
Research and development costs	(23,861)	(18,904)	(9,204)	(9,053)
Selling and distribution expenses	(2,919)	(5,280)	(1,882)	(3,756)
Administrative expenses	(8,327)	(13,685)	(8,648)	(5,334)
Other expenses	(1)	—	—	(1)
Finance costs	(97)	(287)	(130)	(106)
Loss before tax	(34,211)	(36,999)	(19,088)	(18,121)
Income tax expense	—	—	—	—
Loss and total comprehensive loss for the year/period	(34,211)	(36,999)	(19,088)	(18,121)

FINANCIAL INFORMATION

DESCRIPTION OF MAJOR COMPONENTS IN OUR STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

During the Track Record Period, we only had one customer who engaged us to provide one-off technical support services in 2023 and we recorded revenue of RMB0.2 million in 2023.

Cost of sales

During the Track Record Period, our cost of sales primarily consisted of staff cost in relation to the one-off technical support services we provided in 2023.

Gross profit and gross profit margin

During the Track Record Period, we recorded gross profit of RMB0.1 million and gross profit margin of 78.8% in 2023 from the one-off technical support services we provided.

Other income and gains

During the Track Record Period, our other income and gains primarily consisted of other income including (i) government grants, which were generally non-recurring, (ii) bank interest income, and (iii) others mainly in relation to refund of individual income tax processing fees, as well as gains and losses, including net foreign exchange gains or losses in connection with the transfer of USD capital account funds into RMB special accounts for our business operations. The following table sets forth a breakdown of our other income and gains for the periods indicated.

	Year ended December 31,		For the six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	
<u>Other Income</u>				
Government grants	202	472	204	150
Bank interest income	80	144	130	9
Others	10	18	18	—
	292	634	352	159
<u>Gains/(losses)</u>				
Foreign exchange differences, net	579	523	424	(30)
Total other income and gains . .	<u>871</u>	<u>1,157</u>	<u>776</u>	<u>129</u>

FINANCIAL INFORMATION

R&D costs

During the Track Record Period, our R&D costs consisted of (i) staff cost mainly representing salaries and benefits incurred for our R&D personnel; (ii) share-based payment expenses incurred for R&D employees; (iii) depreciation and amortization expenses mainly associated with R&D offices, laboratories, and equipment; (iv) material expenses incurred in relation to the purchase of materials used in R&D activities and testing; (v) project service expenses mainly in relation to consultation, design and other technical support services provided by relevant third-party service suppliers; (vi) testing expenses primarily covering costs of type test and other testing-related technical support for R&D projects; (vii) intellectual property and patent application expenses including patent agency fees, application fees, and annual fees for R&D-related intellectual property; (viii) clinical study expenses related to clinical trial operations, including those incurred for CROs, clinical sites, and trial-related medical monitoring and data management services; (ix) renovation expenses; (x) medical device production registration expenses; and (xi) others primarily consisting of miscellaneous costs.

For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025, we incurred R&D costs of RMB23.9 million, RMB18.9 million, RMB9.2 million and RMB9.1 million, respectively. For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our R&D costs attributable to our Core Product were RMB7.9 million, RMB11.2 million, RMB3.9 million and RMB7.7 million, respectively, accounting for 33.0%, 59.2%, 42.3% and 84.3% of our total R&D costs in the respective period. Our R&D costs attributable to our Core Product increased from RMB7.9 million in 2023 to RMB11.2 million in 2024, and increased from RMB3.9 million for the six months ended June 30, 2024 to RMB7.7 million for the six months ended June 30, 2025, primarily due to our continuous R&D efforts in expanding indications, upgrading its functions and diversifying the models of RC120.

The following table sets forth a breakdown of our R&D costs for the periods indicated.

	Year ended December 31,		For the six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	
Staff cost	12,123	11,484	5,851	5,287
Share-based payment expenses .	2,831	4,174	1,741	2,550
Depreciation and amortization expenses	969	774	428	371
Material expenses	5,196	1,398	468	209
Project service expenses	1,020	585	460	205
Testing expenses	125	32	32	138
Intellectual property and patent application expenses	302	205	89	130
Clinical study expenses	616	25	—	100
Renovation expenses	227	115	92	8
Medical device production registration expenses	267	—	—	—
Others	185	112	43	55
	23,861	18,904	9,204	9,053

FINANCIAL INFORMATION

Selling and distribution expenses

During the Track Record Period, our selling and distribution expenses consisted of (i) staff cost representing salaries, bonuses and welfare expenses incurred for our sales and marketing personnel; (ii) share-based payment expenses incurred for employees engaged in sales and marketing activities; (iii) labor outsourcing expenses; (iv) traveling and business-related expenses including costs incurred during customer visits, technical exchanges, and contract negotiations; (v) depreciation and amortization expenses related to puncture surgical robots provided to hospitals for clinical use, office equipment and assets used in sales operations; and (vi) others primarily consisting of miscellaneous expenses.

The following table sets forth a breakdown of our selling and distribution expenses for the periods indicated.

	Year ended December 31,		For the six months ended June 30,	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(Unaudited)</i>	
Staff cost	2,357	2,364	1,177	1,039
Share-based payment expenses	—	758	58	860
Labor outsourcing expenses	—	117	—	747
Traveling and business-related expenses	487	1,624	625	815
Depreciation and amortization expenses	10	88	9	167
Others	64	329	13	128
	<u>2,919</u>	<u>5,280</u>	<u>1,882</u>	<u>3,756</u>

Administrative expenses

During the Track Record Period, our administrative expenses consisted of (i) staff cost mainly representing salaries, bonuses, and welfare expenses incurred for administrative personnel, (ii) share-based payment expenses incurred for administrative employees; (iii) depreciation and amortization expenses related to office facilities and equipment; (iv) service fees including those incurred for professional service providers for legal, financial, and regulatory matters; (v) office and utilities expenses; (vi) traveling and business-related expenses incurred during operational activities and professional engagements and (vii) others primarily consisting of miscellaneous expenses.

FINANCIAL INFORMATION

The following table sets forth a breakdown of our administrative expenses for the periods indicated.

	Year ended December 31,		For the six months ended June 30,	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(Unaudited)</i>	
Staff cost	5,358	4,677	2,393	2,365
Share-based payment expenses .	688	7,032	5,367	1,848
Depreciation and amortization expenses	943	1,000	538	628
Service fees	401	215	49	73
Office and utilities expenses . .	427	371	192	147
Traveling and business-related expenses	382	153	65	34
Others	128	238	44	238
	<u>8,327</u>	<u>13,685</u>	<u>8,648</u>	<u>5,334</u>

Other expenses

During the Track Record Period, our other expenses were mainly non-recurring costs incurred during our operations, which mainly comprised late payment penalties for stamp duty in 2023 and late payment penalties for tax filing in 2025. Our other expenses was RMB1,000, nil, nil and RMB1,000, respectively, for the years ended December 31, 2023 and 2024, and for the six months ended June 30, 2024 and 2025.

FINANCIAL INFORMATION

Finance costs

During the Track Record Period, our finance costs primarily consisted of (i) interest expenses on lease liabilities, and (ii) interest expenses on bank loans.

The following table sets forth a breakdown of our finance costs for the periods indicated.

	Year ended December 31,		For the six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	
Interest expenses on lease liabilities	97	53	33	35
Interest on bank loans	—	234	97	71
Total	97	287	130	106

Income tax expense

Under the PRC Enterprise Income Tax Law (the “EIT Law”) and Implementation Regulation of the EIT Law, the Enterprise Income Tax (“EIT”) rate is 25% for entities operating in Mainland China. The Company is subject to tax at a rate of 25%. No China income tax was provided for as our Company was in loss position and had no estimated assessable profits during the Track Record Period.

RESULTS OF OPERATIONS

Six months ended June 30, 2025 compared to six months ended June 30, 2024

Revenue

Our revenue was nil for the six months ended June 30, 2024 and 2025 because we remained in the process of commercializing of our products.

Cost of sales

Our cost of sales was nil for the six months ended June 30, 2024 and 2025 because we remained in the process of commercializing of our products and did not incur any cost of sales.

Gross profit and gross profit margin

Our gross profit and gross profit margin were nil for the six months ended June 30, 2024 and 2025 because we remained in the process of commercializing of our products.

FINANCIAL INFORMATION

Other income and gains

Our other income and gains decrease from RMB0.8 million for the six months ended June 30, 2024 to RMB0.1 million for the six months ended June 30, 2025, primarily because (i) the net foreign exchange differences changed from gains of RMB0.4 million for the six months ended June 30, 2024 to losses of RMB30,000 for the six months ended June 30, 2025 mainly due to the decrease in our US capital account balance to support our business operation and the depreciation of USD against RMB, and (ii) the bank interest income decreased from RMB0.1 million for the six months ended June 30, 2024 to RMB9,000 for the six months ended June 30, 2025 mainly because of the decrease in our average bank balance to fund our business operation.

R&D costs

Our R&D costs remained relatively stable and were RMB9.2 million for the six months ended June 30, 2024 and RMB9.1 million for the six months ended June 30, 2025, respectively.

Selling and distribution expenses

Our selling and distribution expenses increased from RMB1.9 million for the six months ended June 30, 2024, to RMB3.8 million for the six months ended June 30, 2025, primarily because of an increase in share-based payment expenses from RMB58,000 for the six months ended June 30, 2024 to RMB0.9 million for the six months ended June 30, 2025 mainly due to an increase in the amortization expenses of shares granted to our sales personnel primarily reflecting additional share grants, and an increase in labor outsourcing expenses from nil for the six months ended June 30, 2024 to RMB0.8 million for the six months ended June 30, 2025.

Administrative expenses

Our administrative expenses decreased from RMB8.6 million for the six months ended June 30, 2024, to RMB5.3 million for the six months ended June 30, 2025, primarily due to a decrease in share-based payment expenses which decreased from RMB5.4 million for the six months ended June 30, 2024 to RMB1.8 million for the six months ended June 30, 2025 primarily because we granted incentive shares to one of our senior management for the six months ended June 30, 2024 which were fully vested immediately in the same period, while we did not have any similar incentive shares fully vested for the six months ended June 30, 2025.

Finance costs

Our finance costs was RMB0.1 million for the six months ended June 30, 2024 and 2025, and remained relatively stable.

FINANCIAL INFORMATION

Income tax expense

Our income tax expense was nil for the six months ended June 30, 2024 and 2025 because we remained in the process of commercializing of our products, and did not record any taxable income.

Loss for the period

As a result, our loss for the period decreased by 5.1% from RMB19.1 million for the six months ended June 30, 2024 to RMB18.1 million for the six months ended June 30, 2025.

Year ended December 31, 2024 compared to year ended December 31, 2023

Revenue

Our revenue decreased from RMB0.2 million for the year ended December 31, 2023 to nil for the year ended December 31, 2024 because we remained in the process of commercializing of our products, and the RMB0.2 million revenue recorded for the year ended December 31, 2023 was from the provision of one-off technical support services.

Cost of sales

Our cost of sales decreased from RMB33,000 for the year ended December 31, 2023 to nil for the year ended December 31, 2024, because we remained in the process of commercializing of our products and did not incur any cost of sales for the year ended December 31, 2024.

Gross profit and gross profit margin

Our gross profit decreased from RMB0.1 million, with a gross profit margin of 78.8% for the year ended December 31, 2023 to nil for the year ended December 31, 2024, because we remained in the process of commercializing of our products for the year ended December 31, 2024.

Other income and gains

Our other income and gains increased from RMB0.9 million for the year ended December 31, 2023 to RMB1.2 million for the year ended December 31, 2024, primarily because of an increase in government grants from RMB0.2 million for the year ended December 31, 2023 to RMB0.5 million for the year ended December 31, 2024, mainly due to an increase in government grants which intended to incentivize specialized innovative technology companies.

FINANCIAL INFORMATION

R&D costs

Our R&D costs decreased from RMB23.9 million for the year ended December 31, 2023 to RMB18.9 million for the year ended December 31, 2024, primarily because of the decrease in material expenses from RMB5.2 million for the year ended December 31, 2023 to RMB1.4 million for the year ended December 31, 2024 and the decrease in project services expenses from RMB1.0 million for the year ended December 31, 2023 to RMB0.6 million for the year ended December 31, 2024, both of which were primarily due to the suspension of certain R&D projects which called for significant funding.

Selling and distribution expenses

Our selling and distribution expenses increased from RMB2.9 million for the year ended December 31, 2023, to RMB5.3 million for the year ended December 31, 2024, mainly due to an increase in traveling and business-related expenses from RMB0.5 million for the year ended December 31, 2023 to RMB1.6 million for the year ended December 31, 2024, because of our greater marketing efforts in 2024, as well as an increase in share-based payment expenses from nil for the year ended December 31, 2023 to RMB0.8 million for the year ended December 31, 2024, mainly due to an increase in the amortization expenses of shares granted to sales and marketing personnel.

Administrative expenses

Our administrative expenses increased from RMB8.3 million for the year ended December 31, 2023 to RMB13.7 million for the year ended December 31, 2024, mainly due to an increase in share-based payment expenses from RMB0.7 million for the year ended December 31, 2023 to RMB7.0 million for the year ended December 31, 2024 primarily because we granted incentive shares to one of our senior management for the year ended December 31, 2024 which were fully vested immediately in the same year while we did not have any similar incentive share grants for the year ended December 31, 2023, partially offset by a decrease in staff cost from RMB5.4 million for the year ended December 31, 2023 to RMB4.7 million for the year ended December 31, 2024, mainly because we incurred a higher level of annual bonus for the year ended December 31, 2023 compared to the year ended December 31, 2024.

Finance costs

Our finance costs increased from RMB0.1 million for the year ended December 31, 2023 to RMB0.3 million for the year ended December 31, 2024, primarily due to an increase in loan interest because we obtained bank loans of RMB15.0 million from commercial banks for the year ended December 31, 2024.

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Income tax expense

Our income tax expense was nil for the year ended December 31, 2023 and 2024 because we remained in the process of commercializing of our products and did not record any taxable income.

Loss for the year

As a result, our loss for the year increased by 8.2% from RMB34.2 million for the year ended December 31, 2023 to RMB37.0 million for the year ended December 31, 2024.

DESCRIPTION OF MAJOR LINE ITEMS IN OUR STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our statements of financial position as of the dates indicated, which has been extracted from the Accountants’ Report set out in Appendix I to this document:

	As of December 31,		As of June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total current assets	45,353	28,449	18,703
Total non-current assets	7,477	8,503	11,683
Total assets	52,830	36,952	30,386
Total current liabilities	6,106	15,881	21,528
Total non-current liabilities	761	143	793
Total liabilities	6,867	16,024	22,321
Net current assets/(liabilities)	39,247	12,568	(2,825)
Net assets	45,963	20,928	8,065
Paid-in capital	24,893	24,893	24,893
Reserves/(Deficits)	21,070	(3,965)	(16,828)
TOTAL EQUITY	45,963	20,928	8,065

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The following table sets forth our current assets, current liabilities and net current assets or liabilities as of the dates indicated:

	As of December 31,		As of	As of
	2023	2024	June 30,	October 31,
			2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Current Assets				
Inventories	417	1,272	1,863	900
Trade receivables	165	73	73	—
Prepayments, other receivables and other assets	744	471	1,334	1,526
Cash and cash equivalents	44,027	26,633	15,433	71,303
	<u>45,353</u>	<u>28,449</u>	<u>18,703</u>	<u>73,729</u>
Current Liabilities				
Trade payables	464	490	1,625	1,250
Other payables and accruals . . .	4,808	4,835	11,059	10,186
Interest-bearing bank borrowings	—	10,000	—	—
Contract liabilities	—	—	7,965	7,600
Lease liabilities	834	556	879	875
	<u>6,106</u>	<u>15,881</u>	<u>21,528</u>	<u>19,911</u>
Net Current				
Assets/(Liabilities)	<u>39,247</u>	<u>12,568</u>	<u>(2,825)</u>	<u>53,818</u>

Our net current assets decreased from RMB39.2 million as of December 31, 2023 to RMB12.6 million as of December 31, 2024 primarily because of (i) a decrease in cash and cash equivalents from RMB44.0 million as of December 31, 2023 to RMB26.6 million as of December 31, 2024 mainly due to funding our daily operations and (ii) an increase in interest-bearing bank borrowings from nil as of December 31, 2023 to RMB10.0 million as of December 31, 2024 mainly due to the loan we drew down in 2024 to support our business operation.

We had net current liabilities of RMB2.8 million as of June 30, 2025 compared to net current assets of RMB12.6 million as of December 31, 2024 primarily because of a decrease in cash and cash equivalents from RMB26.6 million as of December 31, 2024 to RMB15.4 million as of June 30, 2025 mainly due to funding our daily operations, which is partially offset by a decrease in interest-bearing bank borrowings from RMB10.0 million as of December 31, 2024 to nil as of June 30, 2025, primarily because we repaid the loan in the six months ended June 30, 2025.

FINANCIAL INFORMATION

Property, plant and equipment

Our property, plant and equipment primarily consisted of (i) machinery equipment, (ii) motor vehicles, (iii) electronic equipment, (iv) furniture and fixtures and (v) leasehold improvements. The following table sets forth a breakdown of the net book value of our property, plant and equipment as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Machinery equipment	1,257	3,704	6,290
Motor vehicles	78	37	16
Electronic equipment	491	297	193
Furniture and fixtures	229	175	149
Leasehold improvements	1,038	500	261
Total	<u>3,093</u>	<u>4,713</u>	<u>6,909</u>

Our property, plant and equipment increased from RMB3.1 million as of December 31, 2023, to RMB4.7 million as of December 31, 2024, and RMB6.9 million as of June 30, 2025. The increases in our property, plant and equipment during the Track Record Period were primarily due to the increases in our machinery equipment which were the result of the reclassification of our products provided to hospitals for clinical use as a party of our sales and marketing strategy from inventory to our property, plant and equipment.

Inventories

Our inventories primarily consisted of (i) raw materials such as parts and components of our products, and (ii) finished goods.

The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	417	78	1,863
Finished goods	—	1,194	—
Total	<u>417</u>	<u>1,272</u>	<u>1,863</u>

Our inventories increased from RMB0.4 million as of December 31, 2023 to RMB1.3 million as of December 31, 2024 mainly attributable to an increase in our finished goods, representing our newly produced RC120 products.

FINANCIAL INFORMATION

Our inventories then increased to RMB1.9 million as of June 30, 2025, mainly due to our procurement of parts and components of our RC120 products. We do not have any applicable inventory turnover days for the year ended December 31, 2024 and for the six months ended June 30, 2025 because we did not have cost of sales in the same periods. Our inventory turnover days for the year ended December 31, 2023 are not meaningful because the inventories of raw materials were not relevant to the cost of sales from one-off technical support services we provided for the year ended December 31, 2023.

As of October 31, 2025, RMB0.2 million, or 11.6% of our inventories as of June 30, 2025 had been utilized or sold.

Trade receivables

Our trade receivables primarily represent the outstanding amounts due to us from our customers for our one-off technical support services.

The following table sets forth a breakdown of our trade receivables as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	165	73	73
Total	165	73	73

Our trade receivables decreased from RMB0.2 million as of December 31, 2023 to RMB73,000 as of December 31, 2024, and remained at RMB73,000 as of June 30, 2025. They mainly represented fee receivables for one-off technical support services we provided and subsequent collection of fees receivable.

Our trade receivables had no recent history of default amounts. In addition, there is no significant change in the economic factors based on the assessment of the forward-looking information, so our Directors are of the opinion that the ECLs in respect of these balances are minimal. The balances are interest-free and are not secured with collateral.

FINANCIAL INFORMATION

The following table sets forth the aging analysis of our trade receivables as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	165	–	–
1 to 2 years	–	73	–
2 to 3 years	–	–	73
	<u>165</u>	<u>73</u>	<u>73</u>

For trade receivables that do not contain a significant financing component or when we apply the practical expedient of not adjusting the effect of a significant financing component, we apply the simplified approach in calculating ECLs. Under the simplified approach, we do not track changes in credit risk, but instead recognize a loss allowance based on lifetime ECLs at each reporting date.

The following table sets forth the turnover days of our trade receivables for the periods indicated:

	For the year ended December 31,		For the six months ended June 30,
	2023	2024	2025
Trade receivables turnover days ⁽¹⁾	193.0	N/A ⁽²⁾	N/A ⁽²⁾

Notes:

- (1) Trade receivables turnover days are calculated by dividing the average of the opening and closing balance of trade receivables by revenue and multiplying by 365 days or 180 days, where appropriate.
- (2) Trade receivables turnover days are not available for the year ended December 31, 2024 and for the six months ended June 30, 2025 because we did not have revenue in the periods.

