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Application Proof of

HANGZHOU TANGJI MEDICAL TECHNOLOGY CO., LTD.

杭州糖吉醫療科技股份有限公司

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

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HANGZHOU TANGJI MEDICAL TECHNOLOGY CO., LTD.

杭州糖吉醫療科技股份有限公司

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

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Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB0.10 per H Share**
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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 entire document before you decide to invest in the* [REDACTED]*. In particular, we are a biotechnology company seeking to list 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. Our Core Product is the product for the purpose of satisfying the eligibility requirements under Main Board Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide for New Listing Applicants. There are unique challenges, risks and uncertainties associated with investing in companies such as ours. In addition, we have incurred significant operating losses since our inception, and we expect to remain loss making in the near term. We had negative net cash flow from operating activities for certain periods during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and may not pay any dividends in the foreseeable future. Your investment decision should be made in light of these considerations.

There are risks associated with any investment. Some of the particular risks in investing in the* [REDACTED] *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to invest in the* [REDACTED]*.

OVERVIEW

Established in 2016, we are a China-based medical device company focused on providing novel solutions for the treatment and integrated management of metabolic diseases. As of the Latest Practicable Date, we had (i) one Core Product, the Gastric Bypass Stent system (GBS), which is a digestive endoscopic duodenal-jejunal bypass liner (DJBL) device indicated for obesity, and we are expanding the approved indications of the GBS for a lower BMI; (ii) two other products and one digital health management platform that we had obtained registration approval; and (iii) 13 other pipeline products.

THERE IS NO ASSURANCE THAT WE WILL ULTIMATELY BE ABLE TO DEVELOP AND MARKET OUR CORE PRODUCT OR ANY OF OUR PIPELINE PRODUCTS SUCCESSFULLY

By developing the first medical device approved for the digestive endoscopic treatment of obesity in China, we have established ourselves as an early entrant advancing clinical applications in the metabolic disease field, providing novel solutions that offer therapeutic features distinct from pharmacotherapy and invasive bariatric surgery in metabolic diseases treatment. We envision a future where our minimally invasive technologies deliver clinical benefits for metabolic diseases, benefiting patients worldwide.

We have strategically focused our product portfolio on metabolic diseases, a therapeutic area characterized by vast, growing patient populations and significant unmet medical needs. Driven by global lifestyle changes, urbanization, and aging populations, metabolic diseases, including obesity, metabolic dysfunction-associated steatohepatitis (MASH), and type 2 diabetes mellitus (T2DM), have become a pervasive global health challenge, creating one of the largest and fastest-growing opportunities in the medical device sector.

- ***Obesity:*** Obesity is a complex, relapsing chronic disease associated with a range of metabolic complications. In China, where obesity is defined as a BMI of ≥28.0 kg/m², the population of patients with obesity has reached 233.7 million in 2025 and is projected to expand to 329.8 million by 2034, according to Frost & Sullivan.

- ***MASH***: MASH represents a critical therapeutic void with limited effective treatment options globally. The prevalence of MASH in patients with obesity in China was 57.9 million in 2025, according to Frost & Sullivan. As MASH can progress to cirrhosis and liver cancer, there is an urgent clinical need for interventions that address the underlying metabolic drivers of the disease.

- ***T2DM***: The increase of body weight or waist circumference can aggravate insulin resistance. In China, the number of patients with obesity living with T2DM reached 57.5 million in 2025, according to Frost & Sullivan. Conventional pharmacotherapies often face challenges regarding long-term adherence and side effects, creating a substantial demand for non-pharmacologic interventions that can deliver durable glycemic control.

Against the backdrop of this vast prevalence, endoscopic bariatric and metabolic therapy (EBMT) has emerged as an effective, minimally invasive solution, offering an alternative to address the unmet clinical needs in treatment of obesity and metabolic diseases. According to Frost & Sullivan, the global market size of EBMT devices is projected to grow from US$148 million in 2025 to US$1,248 million by 2030, representing a CAGR of 53.1%. In China, the market size of EBMT devices is projected to grow from RMB32 million in 2025 to RMB1,352 million by 2030, representing a CAGR of 111.1%, driven by the introduction of innovative, less invasive solutions like ours.

To seize these market opportunities and address the unmet medical needs associated with metabolic diseases, we initiated the development of our Core Product, the gastric bypass stent system (the "**GBS**") in 2017, led by a senior management team with extensive experience and deep insights in the medical device industry. We have strategically built a product pipeline that spans from the treatment devices for obesity and metabolic diseases, to compatible devices and integrated management products, all of which focusing on the treatment and management of metabolic diseases, addressing indications including overweight, obesity, MASH complicated with obesity, and T2DM complicated with obesity. As of the Latest Practicable Date, we have successfully developed and commercially launched one EBMT treatment device product, being our Core Product, and obtained registration approval on two compatible products that are designed to facilitate the operations of treatment devices and one digital health management platform for integrated management. In addition, we are expanding the approved indications of the GBS for a lower BMI (the "**GBS-Low BMI**") and independently developing various other pipeline product candidates at different stages, targeting mainstream viable EBMT options for metabolic diseases, enabling us to penetrate this vast but underserved market.

The following diagram summarizes the development and registration status of our in-house developed products and product candidates in key regions as of the Latest Practicable Date.

Product Pipeline

	Portfolio	Product code name	Treatment Indication	Region	Pre-clinical / Clinical Trial / Registration	Upcoming Key Milestone (Expected)	Source	Risk Classification	Competent Authorities
Treatment Devices for Obesity and Metabolic Diseases	Gastric bypass Stent System	★GBS	Obesity	China	Approved in China (January, 2024)	N/A	Self-developed	III	NMPA
			Obesity	Other Regions*	Approved in Hong Kong, Indonesia, Thailand, Vietnam, Saudi Arabia, Malaysia, Ecuador, Colombia, the Philippines, Singapore and Brazil.	N/A	Self-developed	Multiple[4]	Multiple[5]
			Obesity	EU*	In CE marking review	Expects obtaining CE marking from the relevant notified body in H2 2026	Self-developed	IIb	UDEM (NB: CE2696)
			Obesity and Overweight	China	Clinical Trial in process	To complete pivotal clinical study in Q4 2027	Self-developed	III	NMPA
		●GBS-SH	MASH	Global #	IDE-Enabling studies [1]	To initiate early feasibility study in Europe in Q3 2026	Self-developed	Multiple[6]	Multiple[7]
		●GBS-DM	T2DM	China	FIH study	To complete FIH study in Q4 2027	Self-developed	III	NMPA
	Degradable Intragastric Balloon	●DIGB	Obesity	China	Clinical trial in process[2]	To complete the pivotal clinical study in Q4 2027	Self-developed	III	NMPA
			Obesity	EU*	In CE marking review	Expects obtaining CE marking from the relevant notified body in Q1 2028	Self-developed	IIb	BSI (NB: CE2797)
	Retrievable Intragastric Balloon	●RIGB	Obesity	China	Registration testing in preparation	To complete registration testing in Q4 2026	Self-developed	III	NMPA
Devices Compatible	*Video Gastroscope	GA [3]	/	China	Approved in China (December, 2025)	N/A	Self-developed	II	Shanghai NMPA
			/	EU	In CE marking review	Expects obtaining CE marking from the relevant notified body in Q2 2027	Self-developed	IIa	SGS BELGIUM NV (NB: CE1639)
	*Aspiration/ Deflation Catheter	SIC	/	China	Registration testing completed	To submit NMPA registration in Q4 2026	Self-developed	II	Zhejiang NMPA
	*Endoscopic retrieval kit	RTK	/	China	Approved in China (July, 2025)	N/A	Self-developed	II	Zhejiang NMPA
Integrated management	*Obesity management software	Dtx	/	China	Approved in China (December, 2024)	N/A	Self-developed	II	Tianjin NMPA

★Core Product ● Key Product

SUMMARY

* Denotes devices or product candidates exempted from mandatory or additional local clinical trial requirements in the specified jurisdictions. The specific regulatory bases are as follows:

(i) For GBS (in the EU, Indonesia, Thailand, Hong Kong, Vietnam, Saudi Arabia, Malaysia, Ecuador, Colombia, the Philippines, Singapore and Brazil) and DIGB (in the EU): Exempted from conducting local clinical trials. The respective Notified Bodies and competent authorities accept clinical evaluation reports supported by clinical trial data generated in China, which have been assessed to comply with applicable regulations, including the EU Medical Device Regulation (MDR, Regulation (EU) 2017/745).

(ii) For GA (in the EU): Exempted from clinical trials as it is a Class IIa device and does not fall within the scope of Article 61(4) of the EU MDR that mandates clinical trials. Its registration is supported by clinical evaluation data pursuant to Article 61 of the EU MDR.

(iii) For GA, RTK, and Dtx (in China): Exempted from clinical trials as they are Class II devices included in the Catalogue of Medical Devices Exempted from Clinical Evaluation (《免於進行臨床評價醫療器械目錄》) promulgated by the NMPA, and meet the relevant exemption criteria under the Measures for the Administration of Registration and Recordation of Medical Devices (《醫療器械註冊與備案管理辦法》).

\# Mainly includes China, US, EU, and Southeast Asia

MASH denotes metabolic dysfunction-associated steatohepatitis

T2DM denotes Type 2 diabetes mellitus

1 We have completed FIH study in patients with obesity and MASH in China, and plan to conduct further clinical research across different ethnicities.

2 We initiated a prospective, multicenter, randomized controlled pivotal clinical trial in China in August 2025, with the aim of completing the trial by 2027.

3 Video Gastroscope consists of endoscopic video image processor and electronic upper gastrointestinal endoscope.

4 The risk classification for the GBS is Class C in Indonesia, Thailand, Vietnam, Saudi Arabia, Malaysia, the Philippines and Singapore; Class III in Hong Kong, Ecuador and Brazil; and Class IIb in Colombia.

5 The competent authorities for the GBS are the MOH in Indonesia, MOH in Vietnam, the Thai FDA in Thailand, the MDD in Hong Kong, the SFDA in Saudi Arabia, the MDA in Malaysia, the ARCSA in Ecuador, the INVIMA in Colombia, the FDA in the Philippines, the HSA in Singapore, and the ANVISA in Brazil.

6 The risk classification for GBS-SH is Class III in China and the U.S.; Class IIb in the EU; and Class C in Indonesia, Thailand, Vietnam, Malaysia, the Philippines, and Singapore.

7 The competent authorities for GBS-SH are the NMPA in China, the FDA in the U.S. and the Philippines, the MOH in Indonesia and Vietnam, the Thai FDA in Thailand, the MDA in Malaysia, and the HSA in Singapore. For the EU, the competent authority will be a Notified Body (NB) which is yet to be determined.

Note: Design stage refers to the designing and developing of the sample product. IDE-enabling studies refer to the requisite preclinical research conducted to support an IDE application for clinical trials.

Our Core Product

GBS is a minimally invasive medical device developed for the treatment of obesity, inspired by the weight loss and metabolic benefits of Roux-en-Y gastric bypass (RYGB) surgery. It functions as a flexible, retrievable sleeve placed endoscopically to establish an impermeable barrier between gastric chyme and the intestinal mucosa of the duodenum and proximal jejunum, in order to reduce nutrient absorption and promote hormone modulation to achieve weight loss.

Our Core Product represents an evolution in treatment for weight loss and the management of metabolic disorders. It was the world's first commercializing approved intestinal interventional medical device for obesity, and received NMPA approval as a Class III Innovative Medical Device in January 2024, becoming the first medical device approved for digestive endoscopic treatment of obesity in China. The device was approved under the special review green path procedures for innovative medical devices (the "**Green Path**"), highlighting its novel mechanism and significant clinical value.

The GBS is for patients with obesity who have not achieved sufficient improvement with lifestyle interventions, non-invasive therapies, or pharmacotherapy. Specifically, its current approved indication covers individuals meeting one of the following criteria: (i) BMI ≥ 32.5 kg/m^2 with simple obesity; (ii) BMI between 30.0 and 32.5 kg/m^2 with at least two components of metabolic syndrome; or (iii) BMI between 30.0 and 32.5 kg/m^2 with obesity-related comorbidities. The implantation and retrieval of GBS are standardized endoscopic procedures performed under anesthesia. These procedures involve certain associated risks, such as nausea, vomiting, and mild reactions to anesthesia, and the safety profile of the GBS is characterized by a relatively higher incidence of manageable adverse events (AEs) compared to dietary intervention alone.

In our prospective, multi-center, randomized, controlled pivotal clinical trial in China evaluating the efficacy and safety of the GBS, the trial successfully met all pre-specified primary endpoints, demonstrating statistically and clinically superior weight loss for the test group (receiving GBS plus dietary intervention) compared to the control group (receiving dietary intervention alone). For the primary endpoint of the proportion of patients achieving ≥5% total weight loss (TWL) at three months, the rate in the full analysis set (FAS) was 69.4% in the test group versus 30.6% in the control group, with a between-group difference of 38.78% (95% CI: 20.5%, 57.0%), significantly exceeding the pre-specified superiority margin of 10%. For the endpoint of the percentage of excess weight loss (EWL%) at three months, the mean EWL% in the FAS was 31.2% ± 21.5% in the test group versus 14.7% ± 14.4% in the control group. Regarding safety, while the overall incidence of AEs was higher in the test group (98.0%) than in the control group (71.4%), the incidence of SAEs was not statistically different between the two groups (p=0.678).

We are actively developing the GBS-Low BMI, aiming to address a broader population with unmet clinical needs, and to introduce new specification of the GBS. We received ethics approval from the leading institution of the study in January 2026 and had initiated patient enrollment and recruitment for its pivotal trial, and had reached approximately 50.0% of the target patient enrollment as of the Latest Practicable Date, targeting completion of the clinical study by the end of 2027.

In addition, we are actively advancing the global expansion of GBS. As of the Latest Practicable Date, it had also received regulatory approvals in 11 other countries and regions, including Hong Kong, Indonesia, Thailand, Vietnam, Saudi Arabia, Malaysia, Ecuador, Colombia, the Philippines, Singapore and Brazil. Additionally, we are in the process of obtaining registration for the GBS in other regions such as the European Union.

Our Core Product has demonstrated a proven track record of rapid product commercialization and market penetration. In the year ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, the GBS was used in 239, 2,066, 817 and 1,955 commercial implantation procedures, respectively, representing an over eight-fold increase from 2024 to 2025 and an 139.3% increase from the six months ended June 30, 2025 to the same period of 2026. Since the commercial launch of the GBS in

China in April 2024 and up to the Latest Practicable Date, it had been successfully used in over 5,200 commercial implantation procedures. As of the same date, endoscopic procedures using the GBS have been launched at 490 hospitals across China, and we have completed training for physicians at over 650 hospitals. We have established a dedicated in-house sales and marketing team with deep industry expertise, primarily focusing on academic promotion and physician education. Supported by the demonstrated efficacy and safety clinical performance of the GBS in weight loss, our value-based pricing strategy, strong endorsements from leading KOLs in metabolic surgery, gastroenterology, and endocrinology, and our extensive distributor network, we believe we are well-positioned to capture the significant opportunities in China's underpenetrated endoscopic weight loss market and further expand our market share.

Our Key Products

We are developing a gastric bypass stent system product candidate targeting MASH complicated with obesity, (the "**GBS-SH**") developed based on the same platform with the GBS. It is designed to utilize a longer sleeve and an optimized retrieval system for an expected six-month implantation period. In recognition of its potential to address significant unmet medical needs, GBS-SH was granted Breakthrough Device Designation by the FDA in October 2024, making us the only Chinese company to obtain such designation as of the Latest Practicable Date. This designation is reserved for devices that offer significant advantages over existing alternatives, and it facilitates prioritized review by the FDA throughout the regulatory process. We plan to initiate early feasibility study in Europe in Q3 2026, and an international multi-center registration trial by the end of 2027.

Leveraging the same platform, we are also developing a gastric bypass stent system product candidate targeting T2DM complicated with obesity (the "**GBS-DM**"). Initial observations from our FIH study on GBS-DM indicated significant improvements in glycemic control, including in fasting plasma glucose (FPG), representing blood sugar levels after fasting, commonly used to diagnose diabetes, and HbA1c, in patients with T2DM complicated with. We are currently in the small-scale exploratory clinical research phase to validate the device for an estimated six to nine-month implantation period.