Our average trade receivables turnover days were 193.0 days for the year ended December 31, 2023.

As of October 31, 2025, RMB73,000, or 100.0% of our trade receivables as of June 30, 2025 was settled.

FINANCIAL INFORMATION

Prepayments, other receivables and other assets

The prepayments, other receivables and other assets mainly represent (i) prepayments to suppliers, which primarily consist of advance payments for raw material and services procurement, (ii) deductive input value-added tax, which is expected to be offset against future output VAT, arising from specific transactions such as procurement of R&D and production materials, clinical trials, clinical registrations, and inspection and testing services, (iii) deposits, which primarily comprise office leasing deposits and other miscellaneous receivables related to deposits, (iv) staff advance, which mainly include advances made for portion of social insurance and housing fund contributions withheld, (v) long-term deposits, which mainly include long-term lab premise leasing deposits, and (vi) long-term prepaid expenses, which mainly include prepayments for third-party software system maintenance services.

The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,		As of June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Prepayments	738	287	352
Deductive input value-added tax	–	184	920
Deposits	6	–	45
Staff advance	–	–	17
Total-current	744	471	1,334
Non-current			
Long-term deposits	214	214	169
Long-term prepaid expenses	350	157	62
Deductible input value-added tax	1,747	2,408	2,271
Total-non-current	2,311	2,779	2,502
Total	3,055	3,250	3,836

Our prepayments, other receivables and other assets increased from RMB3.1 million as of December 31, 2023 to RMB3.3 million as of December 31, 2024, mainly due to an increase in non-current deductive input value-added tax from RMB1.7 million as of December 31, 2023 to RMB2.4 million as of December 31, 2024, primarily because of our procurement of materials and services for purpose of R&D and production.

Our prepayments, other receivables and other assets increased from RMB3.3 million as of December 31, 2024 to RMB3.8 million as of June 30, 2025, mainly due to an increase in current deductive input value-added tax to RMB0.9 million as of June 30, 2025 primarily because of our procurement of materials and services for purpose of R&D and production.

FINANCIAL INFORMATION

Cash and cash equivalents

Our cash and cash equivalents decreased from RMB44.0 million as of December 31, 2023 to RMB26.6 million as of December 31, 2024. Our cash and cash equivalents further decreased to RMB15.4 million as of June 30, 2025. The decreases in our cash and cash equivalents were primarily due to funding our business operations and our repayment of bank borrowings.

Trade payables

Our trade payables primarily mainly represent balances due to our suppliers of raw materials.

	As of December 31,		As of June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	464	490	1,625
Total	464	490	1,625

Our trade payables remained stable and was RMB0.5 million as of December 31, 2023 and, 2024, respectively.

Our trade payables increased to RMB1.6 million as of June 30, 2025, primarily due to our purchase of raw materials for production.

The following table sets forth an aging analysis of our trade payables based on the purchase time as of the date indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	464	490	1,608
1 to 2 years	—	—	17
	464	490	1,625

During the Track Record Period, our major suppliers generally granted us a credit period of nil to 30 days.

FINANCIAL INFORMATION

We do not have any applicable trade payables turnover days for the year ended December 31, 2024 and for the six months ended June 30, 2025 because we did not have cost of sales in the same periods. Our trade payables turnover days for the year ended December 31, 2023 are not meaningful because the trade payables were not relevant to the cost of sales from one-off technical support services, which were mainly staff costs, we provided for the year ended December 31, 2023.

As of October 31, 2025, RMB1.6 million, or 96.9% of our trade payables as of June 30, 2025 was settled.

Other payables and accruals

Our other payables and accruals primarily represent (i) payroll and welfare payable, which mainly consist of accrued salaries, bonuses and social insurance contributions; (ii) other tax payables, which primarily include value-added tax and other local surcharges; (iii) other payables, which mainly consist of deposits from our distributor customers and unpaid amounts related to miscellaneous expenses.

The following tables set forth the breakdown of the current portion of our other payables and accruals as of the dates indicated.

	As of December 31,		As of June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payroll and welfare payables	4,441	2,172	1,566
Other taxes payable	123	178	1,103
Other payables	244	2,485	8,390
Total	<u>4,808</u>	<u>4,835</u>	<u>11,059</u>

Our other payables and accruals (current portion) remained stable and were RMB4.8 million as of December 31, 2023 and 2024, respectively.

Our other payables and accruals (current portion) increased to RMB11.1 million as of June 30, 2025, primarily due to an increase in other payables from RMB2.5 million as of December 31, 2024 to RMB8.4 million as of June 30, 2025 mainly because of the deposits from our distributor customers.

Interest-bearing bank and other borrowings

Our interest-bearing bank and other borrowings were nil, RMB10.0 million and nil as of December 31, 2023, 2024, and June 30, 2025, respectively, representing guarantee loans from two commercial banks in China.

FINANCIAL INFORMATION

Contract liabilities

Our contract liabilities were nil, nil and RMB8.0 million, respectively, as of December 31, 2023 and 2024, and June 30, 2025, which were mainly due to the prepayment received from a distributor customer in relation to our prospective sales of percutaneous puncture surgical robots.

As of October 31, 2025, RMB1.2 million, or 15.6% of our contract liabilities as of June 30, 2025 was recognized as revenue.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

The following table sets forth selected cash flow data from our statements of cash flows for the periods indicated:

	For the year ended December 31,		For the six months ended June 30,	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(Unaudited)</i>	
Net cash used in operating activities	(28,797)	(26,451)	(16,128)	(162)
Net cash used in investing activities	(1,540)	(283)	(141)	(65)
Net cash (used in)/from financing activities	<u>(1,465)</u>	<u>8,817</u>	<u>9,343</u>	<u>(10,943)</u>
Net decrease in cash and cash equivalents	(31,802)	(17,917)	(6,926)	(11,170)
Cash and cash equivalents at beginning of the year/period	75,250	44,027	44,027	26,633
Effects of exchange rate changes, net	<u>579</u>	<u>523</u>	<u>424</u>	<u>(30)</u>
Total cash and cash equivalents at end of year/period	<u>44,027</u>	<u>26,633</u>	<u>37,525</u>	<u>15,433</u>

FINANCIAL INFORMATION

Net cash used in operating activities

During the Track Record Period, we had incurred negative cash flows from our operations. Substantially all of our operating cash outflows have resulted from our R&D costs, selling and distribution expenses and administrative expenses.

For the six months ended June 30, 2025, we had net cash used in operating activities of RMB0.2 million. We had operating cash outflow before movements in working capital of RMB11.5 million, primarily consisting of loss before tax of RMB18.1 million, as adjusted for equity-settled share award expense of RMB5.3 million. Movements in working capital resulted in a net cash inflow of RMB11.3 million, primarily consisting of an increase in contract liabilities of RMB8.0 million, an increase in other payables and accruals of RMB6.3 million, partially offset by an increase in inventories of RMB3.4 million.

For the year ended December 31, 2024, we had net cash used in operating activities of RMB26.5 million. We had operating cash outflow before movements in working capital of RMB22.9 million, primarily consisting of loss before tax of RMB37.0 million, as adjusted for equity-settled share award expense of RMB12.0 million. Movements in working capital resulted in a net cash outflow of RMB3.6 million, primarily consisting of an increase in inventories of RMB3.5 million.

For the year ended December 31, 2023, we had net cash used in operating activities of RMB28.8 million. We had operating cash outflow before movements in working capital of RMB29.1 million, primarily consisting of loss before tax of RMB34.2 million, as adjusted for equity-settled share award expense of RMB3.5 million. Movements in working capital resulted in a net cash inflow of RMB0.3 million, primarily consisting of an increase in other payables and accruals of RMB1.3 million.

Net cash used in investing activities

For the six months ended June 30, 2025, our net cash used in investing activities amounted to RMB65,000, primarily due to purchases of items of property, plant and equipment such as decoration, and certain molds for R&D purpose.

For the year ended December 31, 2024, our net cash used in investing activities amounted to RMB0.3 million, primarily due to purchases of items of property, plant and equipment such as certain molds for R&D purpose.

For the year ended December 31, 2023, our net cash used in investing activities amounted to RMB1.5 million, primarily due to purchases of items of property, plant and equipment such as electronic equipment, servers, and certain molds for R&D purpose.

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Net cash used in or from financing activities

For the six months ended June 30, 2025, our net cash used in financing activities amounted to RMB10.9 million, primarily due to repayment of bank borrowings of RMB10.0 million.

For the year ended December 31, 2024, our net cash from financing activities amounted to RMB8.8 million, primarily due to new bank borrowings of RMB15.0 million, partially offset by repayment of bank borrowings of RMB5.0 million.

For the year ended December 31, 2023, our net cash used in financing activities amounted to RMB1.5 million, primarily due to lease payment.

Cash Operating Costs

The following table provides information regarding our cash operating costs for the periods indicated:

	Year ended December 31,		For the six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	
R&D Costs				
<i>R&D Costs for Core Product</i>				
Clinical study expenses . . .	616	25	—	100
Staff costs	4,101	8,624	3,667	4,824
Costs of materials and consumables	890	210	248	179
Others	560	230	119	379
Subtotal	6,167	9,089	4,034	5,482
<i>R&D Costs for Other Product Candidates</i>				
Staff costs	7,316	4,266	3,899	831
Costs of materials and consumables	3,600	1,248	389	30
Others	1,272	577	444	88
Subtotal	12,188	6,091	4,732	949
Workforce employment ⁽¹⁾ . . .	7,267	7,903	4,617	3,640
Product marketing	487	1,625	625	815
Production costs ⁽²⁾	—	3,381	890	1,583
Non-income taxes, royalties and other governmental charges ⁽³⁾	18	5	2	2

FINANCIAL INFORMATION

Notes:

- (1) Represents total staff costs, excluding those related to R&D and production.
- (2) Represents staff, materials and utilities costs for the production of RC120 Puncture Surgical Robots.
- (3) Represent the stamp duties paid.
- (4) During the Track Record Period, we did not incur any contingency allowance.

Working capital sufficiency

We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As our business develops and expands, we expect to generate cash from operating activities such as the successful commercialization of our products. We believe our funding requirements will be satisfied by using funds from a combination of cash flows from operating activities and net [REDACTED] from the [REDACTED]. As of October 31, 2025, we had cash and cash equivalents of RMB71.3 million. After taking into consideration the above, and the net [REDACTED] from the [REDACTED], in the absence of unforeseeable circumstances, our Directors are of the opinion that we have sufficient working capital to cover at least 125% of our costs, including R&D costs, selling and distribution expenses and administrative expenses for at least the next 12 months from the date of this document.

Our ability to obtain additional funding beyond our anticipated cash needs for the next 12 months following the date of this document, however, is subject to a variety of uncertainties, including our future results of operations, our future business plans, financial condition and cash flows and economic, political and other conditions in the markets where we and our customers and lenders operate.

Our cash burn rate refers to our average monthly (i) net cash used in operating activities; (ii) capital expenditures; and (iii) lease payments. Assuming that the average cash burn rate going forward will be 2.5 times the level in the year ended December 31, 2024, we estimate that our cash and cash equivalents as of October 31, 2025 will be able to maintain our financial viability for 11.5 months, or, if we also take into account the estimated net [REDACTED] (based on the low-end of the indicative [REDACTED]) from the [REDACTED], for at least 109.0 months.

FINANCIAL INFORMATION

INDEBTEDNESS

Indebtedness

Our indebtedness primarily consisted of interest-bearing bank borrowings and lease liabilities. As of December 31, 2023 and 2024 and June 30, 2025 and October 31, 2025, except as disclosed below, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, acceptance credits, hire purchase commitments, any guarantees or other material contingent liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,		As of June 30,	As of October 31,
	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Non-current				
Lease liabilities	761	143	793	310
Current				
Interest-bearing bank				
borrowings	–	10,000	–	–
Lease liabilities	834	556	879	875
Total	1,595	10,699	1,672	1,185

Bank borrowings

Our bank borrowings amounted to nil, RMB10.0 million, nil and nil, respectively, as of December 31, 2023 and 2024, and June 30, 2025 and October 31, 2025, representing loans from PRC commercial banks, which were primarily used to fund our business operation. During the Track Record Period, our bank borrowings generally bore effective interest rates ranging from 2.80% to 3.10% per annum and guaranteed by the shareholder of the Company, Mr. Liu Jian.

As of October 31, 2025, we did not have any banking facilities.

Our Directors confirm that there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing as of the Latest Practicable Date. Our Directors confirm that we did not experience any difficulty in obtaining bank borrowings, default in payment of bank borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Given our credit history and our current credit status, we believe that we will not encounter any major difficulties in obtaining additional bank borrowings in the future.

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Lease liabilities

During the Track Record Period, our lease liabilities were mainly related to the offices we leased for business operations. Our lease liabilities decreased from RMB1.6 million as of December 31, 2023 to RMB0.7 million as of December 31, 2024, primarily due to the payment of rents. Our lease liabilities then increased to RMB1.7 million as of June 30, 2025, primarily due to our extension of leases for our business operations.

CONTINGENT LIABILITIES

We did not have any contingent liabilities during the Track Record Period and up to the Latest Practicable Date.

CAPITAL COMMITMENTS AND CAPITAL EXPENDITURE

Capital commitments

As of December 31, 2022, 2023 and 2024 and June 30, 2025, we did not have any material capital commitments.

Capital expenditure

Our capital expenditure during the Track Record Period mainly consisted of purchase of property, plant and equipment, and purchase of intangible assets. For the years ended December 31, 2023 and 2024 and six months ended June 30, 2025, our capital expenditure amounted to RMB1.5 million, RMB0.3 million and RMB65,000, respectively. We intend to fund our planned capital expenditures through a combination of cash generated from operating activities as well as the net [REDACTED] from the [REDACTED]. Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, results of operations and financial condition, economic conditions in the market and changes in the regulatory environment. In addition, we may incur additional capital expenditures from time to time as we pursue new opportunities to expand our business.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period and as of the Latest Practicable Date, we had no off-balance sheet arrangements.

FINANCIAL INFORMATION

RELATED PARTY TRANSACTION

During the Track Record Period, our transaction with a related party refers to the bank loan guarantees provided by Mr. Liu Jian for certain bank loans made to our Company of up to RMB10,000,000 as of December 31, 2024, as described in Note 31 to the Accountants’ Report in Appendix I to this document.

KEY FINANCIAL RATIOS

The following table set forth our key financial ratios as of the date or for the period indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
Current ratio ⁽²⁾ (Times)	7.4	1.8	0.9
Quick ratio ⁽³⁾ (Times)	7.4	1.7	0.8
Debt-to-asset ratio ⁽⁴⁾ (%)	13.0	43.4	73.5

Notes:

- (1) Current ratio is calculated based on total current assets divided by total current liabilities.
- (2) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.
- (3) Debt-to-asset ratio is calculated based on total indebtedness (including bank borrowings and lease liabilities) divided by total assets and multiplied by 100%.

Our current ratio decreased from 7.4 as of December 31, 2023 to 1.8 as of December 31, 2024. The decrease was primarily due to the increase in interest-bearing bank borrowings as we drew down loan in 2024 to support our business operation. Our current ratio further decreased to 0.9 as of June 30, 2025. The decrease was primarily due to the decrease in cash and cash equivalents, as we funded our daily operations.

Our quick ratio decreased from 7.4 as of December 31, 2023 to 1.7 as of December 31, 2024. The decrease was primarily due to the increase in interest-bearing bank borrowings as we drew down loan in 2024 to support our business operation. Our quick ratio further decreased to 0.8 as of June 30, 2025. The decrease was primarily due to the decrease in cash and cash equivalents, as we funded our daily operations.

Our debt-to-asset ratio increased from 13.0% as of December 31, 2023 to 43.4% as of December 31, 2024. The increase was primarily due to the increase in interest-bearing bank borrowings and the decrease in cash and cash equivalents in 2024. Our debt-to-asset ratio further increased to 73.5% as of June 30, 2025. The increase was primarily due to the increase in lease liabilities and the decrease in cash and cash equivalents in the first half of 2025.

FINANCIAL INFORMATION

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF FINANCIAL RISKS

We are exposed to various types of financial risks in the ordinary course of business, including foreign currency risk, credit risk and liquidity risk. Our overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. See Note 33 to the Accountants’ Report in Appendix I to this document for further details.

DIVIDENDS AND DIVIDEND POLICY

No dividend has been paid or declared by the Company during the Track Record Period. We currently do not have a fixed dividend payout ratio. Any future determination to declare and pay any dividends will be at the discretion of our Board and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our Board deems relevant. In addition, any final dividends for a financial year will be subject to our Shareholders’ approval.

Dividends may be paid only out of our distributable profits as permitted under the relevant laws. To the extent profits are distributed as dividends, such portion of profits may not be reinvested in our operations. There can be no assurance that we will be able to declare or distribute any dividend in the amount set forth in any plan to our Board or at all. Furthermore, if we incur debt on our or its own behalf in the future, the instruments governing the debt may restrict our ability to pay dividends. The past dividend distribution record may not be used as a reference or basis in determining the level of dividends that may be declared or paid by us in the future.

DISTRIBUTABLE RESERVES

As of June 30, 2025, our retained earnings were nil, which represented our distributable reserves as of the same date.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See “Unaudited [REDACTED] Financial Information” in Appendix IIA to this document for further details of our unaudited [REDACTED] statement of adjusted net tangible assets.

No adjustment has been made to the unaudited [REDACTED] adjusted net tangible assets attributable to our equity shareholders to reflect our any trading results or other transactions entered into subsequent to June 30, 2025.

EVENTS AFTER THE TRACK RECORD PERIOD

In September 2025, investors made capital injections of RMB70,000,000 to our Company, among which a total amount of RMB580,843 was registered as Company’s paid-in capital and the remaining RMB69,419,157 was credited to capital reserve.

On November 17, 2025, our Company was converted to a joint stock limited liability company, details please refer to Note 1 to the Accountants’ Report in Appendix I to this document.

FINANCIAL INFORMATION

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] commissions and other fees incurred in connection with the [REDACTED]. We expect to incur total [REDACTED] expenses of approximately HK\$[REDACTED] million (assuming the [REDACTED] and the [REDACTED] is not exercised and based on the [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range), representing [REDACTED]% of the gross [REDACTED] of the [REDACTED] assuming no H Shares are issued pursuant to the [REDACTED] and the [REDACTED]. The total [REDACTED] expenses consist of (i) approximately HK\$[REDACTED] million [REDACTED] related expenses and (ii) approximately HK\$[REDACTED] million non-[REDACTED] related expenses (including (a) fees and expenses of legal advisors and reporting accountants of approximately HK\$[REDACTED] million; and (b) other fees and expenses of approximately HK\$[REDACTED] million). During the Track Record Period, we incurred [REDACTED] expenses of [REDACTED], [REDACTED] of which was charged to our statements of profit or loss and other comprehensive income, and [REDACTED] million of which was attributable to the [REDACTED] of H Shares and will be deducted from equity upon the [REDACTED]. We expect to incur additional [REDACTED] expenses of approximately HK\$[REDACTED] million after the Track Record Period, approximately HK\$[REDACTED] million of which is expected to be charged to our statements of profit or loss and other comprehensive income, and approximately HK\$[REDACTED] million of which is attributable to the [REDACTED] of H Shares and will be deducted from equity upon the [REDACTED]. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

See “Summary — Recent Developments and No Material Adverse Change” for our recent developments that occurred subsequent to the Track Record Period.

After due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial and trading position or prospects since June 30, 2025, and there is no event since June 30, 2025 which would materially affect the information shown in the Accountants’ Report, the text of which is set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rule 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For details of our future plans, see “Business — Our Strategies.”