Based on the intragastric balloon platform, we are developing two product candidates designed to reduce gastric volume and induce satiety. Our key innovation of the platform is polyurethane thin-film forming technology, designed to significantly reduce adverse events compared to competitor products. The degradable intragastric balloon (the "**DIGB**") is engineered with a degradable valve that allows the inner fluid to be released from the balloon after three to four months, improving patient experience by innovatively eliminating the need for endoscopic retrieval. The retrievable intragastric balloon (the "**RIGB**") is built on the same technological platform as the DIGB with similar components, which is designed as a non-degradable balloon for a six-month implantation period requiring endoscopic removal. The pivotal clinical trial of DIGB has initiated patient enrollment, reaching nearly 70% of the targeted size as of the Latest Practicable Date. We have submitted applications for the CE marking in Europe for the DIGB in February 2026. As of the Latest Practicable Date, we have commenced feasibility verification studies of RIGB.

Other Product and Product Candidates

We have developed a diversified product portfolio to complement our core offerings. Our Core Product, GBS, is supplied as a comprehensive system that includes both a delivery system and a retrieval system within its original packaging. Therefore, the RTK serves as an optional, specialized retrieval tool that provides physicians with enhanced operational flexibility for GBS and hospitals are not required to purchase additional retrieval devices when using GBS. Furthermore, the GBS procedure can be performed using standard, third-party manufactured video gastrointestinal endoscopes commonly available in hospitals. While our proprietary compatible devices, such as the GA, CA and RTK, are not mandatory for

the use of our Core Product, we have, nevertheless, developed these specialized accessories to further optimize the procedural experience and provide a comprehensive portfolio for physicians.

- *Candidates for weight loss*: Our pipeline includes minimally invasive endoscopic and ingestible products and product candidates for weight management and weight loss. Our endoscopic suturing system (the "**ESS**") enables endoscopic sleeve gastroplasty, a procedure that reduces stomach volume through a series of sutures to promote weight loss. Additionally, our super space-occupying gel capsule (the "**SOC**") represents a novel, non-surgical approach. The SOC is designed to expand into a biocompatible gel within the stomach to physically induce a feeling of fullness, offering a temporary intervention. Together, these candidates provide a spectrum of varied therapy options.

- *Candidates for T2DM complicated with obesity:* Our lead candidate aside from GBS-DM is the ablation catheter (the "**RAC**"), designed for duodenal mucosal resurfacing. This endoscopic procedure remodels the superficial lining of the duodenum, aiming to positively alter nutrient-sensing and hormone secretion pathways, such as GLP-1, thereby improving glycemic control and insulin sensitivity with a potentially durable effect. This positions the RAC as a differentiated, interventional option between daily pharmacology and metabolic surgery.

- *Compatible Devices and Accessories*: Our video gastroscope product (the "**GA**") features an innovatively extended length designed to facilitate EBMT treatment procedures, providing visualization and operational reach for complex interventions. The GA was granted its Class II Medical Device Registration Certificate by the Shanghai NMPA in December 2025. As of the Latest Practicable Date, we have submitted application for CE marking for GA in Europe, and expect obtaining CE marking from the relevant notified body in Q2 2027. Complementing the GA, we are developing an electronic video colonoscope focusing on lower gastrointestinal endoscopy (the "**CA**"), for which we submitted the CE marking application in March 2026 and the NMPA registration application in April 2026. We expect to obtain approvals for such application in the second quarter of 2027 and the fourth quarter of 2026, respectively. We are also developing a digestive endoscopy quality control software (the "**EQS**"), which applies image recognition technology to assist physicians in improving the quality and completeness of endoscopic procedures. We plan to submit NMPA registration application for the EQS in the fourth quarter of 2026.

- Our pipeline in this category also includes aspiration/deflation catheter (the "**SIC**") specifically designed to puncture, deflate, and evacuate fluid from intragastric balloons. The innovative aspect of the SIC lies in its bullet-like ejection mechanism with a spring-loaded, trigger-activated design, which reduces the difficulty of puncturing intragastric balloon products, such as our RIGB, thereby facilitating easier operation for physicians. The SIC is planned for regulatory submission in 2026. Central to our retrieval safety is the endoscopic retrieval kit (the "**RTK**"), an upgraded system for the GBS designed to withdraw the entire stent into a retrieval tube, significantly enhancing procedural safety during device removal. The RTK obtained its Class II Medical Device Registration Certificate from the Zhejiang NMPA in July 2025. In addition, we are developing an impedance-based body composition analyzer (the "**BCA**") and a dual-energy X-ray bone densitometer and body composition analyzer (the "**BCS**"). Body composition analyzers are bioelectrical devices commonly used in weight management outpatient departments, designed to assist the assessment of patients. BCA is typically used for preliminary assessment, while BCS assessment is preferred where a more precise evaluation is required, as it can provide relatively more accurate assessment of body composition. The BCA and BCS are currently at design stage.

- *Comprehensive Lifestyle Management*: Our Dtx is a digital health management platform designed to support weight management. This software

enables clinicians to oversee patient weight management progress, serving as a bridge between patients and clinicians to enhance compliance through continuous engagement. Dtx was granted Class II Medical Device Registration Certificate by the Tianjin NMPA in 2024, marking a significant milestone. We also offer clinical nutrition food products ("**CNT**") to provide targeted nutritional support as a key dietary intervention in medical weight management programs.

We have established five integrated, proprietary technology platforms that comprehensively support our product development, production, and quality control. These platforms, which encompass advanced stent engineering, film forming, polymer modification, sophisticated delivery systems, and stringent product quality control, are built upon deep expertise in materials science and engineering. The specialized know-how and patents underpinning them are the result of long-term accumulation and are difficult to replicate. We believe our technology platforms form a solid foundation for the R&D of our broad product pipeline of product candidates.

We have established an experienced management and R&D team that covers the entire value chain of interventional medical devices. Our team effectively integrates clinical insights with advanced engineering, allowing us to translate complex concepts into novel solutions. With extensive industry experience and specialized expertise in biomedical materials, we possess development capabilities spanning from fundamental materials science and engineering design to clinical validation and regulatory registration. Complementing our technical capabilities is our commercialization background. This multidisciplinary combination of insight, R&D, and commercialization serves as the cornerstone of our sustained research and development and commercialization.

OUR STRENGTHS

We are a medical technology company, and a key contributor to the metabolic disease treatment and management ecosystem. We believe our competitive advantages are founded on the following core strengths:

- The world's first commercializing approved intestinal interventional medical device for obesity, offering a differentiated and competitive treatment option;
- A comprehensive, multi-modality portfolio strategically targeting the vast metabolic disease market;
- Established commercialization capability with efficient market rollout, deep KOL engagement and training infrastructure;
- A consistent, integrated R&D and production platform driving continuous product iterations and high clinical standards; and
- An experienced management team with deep scientific expertise and keen industry insight.

OUR STRATEGIES

We plan to execute the following strategic initiatives to leverage our competitive advantages and fulfill our corporate mission:

- Consolidate and expand our leadership in China's high-growth endoscopic weight loss market;
- Accelerate the development of innovative treatments and integrated management pipelines for metabolic diseases;

- Continue to advance our international development strategy;
- Improve operational efficiency and achieve economies of scale to support long-term sustainable growth; and
- Attract, develop, and retain top-tier talent to drive innovation and commercial capabilities.

OUR TECHNOLOGY PLATFORMS

We have established five integrated, proprietary technology platforms that underpin our R&D, production, and quality control capabilities: (i) advanced medical stent technology platform; (ii) advanced film forming technology platform; (iii) polymer modification and processing platform; (iv) delivery and retrieval technology development and production platform; and (v) product quality and assurance platform. These platforms are strategically structured around the critical functional components of our Core Product and pipeline products and product candidates, encompassing medical stent engineering, advanced film forming, polymer modification, and sophisticated delivery and retrieval systems, all supported by a dedicated quality assurance framework. While each product is uniquely designed, these interconnected platforms maximize efficiency and accelerate innovation by leveraging shared core technologies and standardized processes.

We believe these platforms constitute a significant and sustainable competitive advantage. Continuous technical iteration and clinical insights, gained through both R&D and commercial-scale production, enable us to systematically optimize product performance and production processes. This synergistic approach ensures the efficient development of our pipeline and guarantees a seamless transition from prototype to commercial production, all within our stringent quality management system.

RESEARCH AND DEVELOPMENT

Our R&D capabilities are anchored in our five core technology platforms, which drive ongoing initiatives focused on delivering clinically advanced products, enhancing the efficacy and safety of our existing portfolio, and expanding therapeutic applications. Since the NMPA registration approval of our GBS in January 2024, we have committed to its continual research and development, including follow-up studies based on real-world data for product optimization, as well as carrying out pivotal clinical studies for GBS-Low BMI and introducing new specifications. Building upon this product's development foundation, we also maintain a deep pipeline of candidates. This includes product candidates based on the same platform like the GBS-SH for MASH complicated with obesity, and the GBS-DM for T2DM complicated with obesity, as well as novel platforms such as the DIGB and the SOC.

We incurred research and development expenses of RMB41.1 million, RMB48.7 million, RMB22.0 million and RMB38.7 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. During the same periods, our research and development expenses incurred for our Core Product were RMB10.7 million, RMB19.3 million, RMB7.5 million and RMB11.4 million, respectively, accounting for 25.9%, 39.7%, 34.0% and 29.6% of our total research and development expenses for the corresponding periods.

As of June 30, 2026, our in-house R&D team consisted of 56 members, 25 of whom had a master's degree or above. Organized with dedicated process product design, and quality design functions, the team is highly experienced, with the majority of members possessing over five years of industry expertise. Our R&D team is led by our Technical Director, Dr. Li Wenyu, who has overseen our R&D efforts since June 2019. See "Directors and Senior Management — Senior Management" for his biography.

INTELLECTUAL PROPERTY RIGHTS

Intellectual property rights are important to our business. We develop and use a number of patents, copyrights and other intellectual properties during our ordinary course of business.

As of the Latest Practicable Date, we owned an aggregate of 220 patents and patent applications which consisted of 88 granted patents and 66 patent applications in China and 23 granted patents and 43 patent applications overseas. 104 of the granted patents and patent applications as of the Latest Practicable Date were related to our Core Product. We also owned 100 registered trademarks and six registered software copyrights in China, as well as 17 registered trademarks overseas as of the same date. See "Business — Intellectual Property Rights."

Based on the freedom-to-operate (FTO) analysis conducted covering China and Europe of our Core Product, the GBS, we were not aware of any granted patents that may materially affect our rights to conduct R&D or commercialization of the GBS in these jurisdictions as of the Latest Practicable Date. FTO analysis is a patent investigation, based on a search of patent databases, that is commonly used to determine whether any existing patents cover a company's product, and to assess whether making, using, offering to sell, or selling the product would infringe any existing patents. However, we cannot provide any assurance that all relevant third-party patents were identified or that conflicting patents will not be issued in the future. See "Risk Factors — Risks Relating to Our Intellectual Property Rights."

CUSTOMERS AND SUPPLIERS

Our major customers mainly comprise our distributors during the Track Record Period. For salient terms of contracts with our distributors, see "Business — Sales, Distribution and Marketing — Sales to Distributors." Revenue generated from our largest customer in 2024 and 2025 and the six months ended June 30, 2026, accounted for 19.6%, 17.8% and 22.4%, respectively, of our revenue for the respective periods. Revenue generated from our five largest customers in 2024 and 2025 and the six months ended June 30, 2026, accounted for 60.8%, 56.2% and 44.8%, respectively, of our revenue for the respective periods.

Our major suppliers comprise CRO services provider, and provider of labor outsourcing and travel management and booking services. Purchase costs from our largest supplier in 2024 and 2025 and the six months ended June 30, 2026, accounted for 5.0%, 6.3% and 11.7%, respectively, of our total purchases for the respective periods. Purchase costs from our five largest suppliers in 2024 and 2025 and the six months ended June 30, 2026, accounted for 16.2%, 22.0% and 33.5%, respectively, of our total purchases for the respective periods.

COMPETITION

The biotechnology industries are characterized by rapidly advancing technologies and intense competition. Although we believe that our pipeline of products and product candidates, leading R&D capability, established technology platforms, and experienced management team provide us with competitive advantages, we acknowledge the potential for competition from various sources, including major medical device and biotechnology companies. For more information on the competitive landscape of our products and product candidates, see "Market Opportunity and Competition" in Business section for each product and product candidate above.

RISK FACTORS

We are a biotech company seeking to list on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. Our operations and the biotech industry involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all your investment in our H Shares. Our business and the **[REDACTED]** involve certain risks as set out in "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to invest in our Shares. We believe the most significant risks we face include but are not limited to the following: (i) 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 will be materially adversely affected; (ii) The industry of EMBT for treatment of obesity and metabolic diseases is developing rapidly. If we are not able to develop and launch new products that are competitive in the market, or successfully extend indications and introduce new specifications for the GBS or develop and commercialize any other products or product candidates in a timely manner, our products may become obsolete and our business, operating results and financial condition could be materially adversely affected; (iii) Clinical development is a lengthy, expensive and uncertain process, and unsuccessful clinical trials or procedures relating to products under development could have a material and adverse effect on our prospects; and (iv) If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

See "Risk Factors" for details of our risk factors, which we urge you to read in full before making an investment in our Shares.

KEY OPERATING DATA

The table below sets forth key operating data of our Core Product during the Track Record Period:

	For the year ended / As of December 31,		For the six months ended / As of June 30,	
	2024	2025	2025	2026
Sales volume (set)	1,053	2,650	1,022	1,880
Number of implantation procedures supported	239	2,066	817	1,955
Number of hospitals newly covered[(1)]	67	287	163	100
Average terminal price (tax inclusive)[(2)]	~36,600	~36,600	~36,600	~36,600

Notes:

(1) Number of hospitals covered represents the total number of newly added hospitals where our products have successfully completed the hospital admission process and are officially listed as available for clinical procurement and use by physicians as of the end of the periods indicated.

(2) Average terminal price represents the average price (tax included) at which our products are sold by distributors to the end-customers, which are primarily hospitals.

The significant increases in our sales volume, number of implantation procedures supported, and number of hospitals covered from 2024 to 2025 were primarily driven by our commercialization efforts. During this period, we expanded our distributor network and accelerated the hospital admission processes across various regions. Through our continuous academic promotion and other marketing efforts, the clinical acceptance of our products has significantly improved, evidenced by the exponential growth in the number of implantation procedures from 239 in 2024 to 2,066 in 2025, as well as the increase from 817 in the six months ended June 30, 2025 to 1,955 in the same period of 2026. The variance between our sales volume and the number of implantation procedures in each year during the Track Record Period primarily reflects the initial stage of our commercialization, during which our distributors procured products to establish necessary baseline inventory in anticipation of upcoming hospital admissions and scheduled surgeries. As our commercialization progressed, actual clinical consumption accelerated, leading to a narrower variance in 2025 and the six months ended June 30, 2026.

The price difference between the terminal price and our price to distributors primarily reflects the applicable taxes and the channel margin retained by our distributors to cover their substantial costs incurred. Our average terminal price (tax inclusive) remained relatively stable during the Track Record Period.

During the Track Record Period, substantially all of our revenue was generated from sales of our Core Product with a minor portion derived from sales of other products such as CNT product, all of which were

generated in China. The table below sets forth revenue in absolute amounts and as a percentage of total revenue, gross profit and gross profit margin for the sales of the GBS and other products during the Track Record Period:

	Year ended December 31,				Six months ended June 30,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)							
					(unaudited)			
Revenue								
The GBS	12,706	99.9	32,086	99.6	12,326	99.6	23,628	99.7
Others	3	0.1	124	0.4	53	0.4	62	0.3
Total	**12,709**	**100.0**	**32,210**	**100.0**	**12,379**	**100.0**	**23,690**	**100.0**

	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in thousands, except for percentages)							
					(unaudited)			
Gross Profit								
The GBS	10,281	80.9	25,386	79.1	9,606	77.9	20,078	85.0
Others	1	33.3	37	29.8	28	52.8	32	51.6
Total	**10,282**	**80.9**	**25,423**	**78.9**	**9,634**	**77.8**	**20,110**	**84.9**

The table below sets forth our revenue in absolute amounts and as a percentage of total revenue by sales channel during the Track Record Period:

	Year ended December 31,				Six months ended June 30,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)							
					(Unaudited)			
Revenue								
Distributor	12,600	99.1	32,086	99.6	12,326	99.6	23,628	99.7
Direct sales	109	0.9	124	0.4	53	0.4	62	0.3
Total	**12,709**	**100.0**	**32,210**	**100.0**	**12,379**	**100.0**	**23,690**	**100.0**

During the Track Record Period, the vast majority of our revenue was derived from sales to our distributors, with only a minimal portion generated from direct sales.