USE OF [REDACTED]

The table below sets forth the estimated net [REDACTED] of the [REDACTED] which we will receive after deduction of [REDACTED] fees and commissions and estimated expenses payable by us in connection with the [REDACTED] (assuming the [REDACTED] and the [REDACTED] is not exercised):

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the low point of the [REDACTED] range stated in this Document)	HK\$[REDACTED] million

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid point of the [REDACTED] range stated in this Document)	HK\$[REDACTED] million

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the high point of the [REDACTED] range stated in this Document)	HK\$[REDACTED] million

We intend to use the net [REDACTED] for the following purposes (based on the mid-point of the [REDACTED] range stated in this Document):

- Approximately [REDACTED]% (or HK\$[REDACTED] million) is expected to be allocated to the R&D and commercialization of our Core Product. In particular:
 - (i) approximately [REDACTED]% (or HK\$[REDACTED] million) is expected to be allocated to the R&D of RC120 in China, primarily with respect to the expansion of indication in adult abdominal solid organs puncture surgery and certain new functions including dynamic respiratory motion compensation, and AI-assisted 3D reconstruction and surgery path planning functions. We will use the [REDACTED] for the R&D and production cost of test prototypes, R&D staff cost, and the application for registration with the NMPA;
 - (ii) approximately [REDACTED]% (or HK\$[REDACTED] million) is expected to be allocated to the R&D, clinical studies and registration filings of RC120 in selected jurisdictions outside of China, such as the United States, Europe and certain countries in Southeast Asia. We plan to obtain FDA approval by 2029 and obtain CE certification by 2030. In Southeast Asian market, we plan to register our product in Indonesia and Malaysia first and to obtain approval by 2030;

FUTURE PLANS AND USE OF [REDACTED]

- (iii) approximately [REDACTED]% (or HK\$[REDACTED] million) is expected to be allocated to the marketing, sales expansion and other promotion initiatives of our RC120 in China, in order to expand sales channels, broaden our market coverage and increase market penetration. Specific measures may include participating in and/or organizing industry trade exhibitions, academic conferences, conducting sales promotion activities, customer demonstrations and order maintenance efforts. We will also hold product training and clinical department education programs, such as on-site clinical training. These initiatives are intended to enhance market awareness of RC120, strengthen cooperative relationships with healthcare service institutions and clinical professionals, and support the expansion of our sales network to further penetrate the target markets; and
 - (iv) approximately [REDACTED]% (or HK\$[REDACTED] million) is expected to be allocated to the sales and marketing activities and commercialization of RC120 in overseas markets. We plan to actively participate in relevant overseas industry exhibitions to showcase and promote our products to potential customers. Additionally, we intend to establish our clinical team overseas. This clinical team will be responsible for conducting localized clinical demonstrations, providing professional technical support for overseas medical institutions, and facilitating academic exchanges with local medical professionals, thereby enhancing the recognition and adoption of our products in international markets.
- Approximately [REDACTED]% (or HK\$[REDACTED] million) will be allocated to the R&D and commercialization of our other product candidates in addition to the Core Product. Specifically:
 - (i) approximately [REDACTED]% (or HK\$[REDACTED] million) will be allocated to the R&D and production of test prototypes, clinical studies and registration filings of certain consumables to be used in puncture surgeries, including both passive consumables (e.g., disposable puncture needle and puncture guide) and active consumables (e.g., ablation needles);
 - (ii) approximately [REDACTED]% (or HK\$[REDACTED] million) will be allocated to the R&D and production of test prototypes, clinical studies and registration filings of our spinal surgery navigation and positioning system product candidate. This platform is designed for spinal screw placement surgeries. We have initiated pre-clinical studies and expect to obtain the NMPA’s approval in 2031; and

FUTURE PLANS AND USE OF [REDACTED]

- (iii) approximately [REDACTED]% (or HK\$[REDACTED] million) will be allocated to the R&D and production of test prototypes, clinical studies and registration filings of our RC100 and CT integrated puncture surgery navigation and positioning system product candidates. We have initiated pre-clinical studies and expect to obtain the NMPA’s approval in 2031 for CT integrated puncture surgery navigation and positioning system, and in 2027 for RC100.
- Approximately [REDACTED]% (or HK\$[REDACTED] million) will be allocated to enhance our manufacturing facilities, mainly including the increase of more production workshops, investment in production equipment, and employment of more production staff;
 - Approximately [REDACTED]% (or HK\$[REDACTED] million) will be allocated to external authorization and cooperation for certain surgical consumables; and
 - Approximately [REDACTED]% (or HK\$[REDACTED] million) will be used for our working capital and general corporate purposes.

If the [REDACTED] is set at the high point or the low point of the [REDACTED] range (assuming the [REDACTED] and the [REDACTED] is not exercised), the net [REDACTED] will increase or decrease by approximately HK\$[REDACTED] million (after deducting the [REDACTED] fees and expenses in relation to the [REDACTED]). We intend to apply the additional or reduced net [REDACTED] to the above purposes on a pro-rata basis.

The net [REDACTED] that we would receive if the [REDACTED] and the [REDACTED] were exercised in full would be (i) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the Minimum [REDACTED]), (ii) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the [REDACTED] range) and (iii) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the Maximum [REDACTED]).

If the net [REDACTED] of the [REDACTED] are not immediately applied to the above purposes, we will only deposit the [REDACTED] from the [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions in Hong Kong or the PRC (as defined under the SFO) in circumstances permitted by relevant laws and regulations. We will issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

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ACCOUNTANTS’ REPORT

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANGHAI SIMPLETOUCH ROBOT CO., LTD. AND CHINA EVERBRIGHT CAPITAL LIMITED

Introduction

We report on the historical financial information of Shanghai Simpletouch Robot Co., Ltd. (the “Company”) set out on pages [●] to [●], which comprises the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Company for each of the years ended 31 December 2023 and 2024 and the six months ended 30 June 2025 (the “Relevant Periods”), and the statements of financial position of the Company as at 31 December 2023 and 2024 and 30 June 2025 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages [●] to [●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “Document”) in connection with the [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance

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ACCOUNTANTS’ REPORT

with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Company as at 31 December 2023 and 2024 and 30 June 2025 and of the financial performance and cash flows of the Company for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Company which comprises the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2024 and other explanatory information (the “Interim Comparative Financial Information”). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

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Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [●] have been made.

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]

Certified Public Accountants

Hong Kong

[●]

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ACCOUNTANTS’ REPORT

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The financial statements of the Company for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the Hong Kong Institute of Certified Public Accountants (the “Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		Six months ended 30 June	
	Notes	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
REVENUE	5	156	—	—	—
Cost of sales		(33)	—	—	—
Gross profit		123	—	—	—
Other income and gains	6	871	1,157	776	129
Research and development costs		(23,861)	(18,904)	(9,204)	(9,053)
Selling and distribution expenses		(2,919)	(5,280)	(1,882)	(3,756)
Administrative expenses		(8,327)	(13,685)	(8,648)	(5,334)
Other expenses		(1)	—	—	(1)
Finance costs	8	(97)	(287)	(130)	(106)
LOSS BEFORE TAX	7	(34,211)	(36,999)	(19,088)	(18,121)
Income tax expense	11	—	—	—	—
LOSS AND TOTAL					
COMPREHENSIVE LOSS FOR					
THE YEAR/PERIOD		(34,211)	(36,999)	(19,088)	(18,121)
LOSS PER SHARE					
ATTRIBUTABLE TO					
ORDINARY EQUITY HOLDERS					
OF THE COMPANY					
Basic and diluted (RMB)	13	(1.37)	(1.49)	(0.77)	(0.73)

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STATEMENTS OF FINANCIAL POSITION

		As at 31 December		As at 30 June
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	14	3,093	4,713	6,909
Right-of-use assets	15(a)	1,737	640	1,923
Other intangible assets	16	336	371	349
Prepayments, other receivables and other assets	19	2,311	2,779	2,502
Total non-current assets		7,477	8,503	11,683
CURRENT ASSETS				
Inventories	17	417	1,272	1,863
Trade receivables	18	165	73	73
Prepayments, other receivables and other assets	19	744	471	1,334
Cash and cash equivalents	20	44,027	26,633	15,433
Total current assets		45,353	28,449	18,703
CURRENT LIABILITIES				
Trade payables	21	464	490	1,625
Other payables and accruals	22	4,808	4,835	11,059
Interest-bearing bank borrowings	24	—	10,000	—
Contract liabilities	23	—	—	7,965
Lease liabilities	15(b)	834	556	879
Total current liabilities		6,106	15,881	21,528
NET CURRENT				
ASSETS/(LIABILITIES)		39,247	12,568	(2,825)
TOTAL ASSETS LESS CURRENT				
LIABILITIES		46,724	21,071	8,858
NON-CURRENT LIABILITIES				
Lease liabilities	15(b)	761	143	793
Total non-current liabilities		761	143	793
Net assets		45,963	20,928	8,065
EQUITY				
Paid-in capital	26	24,893	24,893	24,893
Reserves/(Deficits)	28	21,070	(3,965)	(16,828)
Total equity		45,963	20,928	8,065

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ACCOUNTANTS’ REPORT

STATEMENTS OF CHANGES IN EQUITY

		Paid-in capital	Capital reserve*	Share-based payment reserve*	Accumulated losses*	Total
	<i>Note</i>	<i>RMB'000</i> <i>(note 26)</i>	<i>RMB'000</i> <i>(note 28)</i>	<i>RMB'000</i> <i>(note 27)</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023		24,893	90,991	–	(39,229)	76,655
Loss for the year		–	–	–	(34,211)	(34,211)
Total comprehensive loss for the year		–	–	–	(34,211)	(34,211)
Equity-settled share award arrangements	27	–	–	3,519	–	3,519
At 31 December 2023		<u>24,893</u>	<u>90,991</u>	<u>3,519</u>	<u>(73,440)</u>	<u>45,963</u>

		Paid-in capital	Capital reserve*	Share-based payment reserve*	Accumulated losses*	Total
	<i>Note</i>	<i>RMB'000</i> <i>(note 26)</i>	<i>RMB'000</i> <i>(note 28)</i>	<i>RMB'000</i> <i>(note 27)</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024		24,893	90,991	3,519	(73,440)	45,963
Loss for the year		–	–	–	(36,999)	(36,999)
Total comprehensive loss for the year		–	–	–	(36,999)	(36,999)
Equity-settled share award arrangements	27	–	–	11,964	–	11,964
At 31 December 2024		<u>24,893</u>	<u>90,991</u>	<u>15,483</u>	<u>(110,439)</u>	<u>20,928</u>

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	Paid-in capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	24,893	90,991	3,519	(73,440)	45,963
Loss for the period (unaudited) . . .	—	—	—	(19,088)	(19,088)
Total comprehensive loss for the period (unaudited)	—	—	—	(19,088)	(19,088)
Equity-settled share award arrangements (unaudited)	—	—	7,166	—	7,166
At 30 June 2024 (unaudited)	<u>24,893</u>	<u>90,991</u>	<u>10,685</u>	<u>(92,528)</u>	<u>34,041</u>

	Paid-in capital	Capital reserve*	Share-based payment reserve*	Accumulated losses*	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<i>Note</i>	<i>(note 26)</i>	<i>(note 28)</i>	<i>(note 27)</i>		
At 1 January 2025	24,893	90,991	15,483	(110,439)	20,928
Loss for the period	—	—	—	(18,121)	(18,121)
Total comprehensive loss for the period	—	—	—	(18,121)	(18,121)
Equity-settled share award arrangements 27	—	—	5,258	—	5,258
At 30 June 2025	<u>24,893</u>	<u>90,991</u>	<u>20,741</u>	<u>(128,560)</u>	<u>8,065</u>

* These reserve accounts comprised the reserves/(deficits) of approximately RMB21,070,000, RMB(3,965,000) and RMB(16,828,000) in the statements of financial position as at 31 December 2023 and 2024 and 30 June 2025, respectively.

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ACCOUNTANTS’ REPORT

STATEMENTS OF CASH FLOWS

		Year ended 31 December		Six months ended 30 June	
	Notes	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)					
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax	7	(34,211)	(36,999)	(19,088)	(18,121)
Adjustments for:					
Finance costs	8	97	287	130	106
Depreciation of property, plant and equipment	14	1,014	1,249	584	697
Depreciation of right-of-use assets	15(a)	1,062	1,097	548	527
Amortisation of other intangible assets	16	19	39	118	22
Net foreign exchange loss, net. . .	6	(579)	(523)	(424)	30
Equity-settled share award expense	27	3,519	11,964	7,166	5,258
		(29,079)	(22,886)	(11,066)	(11,481)
Decrease/(increase) in inventories . .		232	(3,485)	(2,231)	(3,445)
(Increase)/decrease in trade receivables		(165)	92	—	—
Increase in prepayments, other receivables and other assets		(1,390)	(199)	(156)	(586)
Increase in trade payables		332	26	223	1,135
Increase/(decrease) in other payables and accruals		1,273	1	(2,898)	6,250
Increase in contract liabilities		—	—	—	7,965
Net cash flows used in operating activities		(28,797)	(26,451)	(16,128)	(162)

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<i>Notes</i>	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(Unaudited)</i>	
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment	(1,198)	(209)	(141)	(65)
Purchase of intangible assets	<u>(342)</u>	<u>(74)</u>	<u>–</u>	<u>–</u>
Net cash flows used in investing activities	<u>(1,540)</u>	<u>(283)</u>	<u>(141)</u>	<u>(65)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Lease payments	(1,465)	(949)	(560)	(872)
New bank borrowings	–	15,000	10,000	–
Repayment of bank borrowings	–	(5,000)	–	(10,000)
Interest paid	<u>–</u>	<u>(234)</u>	<u>(97)</u>	<u>(71)</u>
Net cash flows (used in)/from financing activities	<u>(1,465)</u>	<u>8,817</u>	<u>9,343</u>	<u>(10,943)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(31,802)</u>	<u>(17,917)</u>	<u>(6,926)</u>	<u>(11,170)</u>
Cash and cash equivalents at beginning of year/period	75,250	44,027	44,027	26,633
Effect of foreign exchange rate changes, net	<u>579</u>	<u>523</u>	<u>424</u>	<u>(30)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	<u>44,027</u>	<u>26,633</u>	<u>37,525</u>	<u>15,433</u>
	20			

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ACCOUNTANTS’ REPORT

II. NOTES TO HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company was incorporated as a limited liability company registered in the People’s Republic of China (the “PRC”) on 28 March 2019. On 17 November 2025, the Company was converted into a joint stock company with limited liability under the Company Laws of the PRC. The registered office of the Company is located at 3rd Floor, Building 1, No. 85, Mingnan Road, Songjiang District, Shanghai, China.

During the Relevant Periods, the Company was principally engaged in the development of surgical robots.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The Company recorded net current liabilities of RMB2,825,000 as at 30 June 2025, primarily due to the continuous losses incurred from operations. As at 30 June 2025, the Company recorded contract liabilities of RMB7,965,000. The directors of the Company are of the opinion that as a significant amount of contract liabilities will be recognised as revenue upon completion of performance obligations after the Relevant Periods, therefore the Company will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next 12 months from 30 June 2025 and it is appropriate to prepare the Historical Financial Information on a going concern basis.

For ordinary shares issued to pre-[REDACTED] investors, pursuant to the supplemental agreements entered into between the Company and the pre-[REDACTED] investors in relation to the termination of certain of the special rights granted by the Company, including redemption rights, liquidation preferences and anti-dilution rights, which are void ab initio as described in note 26 to the Historical Financial Information, having taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the pre-[REDACTED] Investments as equity throughout the Relevant Periods. For details of the financial impacts, see note 26 of the Historical Financial Information.

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the HKICPA. All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Company in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention.

2.2 Issued but not yet effective Hong Kong Financial Reporting Standards

The Company has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Company intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective.

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
HKFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to HKFRS 19	<i>Amendments to HKFRS 19 Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	<i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7¹</i>

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- 1 Effective for annual periods beginning on or after 1 January 2026
- 2 Effective for annual/reporting periods beginning on or after 1 January 2027
- 3 No mandatory effective date yet determined but available for adoption

The Company is in the process of making an assessment of the impact of these new and revised HKFRS Accounting Standards upon initial application. Except for HKFRS 18, the directors of the Company anticipate that the application of these new and amended HKFRS Accounting Standards will have no material impact on the Company’s financial statements in the foreseeable future. Further information about HKFRS 18 is described below:

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of HKFRS 18 is not expected to have a material impact on the financial position and financial performance of the Company but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and to include additional disclosure in the financial statements.

2.3 Material accounting policies

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

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Related parties

A party is considered to be related to the Company if:

- (a) the party is a person or a close member of that person’s family and that person
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Company are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Company are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on a straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives used for this purpose are as follows:

Categories	Estimated useful lives
Machinery equipment	5 to 10 years
Electronic equipment	3 years
Motor vehicles	4 years
Furniture and fixtures	5 years
Leasehold improvements	Shorter of estimated useful lives and remaining lease terms

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Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year/period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents an equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives as follows:

Software	10 years

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is recognised and deferred only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis based on the estimated useful lives of the assets or the lease terms as follows:

Categories	Estimated useful lives
Office premises, laboratory, and manufacturing facility	2 to 4 years

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If ownership of the leased asset transfers to the Company by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for termination of a lease, if the lease term reflects the Company exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from a change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient of not adjusting the effect of a significant financing component, the Company initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Company commits to purchase or sell the asset.

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Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

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A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1	–	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	–	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	–	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Company applies the practical expedient of not adjusting the effect of a significant financing component, the Company applies the simplified approach in calculating ECLs. Under the simplified approach, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Classification as equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity’s own equity instruments and is: (i) a non derivative for which the entity is or may be obliged to deliver a variable number of the entity’s own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade payables, financial liabilities included in other payables and accruals, lease liabilities and interest-bearing bank borrowings.

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Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables and interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Company’s cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and tax laws that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Company has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is deducted in reporting the related expense, or recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

(a) Provision of testing services

Revenue from testing services is recognised at the point in time when the service is provided and accepted by the customer.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

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Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates two share award schemes, under which the Company granted restricted shares to employees and a director. Employees (including a director) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (“equity-settled transactions”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a discounted cash flow model, further details of which are given in note 27 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

The employees of the Company which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal governments. The Company is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises restructuring costs involving the payment of termination benefits.

Housing fund

The Company contributes on a monthly basis to a defined contribution housing fund plan operated by the local municipal government. Contributions to this plan by the Company are expensed as incurred.

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Dividends

Final dividends are recognised as a liability when they are specifically stated in the terms of the resolution and approved by the shareholders in a general meeting.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company’s functional currency. Foreign currency transactions recorded by the Company are initially recorded using its respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the financial periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Company’s Historical Financial Information requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Estimation of grant date fair value of restricted shares

The Company granted restricted shares to one of the Company’s directors and employees during the Relevant Periods. The Company has engaged an independent valuer to evaluate the grant date fair value of the restricted shares, which is determined based on the fair value of the Company’s ordinary shares at the grant date of the award. Estimation of the fair value of the Company’s ordinary shares involves significant assumptions, such as risk-free interest rate and weighted average cost of capital, that might not be observable in the market, and it could have a significant impact on the share-based payment expenses charged to profit or loss. Further details are included in note 27 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company “would have to pay”, which requires estimation when no observable rates are available (such as for companies that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the Company’s functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company’s stand-alone credit rating).

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Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 25 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Company has only one reportable operating segment, which engages in the development of surgical robots. Since this is the only reportable operating segment of the Company, no further operating segment analysis thereof is presented.

Geographical information

During the Relevant Periods, all of the Company’s revenue was derived from customers located in the PRC and all of the Company’s non-current assets were located in the PRC, and therefore no geographical segment information is presented in accordance with HKFRS 8 *Operating Segments*.

Information about major customers

Revenue of approximately RMB156,000 was derived from the sale to a single customer during the year ended 31 December 2023.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	
Revenue from contracts with customers	156	—	—	—
	<u>156</u>	<u>—</u>	<u>—</u>	<u>—</u>

- (a) Disaggregation of the Company’s revenue from contracts with customers by the timing of revenue recognition is set out below:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	
Transfer at a point in time	156	—	—	—
	<u>156</u>	<u>—</u>	<u>—</u>	<u>—</u>

(b) Performance obligations

Information about the Company’s performance obligations is summarised below:

Provision of testing services

The performance obligation is satisfied upon the acceptance of the services by the customer.

Under the practical expedient allowed by HKFRS 15, the Company does not disclose the value of unsatisfied performance obligation, as they are expected to be fulfilled in one year.

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6. OTHER INCOME, GAINS AND LOSSES, NET

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Other income				
Interest income	80	144	130	9
Government grants*	202	472	204	150
Others	10	18	18	—
Total other income	292	634	352	159
Gains/(losses)				
Foreign exchange differences, net	579	523	424	(30)
Total gains and losses	871	1,157	776	129

* Government grants mainly represent various financial supports provided by the local governments for the Company’s research and development activities and business operation. There were no unfulfilled conditions relating to these grants.