The table below sets forth our revenue from sales of the GBS by geographical region during the Track Record Period:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(Unaudited)	
Revenue				
North China[(1)]	2,097	6,162	3,226	5,671
East China[(2)]	5,346	13,212	3,741	10,951
South China[(3)]	1,673	3,450	1,525	2,612
Southwestern China[(4)]	3,590	9,263	3,834	4,394
Total	**12,706**	**32,086**	**12,326**	**23,628**

Notes:

(1) North China includes Beijing, Gansu, Hebei, Heilongjiang, Jilin, Liaoning, Inner Mongolia, Ningxia, Qinghai, Shaanxi, Tianjin and Xinjiang.
(2) East China includes Anhui, Fujian, Jiangsu, Shandong, Shanghai and Zhejiang.
(3) South China includes Guangdong, Guangxi, Hainan, Hubei, Hunan and Jiangxi.
(4) Southwestern China includes Guizhou, Henan, Shanxi, Sichuan, Tibet, Yunnan and Chongqing.

SUMMARY OF KEY FINANCIAL INFORMATION

This summary historical data of financial information set forth below have been derived from, and should be read in conjunction with, our consolidated financial statements, including the accompanying notes, set forth in the Accountants' Report set out in Appendix I to this Document, as well as the information set forth in "Financial Information" of this Document. 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).

Summary of Our Consolidated Statements of Comprehensive Income

The following table sets forth a summary of our consolidated statements of profit or loss for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Revenue	12,709	32,210	12,379	23,690
Cost of sales	(2,427)	(6,787)	(2,745)	(3,580)
Gross profit	**10,282**	**25,423**	**9,634**	**20,110**
Other income and gains	1,813	608	137	7,762
Selling and marketing expenses	(16,596)	(26,314)	(10,490)	(22,782)
Administrative expenses	(17,733)	(36,690)	(13,674)	(33,360)
Research and development costs	(41,126)	(48,674)	(22,029)	(38,685)
Impairment losses on financial assets, net	(89)	97	51	(17)
Other expenses	(776)	(231)	(102)	(179)
Finance costs	(1,732)	(2,549)	(1,196)	(1,176)
Loss before tax	**(65,957)**	**(88,330)**	**(37,669)**	**(68,327)**
Income tax expense	—	—	—	—
Loss for the year/period	**(65,957)**	**(88,330)**	**(37,669)**	**(68,327)**

For details on the accounting treatment of special rights in relation to pre-**[REDACTED]** investments, see "— Pre-**[REDACTED]** Investments", and note 25 of the Accountants' Report set out in Appendix I to this document

Non-HKFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with HKFRS, we also use adjusted net loss as additional financial measures, which is not required by, or presented in accordance with HKFRS. We believe this non-HKFRS measure facilitates comparisons of operating performance from year to year and period to period and company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, such non-HKFRS financial measure we presented may not be directly comparable to similar measures presented by other companies. The use of this non-HKFRS measure should not be considered as a substitute for analysis of our results of operations or financial condition as reported under HKFRS.

We define adjusted net loss for the year/period (non-HKFRS measure) as loss for the periods adjusted by adding back equity-settled share award expenses and listing expenses. The following table reconciles our adjusted net loss for the year/period (non-HKFRS measure) presented to the most directly comparable financial measures calculated and presented in accordance with HKFRS, which is loss for the year/period:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Loss for the year/period	(65,957)	(88,330)	(37,669)	(68,327)
Add:				
Equity-settled share award expenses	1,244	5,819	365	14,844
Listing expenses	—	5,425	—	7,902
Adjusted net loss for the year/period (non-HKFRS measure)	**(64,713)**	**(77,086)**	**(37,304)**	**(45,581)**

Notes:

(1) Equity-settled share award expenses mainly represent the non-cash employee benefit expenses incurred in connection with our award to management and key employees. Such expenses in any specific period are not expected to result in future cash payments.

Our net loss increased from RMB66.0 million in 2024 to RMB88.3 million in 2025, and our net loss increased from RMB37.7 million in the six months ended June 30, 2025 to RMB68.3 million in the same period of 2026, primarily due to (i) increased R&D expenses for advancing product development and clinical trials, (ii) increased administrative expenses from increased staff costs to support our business expansion and incurrence of listing expenses, and (iii) increased selling and marketing expenses as we intensified our efforts for the commercialization of the GBS.

Summary of Our Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our consolidated financial statements included in Appendix I to this document.

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Total non-current assets	23,119	34,634	43,322
Total current assets	26,402	65,523	180,047
Total assets	**49,521**	**100,157**	**223,369**
Total non-current liabilities	1,315	1,786	7,199
Total current liabilities	93,075	105,751	102,033
Total liabilities	**94,390**	**107,537**	**109,232**
Net current (liabilities)/assets	**(66,673)**	**(40,228)**	**78,014**
Paid-in capital/Share capital	14,220	15,642	17,716
(Deficits)/reserves	(59,089)	(23,022)	96,421
Total (deficits)/equity	**(44,869)**	**(7,380)**	**114,137**

For details on the accounting treatment of special rights in relation to pre-**[REDACTED]** investments, see "— Pre-**[REDACTED]** Investments", and note 25 of the Accountants' Report set out in Appendix I to this document.

We recorded net current liabilities of RMB66.7 million and RMB40.2 million and net current assets of RMB78.0 million as of December 31, 2024 and 2025 and June 30, 2026, respectively. The decrease in our net current liabilities was primarily driven by: (i) an increase in cash and cash equivalents of RMB40.4 million; and (ii) a decrease in lease liabilities of RMB4.8 million, partially offset by an increase in interest-bearing bank borrowings of RMB17.0 million. The turnaround to net current asset position as of June 30, 2026 was primarily driven by (i) an increase in cash and cash equivalents of RMB106.9 million; and (ii) a decrease in other payables and accruals of RMB5.3 million, partially offset by an increase in lease liabilities of RMB1.7 million. Going forward, we intend to continue our efforts to maintain our net current assets position primarily by continually advancing product commercialization, optimizing our borrowing structure, and enhancing our working capital management.

We recorded total deficits of RMB44.9 million and RMB7.4 million as of December 31, 2024 and 2025, respectively. The decrease in our total deficits was primarily driven by issue of shares of RMB120.0 million, partially offset by our net loss of RMB88.3 million in 2025. Our total deficits turned into total equity of RMB114.1 million as of June 30, 2026, primarily due to (i) the issue of shares of RMB175.0 million in connection with the Pre-**[REDACTED]** investment; and (ii) the recognition of equity-settled share award expenses of RMB14.8 million, partially offset by our net loss of RMB68.3 million for the period.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow statement information for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
		(RMB in thousands)		
			(unaudited)	
Net cash flows used in operating activities	(43,568)	(72,938)	(34,672)	(55,970)
Net cash flows used in investing activities	(5,816)	(13,740)	(3,253)	(5,420)
Net cash flows generated from financing activities	41,288	127,085	72,101	168,292
Net (decrease)/increase in cash and cash equivalents	**(8,096)**	**40,407**	**34,176**	**106,902**
Effect of foreign exchange rate changes, net	54	(24)	(2)	(30)
Cash and cash equivalents at beginning of year	20,775	12,733	12,733	53,116
Cash and cash equivalents at end of year/period	**12,733**	**53,116**	**46,907**	**159,988**

We had net operating cash outflow of RMB43.6 million, RMB72.9 million, RMB34.7 million and RMB56.0 million in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, primarily a result of our loss before tax incurred in each year during the Track Record Period, due to the substantial amounts of research and development expenses, selling and marketing expenses, and administrative expenses incurred for our research and development, clinical trials and commercialization activities, coupled with changes in working capital, respectively. See "Financial Information — Liquidity and Capital Resources."

To improve our net operating cash outflows position, we plan to implement comprehensive measures focusing on accelerating commercialization, optimizing cost structures, and effectively managing working

capital. Specifically, we will actively drive the commercialization and hospital penetration of our Core Product to generate sustainable revenue, while continuing to advance the clinical development and regulatory approval of our other pipeline products to create future growth drivers. On the cost side, we will strictly monitor and control our operating expenses, to enhance overall operational efficiency. Furthermore, we will optimize our working capital by implementing prudent inventory management to closely align with our production and sales cycles.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the financial resources available to us, including cash and cash equivalents and the estimated **[REDACTED]** from the **[REDACTED]**, and considering our cash burn rate, we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, administrative expenses, and selling and marketing expenses, for at least the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly amount of net cash used in research and development and other operating activities, capital expenditures and lease payments including related interests. **[REDACTED]** of approximately HK$**[REDACTED]** (or RMB**[REDACTED]**) in the **[REDACTED]**, at an **[REDACTED]** of HK$**[REDACTED]** per Share, being the low end of the indicative **[REDACTED]** range. Assuming an average cash burn rate going forward of **[REDACTED]** times the level in 2025, we estimate we will be able to maintain our financial viability for approximately **[REDACTED]** months from June 30, 2026, if we take into account our cash and cash equivalents as of June 30, 2026, and **[REDACTED]** months from June 30, 2026, if we also take into account all of the estimated **[REDACTED]** from the **[REDACTED]**. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
Current ratio[(1)]	0.3	0.6	1.8

(1) Current ratio equals total current assets divided by total current liabilities as of the end of the period indicated.

Our current ratio was 0.3 times, 0.6 times as of December 31, 2024 and 2025, respectively. Our current ratio was lower than one time as we recorded net current liabilities as of such dates. Our current ratio increased to 1.8 times as of June 30, 2026, primarily due to the significant increase in our current assets as a result of the receipt of proceeds from equity investment in the six months ended June 30, 2026.

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDER

Immediately prior to the **[REDACTED]**, our Company is owned as to 25.57% by Mr. Zuo and 6.16% by Zhoushan Aizhong. Zhoushan Aizhong is our employee stock ownership platform, which is controlled by Mr. Zuo, being the general partner of Zhoushan Aizhong. Therefore, Mr. Zuo, directly and through Zhoushan Aizhong, controlled approximately 31.73% of our total issued share capital as of the Latest Practicable Date and constitute our Controlling Shareholder (as defined under the Listing Rules) before **[REDACTED]**.

Immediately following the completion of the **[REDACTED]** and assuming the **[REDACTED]** is not exercised, Mr. Zuo, directly and through Zhoushan Aizhong, will control approximately **[REDACTED]** of

our total issued share capital of our Company. Therefore, Mr. Zuo and Zhoushan Aizhong will be regarded as our group of single largest Shareholder upon **[REDACTED]**. For details of Zhoushan Aizhong, an employee stock ownership platform, see "History, Development and Corporate Structure - Share Incentive Scheme."

[REDACTED]

FUTURE PLANS AND [REDACTED]

We estimate that the **[REDACTED]** from the **[REDACTED]** will be approximately HK$**[REDACTED]** million, assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the **[REDACTED]** range of HK$**[REDACTED]** per Share to HK$**[REDACTED]** per Share, after deducting **[REDACTED]** and estimated **[REDACTED]** expenses paid and payable by us in the **[REDACTED]**, taking into account any additional discretionary incentive fee.

We intend to use the **[REDACTED]** from the **[REDACTED]** for the following purposes:

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for the research, development, and commercialization of our Core Product, the GBS.
- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be allocated to the research, development, and commercialization of our Key Products, including the GBS-SH, GBS-DM, and our intragastric balloon portfolio of DIGB and RIGB.
- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be allocated to the research, development, and commercialization of our other product and product candidates.
- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for working capital and general corporate purposes.

[REDACTED] EXPENSES

Our **[REDACTED]** expenses represent professional fees, **[REDACTED]** and other fees incurred in connection with the **[REDACTED]** and the **[REDACTED]**. Assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range, and no exercise of the **[REDACTED]**, we estimate that our **[REDACTED]** expenses will be approximately RMB**[REDACTED]** million, accounting for approximately **[REDACTED]**% of our **[REDACTED]**, of which RMB**[REDACTED]** million is directly attributable to the issue of our **[REDACTED]** and will be deducted from equity, RMB**[REDACTED]** million was charged to our consolidated statements of profit or loss during the Track Record Period, and approximately RMB**[REDACTED]** million is expected to be charged to our consolidated statements of profit or loss subsequent to the Track Record Period. Our estimated **[REDACTED]** expenses include (i) **[REDACTED]**-related expenses of approximately RMB**[REDACTED]** million, (ii) sponsor fee of approximately RMB**[REDACTED]** million, and (iii) non-**[REDACTED]** related expenses of approximately RMB**[REDACTED]** million, comprising professional fees to the legal advisors, Reporting Accountant, and other professionals. The **[REDACTED]** expenses above are the best estimate as of the Latest Practicable Date and for reference only, and the actual amount may differ from this estimate.

PRE-[REDACTED] INVESTMENTS

To fund our strategic development and broaden our shareholder base, we have conducted eight rounds of Pre-**[REDACTED]** Investments since the establishment of our Company. We have further received meaningful investments from two of our Sophisticated Independent Investors, including Baidu Ventures and Hangzhou Hi Tech. See "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments" for further details.

Pursuant to the shareholders agreement we entered into with our shareholders from December 15, 2016 to November 18, 2025 (collectively, the "**Agreements**"), we issued 9,216,000 ordinary shares to certain shareholders for a total net cash procees approximately RMB341.1 million (collectively the "**Pre-[REDACTED] Investments**"). Pursuant to the Agreements, we granted such shareholders certain special rights included redemption rights.

There was no exercise of redemption rights granted by us throughout the Track Record Period.

On December 30, 2025, we and such shareholders subsequently entered into supplemental agreements, agreeing that the redemption rights granted by us to such shareholders, have been irrecoverably terminated on the day before the first filing of the Listing application, and shall be void ab initio. Taking into account the legal and regulatory framework of our 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 Track Record Period.

Had the redemption rights granted by us to such shareholders been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements,

(i) the redemption financial liabilities, total current liabilities, net current liabilities, and net deficits would have been:

	As of December 31,	
	2024	2025
	(RMB in thousands)	
Redemption financial liabilities	287,048	443,706
Total current liabilities	380,123	549,457
Net current liabilities	(353,721)	(483,934)
Net deficits	(331,917)	(451,086)

(ii) the finance costs associated with the redemption financial liabilities, the net loss, basic and dilutive loss per share would have been:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Finance costs associated with the redemption financial liabilities	20,276	26,843	12,783	3,379
Total net loss	(86,233)	(115,173)	(50,452)	(71,706)
Basic and dilutive loss per share (RMB per share)	(0.61)	(0.77)	(0.34)	(0.43)

For further details of the financial impacts, see note 25 to the Accountants' Report set out in Appendix I to this document.

DIVIDENDS

We did not declare or pay any dividends during the Track Record Period. We currently do not have any dividend policy or fixed dividend pay-out ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. As advised by our PRC Legal Advisor, according to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE EVENTS

In July 2026, the NHSA announced that the seventh batch of national centralized VBP for high-value medical consumables would focus on digestive interventional consumables, covering 24 sub-categories of well-established products from multiple suppliers. Based on our consultations with the relevant authorities, we understand that the GBS falls outside the intended scope of the seventh batch of national VBP. We believe this reflects the innovative nature of the GBS, differing fundamentally from the mature, standardized product categories typically targeted by VBP programs.

After performing due diligence work which our Directors consider appropriate and sufficient and after due and careful consideration, our Directors confirm that there has been no material adverse change in our business, financial condition and results of operations since June 30, 2026, being the latest balance sheet date of our consolidated financial statements in the Accountants' Report set out in Appendix I to this document, and up to the date of this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions have the meanings set forth below.

"Accountants' Report"	The accountants' report prepared by Ernst & Young, details of which are set out in Appendix I to this document
"affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council
"Articles of Association" or "Articles"	the articles of associations of our Company, as amended, which shall become effective on the **[REDACTED]** Date, 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
"Audit Committee"	the audit committee of the Board
"BCS"	dual-energy X-ray bone densitometer and body composition analyzer, our other product
"BCA"	impedance-based body composition analyzer, our other product
"Board" or "Board of Directors"	the Board of Directors of our Company
"Board Diversity Policy"	the board diversity policy of our Company
"business day"	a day on which banks in Hong Kong are generally open to the public for normal banking business and which is not a Saturday, Sunday or public holiday in Hong Kong
"CA"	electronic video colonoscope focusing on lower gastrointestinal endoscope, our other product
"CAGR"	compound annual growth rate
	[REDACTED]
"CCASS"	the Central Clearing and Settlement System operated by HKSCC
"CDE"	NMPA's Center for Drug Evaluation
"China", "Chinese Mainland" or "PRC"	the People's Republic of China, excluding, for the purpose of this document (unless otherwise indicated), Hong Kong, Macau and Taiwan
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"CNT"	clinical nutrition food products, our other product
"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

"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Hangzhou Tangji Medical Technology Co., Ltd. (杭州糖吉醫療科技股份有限公司), a company with limited liability incorporated in the PRC on August 11, 2016, which was converted into a joint stock company with limited liability on January 12, 2026
"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 and adopted by the Standing Committee of the Tenth National People's Congress on October 27, 2005 and effective on January 1, 2006, as amended, supplemented or otherwise modified from time to time, of which the latest amendment was on December 29, 2023 that has been effective since July 1, 2024
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"core connected person"	has the meaning ascribed to it under the Listing Rules
"CPC"	the Communist Party of China
"CPC Central Committee"	the Central Committee of the Communist Party of China （中國共產黨中央委員會）
"Core Product"	has the meaning ascribed thereto in Chapter 18A of the Listing Rules; for the purpose of this document, our Core Product refers to the GBS
"CSDC"	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）
	[REDACTED]
"DIGB"	degradable intragastric balloon, one of our Key Products
"Directors"	the directors of our Company, including all executive, non-executive and independent non-executive Directors
"Dtx"	obesity management digital software, our other product
"ECLs"	expected credit losses
"EIT"	enterprise income tax
"EIT Law"	Enterprise Income Tax Law of the People's Republic of China （《中華人民共和國企業所得税法》）, as amended, supplemented or otherwise modified from time to time
"EQS"	digestive endoscopy quality control software, our other product

"ESS"	endoscopic suturing system, our other product
"Exchange Participant(s)"	a person (a) who, in accordance with the Rules of the Hong Kong Stock Exchange, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"FDA"	the Food and Drug Administration of the United States
"FINI"	Fast Interface for New Issuance, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings on the Stock Exchange
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant, an independent market research and consulting company
"Frost & Sullivan Report"	the industry report commissioned by our Company and independently prepared by Frost & Sullivan, summary of which is set forth in the section headed "Industry Overview" in this document
"GBS"	gastric bypass stent system for obesity, our Core Product
"GBS-DM"	gastric bypass stent system for T2DM complicated with obesity, one of our Key Products
"GBS-Low BMI"	a modification to the existing NMPA registration of our Core Product, the GBS, to extend its approved indication to cover a lower BMI
"GBS-SH"	gastric bypass stent system for MASH complicated with obesity, one of our Key Products
"GA"	video gastroscope, our other product
"GDP"	gross domestic product
"General Rules of HKSCC"	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
	[REDACTED]
"Green Path"	the special green path review procedures for innovative medical devices under the Innovative Medical Device Special Review and Approval Procedure (創新醫療器械特別審查程序)

"Group", "our Group," "we" or "us"	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
"Guide for New Listing Applicants"	Guide for New Listing Applicants issued by the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
"H Share(s)"	overseas listed foreign shares in the share capital of our Company with nominal value of RMB0.10 each, which are to be subscribed for and traded in HK dollars and to be listed on the Hong Kong Stock Exchange
"H Shareholder(s)"	holder(s) of H Share(s)
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"HKFRS"	HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants

[REDACTED]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars," "HK dollars" or "HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong Listing rules" or "Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

[REDACTED]

"Independent Third Party(ies)"	any entity(ies) or person(s) who, 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]

"Joint Sponsors"	ICBC International Capital Limited and Caitong International Capital Co., Limited
"Key Product(s)"	GBS-DM, GBS-SH, DIGB, RIGB

"Latest Practicable Date"	August 21, 2026 being the latest practicable date for the purpose of ascertaining certain information contained 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 from time to time)
"Macau"	the Macau Special Administrative Region of the PRC
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange, which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"Marketing Authorization Application" or "MAA"	an application made to the regulatory authorities in a given jurisdiction for approval to market medicine or medicinal devices within such jurisdiction
"MDR"	the Medical Device Regulation (Regulation (EU) 2017/745), a regulation of the European Union on the clinical investigation and sale of medical devices for human use
"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Zuo"	Mr. Zuo Yuxing (左玉星), our founder, Controlling Shareholder, chairman of our Board, executive Director and chief executive officer
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國發展和改革委員會)
"NHC"	the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會)
"NHSA"	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) (formerly known as the China National Drug Administration, or CNDA, and the China Food and Drug Administration, or CFDA)

"Notified Body" or "NB"	an organization designated by a member state of the European Union, or other relevant jurisdictions, to assess the conformity of certain products, including medical devices, before they are placed on the market

[REDACTED]

"Overseas Listing Trial Measures"	the 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》) promulgated by the CSRC on February 17, 2023
"PBOC"	the People's Bank of China （中國人民銀行）, the central bank of the PRC
"People's Congress"	the PRC's legislative apparatus, including the National People's Congress and all the local people's congresses (including provincial, municipal and other regional or local people's congresses) as the context may require, or any of them
"Personal Information Protection Law"	Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), which entered into effect on November 1, 2021
"PRC government" or "Central Government" or "State"	the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and their instrumentalities or, where the context requires, any of them
"PRC Legal Advisors"	Jingtian & Gongcheng, our legal advisors as to PRC laws

"PRC Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
"Pre-**[REDACTED]** Investment(s)"	the pre-**[REDACTED]** investments in our Company undertaken by our Pre-**[REDACTED]** Investors, details of which are set out in "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments"
"Pre-**[REDACTED]** Investor(s)"	the investor(s) making investments in our Group prior to this **[REDACTED]** as set out in "History, Development, and Corporate Structure — Pre-**[REDACTED]** Investments — Overview"

[REDACTED]

"province"	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
"RAC"	ablation catheter, designed for endoscopic duodenal mucosal resurfacing for T2DM, our other product
"R&D"	research and development
"Regulation S"	Regulation S under the U.S. Securities Act
"RIGB"	retrievable intragastric balloon, one of our Key Products
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"RTK"	endoscopic retrieval kit, our other product
"SAFE"	the State Administration of Foreign Exchange of the PRC （中國國家外匯管理局）
"SAIC"	the State Administration for Industry and Commerce of the PRC （中華人民共和國國家工商行政管理總局）, which was merged into the State Administration for Market Regulation （國家市場監督管理總局）
"SAT"	the State Administration of Taxation of the PRC (國家税務總局）
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB0.10 each upon completion of the Share Subdivision; before the completion of the Share Subdivision, ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 each.
"Share Subdivision"	the subdivision of our Shares whereby each of our Shares with a nominal value of RMB1.0 each shall be sub-divided into 10 Shares with a nominal value of RMB0.10 each, and such Share Subdivision shall take effect immediately before the **[REDACTED]**, the details of which are set out in the section headed "History, Development and Corporate Structure" in this document
"Shareholder(s)"	holder(s) of the Share(s)
"SIC"	aspiration/deflation catheter, our other product
"SOC"	super space-occupying gel capsule, our other product
"Sophisticated Investor(s)"	has the meaning ascribed to it under Chapter 2.3 of the Guide for New Listing Applicants

[REDACTED]

"sq.m."	square meters

[REDACTED]

"State Council"	State Council of the People's Republic of China （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
"subsidiary(ies)"	has the meaning ascribed to it 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 Buy-back issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the period comprising the two years ended December 31, 2025 and the six months ended June 30, 2026

[REDACTED]

"Unlisted Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB0.10 each upon completion of the Share Subdivision, which is/are not listed on any stock exchange; before the completion of the Share Subdivision, ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 each, which is/are not listed on any stock exchange
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Securities Act"	United States Securities Act of 1933, as amended
"VAT"	value-added tax

[REDACTED]

"Zhoushan Aizhong"	Zhoushan Aizhong Management Consulting Partnership Enterprise (Limited Partnership) (舟山愛眾管理諮詢合夥企業（有限合夥）) formerly known as Ningbo Aizhong Management Consulting Partnership Enterprise (Limited Partnership) 寧波愛眾管理諮詢合夥企業（有限合夥）, a limited partnership established under the laws of the PRC on March 27, 2019, and our employee stock ownership platform
"%"	per cent

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"AE"	adverse event
"bariatric surgery"	surgical weight-loss procedures, such as gastric bypass and sleeve gastrectomy, that alter gastrointestinal anatomy to restrict intake and/or reduce absorption
"BMI"	body mass index, a measure of body fat based on height and weight used to categorize weight status
"Breakthrough Device Designation"	a program of the FDA for certain medical devices that provide for more effective treatment or diagnosis of life-threatening or irreversibly debilitating diseases or conditions, which is intended to help patients have more timely access to these medical devices by speeding up their development, assessment and review
"CDMO"	contract development and manufacturing organization
"CRO"	contract research organization, a company that provides support to the medical device, pharmaceutical, and biotechnology industries in the form of research services outsourced
"DMR"	duodenal mucosal resurfacing, an endoscopic ablation of superficial duodenal mucosa followed by regeneration, intended to modulate gut hormone signaling and improve glycemic control
"DJBL"	duodenal-jejunal bypass liner, a reversible endoscopic sleeve implanted from the duodenum into the jejunum to mimic aspects of Roux-en-Y gastric bypass by creating a temporary proximal small-bowel bypass, reducing nutrient contact and driving hormonal changes that promote weight loss and metabolic improvement
"DRG/DIP"	diagnosis-related group/ diagnosis-intervention packet, case-based payment models being implemented in the PRC. DRG/DIP payment reforms shift hospital reimbursement from a traditional fee-for-service model to a system of fixed payments for specific diagnoses or treatments.
"EBMT"	endoscopic bariatric and metabolic therapy, a class of minimally invasive endoscopic procedures and devices for obesity and related metabolic disorders, generally offering meaningful weight loss and metabolic benefits with a reversible profile compared to bariatric surgery
"EWL%"	percentage of excess weight loss, a metric used to evaluate weight loss efficacy, calculated as TWL divided by the patient's excess weight, multiplied by 100%. Excess weight is defined as the difference between a patient's initial weight and their ideal weight, typically based on a BMI of 25 kg/m^2

"FAS"	full analysis set, a dataset for analysis in a clinical trial that includes all randomized subjects who have received at least one intervention, following the intent-to-treat principle
"FIH"	first-in-human, a clinical study in which a medical device or investigational drug is used in human subjects for the first time, primarily to evaluate safety and initial feasibility before proceeding to larger-scale pivotal trials
"FPG"	fasting plasma glucose, representing blood glucose level after a period of fasting, a standard diagnostic biomarker used primarily to screen for, diagnose, and monitor diabetes mellitus.
"GCP"	Good Clinical Practice, an international ethical and scientific quality standard for designing, conducting, recording, and reporting clinical trials that involve the participation of patients
"GLP-1"	glucagon-like peptide-1, an incretin hormone that stimulates glucose-dependent insulin secretion, suppresses glucagon release, slows gastric emptying and promotes satiety
"GLP-1 RA"	glucagon-like peptide-1 receptor agonist, a class of therapeutic agents that mimics the action of endogenous GLP-1 by binding to and activating the GLP-1 receptor to stimulate glucose-dependent insulin secretion, suppress glucagon release, slow gastric emptying and promote satiety
"GI"	gastrointestinal
"GIP"	glucose-dependent insulinotropic polypeptide
"GMP"	Good Manufacturing Practice, a system for ensuring that products are consistently produced and controlled according to quality standards
"HbA1c"	hemoglobin A1c (glycated hemoglobin), a clinical marker reflecting average blood glucose over the preceding two to three months, used for diagnosis and monitoring of diabetes
"ISO 13485"	a standard published by the International Organization for Standardization that represents the requirements for a comprehensive quality management system for the design and manufacture of medical devices
"MAFLD"	metabolic dysfunction-associated fatty liver disease
"MASH"	metabolic dysfunction-associated steatohepatitis, a progressive inflammatory fatty liver disease associated with metabolic dysfunction that may progress to fibrosis and cirrhosis and for which effective treatments remain limited

"obesity"	a chronic disease of excess adiposity commonly assessed by BMI, generally ≥30 kg/m² internationally, and commonly ≥28 kg/m² in China, and associated with increased cardiometabolic and hepatic risk
"obesity-related comorbidity"	a medical condition or disease that is co-occurring with, and often exacerbated by, obesity. Common examples, based on relevant literature, include insulin resistance, T2DM, dyslipidemia, hypertension, metabolic syndrome, obstructive sleep apnea hypopnea syndrome, nonalcoholic fatty liver disease, polycystic ovary syndrome, androgen deficiency, stress urinary incontinence, osteoarthritis, chronic kidney disease, and other cardiovascular comorbidities
"PI"	principal investigator, the investigator who is responsible for the conduct of a clinical trial at a trial site
"pivotal trial"	a clinical trial or study intended to provide evidence for a device regulatory approval
"PPS"	per protocol set, a subset of the FAS that consists of subjects who completed the study without any major protocol violations
"pre-clinical studies"	a series of non-clinical studies conducted before a medical device or drug is applied in human clinical trials. These studies aim to evaluate the safety, performance, and potential biological effects of the product, providing preliminary evidence to support subsequent human research
"RYGB"	Roux-en-Y gastric bypass, an established bariatric surgery that creates a small gastric pouch and reroutes the small intestine to reduce intake and absorption, delivering substantial weight loss and metabolic improvements with permanent anatomical changes
"SAE"	serious adverse event
"SMO"	site management organization, an organization that provides clinical trial related services to a contract research organization, a pharmaceutical company, a biotechnology company, a medical device company or a clinical site
"T2DM"	type 2 diabetes mellitus, a chronic metabolic disease characterized by insulin resistance and progressive loss of insulin secretory capacity, resulting in hyperglycemia and long-term complications if not well controlled
"TWL"	total weight loss, a metric used to measure weight loss, calculated as baseline weight minus follow-up weight
"TWL%"	percentage of total weight loss, calculated as TWL divided by the patient's baseline weight, multiplied by 100%

FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. All statements other than statements of historical facts contained in this document, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "estimate," "predict," "aim," "intend, " "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- general political and economic conditions, including those related to China;
- the efficacy and safety of our products and product candidates, their pricing, market reception, market share;
- our business prospects and our ability to successfully implement our business plans and strategies;
- our strategies, plans, objectives and goals and our ability to successfully implement the same;
- future developments, trends and conditions in the industry of EBMT for obesity and metabolic diseases and markets in which we operate or into which we intend to expand;
- our dividend policy;
- our ability to attract and retain senior management and key employees;
- our future capital needs and capital expenditure plans;
- future developments, trends and conditions in the biotech industry in the PRC and other countries;
- market opportunities and competitive landscape for our products, and the actions and developments of our competitors;
- the regulatory environment and industry outlook in general for the industries discussed herein;
- capital market developments, changes in the global economic conditions and material volatility in the global financial markets.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors" and elsewhere in this document. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set out in this section.

An* [REDACTED] *in our H Shares involves various risks. You should carefully consider all the information in this document, including the risks and uncertainties described below, before making an* [REDACTED] *in our H Shares. In particular, we are a biotechnology company seeking to list on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. Our operations and the industry in which we operate involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all your* [REDACTED] *in our H Shares. These risks could materially and adversely affect our business, financial condition, and results of operations. The trading price of our H Shares could decline due to any of these risks and uncertainties, and you may lose all or part of your investment. 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 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. You should seek professional advice from relevant advisors regarding your prospective investment in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Risks Relating to 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 will be materially adversely affected.

Our business substantially depends on the successful development, obtaining and maintaining the necessary regulatory approvals and commercialization of our current and future products and product candidates. As of the Latest Practicable Date, we had commercialized the GBS for treatment of obesity with certain criteria. The GBS has obtained regulatory approvals in 12 countries and regions including Chinese Mainland. We are in the process of extending indications and introducing more specifications for our GBS. We are also developing new product candidates based on the same technology platforms with GBS, including GBS-SH for MASH with obesity and GBS-DM for T2DM with obesity. See "Business — Product Pipeline" for more details on our complete product pipeline.