7. LOSS BEFORE TAX

The Company’s loss before tax is arrived at after charging:

	Notes	Year ended 31 December		Six months ended 30 June	
		2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cost of services provided		33	—	—	—
Depreciation of property, plant and equipment (i)	14	1,014	1,249	584	697
Depreciation of right-of-use assets (i)	15(a)	1,062	1,097	548	527
Amortisation of other intangible assets (i)	16	19	39	18	22
Auditor’s remuneration		6	6	—	—
Employee benefit expense (excluding directors’ and supervisor’s remuneration):					
Wages, salaries and allowances, social securities and benefits		13,169	14,161	7,159	6,723
Pension scheme contributions (defined contribution scheme) (ii)		1,714	2,031	983	989
Performance related bonuses		2,926	1,005	500	464
Share-based payment expenses	27	3,519	7,134	2,336	5,258
Total employee benefit expense		21,328	24,331	10,978	13,434

(i) These items are included in “Selling and distribution costs”, “Administrative expenses” and “Research and development costs” in the statements of profit or loss and other comprehensive income.

(ii) There are no forfeited contributions that may be used by the Company as the employer to reduce the existing level of contributions.

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8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Interest on lease liabilities	97	53	33	35
Interest on bank loans	—	234	97	71
Total	97	287	130	106

9. DIRECTORS’, SUPERVISOR’S AND CHIEF EXECUTIVE’S REMUNERATION

The remuneration of directors, a supervisor and the chief executive for each of the Relevant Periods and the six months ended 30 June 2024 is set out below:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Salaries, allowances and benefits in kind	1,242	827	452	338
Share-based payment expenses	—	4,830	4,830	—
Performance related bonuses	262	50	25	25
Pension scheme contributions	136	89	53	35
Total	1,640	5,796	5,360	398

During the Relevant Periods and the six months ended 30 June 2024, a director was granted share awards of the Company in respect of his service to the Company, under the share award schemes of the Company, further details of which are set out in note 27 to the Historical Financial Information. The fair values of such share awards, which have been recognised in profit or loss, were determined as at the dates of grant and the amounts included in the Historical Financial Information for the Relevant Periods and the six months ended 30 June 2024 are included in the above directors’, supervisor’s and chief executive’s remuneration disclosures.

	Salaries, allowances and benefits in kind	Equity-settled share awards expenses	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2023					
<u>Executive director:</u>					
Mr. Liu Jian*	681	—	142	68	891
<u>Non-executive director:</u>					
Mr. Wang Maoting**	—	—	—	—	—
<u>Supervisor:</u>					
Mr. Ao Xiaohua***	561	—	120	68	749
Total	1,242	—	262	136	1,640
Year ended 31 December 2024					
<u>Executive director:</u>					
Mr. Liu Jian*	686	4,830	50	71	5,637
<u>Non-executive director:</u>					
Mr. Wang Maoting**	—	—	—	—	—
<u>Supervisor:</u>					
Mr. Ao Xiaohua***	141	—	—	18	159
Total	827	4,830	50	89	5,796

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	Salaries, allowances and benefits in kind	Equity-settled share awards expenses	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended 30 June 2024 (Unaudited)					
<u>Executive director:</u>					
Mr. Liu Jian*	311	4,830	25	35	5,201
<u>Non-executive director:</u>					
Mr. Wang Maoting**	—	—	—	—	—
<u>Supervisor:</u>					
Mr. Ao Xiaohua***	141	—	—	18	159
Total	452	4,830	25	53	5,360
Six months ended 30 June 2025					
<u>Executive director:</u>					
Mr. Liu Jian*	338	—	25	35	398
<u>Non-executive director:</u>					
Mr. Wang Maoting**	—	—	—	—	—
Total	338	—	25	35	398

* Mr. Liu Jian was appointed as an executive director of the Company in October 2020 and he is also the chief executive of the Company.

** Mr. Wang Maoting was appointed as a non-executive director of the Company in October 2020.

*** Mr. Ao Xiaohua was appointed as a supervisor of the Company in March 2019 and resigned in March 2024.

There was no arrangement under which directors or supervisor waived or agreed to waive any remuneration during the Relevant Periods.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the six months ended 30 June 2024 included nil, one, nil, and one director, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration for the remaining five, four, five and four highest paid employees who are not a director of the Company during the Relevant Periods and the six months ended 30 June 2024 are as follow:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	
Salaries, allowances and benefits				
in kind	2,489	2,027	1,249	1,066
Share-based payment expenses	1,720	2,365	1,135	2,562
Discretionary performance related				
bonuses	595	131	83	82
Pension scheme contributions	319	276	169	152
Total	5,123	4,799	2,636	3,862

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The number of non-director, non-supervisor and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
			<i>(Unaudited)</i>	
Nil to HK\$1,000,000	–	–	4	4
HK\$1,000,001 to HK\$1,500,000 . . .	5	3	–	1
HK\$1,500,001 to HK\$2,000,000 . . .	–	1	–	–
Total	5	4	4	5
	=	=	=	=

During the Relevant Periods and the six months ended 30 June 2024, certain non-director, non-supervisor and non-chief executive were granted share awards of the Company in respect of their services to the Company, under the share award schemes of the Company, further details of which are set out in note 27 to the Historical Financial Information. The fair values of such share awards, which have been recognised in profit or loss over the vesting period, were determined as at the dates of grant and the amounts included in the Historical Financial Information for the Relevant Periods and the six months ended 30 June 2024 are included in the above five highest paid employees’ remuneration disclosures.

11. INCOME TAX EXPENSE

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the Enterprise Income Tax (“EIT”) rate is 25% for entities operating in Mainland China. The Company is subject to tax at a rate of 25%.

A reconciliation of the tax credit applicable to loss before tax at the applicable tax rate for the jurisdiction in which the Company is domiciled to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
			<i>(Unaudited)</i>	
Loss before tax	(34,211)	(36,999)	(19,088)	(18,121)
Tax at the applicable tax rate	(8,553)	(9,250)	(4,772)	(4,530)
Expenses not deductible for tax . . .	1,140	3,283	1,901	1,461
Advanced deductible allowance on eligible research and development costs	(4,799)	(3,379)	(2,045)	(1,520)
Deductible temporary differences and deductible tax losses not recognised	12,212	9,346	4,916	4,589
Tax charge at the Company’s effective rate	–	–	–	–

12. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

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13. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

On 17 November 2025, the Company was converted to a joint stock limited liability company. A total of 25,474,069 shares with par value of RMB1.00 each were issued and allotted to the respective shareholders of the Company according to the paid-in capital registered under these shareholders on that day. The conversion of paid-in capital to share capital with par value of RMB1.00 each is applied retrospectively for the Relevant Periods and six months ended 30 June 2024 for the purpose of computation of basic earnings per share.

The calculation of the basic loss per share amounts is based on the loss for the year/period attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares outstanding during the Relevant Periods and the six months ended 30 June 2024, which are determined based on the conversion ratio of paid in capital to share capital mentioned above.

The Company had no potentially dilutive ordinary shares in issue during the Relevant Periods.

The calculations of basic and diluted loss per share are based on:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
			<i>(Unaudited)</i>	
<u>Loss</u>				
Loss attributable to ordinary equity holders of the Company (RMB'000)	(34,211)	(36,999)	(19,088)	(18,121)
<u>Shares</u>				
Weighted average number of ordinary shares outstanding during the year/period ('000)	24,893	24,893	24,893	24,893
Loss per share (RMB)	(1.37)	(1.49)	(0.77)	(0.73)

14. PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2023

31 December 2023	Machinery equipment	Motor vehicles	Electronic equipment	Construction in progress	Furniture and fixtures	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023							
Cost	1,246	180	589	80	193	1,144	3,432
Accumulated depreciation	(147)	(60)	(200)	–	(14)	(99)	(520)
Net carrying amount	1,099	120	389	80	179	1,045	2,912
As at 1 January 2023	1,099	120	389	80	179	1,045	2,912
Additions	304	–	320	–	94	477	1,195
Transfer from construction in progress	80	–	–	(80)	–	–	–
Depreciation provided	(226)	(42)	(218)	–	(44)	(484)	(1,014)
As at 31 December 2023	1,257	78	491	–	229	1,038	3,093
As at 31 December 2023							
Cost	1,630	180	909	–	287	1,621	4,627
Accumulated depreciation	(373)	(102)	(418)	–	(58)	(583)	(1,534)
Net carrying amount	1,257	78	491	–	229	1,038	3,093

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As at 31 December 2024

31 December 2024	Machinery equipment	Motor vehicles	Electronic equipment	Furniture and fixtures	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024						
Cost	1,630	180	909	287	1,621	4,627
Accumulated depreciation	(373)	(102)	(418)	(58)	(583)	(1,534)
Net carrying amount	<u>1,257</u>	<u>78</u>	<u>491</u>	<u>229</u>	<u>1,038</u>	<u>3,093</u>
As at 1 January 2024	1,257	78	491	229	1,038	3,093
Additions	181	–	46	–	12	239
Transfer from inventories . .	2,630	–	–	–	–	2,630
Depreciation provided . . .	(364)	(41)	(240)	(54)	(550)	(1,249)
As at 31 December 2024 . .	<u>3,704</u>	<u>37</u>	<u>297</u>	<u>175</u>	<u>500</u>	<u>4,713</u>
As at 31 December 2024						
Cost	4,441	180	955	287	1,633	7,496
Accumulated depreciation	(737)	(143)	(658)	(112)	(1,133)	(2,783)
Net carrying amount	<u>3,704</u>	<u>37</u>	<u>297</u>	<u>175</u>	<u>500</u>	<u>4,713</u>

As at 30 June 2025

30 June 2025	Machinery equipment	Motor vehicles	Electronic equipment	Furniture and fixtures	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025						
Cost	4,441	180	955	287	1,633	7,496
Accumulated depreciation	(737)	(143)	(658)	(112)	(1,133)	(2,783)
Net carrying amount	<u>3,704</u>	<u>37</u>	<u>297</u>	<u>175</u>	<u>500</u>	<u>4,713</u>
As at 1 January 2025	3,704	37	297	175	500	4,713
Additions	39	–	–	–	–	39
Transfer from inventories	2,854	–	–	–	–	2,854
Depreciation provided	(307)	(21)	(104)	(26)	(239)	(697)
As at 30 June 2025	<u>6,290</u>	<u>16</u>	<u>193</u>	<u>149</u>	<u>261</u>	<u>6,909</u>
As at 30 June 2025						
Cost	7,334	180	955	287	1,633	10,389
Accumulated depreciation	(1,044)	(164)	(762)	(138)	(1,372)	(3,480)
Net carrying amount	<u>6,290</u>	<u>16</u>	<u>193</u>	<u>149</u>	<u>261</u>	<u>6,909</u>

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15. LEASES

The Company as a lessee

The Company has lease contracts mainly for office premises, laboratory, and manufacturing facility. Generally, the Company is restricted from assigning and subleasing the leased assets outside the Company.

(a) *Right-of-use assets*

The carrying amounts of the Company’s right-of-use assets and the movements during the Relevant Periods are as follows:

	Office premises, laboratory, and manufacturing facility
	<i>RMB’000</i>
As at 1 January 2023	2,267
Additions	387
Depreciation charge	(1,062)
Lease modification	145
As at 31 December 2023 and 1 January 2024	1,737
Depreciation charge	(1,097)
As at 31 December 2024 and 1 January 2025	640
Depreciation charge	(527)
Lease modification	1,810
As at 30 June 2025	1,923

(b) *Lease liabilities*

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December		As at 30 June
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Carrying amount at beginning of year/period . . .	2,431	1,595	699
New leases	387	–	–
Lease modification	145	–	1,810
Accretion of interest recognised during the year/period	97	53	35
Payments	(1,465)	(949)	(872)
Carrying amount at end of year/period	1,595	699	1,672
Analysed into:			
Current portion	834	556	879
Non-current portion			
In the second year	618	143	736
In the third year to fifth years	143	–	57
Subtotal	761	143	793
Total	1,595	699	1,672

The maturity analysis of lease liabilities is disclosed in note 33 to the Historical Financial Information.

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(c) *The amounts recognised in profit or loss in relation to leases are as follows:*

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Interest on lease liabilities	97	53	33	35
Depreciation charge of right-of-use assets	1,062	1,097	548	527
Amount recognised in profit or loss .	<u>1,159</u>	<u>1,150</u>	<u>581</u>	<u>562</u>

The total cash outflows for leases are disclosed in note 29 to the Historical Financial Information.

16. OTHER INTANGIBLE ASSETS

At 31 December 2023

	Software
	RMB'000
At 1 January 2023	
Cost	14
Accumulated amortisation	(1)
Net carrying amount	<u>13</u>
At 1 January 2023, net of	
Accumulated amortisation	13
Additions	342
Amortisation provided during the year	(19)
At 31 December 2023, net of	
Accumulated amortisation	<u>336</u>
At 31 December 2023	
Cost	356
Accumulated amortisation	(20)
Net carrying amount	<u>336</u>

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At 31 December 2024

	Software
	<i>RMB’000</i>
At 1 January 2024	
Cost	356
Accumulated amortisation	(20)
Net carrying amount	<u>336</u>
At 1 January 2024, net of	
Accumulated amortisation	336
Additions	74
Amortisation provided during the year	<u>(39)</u>
At 31 December 2024, net of	
Accumulated amortisation	<u>371</u>
At 31 December 2024	
Cost	430
Accumulated amortisation	<u>(59)</u>
Net carrying amount	<u>371</u>

At 30 June 2025

	Software
	<i>RMB’000</i>
At 1 January 2025	
Cost	430
Accumulated amortisation	<u>(59)</u>
Net carrying amount	<u>371</u>
At 1 January 2025, net of	
Accumulated amortisation	371
Amortisation provided during the period	<u>(22)</u>
At 30 June 2025, net of	
Accumulated amortisation	<u>349</u>
At 30 June 2025	
Cost	430
Accumulated amortisation	<u>(81)</u>
Net carrying amount	<u>349</u>

17. INVENTORIES

	As at 31 December		As at 30 June
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Raw materials	417	78	1,863
Finished goods	<u>–</u>	<u>1,194</u>	<u>–</u>
Total	<u>417</u>	<u>1,272</u>	<u>1,863</u>

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18. TRADE RECEIVABLES

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	165	73	73

For trade receivables’ there was no recent history of default. In addition, there was no significant change in the economic factors based on the assessment of the forward-looking information, so the directors of the Company is of the opinion that the ECLs in respect of these balances are minimal. The balances are interest-free and are not secured with collateral.

An ageing analysis of the Company’s trade receivables as at the end of each of the Relevant Periods, based on the recognition date, is as follows:

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	165	–	–
1 to 2 years	–	73	–
2 to 3 years	–	–	73
Total	165	73	73

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Prepayments	738	287	352
Deductible input value-added tax	–	184	920
Deposits	6	–	45
Staff advance	–	–	17
Total-current	744	471	1,334
Non-current:			
Long-term deposits	214	214	169
Long-term prepaid expenses	350	157	62
Deductible input value-added tax	1,747	2,408	2,271
Total-non-current	2,311	2,779	2,502
Total	3,055	3,250	3,836

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. In addition, there was no significant change in the economic factors based on the assessment of the forward-looking information, so the directors of the Company are of the opinion that the ECLs in respect of these balances are minimal. The balances are interest-free and are not secured with collateral.

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20. CASH AND CASH EQUIVALENTS

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	44,027	26,633	15,433
Cash and bank balances denominated in:			
– RMB	9,302	19,443	8,292
– United States dollars (“USD”)	34,725	7,190	7,141
	44,027	26,633	15,433

The RMB is not freely convertible into other currencies. However, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Company are permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited in creditworthy banks with no recent history of default.

21. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the date of service/goods received, is as follows:

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	464	490	1,608
1 to 2 years	–	–	17
Total	464	490	1,625

22. OTHER PAYABLES AND ACCRUALS

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payroll and welfare payables	4,441	2,172	1,566
Other taxes payable	123	178	1,103
Other payables	244	2,485	8,390
Total	4,808	4,835	11,059

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23. CONTRACT LIABILITIES

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sales of products	–	–	7,965
	=	=	=

The increase in contract liabilities during the six months ended 30 June 2025 was mainly due to the increase in short-term advances received from customers in relation to the sale of percutaneous puncture surgical robots at the end of the period.

24. INTEREST-BEARING BANK BORROWINGS

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Bank borrowings – guaranteed	–	10,000	–
	=	=	=

The Company’s interest-borrowings are denominated in RMB with an effective interest rate ranging from 2.80% to 3.10% and are guaranteed by the shareholder of the Company, Mr. Liu Jian.

25. DEFERRED TAX

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2023	567
Credited to profit or loss during the year	(133)
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	434
Credited to profit or loss during the year	(274)
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	160
Charged to profit or loss during the period	321
Gross deferred tax liabilities at 30 June 2025	481

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Deferred tax assets

	Lease liabilities	Tax losses	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023	567	–	567
(Charged)/credited to profit or loss	(209)	76	(133)
Gross deferred tax assets at 31 December 2023 and 1 January 2024	358	76	434
Charged to profit or loss	(274)	–	(274)
Gross deferred tax assets at 31 December 2024 and 1 January 2025	84	76	160
Charged to profit or loss	244	77	321
Gross deferred tax assets at 30 June 2025	328	153	481

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the statements of financial position	–	–	–
Net deferred tax liabilities recognised in the statements of financial position	–	–	–

Deferred tax assets have not been recognised in respect of the following item:

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deductible temporary differences	716	843	482
Tax losses	106,723	141,789	151,896
Total	107,439	142,632	152,378

The Company has unrecognised tax losses arising in Mainland China of RMB106,723,000, RMB141,789,000 and RMB151,896,000 as at 31 December 2023 and 2024 and 30 June 2025, respectively, that will expire in one to five years for offsetting against its future taxable profits.

Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that enough taxable profits will be available against which the tax losses can be utilised.

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26. PAID-IN CAPITAL

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Paid-in capital	24,893	24,893	24,893

Prior to the Relevant Periods, the Company entered into shareholders’ agreements and share subscription agreements (collectively, the “Pre-[REDACTED] Investors Agreements”) with various investors (collectively, the “Pre-[REDACTED] Investors”). Pursuant to the Pre-[REDACTED] Investors Agreements, Pre-[REDACTED] Investors made capital injections of RMB95,884,000 to the Company, among which a total amount of RMB4,893,000 was registered as the Company’s paid-in capital and the remaining RMB90,991,000 was credited to capital reserve. Pursuant to the Pre-[REDACTED] Investors Agreements, the Pre-[REDACTED] Investors were granted by the Company with redemption rights, anti-dilution rights and liquidation preferences rights.

There was no exercise of redemption rights, anti-dilution rights and liquidation preferences rights granted by the Company throughout the Relevant Periods.

On 16 November 2025, the Company and the Pre-[REDACTED] Investors subsequently entered into supplemental agreements, agreeing that certain of the special rights granted by the Company to Pre-[REDACTED] investors, including redemption rights, liquidation preferences and anti-dilution rights have been irrecoverably terminated and shall be *void ab initio*. Taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-[REDACTED] Investments as equity throughout the Relevant Periods.

Had the special rights granted by the Company to the Pre-[REDACTED] Investors been accounted for as financial liabilities measured at the present value of the redemption amount prior to entering into the supplemental agreements, the redemption financial liabilities, total non-current liabilities and net liabilities would have been:

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Redemption financial liabilities	114,923	123,951	128,820
Total non-current liabilities	115,684	124,094	129,613
Net liabilities	68,960	103,023	120,755

The finance costs associated with the redemption financial liabilities, and the net loss for the year/period, and basic and diluted loss per share would have been:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Finance costs associated with the redemption financial liabilities . .	8,371	9,028	4,514	4,869
Total net loss	(42,582)	(46,027)	(23,602)	(22,990)
Basic and diluted loss per share (expressed in RMB)	(2.24)	(2.42)	(1.24)	(1.21)

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27. SHARE-BASED PAYMENTS

On 30 November 2020, Shanghai Ruicong Medical Technology Partnership Enterprise (Limited Partnership) (上海睿從醫療科技合夥企業(有限合夥)) (“Shanghai Ruicong”) was established in the PRC as a limited partnership as an employee incentive platform of the Company. Mr. Liu Jian and two other founding employees of the Company were partners when Shanghai Ruicong was set up. Mr. Liu Jian served as the general partner of Shanghai Ruicong.

2023 Share award

In 2023, Mr. Liu Jian transferred his shares of Shanghai Ruicong to eligible employees who contributed to the success of the Company’s operations. These granted restricted shares of Shanghai Ruicong will vest when the performance condition and 5-year service period condition are fulfilled.

The Company accounts for the 2023 *Share award* as an equity-settled plan.

	Year ended 31 December 2023		Year ended 31 December 2024	
	Grant price per share	Number of restricted shares	Grant price per share	Number of restricted shares
	RMB	'000	RMB	'000
At beginning of year	–	–	0.80	896
Granted during the year	0.80	896	–	–
Forfeited	–	–	0.80	(45)
At end of year	0.80	896	0.80	851

	Six months ended 30 June 2024		Six months ended 30 June 2025	
	Grant price per share	Number of restricted shares	Grant price per share	Number of restricted shares
	RMB (Unaudited)	'000 (Unaudited)	RMB	'000
At beginning of period	0.80	896	0.80	851
Forfeited	0.80	(45)	–	–
At end of period	0.80	851	0.80	851

During the Relevant Periods and the six months ended 30 June 2024, share award expenses under the 2023 *Share award* of RMB3,519,000, RMB4,223,000, RMB2,111,000 and RMB2,111,000 (unaudited) were charged to profit or loss.

The fair value of the restricted shares granted to employees under the 2023 *Share award* as at the grant date were determined with reference to the fair value of the Company on the grant date, using the discounted cash flow method with the consideration of discount for lack of marketability (DLOM) to determine the underlying equity fair value of the Company, with the assistance of an independent third-party valuation firm. The following table lists the inputs to the model used to estimate the fair value of restricted shares granted during the Relevant Periods and the six months ended 30 June 2024:

	As at the grant date in the year of
	2023
Dividend yield (%)	–
Risk-free interest rate (%)	3.14%
Weighted Average Cost of Capital (%)	15.00%
DLOM	19.00%

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2024 Share award

In 2024, a then shareholder of the Shanghai Ruicong transferred his shares to eligible employees who contributed to the success of the Company’s operations. These granted restricted shares of Shanghai Ruicong will vest when the performance condition and 5-year service period condition are fulfilled.

The above mentioned then shareholder of the Shanghai Ruicong also transferred his shares to Mr. Liu Jian under *2024 Share award* in 2024. These granted shares of Shanghai Ruicong vested immediately.

In 2025, a then shareholder of the Shanghai Ruicong transferred his shares to another eligible employee who contributed to the success of the Company’s operations. These granted restricted shares of Shanghai Ruicong will vest when the performance condition and 5-year service period condition are fulfilled.

The Company accounts for the *2024 Share award* as an equity-settled plan.

	Year ended 31 December 2024		Six months ended 30 June 2024		Six months ended 30 June 2025	
	Grant price per share	Number of restricted shares	Grant price per share	Number of restricted shares	Grant price per share	Number of restricted shares
	RMB	'000	RMB (Unaudited)	'000 (Unaudited)	RMB	'000
At beginning of the year/period	—	—	—	—	0.21-4.02	621
Granted during the year/period	0.21-4.02	734	0.21-4.02	734	4.02	81
Vested during the year/period	4.02	(113)	4.02	(113)	—	—
Forfeited during the year/period	—	—	—	—	4.02	(81)
At end of the year/period	0.21-4.02	621	0.21-4.02	621	0.21-4.02	621

During the Relevant Periods and the six months ended 30 June 2024, share award expenses under the *2024 Share award* of Nil, RMB7,741,000, RMB3,147,000 and RMB5,055,000 (unaudited) were charged profit or loss.

The fair value of the restricted shares granted to employees under the *2024 Share award* as at the grant date were determined with reference to the fair value of the Company on the grant date, using the discounted cash flow method with the consideration of discount for lack of marketability (DLOM) to determine the underlying equity fair value of the Company, with the assistance of an independent third-party valuation firm. The following table lists the inputs to the model used to estimate the fair value of restricted shares granted during the Relevant Periods and the six months ended 30 June 2024:

	As at the grant date in the year of	
	2024	2025
Dividend yield (%)	—	—
Risk-free interest rate (%)	2.36%	2.03%
Weighted average cost of capital (%)	14.50%	14.00%
DLOM	16.00%	14.00%

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28. RESERVES

The amounts of the Company’s reserves and the movements therein for the Relevant Periods are presented in the statements of changes in equity.

Capital reserve

The capital reserve represents the excess of the premium of the shareholders’ total investment amount over the paid-in capital they purchased.

Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards as set out in note 27 to the Historical Financial Information.

29. NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods and the six months ended 30 June 2024, the Company’s major non-cash transactions were as follows:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Additions of right-of-use assets . . .	532	—	—	1,810
Additions of lease liabilities	532	—	—	1,810

(b) Changes in liabilities arising from financing activities

	Lease liabilities
	RMB’000
At 1 January 2023	2,431
New leases	387
Changes from financing cash flows	(1,465)
Interest expense	97
Lease modification	145
At 31 December 2023	1,595

	Interest-bearing bank borrowings	Lease liabilities	Total
	RMB’000	RMB’000	RMB’000
At 1 January 2024	—	1,595	1,595
Changes from financing cash flows	9,766	(949)	8,817
Interest expense	234	53	287
At 31 December 2024	10,000	699	10,699

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	Interest-bearing bank borrowings	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
At 1 January 2024	–	1,595	1,595
Changes from financing cash flows	9,903	(560)	9,343
Interest expense	97	33	130
At 30 June 2024	<u>10,000</u>	<u>1,068</u>	<u>11,068</u>

	Interest-bearing bank borrowings	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025	10,000	699	10,699
Changes from financing cash flows	(10,071)	(872)	(10,943)
Interest expense	71	35	106
Lease modification	–	1,810	1,810
At 30 June 2025	<u>–</u>	<u>1,672</u>	<u>1,672</u>

(c) Total cash outflows for leases

The total cash outflows for leases included in the statements of cash flows are as follows:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(Unaudited)</i>
Within financing activities	<u>(1,465)</u>	<u>(949)</u>	<u>(560)</u>	<u>(872)</u>

30. COMMITMENTS

As at the end of each of the Relevant Periods, the Company did not have any significant contractual commitments.

31. RELATED PARTY TRANSACTION

(a) Name of and relationship with a related party

Name	Relationship
Mr. Liu Jian	Shareholder of the Company

(b) Other transactions with a related party

Mr. Liu Jian has guaranteed certain bank loans made to the Company of up to RMB10,000,000 as at 31 December 2024, as disclosed in note 24 to the Historical Financial Information.

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(c) Compensation of key management personnel of the Company

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Salaries, allowances and benefits in kind	2,230	2,501	1,282	1,246
Equity-settled share awards expenses	397	6,580	5,306	1,837
Performance related bonuses	507	180	90	97
Pension scheme contributions	238	312	155	159
Total	<u>3,372</u>	<u>9,573</u>	<u>6,833</u>	<u>3,339</u>

Further details of a directors’, a supervisor’s and the chief executive’s emoluments are included in note 9 to the Historical Financial Information.

32. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets at amortised cost:			
Trade receivables	165	73	73
Financial assets included in prepayments, other receivables and other assets	220	214	231
Cash and cash equivalents	<u>44,027</u>	<u>26,633</u>	<u>15,433</u>
Total	<u>44,412</u>	<u>26,920</u>	<u>15,737</u>
Financial liabilities at amortised cost:			
Trade payables	464	490	1,625
Financial liabilities included in other payables and accruals	244	2,485	8,390
Interest-bearing bank borrowings	<u>–</u>	<u>10,000</u>	<u>–</u>
Total	<u>708</u>	<u>12,975</u>	<u>10,015</u>

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company’s principal financial instruments, comprise bank loans and overdrafts, and cash and deposits. The main purpose of these financial instruments is to raise finance for the Company’s operations. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Company’s financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Foreign currency risk

The Company had transactional currency exposures during the Relevant Periods. Such exposures mainly arose from the USD held by the Company.

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The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Company’s loss before tax (arising from USD denominated financial instruments) and the Company’s equity.

	Increase/(decrease) in rate of foreign currency	Increase/(decrease) in loss before tax	Increase/(decrease) in equity
	%	RMB’000	RMB’000
31 December 2023			
If the RMB weakens against the USD	5	(1,736)	1,736
If the RMB strengthens against the USD	(5)	1,736	(1,736)
31 December 2024			
If the RMB weakens against the USD	5	(360)	360
If the RMB strengthens against the USD	(5)	360	(360)
30 June 2025			
If the RMB weakens against the USD	5	(357)	357
If the RMB strengthens against the USD	(5)	357	(357)

(b) Credit risk

The Company trades only with recognised and creditworthy third parties. It is the Company’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Company’s exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Company’s credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk:

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Cash and cash equivalents	44,027	–	–	–	44,027
Trade receivables*	–	–	–	165	165
Financial assets included in prepayments, other receivables and other assets – normal**	220	–	–	–	220
Total	44,247	–	–	165	44,412

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As at 31 December 2024

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents .	26,633	—	—	—	26,633
Trade receivables*	—	—	—	73	73
Financial assets included in prepayments, other receivables and other assets – normal**	214	—	—	—	214
Total	<u>26,847</u>	<u>—</u>	<u>—</u>	<u>73</u>	<u>26,920</u>

As at 30 June 2025

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents .	15,433	—	—	—	15,433
Trade receivables*	—	—	—	73	73
Financial assets included in prepayments, other receivables and other assets – normal**	231	—	—	—	231
Total	<u>15,664</u>	<u>—</u>	<u>—</u>	<u>73</u>	<u>15,737</u>

* For trade receivables to which the Company applies the simplified approach for impairment, relevant information is disclosed in note 18 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

(c) Liquidity risk

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Company to finance the operation and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Company’s financial liabilities at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2023			
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	464	—	—	464
Financial liabilities included in other payables and accruals	244	—	—	244
Lease liabilities	887	631	144	1,662
Total	<u>1,595</u>	<u>631</u>	<u>144</u>	<u>2,370</u>

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As at 31 December 2024				
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	490	–	–	490
Financial liabilities included in other payables and accruals	2,485	–	–	2,485
Interest-bearing bank borrowings . .	10,071	–	–	10,071
Lease liabilities	569	144	–	713
Total	13,615	144	–	13,759

As at 30 June 2025				
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	1,625	–	–	1,625
Financial liabilities included in other payables and accruals	8,390	–	–	8,390
Lease liabilities	926	747	57	1,730
Total	10,941	747	57	11,745

(d) Capital management

The primary objectives of the Company’s capital management are to safeguard the Company’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders’ value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during Relevant Periods.

The Company monitors capital using a debt-to-asset ratio which is total liabilities divided by total assets. The debt-to-asset ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total liabilities	6,867	16,024	22,321
Total assets	52,830	36,952	30,386
Debt-to-asset ratio	13.00%	43.36%	73.46%

34. EVENTS AFTER THE RELEVANT PERIODS

In September 2025, investors made capital injections of RMB70,000,000 to the Company, among which a total amount of RMB581,000 was registered as Company’s paid-in capital and the remaining RMB 69,419,000 was credited to capital reserve.

On 17 November 2025, the Company was converted to a joint stock limited liability company, details please refer to note 1 to the Historical Financial Information.

35. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company in respect of any period subsequent to 30 June 2025.

APPENDIX IIA

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX IIA

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX IIA

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX IIA

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX IIB

[REDACTED]

[REDACTED]

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix contains a summary of the principal provisions of the Articles of Association. As the principal objective of this Appendix is to provide potential [REDACTED] with an overview of the Articles of Association, it may not contain all the information that is important to potential [REDACTED].

SHARES AND REGISTERED CAPITAL

The Company’s shares are in the form of stock.

The issuance of the Company’s shares follows the principles of openness, fairness, and justice. Each share of the same category shall have equal rights.

Shares of the same category issued at the same time shall have the same issuance conditions and price. Each share shall be paid for at the same price by the subscriber.

INCREASE, REDUCTION, REPURCHASE, AND TRANSFER OF SHARES

Increase and Reduction of Shares

The Company may increase its capital by the following methods in accordance with the needs of its operation and development, in compliance with the provisions of laws, regulations, and the securities regulatory rules of the Company’s [REDACTED], and upon resolutions passed by the Shareholders’ meeting:

- (i) Issuing shares to non-specific entity;
- (ii) Issuing shares to specific entities;
- (iii) Allotting bonus shares to existing shareholders;
- (iv) Converting capital reserve funds into share capital;
- (v) Other methods approved by laws, administrative regulations, and approved by the securities regulatory authorities where the Company’s shares are [REDACTED].

The Company may reduce its registered capital. The reduction of the Company’s registered capital shall be carried out in accordance with the procedures stipulated by the PRC Company Law and other relevant regulations and the Articles of Association.

Repurchase of Shares

The company shall not repurchase its shares. However, the following circumstances shall be excluded:

- (i) To reduce the Company’s registered capital;

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- (ii) To merge with another company that holds shares in the Company;
- (iii) To use the shares for employee stock ownership plans or equity incentives;
- (iv) To repurchase shares from a shareholder who votes against any resolution adopted at the Shareholders’ Meeting on the merger or division of the Company requesting the Company to purchase the shares held by such Shareholder;
- (v) To use the shares for converting corporate bonds issued by the Company into shares;
- (vi) If necessary to protect the Company’s value and the rights and interests of shareholders;
- (vii) Other circumstances permitted by laws, administrative regulations, departmental rules and regulations, and the securities regulatory rules of the Company’s stock [REDACTED].

The Company may repurchase its own shares through public centralized trading or other methods recognized by laws, administrative regulations, the China Securities Regulatory Commission (CSRC), the Hong Kong Listing Rules, or the securities regulatory rules of the Company’s [REDACTED], and shall comply with the provisions of applicable laws, administrative regulations, departmental rules and regulations, and the securities regulatory rules of the Company’s [REDACTED].

The Company shall repurchase its own shares through public centralized trading under the circumstances specified in item (iii), (v), and (vi) above.

The Company shall repurchase its own shares upon a resolution of the Shareholders’ meeting under the circumstances specified in items (i) and (ii) above. The Company shall repurchase its own shares upon an ordinary resolution of the Board of Directors attended by no less than two-thirds directors of the Board under the circumstances specified in items (iii), (v), and (vi) above, provided that it complies with the applicable securities regulatory rules of the place where the Company’s shares are [REDACTED].

After the Company repurchases its own shares in accordance with the above provisions, provided that it complies with the applicable securities regulatory rules of the place where the Company’s shares are [REDACTED], it shall cancel the repurchased shares within 10 days from the date of repurchase under the circumstances specified in item (i) above; it shall transfer or cancel the repurchased shares within 6 months under the circumstances specified in items (ii) and (iv) above; and under the circumstances specified in items (iii), (v), and (vi) above, the total number of its own shares held by the Company shall not exceed 10% of the total number of issued shares of the Company, including shares that have been repurchased but not yet canceled, and shall be transferred or canceled within three years, except as permitted by applicable laws, regulations, and the securities regulatory rules of the Company’s [REDACTED] place.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

If the applicable laws, regulations, securities regulatory rules of the place where the Company’s shares are [REDACTED] have other provisions regarding the repurchase of the Company’s shares, including but not limited to disclosure duty of share repurchase, the Company shall comply with such provisions.

Transfer of Shares

The Company’s shares shall be transferred in accordance with the law. Shares issued before the Company’s [REDACTED] and [REDACTED] shall not be transferred within one year from the date the Company’s shares are [REDACTED] and [REDACTED] on the stock exchange.

Directors and senior management members of the Company shall report to the Company the shares they hold in the Company and any changes therein. During the term of office as defined at the time of their election, they shall not transfer more than 25% of the total number of shares they hold in the Company each year. The shares they hold in the Company shall not be transferred within one year from the date the Company’s shares are [REDACTED] and [REDACTED]. The aforesaid personnel shall not transfer the shares they hold in the Company within six months after their resignation.

If laws, administrative regulations, or securities regulatory rules of the place where the Company’s shares are [REDACTED] have other provisions on the transfer restrictions of the Company’s shares, such provisions shall prevail.

SHAREHOLDERS AND SHAREHOLDERS’ MEETING

General Provisions on Shareholders

The Company shall establish a register of shareholders. The register of shareholders is sufficient evidence of shareholders’ ownership of the Company’s shares.

Shareholders shall enjoy rights and bear obligations according to the types of shares they hold; shareholders holding the same type of shares shall enjoy equal rights and bear the same obligations.

Shareholders of the Company shall enjoy the following rights:

- (i) To receive dividends and other forms of profit distribution according to the proportion of the shares they hold;
- (ii) To request, convene, preside over, attend, or appoint a shareholder proxy to attend the Shareholders’ meeting and exercise corresponding voting rights;
- (iii) To supervise the Company’s operations and make suggestions or inquiries;

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

- (iv) To transfer, donate, or pledge the shares they hold in accordance with laws, administrative regulations, and the Articles of Association;
- (v) To inspect and copy the Articles of Association, register of shareholders, minutes of Shareholders' meetings, resolutions of the Board of Directors, financial reports, and accounting books and vouchers of the Company if they are qualified;
- (vi) To participate in the distribution of the Company's remaining assets according to the proportion of shares they hold when the Company is terminated or liquidated;
- (vii) To request the Company to repurchase their shares if they vote against the resolutions on the Company's merger or division resolved by the Shareholders' meeting;
- (viii) Other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are [REDACTED], or the Articles of Association.

If the content of the resolutions of the Shareholders' meeting or the Board of Directors violates laws or administrative regulations, shareholders have the right to request the people's court to determine the invalidity of the resolutions. If the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods violate laws, administrative regulations, or the Articles of Association, or if the content of the resolutions violates the Articles of Association, shareholders have the right to request the people's court to revoke the resolutions within 60 days from the date of resolutions. However, if the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods have only minor defects and do not have a substantial impact on the resolutions, this provision shall not apply.

Shareholders of the Company shall bear the following obligations:

- (i) To comply with laws, administrative regulations and the Articles of Association;
- (ii) To pay for the share subscription price according to the shares they subscribe for and the method of subscription;
- (iii) Not to withdraw their capital except in circumstances stipulated by laws and regulations;
- (iv) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the Company's independent legal person status and shareholders' limited liability to damage the interests of the Company's creditors;

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- (v) Other obligations stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are [REDACTED], and the Articles of Association.

Any Shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and causes severe harms to the interests of the Company’s creditors shall assume joint and several liability for the Company’s debts.

Controlling Shareholders and Actual Controllers

The Company’s controlling shareholders and actual controllers shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, the regulatory agencies and the stock exchange where the Company’s shares are [REDACTED] and shall safeguard the interests of the Company.

The Company’s controlling shareholders and actual controllers shall comply with the following provisions:

- (i) To exercise shareholder rights according to law and not to abuse control rights or use connected relationship to damage the legitimate rights and interests of the Company or other shareholders;
- (ii) To strictly fulfill the public statements and commitments made and not to change or exempt them;
- (iii) To strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure, and promptly inform the Company of major events that have occurred or are about to occur;
- (iv) Not to occupy funds from the Company in any way;
- (v) Not to force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (vi) Not to use the Company’s undisclosed major information to seek benefits, not to disclose the Company’s undisclosed major information in any way, and not to engage in illegal activities such as insider trading, short-swing trading, market manipulation, etc.;
- (vii) Not to damage the legitimate rights and interests of the Company and other shareholders through unfair transactions with connected persons, profit distribution, asset restructuring, external investment, etc.;

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- (viii) To ensure the Company’s asset integrity, personnel independence, financial independence, institutional independence, and business independence, and not to affect the Company’s independence in any way;
- (ix) Other provisions stipulated by laws, administrative regulations, the CSRC, the stock exchange, the securities regulatory rules of the place where the Company’s shares are [REDACTED], and the Articles of Association.

If the Company’s controlling shareholders or actual controllers do not serve as Directors of the Company but actually execute the Company’s affairs, the provisions of the Articles of Association on Directors’ duties of loyalty and diligence shall apply.

If the Company’s controlling shareholders or actual controllers instruct Directors or senior management members to engage in activities that may damage the interests of the Company or shareholders, they shall bear joint and several liability with such Directors or senior management members.