We have invested a significant portion of our time and financial resources towards the development and commercialization of our Core Product and other products and product candidates. We incurred research and development expenses of RMB41.1 million, RMB48.7 million, RMB22.0 million and RMB38.7 million in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, accounting for 54.5%, 43.6%, 47.7% and 40.8% of our total operating expenses for the same periods. In 2024 and 2025 and the six months ended June 30, 2025 and 2026, research and development expenses incurred for our Core Product were RMB10.7 million, RMB19.3 million, RMB7.5 million and RMB11.4 million, respectively, accounting for 25.9%, 39.7%, 34.0% and 29.6% of our total research and development expenses for the corresponding periods. We incurred loss for the period of RMB66.0 million, RMB88.3 million, RMB37.7 million and RMB68.3 million in the same periods, respectively. Whether we can generate net profit from our operating activities largely depends on the successful development and commercialization of our Core Product and of our other product candidates under development.

The success of our products and product candidates will depend on several factors, including but not limited to: (i) successful enrollment in, and completion of, clinical trials and pre-clinical studies; (ii) favorable clinical and pre-clinical safety and efficacy data; (iii) timely regulatory approvals and product launches in target markets, if approved; (iv) compliant performance by third-party service providers and protection of data integrity; (v) obtaining and maintaining intellectual property protection and regulatory exclusivity; (vi) avoiding infringement or misappropriation of third-party intellectual property rights; (vii) appropriate product pricing and timely payment collection; (viii) efficient and cost-effective enhancement of our marketing and distribution capabilities; (ix) maintaining competitiveness against existing and future products; (x) keeping pace with industry and technological developments; and (xi) maintaining an acceptable safety and efficacy profile following approval and commercialization, if received.

If we are not successful in one or more of the above factors in a timely manner, or at all, we could experience significant delays or be unable to obtain the necessary approvals to commercialize our other product candidates, which may have a material and 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.

The industry of EMBT for treatment of obesity and metabolic diseases is developing rapidly. If we are not able to develop and launch new products that are competitive in the market, or successfully extend indications and introduce new specifications for the GBS or develop and commercialize any other products or product candidates in a timely manner, our products may become obsolete and our business, operating results and financial condition could be materially adversely affected.

The industry of EMBT for treatment of obesity and metabolic diseases is rapidly evolving, and it is uncertain whether it will achieve and sustain large-scale market adoption and widespread clinical application. Our future financial performance will depend on growth in this market and on our ability to adapt to emerging market demands. It is difficult to predict the future growth rate and size of our target markets. The industry is characterized by rapid technological changes, frequent new product introductions and enhancements, changing patient demands, and evolving industry standards. Social and policy trends on the industry may further evolve, which could lead to changes in need for our products and the need for us to adapt our business model and our product pipelines. Our success therefore depends on our ability to accurately forecast the industry trends and continuously identify, develop and market products that suit the market demand and address unmet clinical needs in a timely manner. Product designs can change with market conditions, as well as demand and preferences of patients, experts, hospitals and medical professionals. We cannot assure you that we will be able to successfully identify new technological opportunities, enhance or adapt to new technologies and methodologies, develop new products, or improve or expand the indication coverage of our existing products in a timely manner. 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 healthcare 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 under development could have a material and adverse effect on our prospects.

Obtaining regulatory approval is a complex, time-consuming process that varies by jurisdiction, requiring us to comply with extensive regulations throughout the product lifecycle. For instance, in Chinese Mainland, according to a catalog issued by the NMPA, medical devices in Chinese Mainland are classified into three different categories, corresponding to specific regulatory requirements, Class I medical device

filing, and Class II and Class III medical device registration certificate, depending on the degree of risk associated with a particular medical device and the extent of control needed to ensure the safety and efficacy of such medical device. Our GBS has received its Class III Certificate from the NMPA in January 2024, which is subject to the highest level of regulatory oversight due to their critical role in supporting or sustaining human life and potential risks to patient safety. See "Regulatory Overview — Overview of the Major Laws, Rules and Regulations Relating to Our Business in the PRC — Regulations and Classification of Medical Devices." The development, manufacturing, distribution and post-market supervision of Class III medical devices are subject to extensive regulatory requirements, including but not limited to: (i) clinical trial protocols with larger sample sizes and longer follow-up periods; (ii) mandatory compliance with GMP standards for medical devices; (iii) obtaining and maintaining production and other necessary licenses specific to Class III devices; and (iv) establishing and operating a compliant quality management system to ensure full traceability of all products throughout the supply chain. Complying with these stringent regulatory obligations requires investment in research and development, quality control systems, regulatory affairs, manufacturing infrastructure and personnel training. Any failure to maintain full compliance could result in delays in product approvals, suspension or revocation of licenses, product recalls, administrative penalties or litigation, which may have a material adverse effect on our business prospects, results of operations and financial condition.

Furthermore, although early small-scale studies have shown promising trends for many of our product candidates, pivotal registration clinical trials may fail to replicate these results due to larger sample sizes, variability across multi-center enrollment, changes in statistical methodology misalignment of primary endpoints with evolving regulatory or medical standards, or failure to meet Inspection criteria due to divergent audit requirements. Regulatory authorities, including the NMPA, may, based on their assessment of data completeness, authenticity, scientific validity, consistency, and clinical relevance, require us to conduct additional studies, extend follow-up periods, or accept restricted indications upon approval. Any such requirements would delay product launch, increase R&D costs, and potentially weaken market competitiveness. We cannot guarantee that our current or future clinical trials will generate data sufficient to support regulatory approval. If these study results fall short of expectations, we may be forced to revise our development strategy, narrow indication scope, or even discontinue product development, which could have a material adverse effect on our business, financial condition, and prospects.

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

We plan to conduct clinical trials and real-world evidence studies to support extension of indications and introduction of new specification for our GBS and the commercialization of our product candidates, and to meet regulatory requirements in international markets. The timely completion of these studies depends on our ability to enroll a sufficient number of eligible patients who remain compliant to our trial protocols throughout the follow-up period.

Patient enrollment may be challenging due to, among other things: (i) strict inclusion and exclusion criteria, such as specific BMI ranges, metabolic and other profiles; and (ii) limited patient awareness of our products and product candidates, resulting in preference for pharmacological treatments or surgical options that are currently more familiar to patients. Furthermore, given that our device is retrievable some patients may opt for early retrieval due to discomfort or unmet expectations, potentially leading to higher-than-expectation dropout rates and incomplete data collection. Delays in enrollment or high attrition could increase development costs, prolong study duration, and delay regulatory approvals or label expansions, which may have a material adverse effect on our growth strategy and commercial prospects.

Our preclinical studies may experience delays or may never advance to clinical trials.

Many of our product candidates are still in the preclinical development stage, and the risk of failure of preclinical programs is high. Specifically, as of the Latest Practicable Date, we had 13 product candidates in

development. Before we can commence clinical trials for a product candidate, we must complete extensive preclinical testing and studies, including strictly regulated type testing and animal studies, to satisfy regulatory requirements to initiate human clinical trials. We cannot be certain of the timely completion or outcome of our preclinical testing and studies and cannot predict if the competent regulatory authorities will accept our proposed clinical programs or if the outcome of our preclinical testing and studies will ultimately support the further development of our programs. As a result, we cannot be sure that we will be able to complete the necessary filings or obtain necessary approvals for the contemplated clinical development of our preclinical product candidates on the timelines we expect, if at all. Failure to pass type testing or obtain satisfactory animal study results would prevent us from initiating clinical trials. Furthermore, we may have to discontinue the development of a candidate if evolving market dynamics or regulatory changes diminish its commercial value or feasibility.

Risks Relating to Commercialization and Distribution of Our Products

We have limited experience in the commercialization of medical devices.

Our Core Product, the GBS, received NMPA approval in early 2024 and is currently in the early commercialization phase. We rely on our in-house sales and marketing teams to drive hospital adoption, physician training, and scientific promotion. However, we have limited experience in large-scale commercial operations and face potential challenges such as a shortage of specialized sales personnel, complex hospital procurement processes, and a steep physician learning curve. If we fail to effectively scale our sales force, deepen relationships with key hospitals, or accelerate physician training, the rollout of our product in target hospitals may be delayed, adversely affecting revenue growth.

Our GBS offers a minimally invasive and reversible alternative for patients with obesity and the relevant market is still nascent in China, with no established clinical practice standards and limited awareness among physicians and patients. Currently, the mainstream management of obesity relies on lifestyle modification, pharmacological treatments and surgical bariatric procedures. As an innovative endoscopic intervention, our product face challenges in demonstrating distinct advantages over existing therapies in terms of efficacy, safety, accessibility, and cost-effectiveness to achieve broad market adoption. For example, compared to the convenience of widely accessible GLP-1 injections, our GBS requires endoscopic implantation under anesthesia. Furthermore, unlike bariatric surgery which offers permanent results, our GBS is a temporary implant requiring subsequent retrieval, with a risk of weight regain if patients fail to maintain a healthy lifestyle.

Market acceptance will depend on a number of factors, including: the scope of indications approved by regulatory authorities; whether physicians, hospitals and patients perceive our product as a safe and effective treatment option; the extent to which the potential benefits and limitations of our product are understood relative to alternatives therapies and procedures; the availability of long-term safety data; any usage restrictions or warnings in the product labeling; the timing of market launch relative to competing products; treatment cost and affordability compared to alternative therapies; the availability of coverage and reimbursement from medical insurance or commercial payors; patient willingness to pay out-of-pocket in the absence of reimbursement; and the effectiveness of our medical education and scientific promotion efforts. If our product fails to build clinical credibility among key opinion leaders or lacks robust real-world evidence and expert consensus, it may result in delayed hospital adoption. Even if initial acceptance is achieved, we may face erosion of market share if future innovations offer superior cost-effectiveness or ease of deployment. Any failure to achieve or sustain market acceptance could materially impair our revenue growth, profitability, and long-term competitive position.

Our revenue is currently concentrated in the GBS, and if market demand for this product falls short of expectations or is adversely affected by external factors, our business and results of operations could be materially and adversely affected.

Our GBS is currently our major source of revenue and is expected to remain the primary source of our revenue in the foreseeable future. We have not yet achieved profitability and expect to remain reliant on sales of this product to fund R&D, manufacturing, and commercialization activities for the foreseeable future. Consequently, any factor that negatively impacts market demand, pricing, hospital adoption, or clinical uptake of the GBS could have a material adverse effect on our overall financial condition and business prospects. Additionally, the product faces competition from other treatments, such as GLP-1 RA weight-loss drugs, traditional bariatric surgery, and other interventional therapies. If competitors introduce more cost-effective or easier-to-deploy alternatives, or if physicians and patients develop concerns regarding the long-term efficacy or safety of our product, market demand may decline. Any such developments could significantly impair our revenue growth and path to profitability.

If our products cause, or are perceived to cause, severe adverse events, our reputation, revenue and profitability could be materially and adversely affected.

Our GBS, as an endoscopically delivered interventional medical device, may be associated with unintended severe adverse events during clinical use, many of which are beyond our direct control. These include long-term complications not fully revealed in clinical trials, severe idiosyncratic reactions in individual patients, undetected manufacturing defects, misuse due to improper physician technique or poor patient adherence, among others. Furthermore, even in the absence of a conclusive causal link, if clinical reports or public perception associate adverse events with our product, such perception may potentially undermine physician and patient confidence in its use. Notably, if future similar devices using comparable stent systems are reported to have safety issues by regulatory authorities such as the NMPA or the FDA, our product may be indirectly affected due to a class-effect perception, despite design and material differentiation, potentially leading to hospital suspensions or delayed clinical adoption.

In the event of confirmed or widely perceived severe adverse events linked to our products, we may face a range of significant consequences, including but not limited to: severe patient injury; sharp decline in demand and sales volume; product recall or voluntary market withdrawal; revocation of product registration or manufacturing licenses by regulators; damage to brand reputation; removal from medical insurance reimbursement lists; and exposure to litigation or regulatory investigations resulting in liabilities, fines, or penalties. Any of these outcomes could have a material adverse effect on our business, financial condition, and future prospects.

Our commercialization may be affected by the level of medical insurance reimbursement end patients receive.

Up to the Latest Practicable Date, our GBS has been included in local medical insurance reimbursement lists in 28 provincial-level regions, such as Sichuan, Shandong, Hebei, Henan, Shanghai, Guangdong, and Jiangsu, marking initial policy recognition. However, China currently lacks a unified national access and pricing framework for high-value medical devices. There are variations across regions in terms of reimbursable indications, patient eligibility criteria, reimbursement rates, and annual payment caps. This fragmented reimbursement landscape results in inconsistent out-of-pocket costs for patients, complicates clinical decision-making for physicians, and increases the complexity of formulating a cohesive national commercialization strategy. Furthermore, local reimbursement policies are highly dynamic and may be revised or rescinded due to fiscal pressures, budget reallocations, or the emergence of new therapies. We cannot guarantee the long-term stability of existing reimbursement status, nor can we ensure that future expansions into new regions will achieve comparable or favorable terms. If certain regions reduce reimbursement rates or narrow eligible indications, patient conversion rates may decline, adversely affecting

sales growth. At the same time, securing inclusion in additional regions may require further price concessions, potentially compressing gross margins.

Guidelines, recommendations and studies published by various organizations may not favor our product candidates.

The clinical adoption of our GBS is dependent on treatment guidelines and expert consensus issued by authoritative bodies, such as the Guideline for Diagnosis and Treatment of Obesity (2024 edition) issued by the NHC. Currently, these guidelines primarily recommend lifestyle intervention, pharmacotherapy, and surgical bariatric procedures as standard treatments for moderate-to-severe obesity, while our Core Product is included in the relevant guidelines and recommendations, it has not been widely incorporated into first-line treatment pathways. Given the strong influence of guidelines, recommendations and consensus on clinical practice, any unfavorable changes in authoritative recommendations regarding our products or product candidates could significantly affect physician prescribing behavior, hospital procurement decisions, and patient treatment choices, thereby materially and adversely affecting our sales growth, market share, and long-term competitiveness.

Our ability to enter other markets will depend, among other things, on our ability to navigate various regulatory regimes with which we have limited experience.

We have obtained regulatory approvals for the GBS in certain markets outside China, including but not limited to, Hong Kong, Thailand, and Malaysia, and have received the FDA Breakthrough Device Designation for our product candidate GBS-SH, marking the initial execution of our global expansion strategy. However, regulatory requirements, clinical practice standards, and market access pathways vary significantly across jurisdictions; if we fail to sustain the necessary resources to meet local compliance obligations or effectively manage cross-border operational complexities, it could impact the pace and profitability of our international growth.

Although we have obtained regulatory approvals in certain overseas markets, the global medical device regulatory landscape remains highly fragmented. Major and mature overseas markets, such as the United States, typically impose stringent requirements on clinical data and quality management systems, while regulatory frameworks and market environments in other international regions may vary significantly and are subject to change. Moreover, steps subsequent to regulatory approval such as pricing negotiations, reimbursement applications, establishment of local distribution networks, building technical support capacity, and physician training remain complex and resource-intensive. We also face risks related to geopolitical tensions, trade restrictions, economic instability, and natural disasters, which could disrupt supply chains or impair our ability to operate effectively across borders.

Our international commercialization efforts are still in the early stages, with limited team size and experience in commercializing high-value interventional devices in mature markets such as the United States. If we are unable to timely expand our team with expertise in global regulatory affairs, market access, compliance, and sales, or fail to establish effective collaborations with strategic partners possessing local capabilities, it could result in slower-than-expected market uptake, rising operational costs, or even regulatory non-compliance, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

If we fail to maintain an effective distribution channel for our products, our business and sales of the relevant products could be adversely affected.

We currently operate a hybrid sales model in Chinese Mainland, combining sales with certified distributors and direct sales, with distributorship taking up 99.1%, 99.6%, 99.6% and 99.7% of our revenue in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Furthermore, revenue

from our top five distributors accounted for 60.8%, 56.2% and 44.8% of our total revenue in 2024 and 2025 and the six months ended June 30, 2026, respectively. As of December 31, 2024 and 2025 and June 30, 2026, we had 44, 70 and 87 distributors, respectively. The technical expertise, promotional efforts, financial strength, and compliance awareness of our distributors directly impact our product adoption speed, and physician training outcomes. Although we have established qualification assessments, training programs, and compliance monitoring for them, our control over their day-to-day operations is limited.

If any key distributor terminates its relationship due to financial distress, strategic shifts, or reduced margins, our market coverage could be disrupted or our growth in specific regions slowed. Additionally, some distributors may engage in price undercutting to gain market share, our pricing structure could be disrupted, relationships with other partners damaged, and hospital perceptions of our product's value potentially undermined. More seriously, if a distributor engages in improper clinical support, false advertising, or unauthorized efficacy claims, our brand reputation could be damaged, and medical disputes or regulatory scrutiny could be triggered. While we believe alternative distributors are available, identifying suitable replacements and completing the necessary onboarding and training processes may take several months, during which sales losses may occur. Therefore, if we fail to maintain a stable, efficient, and compliant distribution network, it could have a material and adverse effect on our business, financial condition, and future growth prospects.