General Provisions on Shareholders’ Meeting

The Shareholders’ meeting is the Company’s authority and shall exercise the following powers according to law:

- (i) To elect and replace Directors and decide on matters connected to Directors’ remuneration;
- (ii) To examine and approve the Board of Directors’ report;
- (iii) To examine and approve the Company’s profit distribution plan and loss recovery plan;
- (iv) To make resolutions on the Company’s increase or decrease of registered capital;
- (v) To make resolutions on the issuance of corporate bonds;
- (vi) To make resolutions on the Company’s merger, division, dissolution, liquidation, or change of corporate form;
- (vii) To amend the Articles of Association;
- (viii) To make resolutions on the appointment and dismissal of accounting firms auditing the Company;
- (ix) To examine and approve the guarantee matters stipulated in Article 46 of the Articles of Association;

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- (x) To examine and approve matters connected to the Company’s purchase or sale of major assets exceeding 30% of the Company’s total assets as of the latest audited financial statements within one year;
- (xi) To examine and approve the formulation, amendment, and implementation of equity incentive plans and employee stock ownership plans (if such plans involve the issuance of new shares);
- (xii) To examine and approve other matters that should be decided by the Shareholders’ meeting as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are [REDACTED], or the Articles of Association.

The Shareholders’ meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

The following external guarantee of the Company must be reviewed and approved by the Shareholders’ meeting:

- (i) Any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the Company’s net assets as of the latest audited financial statements;
- (ii) Any guarantee provided after the total external guarantees of the Company exceed 30% of the Company’s total assets as of the latest audited financial statements;
- (iii) Any guarantee provided within one year with a guarantee amount exceeding 30% of the Company’s latest audited total assets;
- (iv) Any guarantee provided to a guarantee object with a debt-to-asset ratio exceeding 70%;
- (v) Any single guarantee with an amount exceeding 10% of the Company’s net assets as of the latest audited financial statements;
- (vi) Any guarantee provided to the shareholders, actual controllers, and their connected parties (the definition of which refers to the Hong Kong Listing Rules).

The Shareholders’ meeting is classified into annual Shareholders’ meetings and extraordinary Shareholders’ meetings. The annual Shareholders’ meeting shall be held once every fiscal year within six months after the end of the previous fiscal year.

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Under any of the following circumstances, the Company shall convene an extraordinary Shareholders' meeting within two months from the date of occurrence:

- (i) When the number of directors is less than the number stipulated by the PRC Company Law or two-thirds of the number stipulated by the Articles of Association;
- (ii) When the unrecovered losses of the Company amount to one-third of the total share;
- (iii) When shareholder individually or with other shareholders jointly hold no less than 10% of the Company's shares request;
- (iv) When the Board of Directors deems it necessary;
- (v) When the Audit Committee proposes to convene;
- (vi) Other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Convening of Shareholders' Meeting

The Board of Directors shall convene the Shareholders' meeting within the prescribed time limit.

With the consent of more than half of all independent non-executive directors, independent non-executive directors have the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED], and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days after the adoption of the board resolution; if the Board of Directors does not agree to convene an extraordinary Shareholders' meeting, it shall explain the reasons.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit the proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are [REDACTED], and the Articles off Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to

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provide feedback within 10 days as of receiving the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duties of convening the Shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or jointly hold no less than 10% of the Company's total issued share capital (excluding treasury stock) have the right to request the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED], and the Articles of Association, provide written feedback within 10 days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the request, shareholders who individually or jointly hold no less than 10% of the Company's total issued share capital (excluding treasury stock) have the right to propose to the Audit Committee to convene an extraordinary Shareholders' meeting and shall submit the request in writing to the Audit Committee. If the Audit Committee agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days as of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Audit Committee fails to issue the notice of the Shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee does not convene and preside over the Shareholders' meeting, and shareholders holding no less than 10% of the Company's total issued share capital separately or jointly for no less than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or shareholders decide to convene the Shareholders' meeting on their own, they shall notify the Board of Directors in writing. The shareholding ratio of the convening shareholders shall maintain no less than 10% of the total issued share capital prior to the approval of any resolution at the general meeting.

The necessary expenses for the Shareholders' meeting convened by the Audit Committee or shareholders on their own shall be borne by the Company.

Proposals and Notices of the Shareholders' Meeting

The content of the proposals shall fall within the scope of the Shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED], and the Articles of Association.

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When the Company convenes a Shareholders’ meeting, the Board of Directors, the Audit Committee, and shareholders holding no less than 1% of the Company’s total issued share capital separately or jointly have the right to submit proposals to the Company.

Shareholders holding no less than 1% of the Company’s total issued share capital separately or jointly may submit temporary proposals in writing to the convener 10 days before the Shareholders’ meeting. The temporary proposals shall have clear topics and specific resolution matters. The convener shall, within 2 days of receiving the proposal, issue a supplementary notice of the Shareholders’ Meeting to inform shareholders of the content of the temporary proposals. The notice shall include the content of the temporary proposals, as well as the name of the shareholder who submitted the temporary proposals and their shareholding ratio. In addition, the convener shall submit the temporary proposals to the Shareholders’ Meeting for review. However, temporary proposals that violate laws, administrative regulations, or the Articles of Association, or do not fall within the scope of the Shareholders’ meeting’s authority, shall be excluded.

Except for the circumstances stipulated in the preceding paragraph or the Hong Kong Listing Rules, the convener shall not modify the proposals already listed in the notice of the Shareholders’ meeting or add new proposals after issuing the notice of the Shareholders’ meeting.

Proposals not listed in the notice of the Shareholders’ meeting or not in compliance with the Articles of Association shall not be voted on or resolved at the Shareholders’ meeting.

The convener shall notify all shareholders by way of announcement 20 days before the annual Shareholders’ meeting and 15 days before the extraordinary Shareholders’ meeting. For the purpose of calculating the commencement of such time limits, the date of the meeting itself shall not be included, but the date on which the notice is issued shall be included. In the event that there are any other provisions under applicable laws, regulations, or the rules of the securities regulatory authority of the place where the Company’s shares are [REDACTED], the Company shall comply with such provisions.

The notice of the Shareholders’ meeting shall include the following content:

- (i) The time, place, and duration of the meeting;
- (ii) The matters and proposals to be reviewed at the meeting;
- (iii) A clear statement that all shareholders are entitled to attend the Shareholders’ meeting and may appoint a proxy in writing to attend the meeting and vote, and the proxy does not need to be a shareholder of the Company;
- (iv) The record date for shareholders entitled to attend the Shareholders’ meeting;
- (v) The name and telephone number of the standing contact person for the meeting;

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- (vi) The time and procedure for voting by network or other means;
- (vii) Other matters stipulated by laws, administrative regulations, departmental rules, the rules of the securities regulatory authority and the stock exchange where the Company’s shares are [REDACTED], and this Articles of Association.

Holding of the Shareholders’ Meeting

All shareholders who are registered on the record date as well as their proxies, shall be entitled to attend the shareholders’ meeting, and exercise their voting rights in accordance with the relevant laws, regulations, the securities regulatory rules of the place where the Company’s shares are [REDACTED] and the Company’s Articles of Association (unless individual shareholders are required to abstain from voting on specific matters in accordance with the securities regulatory rules of the place where the Company’s shares are [REDACTED]).

Shareholders may attend the shareholders’ meeting in person or appoint a proxy (who need not be a shareholder of the Company) to attend, and vote on their behalf.

An Individual shareholder attending the meeting in person shall present their ID cards or other valid identification documents; if appointing a proxy to attend the meeting, he/she shall present valid ID cards and a power of attorney for the shareholder.

A Corporate shareholder may be represented by the legal representative or a delegate appointed by the corporate shareholder. The legal representative attending the meeting shall present his/her ID card and valid proof of legal principal identification; the delegate who attends the meeting shall present his/her ID card and documents proving that he/she has been appointed by the corporate shareholder, except for the shareholder who is a recognized clearing house or its proxy (the “Recognized Clearing House”) as defined in the relevant laws and regulations in force from time to time under the laws of Hong Kong or the securities regulatory rules of the place where the shares of the company are [REDACTED].

The power of attorney for appointing a proxy to attend the Shareholders’ meeting shall specify the following content:

- (i) The name or title of the principal and the category and quantity of shares held;
- (ii) The name or title of the proxy;
- (iii) Specific instructions of the shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the Shareholders’ meeting;
- (iv) The date of issuance and validity period of the power of attorney;
- (v) The signature (or seal) of the principal. Where the principal is a corporate shareholder or a partnership shareholder, the seal of the shareholder entity shall be affixed. If the overseas corporate shareholder does not have a seal, it may be signed by a legally authorized person.

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The power of attorney shall indicate whether the proxy can vote at his or her own will if the shareholder does not give specific instructions.

If the power of attorney for proxy voting is signed by a person authorized by the principal, the authorization letter or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents and the power of attorney for proxy voting shall be kept at the Company's domicile or another place designated in the notice of the meeting.

If the shareholder is a Recognized Clearing House (or its proxy), the shareholder may authorize one or more persons it deems appropriate to act as its representative at any Shareholders' meeting or creditors' meeting; however, if more than one person is authorized, the power of attorney shall specify the number and category of shares involved in the authorization for each authorized person, and the power of attorney shall be signed by an authorized person of the Recognized Clearing House. The authorized person may attend Shareholders' meeting (without presenting shareholding certificates, notarized authorization and/or further evidence confirming their formal authorization), and shall be entitled to the same statutory rights as those enjoyed by other shareholders (including the right to speak and vote), as if the person were an individual shareholder of the Company.

If the Shareholders' meeting requires Directors and senior management members to attend the meeting, the Directors and senior management members shall attend and be subject to the interrogation of the shareholders.

The Shareholders' meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or unwilling to perform his duties, a Director elected by more than half of the Directors shall preside. The Shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or unwilling to perform his duties, an Audit Committee member elected by more than half of the Audit Committee members shall preside. The Shareholders' meeting convened by shareholders shall be presided over by the convener or a representative elected by the convener. If the meeting chairperson violates the rules of procedure during the Shareholders' meeting, making it impossible to continue the meeting, the Shareholders' meeting may elect a person to act as the meeting chairperson with the consent of more than half of the voting rights held by the shareholders present at the meeting in person, and continue the meeting.

Voting and Resolutions at the Shareholders' Meeting

Resolutions of the Shareholders' meeting are classified into ordinary resolutions and special resolutions. An ordinary resolution of the Shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the meeting. A special resolution of the Shareholders' meeting shall be passed by no less than two-thirds of the voting rights held by the shareholders present at the meeting.

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The following matters shall be passed by the Shareholders’ meeting as ordinary resolutions:

- (i) The work report of the Board of Directors;
- (ii) The profit distribution plan and loss recovery plan proposed by the Board of Directors;
- (iii) The appointment and dismissal of board members and the Directors’ remuneration and payment methods;
- (iv) Other matters except those that, as stipulated by laws, administrative regulations, the securities regulatory rules of the Company’s [REDACTED], or the Articles of Association, shall be passed by a special resolution.

The following matters shall be passed by the Shareholders’ meeting as special resolutions:

- (i) The increase or reduction of the Company’s registered capital;
- (ii) The division, merger, dissolution, and liquidation (including voluntary liquidation) of the Company and change of the Company’s form;
- (iii) Amendments to the Articles of Association;
- (iv) The Company’s purchase or sale of major assets or provision of guarantees to others at the amount exceeding 30% of the Company’s latest audited total assets within one year;
- (v) Equity incentive plans;
- (vi) Other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are [REDACTED], or the Articles of Association, as well as matters that the Shareholders’ meeting deems to have a significant impact on the Company and require a special resolution.

The Company’s shares held by the Company do not have voting rights, and such shares shall not be counted in the total number of voting shares present at the Shareholders’ meeting.

According to applicable laws, regulations and rules of the place where the Company’s shares are [REDACTED], if any shareholder is required to waive their voting rights on a resolution or is restricted to only voting for (or against) a resolution, the votes cast by such shareholder or their representative in violation of the relevant provisions or restrictions shall not be counted in the total number of voting shares.

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The Company’s Board of Directors, independent non-executive Directors, shareholders holding no less than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, the rules of the securities regulatory authorities of the place where the Company’s shares are [REDACTED], may publicly solicit shareholders’ voting rights. The solicitation of shareholders’ voting rights shall fully disclose specific voting intentions and other information to the solicited parties. It is prohibited to solicit shareholders’ voting rights by compensation or disguised compensation. Except for statutory conditions, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

When the Shareholders’ meeting votes on transaction with connected party (the definition of which refers to the Hong Kong Listing Rules), connected shareholders (the definition of which refers to the Hong Kong Listing Rules) shall not participate in the voting, and the number of voting shares they represent shall not be counted in the total number of valid votes; The Shareholders’ meeting resolution shall fully disclose the voting situation of non-connected shareholders.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions on Directors

The Directors of the Company may include executive Directors, non-executive Directors, and independent non-executive Director.

Directors of the Company shall be individuals. A person with any of the following circumstances shall not serve as a Director of the Company:

- (i) Having no capacity for civil conduct or limited capacity for civil conduct;
- (ii) Having been sentenced to a criminal penalty for embezzlement, bribery, infringement of property, misappropriation of property, or disrupting the socialist market economic order, or having had his/her political rights deprived due to a crime, and less than 5 years have elapsed since the expiration of the execution period, or if on probation, less than 2 years have elapsed since the expiration of the probation period;
- (iii) Having served as a director, factory director, or manager of a company or enterprise undergoing bankruptcy liquidation and being personally liable for the bankruptcy of such company or enterprise, and less than 3 years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;
- (iv) Having served as the legal representative of a company or enterprise whose business license has been revoked or has been ordered to close down due to illegal activities and being personally liable, and less than 3 years have elapsed since the revocation of the business license or the order to close down of such company or enterprise;

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- (v) A person who has relatively significant individual debts that have not been settled upon maturity and are listed by the people’s court as a defaulter;
- (vi) Having been banned from access to the securities market by the CSRC and the term has not expired;
- (vii) A person who has been publicly determined by the stock exchange as unsuitable to serve as a director or senior management personnel of a company, and the term of such determination has not expired;
- (viii) Other circumstances stipulated by laws, administrative regulations, departmental rules, or the securities regulatory rules of the Company’s [REDACTED].

Elections or appointments of Directors that violate the provisions of this section shall be invalid. If a Director becomes subject to any of the circumstances listed in this section during their tenure, the Company shall terminate their position and cease his duties.

Directors shall be elected or replaced by the Shareholders’ meeting and may be removed from their positions by a resolution of the Shareholders’ meeting before the expiration of their term. The term of office for Directors is three years, and upon the expiration of their term, they may be re-elected in accordance with the securities regulatory rules of the place where the Company’s shares are [REDACTED].

The term of a Director is calculated from the date of election until the expiration of the current Board of Directors’ term. If the Directors are not re-elected timely upon the expiration of their term, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company’s shares are [REDACTED], and the Articles of Association until the newly elected Directors assume office.

A Director may also hold the position of senior management positions, but the total number of Directors who also serve as senior management positions, as well as Directors who are employee representatives, shall not exceed half of the total number of Directors of the Company.

A Director may resign before the expiration of their term. A Director’s resignation shall be submitted to the Company in writing and shall become effective immediately upon receipt by the Company.

If the resignation of a Director results in the number of board members falling below the statutory minimum, or if the resignation of an independent non-executive Director results in the proportion of independent non-executive Directors on the Company’s Board of Directors or Special Committees not complying with the provisions of laws and regulations or the Articles of Association, or if there is a lack of accounting professionals among the independent non-executive Directors, the resigning Directors shall continue to perform their duties as

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Directors in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company’s shares are [REDACTED], and the Articles of Association until the newly elected Directors assume office.

Board of Directors

The Company shall have a Board of Directors, which shall be responsible to the Shareholders’ meeting. The Board of Directors shall consist of seven directors, including three independent non-executive Directors. The Board of Directors shall have one Chairman. The Chairman shall be elected by the Board of Directors by a majority vote of all Directors.

The Board of Directors shall exercise the following powers and duties:

- (i) Convening the Shareholders’ meeting and reporting to the Shareholders’ meeting;
- (ii) Implementing the resolutions of the Shareholders’ meeting;
- (iii) Deciding on the Company’s business plans and investment proposals;
- (iv) Formulating the Company’s profit distribution plans and loss recovery plans;
- (v) Formulating plans for the Company’s increase or decrease of registered capital, issuance of bonds or other securities, and listing;
- (vi) Drafting plans for major acquisitions, repurchases of the Company’s shares, mergers, divisions, dissolution, or changes of the Company’s form;
- (vii) Deciding on matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected party transactions, and external donations, within the scope authorized by the Shareholders’ meeting;
- (viii) Deciding on the establishment of the Company’s internal management structure;
- (ix) Deciding on the appointment or dismissal of the General Manager, secretary of the Board, and other senior management members, and determining their remuneration and reward (or punishment); based on the General Manager’s nomination, deciding on the appointment or dismissal of deputy Chief General Manager financial officer, and other senior management members, and determining their remuneration and reward (or punishment);
- (x) Formulating the Company’s basic management systems;
- (xi) Drafting amendments to the Articles of Association;

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- (xii) Managing the Company's information disclosure matters;
- (xiii) Proposing to the Shareholders' meeting the appointment or replacement of the accounting firm auditing the Company;
- (xiv) Listening to the work report of the General Manager and inspect their work;
- (xv) Other powers and duties granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are [REDACTED], the Articles of Association, or the Shareholders' meeting.

Matters beyond the scope of such authorization shall be submitted to the Shareholders' meeting for resolution.

The Board of Directors shall hold at least four meetings each year (once per quarter), convened by the chairman, with written notice provided to all Directors at least 14 days before the meeting. Shareholders representing no less than one-tenth of the voting rights, one-third of the Directors, or the Audit Committee may propose the convening of an extraordinary board meeting. The chairman shall convene and preside over the board meeting within 14 days of receiving such a proposal.

When the Board of Directors convenes an extraordinary board meeting, the chairman of the Board of Directors shall notify all directors three days prior to the meeting. However, in cases of emergency where it is necessary to convene an extraordinary meeting of the Board of Directors as soon as possible, the meeting notice may be given at any time through telephone or other oral means without being subject to the above notification period. However, the convener shall provide an explanation at the meeting.

Unless otherwise provided in the Company's articles of association, a board meeting shall require the attendance of more than half of the Directors to be valid. Save otherwise provided by laws, administrative regulations, departmental rules, the articles of association, or the securities regulatory rules of the Company's [REDACTED], resolutions of the Board of Directors shall require the approval of more than half of all Directors. Each Director shall have one vote in board resolutions.

If a Director has a connected relationship with the enterprise or individual involved in a board resolution, the Director shall promptly report in writing to the Board of Directors. The connected Director shall not vote on the resolution or act as a proxy for another Director to vote. The board meeting shall proceed with the attendance of more than half of the non-connected Directors, and resolutions shall require the approval of more than half of the non-connected Directors. If the number of non-connected Directors attending the board meeting is less than three, the matter shall be submitted to the Shareholders' meeting for resolution.

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A board meeting shall be attended by Directors in person. If a Director is unable to attend, they may appoint another Director in writing to attend on their behalf. The written appointment shall specify the name of the proxy, the matters to be represented, the scope of authority, and the validity period, and shall be signed or sealed by the appointing Director. The proxy shall exercise the Director's rights within the scope of authority. If a Director does not attend the board meeting and does not appoint a proxy to attend, they shall be deemed to have waived their voting rights at that meeting.

Independent non-executive Director

Independent non-executive Director shall diligently perform their duties in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are [REDACTED], and the Articles of Association. They shall play a role in decision-making, checks and balances, and professional consultation within the Board of Directors, safeguarding the overall interests of the Company and protecting the lawful rights and interests of minority shareholders.

Independent non-executive Director must maintain independence. The following persons shall not serve as independent non-executive Director:

- (i) Persons employed by the Company or its affiliated enterprises, as well as their spouses, parents, children, and close relatives;
- (ii) Persons who directly or indirectly hold no less than 1% of the Company's issued shares or are among the top ten shareholders of the Company, as well as their spouses, parents, and children;
- (iii) Persons employed by shareholders who directly or indirectly hold no less than 5% of the Company's issued shares or are among the top five shareholders of the Company, as well as their spouses, parents, and children;
- (iv) Persons employed by affiliated enterprises of the Company's Controlling Shareholders or actual controllers, as well as their spouses, parents, and children;
- (v) Persons who have significant business dealings with the Company, its Controlling Shareholders, actual controllers, or their respective subsidiaries, or who are employed by entities that have significant business dealings with the Company, and their controlling shareholders or actual controllers;
- (vi) Persons who provide financial, legal, consulting, or [REDACTED] services to the Company, its Controlling Shareholders, actual controllers, or their respective subsidiaries, including but not limited to project team members, reviewers, signatories, partners, Directors, senior management members, and principal responsible persons of intermediary institutions providing such services;

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- (vii) Persons who have had any of the above-mentioned circumstances within the past 12 months;
- (viii) Other persons deemed not independent under laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are [REDACTED], or the Articles of Association.

Independent non-executive Director shall conduct an annual self-assessment of their independence and submit the results to the Board of Directors. The Board of Directors shall annually evaluate the independence of incumbent independent non-executive Director and issue a special opinion.

The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all independent non-executive Director:

- (i) connected party transactions that require disclosure;
- (ii) Other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are [REDACTED], or the Articles of Association.

The Company shall establish a special meeting mechanism composed entirely of independent non-executive Director. Matters such as transactions with connected party to be reviewed by the Board of Directors shall be previously approved by the special meeting of independent non-executive Director. The Company holds special meetings of independent non-executive Director regularly or irregularly. Matters listed in Article 124 and items (i) to (iii) of paragraph 1 of Article 123 under the Articles of Association shall be reviewed by the special meeting of independent non-executive Director. The special meeting of independent non-executive Director may discuss other matters of the Company as needed.

The special meeting of independent non-executive Director shall be convened and presided over by one independent non-executive Director jointly recommended by more than half of the independent non-executive Director. If the convener fails to perform their duties or is unable to do so, two or more independent non-executive Director may convene the meeting and recommend one representative to preside.

Special Committees under the Board

The Company’s Board of Directors shall establish an Audit Committee to exercise the powers of a board of supervisors set out in PRC Company Law.

The Audit Committee shall consist of three members, all of whom shall be non-executive directors or independent non-executive Directors, with more than half thereof being independent non-executive Directors. The convener of the Audit Committee shall be an independent non-executive Director who is a professional in accounting.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

The Audit Committee shall be responsible for reviewing the Company’s financial information and its disclosure, supervising and evaluating internal and external audits, and internal controls. The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all Audit Committee members:

- (i) Disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;
- (ii) Appointment or dismissal of the accounting firm auditing the Company;
- (iii) Appointment or dismissal of the Company’s financial officer;
- (iv) Changes in accounting policies, accounting estimates, or corrections of major
- (v) Other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are [REDACTED], or the Articles of Association.

The Company has also established the nomination committee and the remuneration and appraisal committee under the Board of Directors, which shall perform their duties in accordance with the securities regulatory rules of the place where the Company’s shares are [REDACTED], the Articles of Association, and the authorization of the Board of Directors. Proposals from the special committees shall be submitted to the Board of Directors for deliberation and decision. The working procedures of the special committees shall be formulated by the Board of Directors.

SENIOR MANAGEMENT PERSONNEL

The Company shall have one General Manager, who shall be appointed or dismissed by the Board of Directors. The Company may have several Deputy Managers, who shall be appointed or dismissed by the Board of Directors.

The provisions of the Articles of Association regarding the circumstances under which a person may not serve as a Director shall also apply to senior management. The provisions of the Articles of Association regarding the fiduciary duties and diligence obligations of Directors shall also apply to senior management.

The General Manager shall be accountable to the Board of Directors and shall exercise the following powers and duties:

- (i) Presiding over the Company’s production, operation, and management activities, implementing the resolutions of the Board of Directors, and reporting to the Board of Directors;
- (ii) Implementing the Company’s annual business plans and investment proposals;

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

- (iii) Drafting proposals for the establishment of the Company’s internal management structure;
- (iv) Drafting the Company’s basic management systems;
- (v) Formulating the Company’s specific regulations;
- (vi) Recommend to the Board of Directors the appointment or dismissal of the Company’s Deputy Managers and financial officer;
- (vii) Deciding on the appointment or dismissal of management personnel other than those whose appointment or dismissal is to be decided by the Board of Directors;
- (viii) Approve transactions that do not need to be submitted to the Board of Directors, or shareholders’ meeting for deliberation and approval in accordance with the rules of the stock exchange where the Company is [REDACTED], these Articles of Association and other rules of procedure;
- (ix) Other powers and duties granted by the Articles of Association or the Board of Directors.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial and Accounting System

The Company shall establish its financial accounting system in accordance with laws, administrative regulations, the provisions of relevant national authorities, and the rules of the securities regulatory authorities of the place where the Company’s shares are [REDACTED].

The periodic reports of the Company include annual reports and interim reports. The Company shall disclose its preliminary announcement on annual results within three months from the ending date of each financial year, and complete its annual report for disclosure within four months from the ending date of each financial year and at least 21 days prior to the date of the annual general meeting. The Company shall disclose its preliminary announcement on interim results within two months from the ending date of the first six months of each financial year, and complete its interim report for disclosure within three months from the ending date of the first six months of each financial year.

The above annual reports, and interim results shall be prepared in accordance with the relevant laws, administrative regulations, departmental rules, and the requirements of the securities regulatory authorities and the stock exchange of the place where the Company’s Shares are [REDACTED].

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

The Company shall not establish separate accounting books in addition to the statutory accounting books. The Company’s funds shall not be stored in accounts opened in the name of any individual.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company’s statutory reserve fund. If the cumulative amount of the Company’s statutory reserve fund exceeds 50% of the Company’s registered capital, the Company may cease to make further allocations. If the Company’s statutory reserve fund is insufficient to cover the losses of previous years, the Company shall use the current year’s profits to cover the losses before allocating the statutory reserve fund as stipulated above. After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the Shareholders’ meeting.

After covering losses and allocating reserve funds, the remaining after-tax profits shall be distributed according to the proportion of shares held by shareholders. If the Shareholders’ meeting violates the PRC Company Law by distributing profits to shareholders before covering losses and allocating statutory reserve fund, the shareholders must return the profits distributed in violation of the regulations to the Company; if the Company suffers losses as a result, the shareholders and the responsible Directors and senior management shall bear the liability for compensation. The Company’s own shares held by the Company shall not participate in the distribution of profits.

The Company’s reserve funds shall be used to cover the Company’s losses, expand the Company’s production and operation, or convert into additional capital. When using reserve funds to cover the Company’s losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations. When converting the statutory reserve fund into additional registered capital, the remaining statutory reserve fund shall not be less than 25% of the Company’s registered capital before the conversion.

After the resolution on the profit distribution plan is passed at the Company’s general meeting, or after the Board of the Company formulates a specific distribution plan based on the conditions and upper limits for interim dividends approved at the annual general meeting, subject to the provisions of laws, regulations and the securities regulatory rules of the Company’s [REDACTED], the Company shall complete the distribution of dividends (or bonus shares) within 2 months.

Internal Audit

The Company shall implement an internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding, application of audit results, and accountability for internal audit work.

The internal audit department is responsible to the Board of Directors.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

Appointment of Accounting Firms

The Company shall engage an accounting firm that complies with the rules of the securities regulatory authorities of the place where the Company’s shares are [REDACTED] to conduct audits of financial statements, verification of net assets, and other connected consulting services. The engagement term shall be one year and may be renewed.

The appointment or dismissal of an accounting firm shall be decided by the Shareholders’ meeting through an ordinary resolution. The Board of Directors shall not appoint an accounting firm before the decision of the Shareholders’ meeting.

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misreport such materials.

The remuneration of the accounting firm shall be decided by the Shareholders’ meeting.

When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 30 days in advance. When the Shareholders’ meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to present its opinions.

If the accounting firm resigns, it shall explain to the Shareholders’ meeting whether there are any improper circumstances in the Company.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase, and Capital Reduction

The Company’s merger can be in the form of an absorption merger or a consolidation merger. When one company absorbs other companies, it is an absorption merger, and the absorbed companies are dissolved. When two or more companies merge to form a new company, it is a consolidation merger, and all the merging companies are dissolved.

Where the payment for a company merger does not exceed 10% of the Company’s net assets, it may proceed without a Shareholders’ meeting resolution, unless otherwise provided by the Company’s Articles of Association. Where a merger is to be conducted without a shareholders’ meeting resolution in accordance with the provisions mentioned above, it shall be approved by a resolution of the Board of Directors.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

For a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date of adopting the merger resolution and make an announcement in the National Enterprise Credit Information Publicity System within 30 days. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, request the Company to pay off its debts or provide corresponding guarantees. In the event that the securities regulatory rules of the place where the Company's shares are listed provide otherwise, the Company shall also comply with the relevant provisions.

When the Company merges, the credits and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

When the Company divides, its assets shall be divided accordingly. When the Company divides, it shall prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the division resolution and make an announcement in the National Enterprise Credit Information Publicity System within 30 days. In the event that the securities regulatory rules of the place where the Company's shares are listed provide otherwise, the Company shall also comply with the relevant provisions.

The debts of the Company before the division shall be jointly assumed by the companies after the division, unless otherwise agreed in a written agreement between the Company and its creditors before the division.

When the Company needs to reduce its registered capital, it must prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the Shareholders' meeting resolution on the capital reduction and make an announcement in the National Enterprise Credit Information Publicity System within 30 days. Creditors may request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice. In the event that the securities regulatory rules of the place where the Company's shares are [REDACTED] provide otherwise, the Company shall also comply with the relevant provisions.

When the Company merges or divides, and the registration matters change, it shall apply for a change of registration with the Company registration authority in accordance with the law; when a company is dissolved, it shall apply for cancellation of registration in accordance with the law; when a new company is established, it shall apply for establishment registration in accordance with the law. When the Company increases or reduces its registered capital, it shall apply for a change of registration with the Company registration authority in accordance with the law.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

- (i) The business term stipulated in the Articles of Association expires or other dissolution reasons stipulated in the Articles of Association arise;
- (ii) The Shareholders' meeting resolves to dissolve the Company;
- (iii) The Company needs to be dissolved due to a merger or division;
- (iv) The Company is legally revoked its business license, ordered to close, or revoked;
- (v) The Company's operation and management encounter serious difficulties, and its continued existence would cause significant losses to shareholders' interests, and no other solutions can be found. Shareholders holding 10% or more of the Company's total voting rights may request the people's court to dissolve the Company.

When the Company has the dissolution reasons mentioned above, it shall publicize the dissolution reasons through the National Enterprise Credit Information Publicity System within ten days.

If the Company has the circumstances mentioned in items (i) and (ii) above and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or through a resolution of the Shareholders' meeting. To amend the Articles of Association or pass a resolution of the Shareholders' meeting in accordance with the preceding paragraph, it must be approved by no less than two-thirds of the voting rights held by shareholders present at the Shareholders' meeting.

If a company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) above, it shall be liquidated. The Directors are the liquidation obligors and shall establish a liquidation group within 15 days from the date the dissolution reason arises to commence liquidation. The liquidation group shall consist of Directors, unless otherwise stipulated in the Articles of Association or the Shareholders' meeting resolves to appoint others. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall bear the liability for compensation.

During the liquidation period, the liquidation group shall exercise the following powers and duties:

- (i) Cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets;
- (ii) Notifying and announcing to creditors;
- (iii) Handling the Company's unfinished business related to the liquidation;

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

- (iv) Paying off the taxes owed and the taxes incurred during the liquidation process;
- (v) Cleaning up claims and debts;
- (vi) Distributing the remaining assets after the Company’s debts are settled;
- (vii) Representing the Company in civil litigation activities.

The liquidation group shall notify creditors within 10 days from the date of its establishment and make an announcement in the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice. In the event that the securities regulatory rules of the place where the Company’s shares are [REDACTED] provide otherwise, the Company shall also comply with the relevant provisions. When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation group shall register the claims.

During the claim declaration period, the liquidation group shall not settle claims with creditors.

After cleaning up the Company’s assets and preparing a balance sheet and a detailed inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the Shareholders’ meeting or the people’s court for confirmation. After paying off the liquidation expenses, employees’ wages, social insurance fees, and statutory compensation, paying off the taxes owed, and settling the Company’s debts, the remaining assets shall be distributed to shareholders according to the proportion of shares held. During the liquidation period, the Company shall continue to exist but shall not engage in business activities unconnected to the liquidation. The Company’s assets shall not be distributed to shareholders before being settled in accordance with the preceding paragraph.

After cleaning up the Company’s assets and preparing a balance sheet and a detailed inventory of assets, if the liquidation group finds that the Company’s assets are insufficient to settle its debts, it shall apply to the people’s court for bankruptcy liquidation in accordance with the law. After the people’s court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the people’s court.

After the Company’s liquidation is completed, the liquidation group shall prepare a liquidation report, submit it to the Shareholders’ meeting or the people’s court for confirmation, and submit it to the Company registration authority to apply for cancellation of the Company’s registration.

If the Company is legally declared bankrupt, it shall implement bankruptcy liquidation in accordance with the relevant enterprise bankruptcy laws.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under the following circumstances:

- (i) After the PRC Company Law or relevant laws, administrative regulations, or the securities regulatory rules of the place where the Company’s shares are [REDACTED] are amended, the provisions of the Articles of Association conflict with the amended laws, administrative regulations, or securities regulatory rules of the place where the Company’s shares are [REDACTED];
- (ii) The Company’s circumstances change and are inconsistent with the matters recorded in the Articles of Association;
- (iii) The Shareholders’ meeting resolves to amend the Articles of Association.

If the amendment of the Articles of Association passed by a resolution of the Shareholders’ meeting requires approval by the competent authority, it shall be submitted to the competent authority for approval; if it involves company registration matters, the change of registration shall be processed in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders’ meeting on the amendment of the Articles of Association and the approval opinions of the competent authority.

If the amendment of the Articles of Association involves information required to be disclosed by laws, regulations, or the securities regulatory rules of the place where the Company’s shares are [REDACTED], it shall be announced in accordance with regulations.

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FURTHER INFORMATION ABOUT OUR COMPANY

Incorporation of Our Company

Our predecessor Company was established as a limited liability company in the PRC on March 28, 2019, and converted into a joint stock limited company on November 17, 2025.

As of the date of this document, our registered office is located at Room 302, 3rd Floor, Building 1, 85 Mingnan Road, Zhongshan Subdistrict, Songjiang District, Shanghai, the PRC and our head office is at Room 302, 3rd Floor, Building 1, 85 Mingnan Road, Zhongshan Subdistrict, Songjiang District, Shanghai, the PRC. Accordingly, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of our Articles of Association are set out in “Appendix III — Summary of the Articles of Association.”

Our Company has established a principal place of business in Hong Kong at Room 1922, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. We [were registered] with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●]. Ms. Nelly Au-Yeung has been appointed as our authorized representative for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for the service of process is the same as our principal place of business in Hong Kong.

Changes in the Share Capital of Our Company

Save as disclosed in “History, Development and Corporate Structure” in this document, there has been no alteration in our share capital within two years immediately preceding the date of this document.

Changes in the Share Capital of Our Subsidiaries

As of the date of this document, we do not have any subsidiaries.

Shareholders’ Resolutions

Pursuant to the resolutions duly passed by our Shareholders on November 25, 2025, it was resolved, among others, that:

- (a) the Shares Subdivision be effective immediately prior to the [REDACTED];
- (b) the issuance by our Company of H Shares of nominal value of RMB0.1 each and such H Shares be [REDACTED] on the Stock Exchange;
- (c) the application for the Conversion of Unlisted into H Shares be approved;

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- (d) the conditional adoption of the Articles of Association, which shall be effective on the [REDACTED], and the Board be authorized to amend the Articles of Association in accordance with the change in our share capital and shareholding structure following completion of the [REDACTED]; and
- (e) the Board (and persons authorized by it) be authorized to handle all matters relating to, among others, the [REDACTED] and the issue and [REDACTED] of the H Shares.

Pursuant to the resolutions duly passed by our Shareholders on [●], it was resolved, among others:

- (a) subject to the completion of the [REDACTED], the granting of a general mandate to the Board to allot and issue Shares, or sell and/or transfer Shares out of treasury that are held as treasury shares at any time within a period up to (i) the date of the conclusion of the next annual general meeting of our Company, (ii) the expiration of the period within which the next annual general meeting of our Company is required by the articles of association of our Company or any applicable laws to be held, or (iii) the date on which the Shareholders pass an ordinary resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as the Board in its absolute discretion deems fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares in issue (excluding any treasury shares and after the Shares Subdivision) as of the [REDACTED] (the “**Issue Mandate**”);
- (b) subject to the completion of the [REDACTED], the granting of a general mandate to the Board to repurchase H Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued H Shares (excluding any treasury shares and after the Shares Subdivision) as of the [REDACTED] (the “**Repurchase Mandate**”); and
- (c) the extension of the Issue Mandate to include the number of Shares repurchased pursuant to the exercise of the Repurchase Mandate, provided that such amount shall not exceed 10% of the total number of issued H Shares (excluding any treasury shares and after the Shares Subdivision) as of the [REDACTED].

Explanatory Statement on Repurchase of Shares

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of Shares.

(a) *Reasons for repurchase*

The Board considered that the repurchase of the Shares would be beneficial to and in the best interests of our Company and our Shareholders as a whole. It can strengthen investors’ confidence in our Company and promote a positive effect on maintaining our Company’s reputation in the capital market. Such repurchases will only be made when the Board believes that such repurchases will benefit our Company and our Shareholder as a whole.

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(b) Exercise of the general mandate to repurchase Shares

Subject to the passing of the resolution approving the grant of the general mandate to repurchase Shares at annual general meeting of our Company, the Board will be granted general mandate to repurchase Shares until the end of the relevant period. The general mandate to repurchase Shares would expire on the earlier of: (i) the date of the conclusion of the next annual general meeting of our Company, (ii) the expiration of the period within which the next annual general meeting of our Company is required by the articles of association of our Company or any applicable laws to be held, or (iii) the date on which the Shareholders pass an ordinary resolution to revoke or change such mandate, whichever is earlier. The exercise in full of the general mandate to repurchase H Shares would result in a maximum of 10% of the H Shares in issue (excluding any treasury shares and after the Shares Subdivision) as of the [REDACTED] being repurchased by our Company during the relevant period.

(c) Source of funds

Our Company may only apply funds legally available for share repurchase in accordance with its Articles of Association, the laws of the PRC and/or any other applicable laws, as the case may be.

(d) Close associates and core connected persons

None of our Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase Shares is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase Shares is approved.

(e) Status of repurchased Shares

In accordance with the Articles of Association, the Listing Rules and any other applicable laws and regulations, following a repurchase of H Shares, our Company may cancel any repurchased Shares and/or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances.

(f) Takeovers implications

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

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Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

(g) General

To the best knowledge of the Directors, neither the explanatory statement contained herein nor the proposed Share repurchase has unusual features. If the general mandate to repurchase Shares were to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

Our Directors will exercise the general mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws in the PRC.