Risks Relating to Extensive Government Regulations

All material aspects of the research, development and commercialization of our products and product candidates are heavily regulated.

We focus our activities in the major market of Chinese Mainland and plan to expand our market overseas. These geopolitical areas all have strict regulation on medical devices, and in doing so they employ broadly similar regulatory frameworks, 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 regions, which makes regulatory compliance in all of these regions more complex and costlier.

The process of obtaining regulatory approvals and compliance with appropriate laws and regulations require substantial time and resources. Failure to comply with the applicable requirements at any time during the product development process, approval process, or after approval, may subject an applicant to administrative or judicial consequences, including a regulator's refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, voluntary or mandatory product recalls, product seizures, total or partial suspension of production or distribution, fines, or civil or criminal penalties. The failure to comply with these regulations could have a material and adverse effect on our business, financial condition and prospects.

Ongoing changes in medical device regulations, reimbursement policies, and centralized procurement systems in China may increase our compliance costs, delay market access, and exert downward pressure on our pricing power and profitability.

We develop and commercialize in China our GBS, a Class III medical device subject to stringent regulation by the NMPA and other competent authorities. In recent years, the Chinese government has advanced healthcare reforms aimed at strengthening lifecycle oversight of innovative devices and controlling costs for high-value consumables. While the NMPA has streamlined review processes, it has also raised requirements for clinical evidence quality, real-world data collection, post-market safety monitoring, and quality management systems. Any further tightening of regulatory standards or shifts in enforcement practices could delay our product submissions, necessitate additional clinical studies, or increase post-approval compliance burdens.

Meanwhile, the NHSA continues to reform the governance of high-value medical consumables, encouraging local governments to pilot volume-based procurement programs. Although our Core Product, being a Class III Innovative Medical Device in China, is currently eligible for a temporary exemption and not included in any provincial or national centralized procurement list, it may eventually be subject to inclusion in future procurement lists amidst the rising demand for obesity and other metabolic disease treatments and advancements in competing technologies. In the event that our product is included in such lists, we would face intense price competition, potentially leading to significant price reductions, and our gross margins and profitability could be materially compressed. Consequently, our business, financial condition, and results of operations could be materially and adversely affected.

Our products or product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, or result in significant negative consequences following regulatory approval, if any.

Our GBS is delivered via endoscopy, designed to modulate metabolism through multiple mechanism of action. While this approach is minimally invasive, as a device in direct contact with human tissue, it carries inherent risks. Based on clinical experience, potential adverse events may include stent migration or dislodgement, gastrointestinal perforation, or inflammatory reactions.

For our products and future product candidates, if unexpected serious adverse events occur during pivotal clinical trials, trial for expanded indications, or post-market surveillance, regulatory authorities may require clinical holds, additional data submissions, label modifications, black-box warnings, or even deny or revoke marketing approvals. Additionally, we may be required to issue safety communications to hospitals and physicians, conduct active monitoring programs, or initiate product recalls. More seriously, if patients suffer physical harm from using our product in any current or potential markets, we could face personal injury claims or class-action litigation, resulting in significant financial liabilities and management distraction. Even if ultimately resolved in our favor, the litigation process itself could cause lasting damage to our public image and investor confidence. Therefore, any significant safety issue could hinder market access, reduce physician adoption, and have a material adverse effect on our business, financial condition, and future prospects.

If our current and future products are not produced in compliance with the quality standards required under applicable laws, our business and reputation could be harmed, and our revenue and profitability could be materially and adversely affected.

Medical device quality management spans the entire lifecycle, from design, raw material sourcing, manufacturing control, sterilization validation, labeling, to post-market traceability. We have established a quality management system compliant with ISO 13485 and China's GMP standard for medical devices, and have passed on-site inspections by the NMPA. However, specific quality requirements vary across jurisdictions.

As we scale production and expand to more markets, we may need to engage third-party manufacturers or add new production lines. In such cases, inadequate design transfer, incomplete process validation, or weak quality agreement enforcement could lead to batch-to-batch variability or regulatory non-compliance. Furthermore, a significant quality incident in any market, such as a sterilization failure or labeling error leading to misuse, could trigger scrutiny from other regulators, even if the issue is localized, potentially resulting in additional reviews or temporary restrictions. We lack practical experience in managing cross-jurisdictional quality crisis coordination. Therefore, any significant quality issue could hinder market access, reduce physician adoption, and have a material adverse effect on our business, financial condition, and future prospects.

Our products and any future products will be subject to ongoing regulatory obligations and continued regulatory review.

Our products 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 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.

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. Any of these events could significantly disrupt our operations and materially and adversely affect our business, financial condition, and results of operations.

Failure to pay the social insurance and housing provident funds on behalf of our employees in accordance with the Labor Contract Law or comply with other PRC regulations may have an adverse impact on our financial conditions and results of operation.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and other applicable PRC regulations, any employer operating in China must open social insurance registration accounts and contribute social insurance premium for its employees. Any failure to make timely and adequate contribution of social insurance premium for its employees may trigger an order of correction from competent authority requiring the employer to make up the full contribution of such overdue social insurance premium within a specified period of time, and the competent authority may further impose fines or penalties.

During the Track Record Period, we did not make full contributions to the social insurance and housing provident fund with respect to certain employees as required by relevant PRC laws and regulations. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, the aggregate shortfall in our contributions to social insurance amounted to approximately RMB1.9 million, RMB2.6 million and nil, respectively. In the six months ended June 30, 2026, we made up for approximately RMB1.3 million of our social insurance contribution shortfalls. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, the aggregate shortfall in our contributions to housing provident funds amounted to approximately RMB0.8 million, RMB1.0 million and RMB1.5 million, respectively. As advised by our PRC Legal Advisors, an employer that has not made social insurance contributions in full and on time as prescribed by the law, may be ordered by relevant authorities to rectify and pay the required contributions within a stipulated deadline and be subject to a late payment fee of up to 0.05% per day. If the employer fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times the amount overdue. Accordingly, the aggregate maximum potential penalty that could be imposed on us for such shortfalls during the Track Record Period is approximately RMB13.5 million. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any administrative penalties in terms of the contribution of social insurance premium and housing provident funds. We cannot assure you that our employment practices will always be deemed in full compliance with the evolving PRC labor laws and regulations, or that we will not be subject to any such challenges in the future. If we are deemed to have failed to comply with relevant laws and regulations, we may be required to pay the outstanding amount and could be subject to late payment penalties or enforcement applications. Any such penalties or orders could have a material adverse effect on our business, financial condition, and results of operations.

We face certain risks relating to the properties that we lease, which may disrupt our operations and incur relocation costs.

As of the Latest Practicable Date, we leased 12 properties across several cities and provinces in China with an aggregate gross floor area of approximately 26,500 sq.m., which were primarily used for office functions and production facilities. Any limitations on the leased properties, or lessors' title to such properties, may impact our use of the offices, or in extreme cases, result in relocation, which may in turn adversely affect our business operations.

Pursuant to applicable PRC laws and regulations, all lease agreements are required to be registered with the local competent authorities. As of the Latest Practicable Date, three of our leased properties in China had not been registered with the relevant PRC government authorities. Although failure to do so does not in itself invalidate the leases, we may be subject to fines if we fail to rectify within the prescribed time period after receiving notices from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority, indicating a maximum potential fine of RMB30,000 for us as of the Latest Practicable Date. As of the Latest Practicable Date, we had not been subject to any administrative penalties by the relevant competent authorities. If we are challenged by third parties or government authorities upon any of the circumstances stated above with respect to our leased properties, we may be subject to fines and may be required to relocate, as the case may be, and, as a result, our results of operations and financial condition may be adversely affected. Furthermore, if we are required to relocate and we are not able to find a suitable location with commercially reasonable terms or on a timely basis or at all, our operations will be interrupted.

Privacy and data protection laws and regulations could have an implication on our reputation and customer preference.

When conducting our business, we may have access to certain patient data. The personal information of patients or participants for our clinical trials and other clinical and business activities is highly sensitive and we are subject to strict requirements under the applicable data privacy and protection regulations. Privacy leakage incidents might not be avoided due to human error, employee misconduct or system breakdown. In addition, we collaborate with third parties, including principal investigators, hospitals, CROs, CMOs, and other external partners, for our clinical trials. Any security breach, data leakage, or misuse of data by these third parties could be attributed to us, thereby damaging our reputation.

Furthermore, the regulatory landscape for data privacy in China and other jurisdictions is complex, rapidly evolving, and subject to varying interpretations. Strictly adhering to this shifting framework demands significant management attention and financial resources. Any actual or perceived failure to comply with these regulations, or to protect sensitive data, could result in regulatory investigations, fines, or litigation. Any occurrence of such events could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Risks Relating to Our Intellectual Property Rights

If we and our current or future business partners are unable to protect our intellectual property rights throughout the world, 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.

We rely on patents, trade secrets and regulatory protections to safeguard the exclusivity of our core technologies, but we cannot ensure these measures will effectively prevent third parties from copying or replicating our products and innovations in all jurisdictions. As of the Latest Practicable Date, we owned 88 granted patents in China and 23 granted patents overseas. We had 66 pending patent applications in China

and 43 pending patent applications overseas as of the same date. While we have filed further patent applications for our Core Product, and key products, technologies and product candidates, the grant of patents is uncertain, and some applications may be rejected or granted with limited scope that does not provide meaningful protection. Early disclosure, delayed identification of patentable inventions or suboptimal filing strategies may also result in loss of intellectual property rights. If we fail to secure adequate protection, competitors may develop similar or alternative products that directly compete with ours.

Even if patents are granted, their validity, scope and enforceability may be challenged by third parties through legal or administrative proceedings in various jurisdictions, which could lead to narrowing, invalidation or unenforceability of our patent rights. Such proceedings can be costly and time-consuming and may divert significant management and technical resources. Additionally, unauthorized disclosure of confidential information by collaborators, employees or third parties could compromise our trade secrets.

Furthermore, our ability to protect our intellectual property rights may depend on our business partners or collaborators. If our business partners fail to properly maintain or protect such rights, decide not to enforce them against infringers due to strategic differences or resource constraints, or if they fail to provide us with sufficient rights to exclude competitors, our competitive position could be harmed.

If we are unable to maintain strong and enforceable intellectual property protection in key markets, or if our core technologies, especially those in relation to our Core Product, are circumvented, replicated or invalidated, our ability to commercialize products and sustain competitive advantage may be significantly impaired, which could have a material adverse effect on our business, financial condition and prospects.

Claims that our existing products or the sale or use of our future products infringes, misappropriates or otherwise violates the patents or other intellectual rights of third parties could have a negative impact on us.

Third parties may allege that our existing products or future product candidates infringe their intellectual property rights. As the medical technology sector becomes increasingly competitive and the number of granted patents grows, such claims may arise even if our technologies are independently developed. These allegations could come from competitors, non-practicing entities or other rights holders, and may lead to disputes or legal proceedings regardless of their merit. While we are not currently subject to any material intellectual property litigation, we cannot provide assurance that we will not face such claims in the future.

Defending against such claims would involve significant expenses and divert the attention of our management, technical and scientific personnel from core operations. Even if we seek to license the disputed technology to avoid litigation, such licenses may not be available on commercially reasonable terms, or at all. If a claim is successful, we could be prohibited from developing or commercializing the affected products or product candidates, be required to pay substantial damages, incur legal costs, or undertake costly and time-consuming product redesigns. Adverse publicity during litigation, even if ultimately resolved in our favor, could negatively affect investor perception and the market price of our shares.

If we are found to infringe a third party's intellectual property rights and are unable to obtain a license or modify our products in a timely and cost-effective manner, it could significantly delay or prevent product development and market access, which could have a material adverse effect on our business operations, financial condition and prospects.

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.

In most jurisdictions in which we plan to file applications for patents, the term of a granted patent is generally 10 to 20 years from the earliest claimed filing date of a non-provisional patent application in the

applicable jurisdictions. Although various extensions may be available, the life of a patent and the protection it affords are limited. Even if patents covering our products are obtained, we may be open to competition from other companies once our patent rights expire. As of the Latest Practicable Date, we had been granted 111 patents. We also had 66 pending patent applications in China and 43 pending patent applications overseas as of the same date. If patents are granted based on these pending patent applications, the resulting patents will expire at the end of their respective statutory terms, excluding any potential patent term extension or adjustment. Upon expiration of our granted patents or patents that may be granted 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 materially and adversely affected.

Changes in patent law may reduce 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 in Chinese Mainland 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 U.S. may also implement wide-ranging patent reform legislation. Furthermore, the U.S. Supreme Court rulings could narrow 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. Consequently, any such changes in laws, regulations, or judicial interpretations may increase the uncertainty and costs surrounding the prosecution of our patent applications and the enforcement or defense of our granted patents, potentially diminishing the value of our intellectual property and materially and adversely affecting our business.

If we are unable to protect the confidentiality of our trade secrets, or if third parties assert that our employees or partners have wrongfully used confidential information, our business and competitive position would be materially adversely affected.

We rely on trade secrets, unpatented know-how, and proprietary information to maintain our competitive position. We seek to protect these intellectual property rights by entering into confidentiality and invention assignment agreements with our employees and external third parties. However, these agreements may not provide adequate protection. They may be breached, or we may fail to execute them with parties involved in our development of products and product candidates, leading to potential disputes over ownership. Enforcing claims for misappropriation is difficult, expensive, and unpredictable. Furthermore, if our trade secrets are independently developed by competitors, we would have no right to prevent them from using such information. In addition, we may be subject to claims that our employees have wrongfully used or disclosed the trade secrets of their former employers. Litigation may be necessary to defend against such claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or key personnel. Even if we are successful, such litigation could result in substantial costs and be a distraction to our management. Any failure to protect our trade secrets or any successful claim against us regarding proprietary information could severely damage our competitive position and, consequently, have a material adverse effect on our business, financial condition, results of operations, and prospects.

We may become involved in lawsuits to protect or enforce our intellectual property.

We may need to initiate legal proceedings to enforce or defend our intellectual property rights, but such actions could be costly, time-consuming and may not succeed. If third parties infringe our patents or misappropriate our trade secrets, we may be required to pursue litigation to protect our products and technologies. However, intellectual property disputes often involve significant expenses and can trigger counterclaims alleging infringement of the other party's rights. Many of our competitors have substantially

greater legal and financial resources than we do, which could place us at a disadvantage in any such proceedings. Even when we assert our rights, our patents may be challenged and found invalid, unenforceable or narrowly interpreted, limiting their protective value. Litigation may also expose confidential information through disclosure requirements. Furthermore, we may face difficulties in protecting our trade secrets in certain jurisdictions where legal protections are less robust. These challenges could undermine our ability to maintain exclusivity over our key technologies and reduce the competitive advantage we seek to derive from our intellectual property. If we are unable to effectively enforce our intellectual property rights or suffer adverse outcomes in legal proceedings, it could lead to loss of patent protection, unauthorized use of our technology, delays in product development or restrictions on commercialization, which could have a material adverse effect on our business operations, financial condition and prospects.

Risks Relating to Manufacture and Supply of Our Products

Delays in completing and receiving applicable regulatory approvals for our production facilities, or damage to, destruction of or interruption of production at such facilities, could delay our development plans or commercialization efforts.

Our principal manufacturing facilities are located at our headquarters in Hangzhou, Zhejiang province. As of the Latest Practicable Date, we leased an aggregate area of approximately 4,385 sq.m. for manufacturing facilities in Hangzhou, which we plan to mainly use for the development and manufacture of our Core Product and pipeline product candidates. Any expansion or modification of the site requires regulatory authorization, which involves compliance assessments and inspections. Delays or failure in obtaining such approvals or completing the construction could disrupt our production timelines and adversely affect product development and market launch schedules. Our facilities are vulnerable to damage or operational disruption caused by natural disasters, accidents, power failures or other unforeseen events. Given the specialized nature of our manufacturing processes, we may not be able to rapidly restore capacity or transfer production to third parties in the event of a significant incident, potentially leading to supply delays, clinical trial interruptions or reduced commercial availability. If our manufacturing capabilities are significantly impaired or suspended and we are unable to recover operations in a timely manner, or if insurance coverage proves insufficient to offset losses, it could materially disrupt our supply chain and have a material adverse effect on our ability to advance product development, achieve commercial milestones and maintain financial stability.

If we fail to increase our production capacity to meet customer demand, our business prospects could be materially and adversely affected.

Our future growth is contingent upon our ability to scale manufacturing capacity in line with anticipated market demand. The designed annual production capacity for our GBS during the Track Record Period was 8,000 units. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our production facilities produced 3,401, 4,823, 1,790 and 2,905 units, respectively, representing a 42.5%, 60.3%, 44.8% and 72.6% utilization rate over the same periods. If we are unable to expand production capacity or improve operational efficiency in a timely manner, we may face supply constraints that could hinder commercialization and limit market adoption. Our products involve certain production processes that are highly dependent on skilled labor, and delays in workforce recruitment, training or process optimization may adversely affect output, delivery timelines and cost efficiency.

We are currently expanding our manufacturing footprint to support future production needs. As of the Latest Practicable Date, we had a production facility under construction located in Quzhou, Zhejiang province to support our future commercial scale-up. We also intend to establish two potential production facilities in Wuxi, Jiangsu and Mianyang, Sichuan, which were both still at an early planning stage and no

construction had commenced as of the Latest Practicable Date. The construction and commissioning of this new facility involve inherent risks, including potential construction delays, cost overruns, and challenges in obtaining necessary regulatory approvals and certifications in a timely manner, and is subject to timely hiring of qualified personnel. Delays in obtaining necessary authorizations for the new facility could postpone product launches or limit supply capacity. Any sustained inability to meet customer demand could result in lost sales, reputational damage and diminished competitive positioning, which could have a material adverse effect on our business development, financial performance and growth prospects.

The manufacture of our products is complex and subject to strict quality controls.

The manufacture of many of our products is complex and subject to strict quality controls, due in part to the serious and costly consequences of a product failure and regulatory requirements. Problems can arise during the manufacturing process for a number of reasons, including equipment malfunction, failure to follow protocols and procedures, raw material problems, software problems, or human error. Furthermore, if contaminants are discovered in our supply of our products or product candidates or in the manufacturing facilities, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. Stability failures and other issues relating to the manufacture of our products or product candidates could occur in the future. Although closely managed, disruptions can occur during implementation of new equipment and systems to replace aging equipment, as well as during production line transfers and expansions. As we expand into new markets, we may face unanticipated surges in demands for our products which could strain our production capacity. If these problems arise or if we otherwise fail to meet our internal quality standards or those of the competent regulatory authorities, which may include detailed record-keeping requirements, our reputation could be damaged, we could become subject to a safety alert or a recall, we could incur product liability and other costs, our progress on obtaining product approvals or CE Marking certification could be delayed, and our business could otherwise be adversely affected. In addition, our manufacturing and warehousing facilities, as well as those of our suppliers and logistics partners, could be materially damaged by earthquakes, hurricanes, volcanoes, fires, and other natural disasters or catastrophic circumstances, which could have a material adverse effect on our business operations.

Failure to maintain and predict inventory levels in line with the level of demand for our products could cause us to lose sales or face inventory risks and holding costs.

To operate our business successfully and meet our customers' demands and expectations, we must maintain a certain level of inventory for our products to ensure immediate delivery when required. Furthermore, we are required to maintain an appropriate level of inventory of our raw materials for our commercial production. However, we maintain our inventory levels based on our internal forecasts which are inherently uncertain. If our forecast demand is lower than actual demand, we may not be able to maintain an adequate inventory level of our products or produce our products in a timely manner, and may lose sales and market share to our competitors. On the other hand, excess inventory levels may increase our inventory holding costs, risk of inventory obsolescence or write-offs. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, our inventory turnover days were 634 days, 305 days and 325 days, respectively. We recorded inventory provisions of RMB40,000, RMB349,000 and RMB294,000 for the same periods. We actively monitor our inventory level and track the flow of our products. However, there is no guarantee that the inventory information we collect is complete and accurate or that such information would allow us to effectively manage our inventory level. If we fail to maintain and predict inventory levels in line with the level of demand for our products, our business, financial condition and results of operations will be materially and adversely affected.

RISKS RELATING TO OUR FINANCIAL CONDITION AND ADDITIONAL CAPITAL REQUIREMENTS

We have been in a net loss position since our inception and may continue to incur net losses for the foreseeable future, and you may lose substantially all your investments in us given the high risks and uncertainties associated with our business operations.

We have incurred net losses since inception and expect to continue to do so for the foreseeable future. In 2024 and 2025 and the six months ended June 30, 2025 and 2026, our incurred net losses was RMB66.0 million, RMB88.3 million, RMB37.7 million and RMB68.3 million, respectively. Our business is in the research-driven and early commercialization phase, requiring substantial and ongoing investment in product development, clinical trials, regulatory submissions and market launch activities. Our operating expenses are expected to increase as we advance our pipeline, expand into new markets and prepare for commercialization. The extent of future losses will depend on the scope of our development programs, associated costs, commercialization efforts and our ability to generate meaningful revenue. We may encounter unforeseen challenges, including unfavorable clinical outcomes, regulatory delays or lower-than-expected market adoption. Even if our products receive approval, there is no assurance that revenue will be sufficient to achieve or sustain profitability. If we achieve profitability in the future, there can be no guarantee that it will be sustained. Continued losses may affect investor perception, limit our access to capital and constrain our ability to maintain R&D activities, scale operations or execute strategic initiatives. In addition, we will incur new costs related to compliance and corporate governance as a Hong Kong-listed company. If we are unable to transition to a self-sustaining business model over time, it could have a material adverse effect on our ability to fund our operations and execute our growth strategy.

The amount of our future losses or potential profits is uncertain, and our annual operating results may fluctuate significantly or fall below the expectations of investors or securities analysts.

The magnitude of our future losses or potential profits is highly uncertain, and our annual operating results may fluctuate significantly from period to period, potentially falling short of investor or analyst expectations. This volatility is driven by the inherently uneven nature of R&D advancement, timing of clinical trial outcomes, regulatory review cycles, pace of commercial launch, market adoption rates and fluctuations in operating expenses. As we remain pre-profitability, our market valuation will be largely based on forward-looking expectations, making our stock price particularly sensitive to any deviation from anticipated performance. Furthermore, our revenue recognition may be affected by hospital procurement cycles, reimbursement policy changes, distribution network development and customer uptake timelines, leading to uneven quarterly revenue patterns. At the same time, significant R&D expenditures, strategic commercial investments and post-**[REDACTED]** compliance costs may deepen near-term losses, amplifying financial volatility. If our results fail to meet market expectations, it could result in significant stock price fluctuations or sustained declines, eroding shareholder value and impairing our ability to raise capital in the future. Given the long development cycles and high degree of uncertainty inherent in the medical devices sector, investors should not rely on the financial results of any single period as an indicator of future performance. This level of unpredictability could have a material adverse effect on our valuation, liquidity and reputation in the public markets.

We had net operating cash outflows throughout the Track Record Period.

We have generated negative operating cash flows during the reporting periods and will continue to require substantial external financing to fund our research and development, regulatory submissions, commercialization activities and general operations. In 2024 and 2025 and the six months ended June 30, 2025 and 2026, we incurred net cash outflows from our operations of RMB43.6 million, RMB72.9 million, RMB34.7 million and RMB56.0 million, respectively. Our ability to secure timely and favorable funding is subject to significant uncertainty. If we are unable to raise capital when needed or on acceptable terms, we

may be forced to delay or scale back development programs, curtail commercial initiatives or reduce operational capacity, which could have a material adverse effect on our financial condition and business prospects.

Our results of operations may fluctuate significantly due to a range of factors, many of which are beyond our control and difficult to predict. These include the progress and outcomes of clinical trials, the timing and scope of regulatory approvals, challenges in patient recruitment, shifts in the competitive landscape, investment levels in pipeline development, demand for our products post-approval, reimbursement dynamics and our ability to attract and retain key personnel. In addition, macroeconomic volatility, inflationary pressures and potential changes in accounting principles may further impact our financial performance. Given our early-stage profile, short-term deviations from market expectations can lead to significant stock price volatility and reduced access to capital markets. Investors should not rely on historical or interim financial results as indicators of future performance. Failure to effectively navigate these uncertainties could impair our strategic execution, delay commercialization and undermine our ability to deliver long-term value to shareholders.

As we are investing heavily in our research and development efforts, our profitability and operating cash flows in the short term may continue to be impacted and we may not generate the results we expect to achieve.

Our technological capabilities and infrastructure are critical to our success. We have been investing heavily in our research and development efforts. We incurred research and development expenses of RMB41.1 million, RMB48.7 million, RMB22.0 million and RMB38.7 million in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. The industry in which we operate is evolving rapidly in terms of technological innovation. We need to invest significant resources, including financial resources, in research and development to lead technological advances in order to make our current and future products innovative and competitive in the market. As a result, we expect that our research and development expenses will continue to increase. Furthermore, development activities are inherently uncertain, and we might encounter practical difficulties in commercializing our development results. Our significant expenditures on research and development may not generate corresponding benefits. Given the fast pace at which technologies have been and will continue to be developed, we may not be able to timely upgrade our technologies in an efficient and cost-effective manner, or at all. New technologies in our industries could render our technologies, our technological infrastructure or products that we are developing or expect to develop in the future obsolete or unattractive, thereby limiting our ability to recover related product development costs, which could materially and adversely affect our revenue, profitability and market share.

We had net liabilities position and net current liabilities in the past and may not be able to achieve or maintain net assets and net current assets position in the future.

As of December 31, 2024 and 2025, we had net liabilities of RMB44.9 million, RMB7.4 million, respectively. We also had net current liabilities of RMB66.7 million, RMB40.2 million as of the same dates, respectively. There is no assurance that we will not record net liabilities and/or net current liabilities in the future. Having significant net liabilities or net current liabilities could constrain our operational flexibility and adversely affect our ability to expand our business. If we do not generate sufficient cash flow from our operations to meet our present and future liquidity needs, we may need to rely on additional external borrowings for funding. If adequate funds are not available, whether on satisfactory terms or at all, we may be forced to delay or abandon our growth plans, and our business, financial condition and results of operations may be materially and adversely affected.

We are exposed to credit risk regarding trade receivables from certain customers.

We generally adopt a payment-in-advance model for a significant portion of our sales, which helps mitigate our overall exposure to credit risk. However, we may grant credit terms to certain qualified

customers under certain circumstances. As of December 31, 2024 and 2025 and June 30, 2026, our trade receivables were RMB2.0 million, RMB0.2 million and RMB0.3 million, respectively. Although we actively manage our credit exposure, we cannot assure you that these customers will settle their obligations on time or at all. If the financial condition of these customers deteriorates, or if they face liquidity issues, they may delay or default on their payments. While our reliance on credit sales is relatively limited due to our prevailing payment policies, any significant default by major customers to whom we have extended credit could still severely impact our liquidity. If we are unable to collect these receivables efficiently, or if one or more major customers default on their payment obligations, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to obtain additional capital when desired on favorable terms or at all.

We intend to raise necessary capital through the **[REDACTED]** to ensure a successful product launch and establish initial market coverage. However, global capital market volatility, shifts in investor sentiment toward the biotechnology sector, evolving competitive dynamics, or delays in our clinical or regulatory progress could lead to a postponed timeline of the **[REDACTED]**, or reduced **[REDACTED]** amount. If the **[REDACTED]** is delayed or undersubscribed, we may need to rely on bank loans, strategic investor funding, or other debt financing, which could carry more restrictive terms or may not be available on a timely basis. Furthermore, as a pre-profit innovative medical device company, we had net operating cash outflows during the Track Record Period and will remain reliant on external financing for the foreseeable future. If we are unable to secure sufficient funding on a sustained basis, we may be forced to delay or cancel new indication and product development, reduce market investment, suspend R&D programs and overseas market expansion, or even disrupt ongoing operations. Therefore, uncertainty in our ability to raise capital represents a material risk to the sustainability and growth of our business.

Our business and results of operations may be subject to seasonal fluctuations.

During the Track Record Period, our operations were subject to certain seasonal fluctuations, with typically increased sales during the fourth quarter. This trend is primarily driven by the initial commercialization ramp-up in early 2024 to build our distribution and hospital networks, and distributors preparing inventory toward year-end to prevent supply disruptions during public holidays. As a result of these seasonal fluctuations, our revenue and operating results for any particular quarter may not be indicative of our performance for the full year. If we fail to accurately forecast our sales and manage our inventory and production schedules accordingly to accommodate such seasonality, our business, financial condition and results of operations could be materially and adversely affected.

Raising additional capital may cause dilution to our shareholders' equity, restrict our operations or require us to relinquish rights to our technologies or products.

We may need to pursue bank loans, convertible bonds, or other forms of debt financing. Such arrangements often come with stringent financial or non-financial covenants which could constrain management's flexibility in business expansion, M&A, or R&D decisions. We currently hold full intellectual property rights to our GBS and other products and have no plans to transfer technology or product rights to third parties. However, if we face severe cash shortages or sustained losses, we may be compelled to consider bringing in strategic investors and granting them technology licensing rights, co-development rights, or even partial ownership in exchange for critical funding. While such transactions could alleviate short-term liquidity pressures, they risk technology leakage, shifts in competitive dynamics, or long-term value erosion. Therefore, the choice of future financing methods will entail an ongoing trade-off between capital needs and the preservation of control and proprietary rights.

RISKS RELATING TO OUR GENERAL OPERATIONS

Our future success depends on our ability to retain key executives and key personnel in our R&D team, sale and marketing team, and our ability to attract, train, retain and motivate qualified and highly skilled personnel especially R&D, clinical related, sales and marketing staff.

Our business and growth depend on the continued service of our senior management and key personnel in our R&D team to develop products and product candidates, as well as our sales and marketing team to promote our products and services. In particular, Mr. Zuo, the chairman of our Board, chief executive officer and our sole executive Director, is primarily responsible for the overall strategic planning, management and coordination of our Group. Although we have entered into formal employment agreements with our employees, these agreements do not prevent them from terminating their employment with us at any time. The loss of the services of any of these employees could impede the achievement of our research, development and commercialization objectives. To retain valuable employees, in addition to salary and cash incentives, we have provided share awards to our employees. However, there is no assurance that our salary and benefits will be sufficient to attract and retain the personnel we require. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and impact our ability to successfully implement our business strategy. Furthermore, replacing executive officers or key employees may be difficult and may take an extended period of time. We also experience competition for the recruiting of R&D and clinical personnel from universities and research institutions. If we are unable to continue to attract and retain high quality personnel, we may experience delays in our research and development, fail to develop and commercialize our products and product candidates in a timely manner, which could have a material adverse effect on our business and future prospects.

Our business significantly depends on our reputation and customer perception of us, and any negative publicity on us or failure to maintain and enhance our recognition and reputation may materially adversely affect our business, financial condition and results of operations.

Our business is significantly dependent on our brand reputation and the trust of hospitals, physicians, patients and other stakeholders. As our GBS represent a relatively new and evolving treatment paradigm, market acceptance is still developing, and our success hinges on our ability to establish and maintain a strong, credible brand identity. If we fail to effectively communicate the clinical value, safety and reliability of our products, it could impair physician adoption, delay reimbursement decisions and hinder commercial growth, and may have material adverse effects on our financial performance. Our reputation may be damaged by events such as product malfunctions, service failures, regulatory inquiries, litigation, or negative publicity, regardless of factual accuracy. Even isolated incidents or unverified allegations concerning our products, management or operations could erode trust and trigger reputational harm. Maintaining brand reputation requires sustained investment in clinical validation, professional engagement, patient education and compliant promotional activities. If these efforts prove ineffective or are undermined by external challenges, we may experience reduced customer retention, increased competitive pressure and higher costs associated with crisis management. Given that brand trust is difficult to rebuild once compromised, any significant reputational damage could have a lasting negative impact on our operation results, business prospects, investor confidence and long-term market position.

Our information technology infrastructure may experience unexpected system failure, interruption, inadequacy, security breaches or cyberattacks.

Our business operations are highly dependent on internal IT systems and network infrastructure, which store and process critical data including research and development records, commercial information, and financial data. Although we have implemented security measures such as firewalls, access controls and encryption, our systems remain vulnerable to cyber threats including malware, ransomware, phishing

attacks and unauthorized access. Any significant security incident could lead to operational disruption, data loss or system failure, materially and adversely affecting our development programs, commercial activities and financial reporting. Failure to detect or respond to emerging threats in a timely manner could result in the compromise of sensitive data, unauthorized system access or service outages. Any such event could have a material adverse effect on our operational resilience, regulatory compliance, investor confidence and long-term business prospects.