Reorganization

We have not gone through any corporate reorganization for the purpose of the [REDACTED]. For details of the history and development of our Company, see “History, Development and Corporate Structure”.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

The following contracts (not being contract entered into in our ordinary course of business) have been entered into by members of our Company within the two years preceding the date of this document and are or may be material:

- (i) a share subscription agreement dated August 30, 2025 entered into among (i) our Company; (ii) Mr. Liu; (iii) Shanghai Ruicong L.P.; (iv) Mr. Lu Yi (陸怡); (v) Mr. Lu Yining (陸逸寧); (vi) Xinyu Shangjia Investment Partnership (Limited Partnership)* (新余市上嘉投資合夥企業(有限合夥)); (vii) Jiaying Qiangrui Venture Capital Partnership (Limited Partnership)* (嘉興強睿創業投資合夥企業(有限合夥)); (viii) Suzhou Qianrong Tairun Venture Capital Partnership Enterprise (Limited Partnership)* (蘇州乾融泰潤創業投資合夥企業(有限合夥)); (ix) Xinyu Shangrong Equity Investment Partnership (Limited Partnership)* (新余市上容股權投資合夥企業(有限合夥)); (x) Mr. Jiao Shihao (焦世豪); (xi) Mr. Jiao Weimin (焦為民); (xii) Mr. Wen Qi (溫琦); (xiii) Shanghai Ruiru L.P.; (xiv) A2Z Group Limited; (xv) Wuxi Chirun Technology Co., Ltd.* (無錫馳潤科技有限公司); (xvi) Ms. Zhuwen (朱雯); (xvii) Mr. Ding Xiaodong (丁曉東); (xviii) Mr. Zhan Tao (戰濤); (xix) Mr. Cai Xingnan (蔡興南); and (xx) SOLEIL CAPITAL LIMITED ((xiv) to (xix) collectively, the “**Series B Investors**”), pursuant to which the Series B Investors

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agreed to subscribe for the increase in the registered capital of our predecessor Company in the amount of RMB580,843 (which corresponds to 2.2802% of equity interests of our predecessor Company upon completion of this capital increase) at a total consideration of RMB70,000,000;

- (ii) a share incentive agreement dated June 17, 2024, entered into among (i) Mr. Liu; (ii) Ms. Shi Zhenni (史哲擬); (iii) Mr. Niu Bing (牛兵); (iv) Mr. Yu Ji (鬱驥); (v) Ms. Zhang Yue (章悅); (vi) Mr. Zhang Tianyu (張添瑜); (vii) Ms. Fan Yanmin (樊延敏); (viii) Ms. Shen Shuting (申淑婷); (ix) Mr. Xu Decheng (徐德成); (x) Mr. Fang Chunfu (方春富); (xi) Ms. Zhang Liuyi (張柳怡); (xii) Ms. Ding Chunling (丁春玲); (xiii) Ms. Lu Wen (陸雯); (xiv) Ms. Chen Miao (陳苗); (xv) Mr. Sun Hu (孫虎); and (xvi) our Company ((ii) to (xv) collectively, the “**Grantees**”), pursuant to which 25.8287% equity interest in Shanghai Ruicong L.P. is to be transferred to the Grantees for a consideration of RMB2,148,011;
- (iii) a share incentive agreement dated February 10, 2025, entered into among (i) Mr. Liu; (ii) Ms. Zhang Yue (章悅); and (iii) our Company, pursuant to which 3.3690% equity interest in Shanghai Ruicong L.P. is to be transferred to Ms. Zhang Yue for a consideration of RMB324,812;
- (iv) a supplemental shareholders agreement dated November 16, 2025 entered into among (i) our Company; (ii) Mr. Liu; (iii) Shanghai Ruicong L.P.; (iv) Mr. Lu Yi (陸怡); (v) Mr. Lu Yining (陸逸寧); (vi) Xinyu Shangjia Investment Partnership (Limited Partnership)* (新余市上嘉投資合夥企業(有限合夥)); (vii) Jiaying Qiangrui Venture Capital Partnership (Limited Partnership)* (嘉興強睿創業投資合夥企業(有限合夥)); (viii) Suzhou Qianrong Tairun Venture Capital Partnership Enterprise (Limited Partnership)* (蘇州乾融泰潤創業投資合夥企業(有限合夥)); (ix) Xinyu Shangrong Equity Investment Partnership (Limited Partnership)* (新余市上容股權投資合夥企業(有限合夥)); (x) Mr. Jiao Shihao (焦世豪); (xi) Mr. Jiao Weimin (焦為民); (xii) Mr. Wen Qi (溫琦); (xiii) Shanghai Ruiru L.P.; (xiv) A2Z Group Limited; (xv) Wuxi Chirun Technology Co., Ltd.* (無錫馳潤科技有限公司); (xvi) Ms. Zhu Wen (朱雯); (xvii) Mr. Ding Xiaodong (丁曉東); (xviii) Mr. Zhan Tao (戰濤); (xix) Mr. Cai Xingnan (蔡興南); and (xx) SOLEIL CAPITAL LIMITED, pursuant to which certain pre-existing rights and obligations of the parties thereto have been modified; and
- (v) the [REDACTED].

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Intellectual Property Rights

Trademarks

Registered Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Registration Date	Expiry Date
1.		PRC	Our Company	10	76006443	June 14, 2024	June 13, 2034
2.		PRC	Our Company	10	67371942	April 7, 2023	April 6, 2033
3.		PRC	Our Company	10	67359349	April 7, 2023	April 6, 2033
4.		PRC	Our Company	10	62977619	August 21, 2022	August 20, 2032
5.		PRC	Our Company	10	40454124	April 7, 2020	April 6, 2030
6.		PRC	Our Company	10	40437767	April 7, 2020	April 6, 2030
7.		PRC	Our Company	10	83524153	August 28, 2025	August 27, 2035

Patents

Registered Patents

For material patents and patent applications of our Company as of the Latest Practicable Date, please refer to “Business — Intellectual Property” in this document for more details.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

Domain Names

As of the Latest Practicable Date, we owned the following domain names, which we consider to be or may be material to our business:

No.	Domain Name	Registration Owner	Registration Date	Expiration Date
1. . .	simple-touch.cn	Our Company	August 27, 2020	August 27, 2026
2. . .	shruichu.cn	Our Company	June 17, 2019	June 17, 2026
3. . .	simple-touch-healthcare.cn	Our Company	October 10, 2023	October 10, 2026

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights that were material in relation to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Directors

Disclosure of Interests

Saved as disclosed below, immediately following completion of the Shares Subdivision the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming no exercise of the [REDACTED] and the [REDACTED]), so far as our Directors are aware, none of our Directors has any interests or short positions in the Shares, underlying Shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

Name	Position	Nature of Interest	As of the Latest Practicable Date		Shares interested in immediately following the completion of the Shares Subdivision, [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming no exercise of the [REDACTED] and the [REDACTED])			
			Number of Shares ⁽¹⁾	Approximate % of shareholding in the total issued share capital ⁽¹⁾	Number of Shares ⁽¹⁾	Description of Shares ⁽¹⁾	Approximate % of shareholding in the Domestic Shares/H Shares ⁽²⁾	Approximate % of shareholding in the total issued share capital
Mr. Liu ⁽³⁾	Chairman of the Board, executive Director and general manager	Beneficial interest	13,102,135	51.43%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
					[REDACTED]	Unlisted Shares	[REDACTED]%	[REDACTED]%
		Interest in controlled corporation	2,164,540	8.50%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Mr. Wen Qi	Executive Director and deputy general manager	Beneficial interest	733,325	2.88%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Mr. Lu Yi ⁽⁴⁾	Non-executive Director	Beneficial interest	1,000,000	3.93%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
		Interest in controlled corporation	165,955	0.65%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Mr. Wang Maoting (王茂廷) ⁽⁵⁾	Non-executive Director	Interest in controlled corporation	2,083,828	8.18%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%

Notes:

- (1). All interested stated are long positions
- (2). The calculation is based on the total number of [REDACTED] Unlisted Shares and [REDACTED] H Shares in issue immediately upon completion of the Shares Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares. Unlisted Shares and H Shares are both ordinary Shares of our Company and are considered as one class of Shares.
- (3). As of the Latest Practicable Date, Mr. Liu was the general partner of Shanghai Ruicong L.P. and Shanghai Ruiru L.P., entitling to control the voting rights attached to the Shares held by Shanghai Ruicong L.P. and Shanghai Ruiru L.P., respectively. Hence, Mr. Liu is deemed to be interested in the 1,666,675 Shares (after Shares Subdivision: [16,666,750] Shares) held by Shanghai Ruicong L.P. and the 497,865 Shares (after Shares Subdivision: [4,978,650] Shares) held by Shanghai Ruiru L.P. by virtue of the SFO.
- (4). As of the Latest Practicable Date, Mr. Lu Yi was the sole director of Wuxi Chirun Technology Co., Ltd.* (無錫馳潤科技有限公司) (“Wuxi Chirun”). Accordingly, he is deemed to be interested in the 165,955 Shares (after Shares Subdivision: [1,659,550] Shares) held by Wuxi Chirun by virtue of the SFO.

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STATUTORY AND GENERAL INFORMATION

(5). As of the Latest Practicable Date,

- (i) Shanghai NSR Leading Private Equity Fund Management Co., Ltd.* (上海新絲路領軍私募基金管理有限公司) (“**Shanghai NSR**”) was the general partner of Xinyu Shangjia Investment Partnership (Limited Partnership)* (新余市上嘉投資合夥企業(有限合夥)) (“**Xinyu Shangjia L.P.**”) and Xinyu Shangrong Equity Investment Partnership (Limited Partnership)* (新余市上容股權投資合夥企業(有限合夥)) (“**Xinyu Shangrong L.P.**”), entitling to control the voting rights attached to the Shares held by Xinyu Shangjia L.P. and Xinyu Shangrong L.P., respectively; and
- (ii) Shanghai NSR was owned as to approximately 65% by Mr. Wang Maoting, 10% by Mr. Wang Hanlin (an Independent Third Party), 10% by Mr. Wang Yan (an Independent Third Party), and 15% by Shanghai Medico Enterprise Management Partnership (Limited Partnership)* (上海麥迪考企業管理合夥企業(有限合夥)) (a limited liability partnership with Mr. Wang Maoting as its sole general partner holding 99% partnership interest therein).

By virtue of the SFO, Mr. Wang Maoting is deemed to be interested in the Shares held by Shanghai NSR, and Shanghai NSR is deemed to be interested in the 1,304,095 Shares (after Shares Subdivision: [13,040,950] Shares) held by Xinyu Shangjia L.P. and the 779,733 Shares (after Shares Subdivision: [7,797,330] Shares) held by Xinyu Shangrong L.P.

Particulars of Service Contracts

Our Company has entered into a service agreement or letter of appointment with each of the Directors. The term of these service agreements and letters of appointment shall be subject to the Articles of Association, the Listing Rules and applicable laws, rules and regulations from time to time, and may be terminated in accordance with the respective terms of such service agreements and letters of appointment. Save as disclosed above, our Company has not entered, and does not propose to enter, into any service contracts with any of the Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without the payment of compensation other than statutory compensation).

Directors’ remuneration

For details of the Directors’ remuneration, see “Directors and Senior Management — Compensation of Directors and Senior Management” and Note [9] to the Accountants’ Report as set out in Appendix I to this document.

Substantial Shareholders

Save as disclosed in “Substantial Shareholders” in this document, immediately following the completion of the Shares Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming that the [REDACTED] and the [REDACTED] are not exercised), our Directors are not aware of any person (not being a Director or chief executive of our Company) who will have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company or any other members of our Company.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Disclaimers

Save as disclosed in this document,

- (i) none of our Directors or any of the parties listed in “— Other Information — Qualification of Experts” in this appendix:
 - (a) is interested in our promotion, or in any assets which, within the two years immediately preceding the date of this document, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company; or
 - (b) is materially interested in any contract or arrangement subsisting at the date of this document that is significant in relation to our business;
- (ii) none of our Directors or their close associates or any Shareholders who, to the knowledge of our Directors, owns more than 5% of our issued share capital has any interest in our top five customers or suppliers each year/period during the Track Record Period; and
- (iii) none of our Directors has any interests or short positions in the Shares, underlying Shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange.

Employee Incentive Arrangements

The following is a summary of the principal terms of the agreements signed with regards to the Share-based payments made to certain of our employees in 2023, 2024 and 2025 involving the grant of partnership interests in Shanghai Ruicong L.P., our employee incentive platform (the “**Employee Incentive Arrangements**”). As of the Latest Practicable Date, Shanghai Ruicong L.P. held approximately 6.54% of our total issued Shares. The Employee Incentive Arrangements are not subject to the provision of Chapter 17 of the Listing Rules and no further grant will be made under the Employee Incentive Arrangements following the [REDACTED].

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Purpose

The purpose of the Employee Incentive Arrangements is to attract and retain talents for our Company. The Employee Incentive Arrangements foster shared interests between Shareholders and our employees, thereby furthering our Company’s focus on long-term development.

Grantees

The grantees under the Employee Incentive Arrangements are employees who have formally signed an employment contract with our Company, and were selected based on, among others, their technical skills, experience and industry resources.

The grantees were awarded partnership interest in Shanghai Ruicong L.P., and accordingly registered as limited partners of Shanghai Ruicong L.P. upon the settlement of their respective consideration payable and the completion of the necessary registration changes, where applicable.

As of the Latest Practicable Date, Shanghai Ruicong L.P. had a total of 26 limited partners, who are all current employees of our Company, three of which are our senior management. Other than Ms. Shen Shuting (申淑婷) and Ms. Zhang Yue (章悦), both being members of our senior management, who respectively held approximately 11.5% and 9.7% partnership interest in Shanghai Ruicong L.P., none of the limited partners of Shanghai Ruicong L.P. held more than 7.0% partnership interest in Shanghai Ruicong L.P. as of the Latest Practicable Date.

Administration

Mr. Liu, our executive Director, chairman of our Board and our general manager, is the general partner of Shanghai Ruicong L.P., and is entitled to administer the matters of Shanghai Ruicong L.P. including the exercising of voting rights attached to the Shares held by Shanghai Ruicong L.P.

As of the Latest Practicable Date, Mr. Liu held approximately 11.7% partnership interest of Shanghai Ruicong L.P. in his capacity as general partner thereof.

Lock-up period

The grantees are subject to a lock-up period of 5 years from the day of completion of their registration as limited partners of Shanghai Ruicong L.P.. Notwithstanding the foregoing, the grantees may however divest up to half of their granted interests within three years upon the [REDACTED], subject to any disposal restrictions applicable to our Company.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Repurchase of partnership interest

Upon the occurrence of the following matters during the term of service of a grantee, the partnership interest held by such grantee shall be repurchased by Mr. Liu as the general partner of Shanghai Ruicong L.P.:

- (a) the cessation of employment relationship between the grantee and our Company;
- (b) the loss of working capacity or civil capacity due to non-work related injury, or the disappearance or death of the grantee;
- (c) the grantee is being pursued for his criminal act;
- (d) violation of the PRC Company Law, the articles of association of our Company or the partnership agreement of the partnership during the grantee’s discharge of duties, thereby causing loss to our Company and the partnership;
- (e) dereliction of duty of the grantee resulting in material loss of our Company;
- (f) the grantee’s failure to meet the performance target prescribed by our Company, or being deemed by our Company to be directly responsible for our loss or deterioration of our operating results; and
- (g) the grantee committing other acts that are considered by our Company to be a serious breach of our policies, or prejudicial to our interests.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company under the laws of the PRC.

Litigation

As of the Latest Practicable Date, we were not involved in any litigation, arbitration or claim of material importance, and, so far as we are aware, no litigation, arbitration or claim of material importance is pending or threatened against us, which would have a material adverse effect on our financial condition or results of operations, taken as a whole.

Sole Sponsor

The Sole Sponsor have made an application on behalf of our Company to the Hong Kong Stock Exchange for the [REDACTED] of, and permission to [REDACTED], our H Shares. All necessary arrangements have been made to enable the securities to be admitted into [REDACTED].

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of Listing Rules.

The Sole Sponsor will receive a fee of HK\$4.0 million to act as a sponsor to our Company in connection with the [REDACTED].

Compliance Advisor

We have appointed China Everbright Capital Limited as our compliance advisor effective upon the [REDACTED] in compliance with Rules 3A.19 of the Listing Rules.

Preliminary expenses

As of the Latest Practicable Date, our Company had not incurred material preliminary expenses.

Qualification of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions and/or advice in this document are as follows:

Name	Qualifications
China Everbright Capital Limited	Licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified Public Accountants under Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Commerce & Finance Law Offices	Legal advisors to our Company as to PRC laws
Commerce & Finance Law Offices	Legal advisors to our Company as to PRC intellectual property laws
China Insights Industry Consultancy Limited	Independent industry consultant

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Save as disclosed in “[REDACTED]” in this document and “— Other Information — Sole Sponsor” in this section, none of the experts named above has any shareholding interests in our Company or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company.

Consents

Each of the experts as referred to in “— Other Information — Qualification of Experts” of this appendix has given and has not withdrawn its respective written consents to the issue of this document with the inclusion of certificates, letters, opinions or reports and the references to its name included herein in the form and context in which it respectively included.

None of the experts named above has any shareholding interests in our Company or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company.

Taxation of Holders of H Shares

Hong Kong

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

Consultation with professional advisors

Potential [REDACTED] in the [REDACTED] are urged to consult their professional tax advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our H Shares (or exercising rights attached to them). None of our Company, our Directors, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any other person or party involved in the [REDACTED] accept responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our H Shares.

No Material Adverse Change

Our Directors confirm that, as of the date of this document, there has been no material adverse change in the financial or trading position of our Company since June 30, 2025 (being the latest balance sheet date of our audited financial statements).

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Promoters

The promoters of our Company comprise the following entities, being the then shareholders of our predecessor Company immediately before our conversion into a joint stock company with limited liability on November 17, 2025:

No.	Name of promoters
1. . . .	Mr. Liu
2. . . .	Mr. Lu Yi (陸怡)
3. . . .	Mr. Lu Yining (陸逸寧)
4. . . .	Shanghai Ruicong L.P.
5. . . .	Xinyu Shangjia Investment Partnership (Limited Partnership)* (新余市上嘉投資合夥企業(有限合夥))
6. . . .	Jiaxing Qiangrui Venture Capital Partnership (Limited Partnership)* (嘉興強睿創業投資合夥企業(有限合夥))
7. . . .	Suzhou Qianrong Tairun Venture Capital Partnership Enterprise (Limited Partnership)* (蘇州乾融泰潤創業投資合夥企業(有限合夥))
8. . . .	Xinyu Shangrong Equity Investment Partnership (Limited Partnership)* (新余市上容股權投資合夥企業(有限合夥))
9. . . .	SOLEIL CAPITAL LIMITED
10. . .	Mr. Jiao Shihao (焦世豪)
11. . .	Mr. Jiao Weimin (焦為民)
12. . .	Mr. Wen Qi
13. . .	Shanghai Ruiru L.P.
14. . .	A2Z Group Limited
15. . .	Wuxi Chirun Technology Co., Ltd.* (無錫馳潤科技有限公司)
16. . .	Ms. Zhu Wen (朱雯)
17. . .	Mr. Ding Xiaodong (丁曉東)
18. . .	Mr. Zhan Tao (戰濤)
19. . .	Mr. Cai Xingnan (蔡興南)

Save as disclosed in this document, within the two years preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the [REDACTED] and the related transactions described in this document.

Binding Effect

This document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Bilingual Document

The English and Chinese language versions of this document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as otherwise disclosed in this document:

- (a) within the two years preceding the date of this document, (i) our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any shares of our Company;
- (b) no Share or loan capital of our Company or any of our subsidiaries, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) our Company has no outstanding convertible debt securities or debentures;
- (e) there is no arrangement under which future dividends are waived or agreed to be waived;
- (f) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;
- (g) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights; there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;
- (h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (i) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Stock Exchange is currently being or agreed to be sought;

APPENDIX IV**STATUTORY AND GENERAL INFORMATION**

- (j) our Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less than those as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules; and
- (k) our Company is a joint stock limited company and is subject to the PRC Company Law.

APPENDIX V

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND DOCUMENTS ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

- (a) the written consents referred to in “Appendix IV — Statutory and General Information — Other Information — Consents”; and
- (b) a copy of the material contracts referred to in “Appendix IV — Statutory and General Information — Further Information about Our Business — Summary of Material Contracts”

DOCUMENTS ON DISPLAY

Copies of the following documents will be available on display on the Stock Exchange’s website at www.hkexnews.hk and our Company’s website at <https://www.simple-touch.cn/> during a period of 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Report from Ernst & Young, the text of which is set out in Appendix I to this document;
- (c) the audited financial statements of our Company for the two years ended December 31, 2024 and the six months ended June 30, 2025;
- (d) the report on unaudited [REDACTED] financial information of our Company from Ernst & Young, the text of which is set out in Appendix IIA to this document;
- (e) the PRC legal opinion issued by Commerce & Finance Law Offices, our PRC Legal Advisors in respect of certain matters of our Company in the PRC;
- (f) the freedom-to-operate analysis reports prepared by Commerce & Finance Law Offices, our legal advisors as to the PRC intellectual property laws;
- (g) the industry report prepared by CIC, the summary of which is set forth in “Industry Overview” in this document;
- (h) a copy of each of the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures together with their unofficial English translations;
- (i) the material contracts referred to in “Appendix IV — Statutory and General Information — Further Information about Our Business — Summary of Material Contracts”;

APPENDIX V

**DOCUMENTS DELIVERED TO THE REGISTRAR
OF COMPANIES AND DOCUMENTS ON DISPLAY**

- (j) the written consents referred to in “Appendix IV — Statutory and General Information — Other Information — Consents”; and
- (k) the service contracts referred to in “Appendix IV — Statutory and General Information — Further Information about Our Directors and Substantial Shareholders — Directors — Particulars of Service Contracts”.