We may be involved in lawsuits, claims, administrative proceedings or other legal proceedings against us.

We may be subject to lawsuits, claims, regulatory investigations or other legal proceedings arising from the current or future development and commercialization activities of our products and product candidates. We could be sued if our products or product candidates are alleged to cause harm, fail to deliver expected therapeutic benefits, or are perceived as defective in design, manufacturing, having inadequate instructions for use, warnings, or training, even if such allegations are unfounded.

Although we have not experienced any material product or professional liability claims during the Track Record Period, the risk of such claims increases as our products reach more patients and healthcare providers. Defending against litigation, regardless of its merit, requires significant management time and financial resources, diverting attention from core business operations. If we are unable to successfully defend against such claims or obtain indemnification from collaborators, we may face restrictions on commercialization, suspension of clinical trials, or the need to withdraw products from the market, all of which could materially impair our development timelines and revenue potential.

Legal proceedings may lead to a range of adverse outcomes, including regulatory scrutiny, reputational damage within the medical community, loss of patient and physician confidence, withdrawal of clinical trial participants, and negative media coverage. We may incur substantial costs in defending claims, and any adverse judgment or settlement could result in significant monetary liabilities, product recalls, or marketing restrictions. Our current insurance coverage may not be sufficient to cover all potential claims, and certain policies contain exclusions that could leave us exposed. If required to pay damages exceeding our insurance limits or for uncovered claims, we may have to use substantial portions of our capital, potentially affecting our liquidity and financial stability.

Our insurance coverage may not completely cover the risks related to our business and operations, which could expose us to significant costs and business interruptions.

Our operations are subject to hazards and risks associated with our research and development, as well as other aspects of our operations, which may cause significant harm to persons or damage to properties. We maintain different types of insurance policies, including social insurance for all of our employees and personal accident insurance. See "Business— Insurance." While we maintain insurance policies that cover our assets and losses arising from accidents in clinical trials, the availability, cost and scope of coverage may vary across jurisdictions and could become increasingly expensive or limited as we expand globally. If we are unable to secure adequate insurance at reasonable cost, or if a major claim arises that is not covered or exceeds policy limits, it could have a material adverse effect on our business, financial condition, results of operations and share price.

We face risks related to natural disasters, health epidemics, civil and social disruption and other outbreaks, which could significantly disrupt our operations.

Significant natural disasters, such as earthquakes, extreme weather conditions, could materially impact our business in the future. In the event of a major disruption caused by a natural disaster or man-made problem, such as power disruptions, computer viruses, data security breaches or terrorism, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our

development activities, lengthy interruptions in service, breaches of data security and loss of critical data, any of which could adversely affect our business, results of operations and financial condition. In addition, our business could be affected by public health epidemics and pandemics. Even if we are not directly affected, such a disaster or disruption could affect the operations or financial conditions of our suppliers, customers or other business partners, which could harm our results of operations. Any occurrence of these events may restrict economic activities in affected regions, resulting in reduced business volume, temporary closure of our offices or research or production facilities, or otherwise disrupt our business operations and materially and adversely affect our financial condition and results of operations.

RISKS RELATING TO THE [REDACTED]

Any possible conversion of our Unlisted Shares into H Shares in the future could increase the supply of our H Shares in the market and may negatively impact the market price of our H Shares.

Subject to the approval of the CSRC, all of our Unlisted Shares may be converted into H Shares in the future, and such converted Shares may be listed or traded on an overseas stock exchange, provided that prior to the conversion and trading of such converted Shares any requisite internal approval by our Shareholders and approval from relevant PRC regulatory authorities shall have been obtained. However, the PRC Company Law provides that in relation to the public **[REDACTED]** of a company, the shares of that company which are issued prior to the public **[REDACTED]** shall not be transferred within one year from the date of the **[REDACTED]**. Therefore, upon obtaining the requisite approval, our Unlisted Shares may be traded, after the conversion, in the form of H Shares on the Stock Exchange after one year of the **[REDACTED]**, which could further increase the supply of our H Shares in the market and may negatively impact the market price of our H Shares.

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

No public market currently exists for our H Shares. The initial **[REDACTED]** for our H Shares to the public will be the result of negotiations between our Company and the **[REDACTED]**, and the **[REDACTED]** may differ significantly from the market price of the H Shares following the **[REDACTED]**. We have applied to the Stock Exchange for the **[REDACTED]** of, and permission to deal in, the H Shares. A **[REDACTED]** on the Stock Exchange, however, does not guarantee that an active and liquid trading market for our Shares will develop, or if it does develop, that it will be sustained following the **[REDACTED]** or that the market price of the H Shares will rise following the **[REDACTED]**.

The price and trading volume of our H Shares may be volatile, which could lead to substantial losses to investors.

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the price and trading volume of our H Shares. In addition to market and industry factors, the price and trading volume of our H Shares may be highly volatile for specific business reasons, such as the results of clinical trials of our product candidates, the results of our applications for approval of our product candidates, regulatory developments affecting our industry, business model, or corporate structure, healthcare, health insurance and other related matters, fluctuations in our revenue, earnings, cash flows, investments and expenditures, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors or ourselves. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in China have experienced price volatility in the past, and our H Shares may be subject to changes in price not directly related to our performance.

Future sales or market perception of sales of a substantial number of our H Shares on the public market could adversely affect the trading price of our H Shares.

Prior to the **[REDACTED]**, there has not been a public market for our H Shares. Future sales or perceived sales by our existing Shareholders of our H Shares after the **[REDACTED]** could result in a significant decrease in the prevailing market price of our Shares. Only a limited number of the H Shares currently outstanding will be available for sale or issuance immediately after the **[REDACTED]** due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant amounts of our H Shares in the public market or the perception that these sales may occur could significantly decrease the prevailing market price of our H Shares and our ability to raise equity capital in the future.

In addition, our Shareholders would experience dilution in their shareholdings upon offer or sale of additional share capital or share capital-linked securities by our Company in future offerings. If additional funds are raised through our issuance of new share capital or share capital-linked securities other than on a *pro rata* basis to existing Shareholders, the shareholdings of such Shareholders may be reduced and such new securities may confer rights and privileges that take priority over those conferred by the **[REDACTED]**

Purchasers of our H Shares in the [REDACTED] may experience immediate dilution upon such purchases, and may also experience further dilution in shareholding if we issue additional Shares in the future.

The **[REDACTED]** of the H Shares is higher than the net tangible asset value per H Share immediately prior to the **[REDACTED]**. Therefore, purchasers of the H Shares in the **[REDACTED]** will experience an immediate dilution in pro forma net tangible asset value, and our existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible assets per H Share of their H Shares. In order to expand our business, we may consider offering and issuing additional H Shares in the future. Purchasers of the H Shares may also experience dilution in the net tangible asset value per share of their H Shares if we issue additional H Shares in the future at a price that is lower than the net tangible asset value per Share at that time.

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

We intend to retain most, if not all, of our available funds and any future earnings after the **[REDACTED]** to fund the commercialization of our products, the research and development activities of our product candidates and to expand our product portfolio. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our H Shares as a source for any future dividend income. Our Board has complete discretion as to whether to distribute dividends. Even if our Board declares and pays dividends, the timing, amount and form of future dividends, if any, will depend on our future operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our Board. Accordingly, the return on your investment in our H Shares will likely depend entirely upon any future price appreciation of our H Shares. There is no guarantee that our H Shares will appreciate in value after the **[REDACTED]** or even maintain the price at which you purchased the H Shares. You may not realize a return on your investment in our H Shares and you may even lose your entire investment in our H Shares.

We cannot guarantee that our H Shares will remain listed on the Stock Exchange.

Although we currently intend to retain the listing of our H Shares on the Stock Exchange, there is no guarantee of the continued listing of the H Shares. Among other factors, our H Shares may also fail to satisfy the listing requirements of the Stock Exchange. Accordingly, Shareholders will not be able to sell their H Shares through trading on the Stock Exchange if the H Shares are no longer listed on the Stock Exchange.

We cannot make fundamental changes to our business without the consent of the Stock Exchange.

On April 30, 2018, the Stock Exchange adopted new rules under Chapter 18A of the Listing Rules. Under the new rules, without the prior consent of the Stock Exchange, we will not be able to effect any acquisition, disposal or other transaction or arrangement or a series of acquisitions, disposals or other transactions or arrangements, which would result in a fundamental change in our principal business activities as set forth in this document. As a result, we may be unable to take advantage of certain strategic transactions that we might otherwise choose to pursue in the absence of Chapter 18A of the Listing Rules. Were any of our competitors that are not listed on the Stock Exchange to take advantage of such opportunities, we may be placed at a competitive disadvantage, which could have a material adverse effect on our business, financial condition and results of operations.

The industry facts, statistics and forecasts in the document obtained from various government publications have not been independently verified.

The industry facts, forecasts and statistics in this document have been obtained from various sources that we believe are reliable, including official government publications. However, we cannot guarantee the quality or reliability of the information derived from official government publications. Neither we, the Joint Sponsors, the **[REDACTED]** nor our or their respective affiliates or advisors have verified the facts, forecasts and statistics nor ascertained the underlying economic assumptions relied upon in those facts, forecasts and statistics obtained from these official government sources. Due to possibly flawed or ineffective collection methods or discrepancies between published information and factual information and other problems, the information derived from official government publications in this document may be inaccurate and you should not place undue reliance on it. We make no representation as to the accuracy of such facts, forecasts and statistics. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon.

Forward-looking information contained in this document is subject to risks and uncertainties.

This document contains certain future plans and forward-looking statements about us that are made based on the information currently available to our management. The forward-looking information contained in this document is subject to certain risk and uncertainties. Whether we implement those plans, or whether we can achieve the objectives described in this document, will depend on various factors including the market conditions, our business prospects, actions by our competitors and the global financial situations.

You should read the entire document carefully and should not rely on any information contained in press, media or internet regarding us and the [REDACTED].

Subsequent to the date of this document but prior to the completion of the **[REDACTED]**, there may be press and media coverage regarding us and the **[REDACTED]**, which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the **[REDACTED]**. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this document only and should not rely on any other information. You should rely solely upon the information contained in this document, the **[REDACTED]** and any formal announcements made by us in Hong Kong in making your investment decision regarding our H Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions

expressed by the press or other media regarding our H Shares, the **[REDACTED]** or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective investors should not rely on any such information, reports or publications in making their decisions as to whether to invest in our **[REDACTED]**. By applying to purchase our H Shares in the **[REDACTED]**, you will be deemed to have agreed that you will not rely on any information other than that contained in this document and the **[REDACTED]**.

In preparation for the **[REDACTED]**, our Company has applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules and a certificate of exemption from strict compliance with the relevant provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong, which normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. As of the Latest Practicable Date, none of our executive Directors resided in Hong Kong.

Pursuant to Rule 19A.15 of the Listing Rules, the requirement in Rule 8.12 may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

Given that (i) our core business operations are principally located, managed and conducted in the PRC and will continue to be based in the PRC after the **[REDACTED]**; (ii) our Company's head office is situated in the PRC, our executive Directors and senior management members principally reside in the PRC and will continue to be based in the PRC after the **[REDACTED]**; and (iii) the management and operation of our Company have mainly been under the supervision of the executive Directors and senior management members of our Company, who are principally responsible for the overall management, corporate strategy, planning, business development and control of our Company's business, and all the executive Directors and senior management members of our Company principally reside in the PRC and it is important for them to remain in close proximity to our Group's operation located in the PRC, we consider that it would be more practical for our executive Directors and senior management members to remain ordinarily resident in the PRC where our Group has substantial operations. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, subject to the following conditions. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

(i) **Authorized representatives**: we have appointed Mr. Zuo Yuxing and Ms. Wong Mei Fung Carrie as the authorized representatives (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. Our Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange. Accordingly, our Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. Our Company will also inform the Stock Exchange promptly in respect of any change in our Authorized Representatives. Each of the authorized representatives is authorized to communicate on behalf of our Company with the Stock Exchange;

(ii) **Directors**: to facilitate communication with the Stock Exchange, we have provided our Authorized Representatives and the Stock Exchange with the contact details (such as mobile phone numbers, office phone numbers, facsimile number and e-mail addresses, to the extent possible) of each of our Directors such that our Authorized Representatives would have the means to contact all our Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. In the event that any Director expects to travel or otherwise be out of office, they will provide their phone number of the place of their accommodation to our

Authorized Representatives. To the best of our knowledge and information, each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange; and

(iii) **Compliance adviser**: we have appointed Somerley Capital Limited as our Compliance Adviser (the "**Compliance Adviser**") upon **[REDACTED]** pursuant to Rules 3A.19 of the Listing Rules, who will, among other things and in addition to the authorized representatives and our Directors, also act as an additional channel of communication with the Stock Exchange from the **[REDACTED]** to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately following the **[REDACTED]**. Pursuant to the Note of Rule 3A.23 of the Listing Rules, the Compliance Adviser will have access at all times to our authorized representatives, our Directors and other officers. We shall also ensure that our authorized representatives, Directors and other officers will promptly provide such information and assistance as the Compliance Adviser may need or may reasonably require in connection with the performance of the Compliance Adviser's duties as set forth in Chapter 3A of the Listing Rules. We shall ensure that there are adequate and efficient means of communication among our Company, our authorized representatives, our Directors, other officers and the Compliance Adviser, and will keep the Compliance Adviser fully informed of all communications and dealings between the Stock Exchange and us. Any meeting between the Stock Exchange and our Directors will be arranged through the authorized representatives or the Compliance Adviser or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives and/or our Compliance Adviser; and

(iv) **Legal advisors**: we will also retain legal advisors to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after the **[REDACTED]**.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, we must appoint an individual as our company secretary, who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(i) a member of The Hong Kong Chartered Governance Institute;

(ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and

(iii) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, the Stock Exchange will consider the following factors in assessing the individual's "relevant experience":

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

(ii) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(iii) relevant training taken and/or to be taken in addition to be the minimum requirement under Rule 3.29 of the Listing Rules; and

(iv) professional qualifications in other jurisdictions.

We have appointed Mr. Wang Jingyu ("**Mr. Wang**") as one of our joint company secretaries. He has a thorough understanding of the operations of the Board and our Company and has gained experience in handling corporate governance and general administrative matters relating to our Company. Although he presently does not possess the qualifications required under Rules 3.28 and 8.17 of the Listing Rules, we would like to appoint him as our joint company secretary due to his past experience within our Group and his thorough understanding of the internal administration and business operations of our Group. In addition, we have appointed Ms. Wong Mei Fung Carrie ("**Ms. Wong**") as the other joint company secretary to assist Mr. Wang in discharging the duties of a company secretary. Ms. Wong is a fellow member of the Hong Kong Chartered Governance Institute and the Chartered Governance Institute. Ms. Wong therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

Our joint company secretaries will be jointly discharging the duties and responsibilities of a company secretary. Ms. Wong will be assisting Mr. Wang in gaining the relevant experience required under Rules 3.28 and 8.17 of the Listing Rules. Mr. Wang will also be assisted by (i) our Compliance Adviser for the first full financial year starting from the **[REDACTED]**, particularly in relation to Hong Kong corporate governance practice and compliance matters; and (ii) the Hong Kong legal adviser of our Company, on matters regarding our Company's ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations. In addition, Mr. Wang will attend relevant trainings and familiarize himself with the Listing Rules and duties required of a company secretary of an issuer listed on the Stock Exchange. 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 Mr. Wang may be appointed as a joint company secretary of our Company.

Pursuant to the Chapter 3.10 (Directors, Supervisors and Senior Management) of the Guide, the waiver will be for a fixed period of time not exceeding three years (the "**Waiver Period**") and on the following conditions: (i) 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 (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer. The waiver is valid for an initial three-year period on the condition that Ms. Wong, as a joint company secretary of our Company, will work closely with, and provide assistance to, Mr. Wang in the discharge of his duties as a joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. The waiver will be revoked immediately if there are material breaches of the Listing Rules or if Ms. Wong ceases to provide assistance to Mr. Wang as the joint company secretary for the three-year period after **[REDACTED]**.

Our Company will further ensure that Mr. Wang has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Prior to the end of the three-year period, the qualifications and experience of Mr. Wang and the need for on-going assistance of Mr. Wang will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Mr. Wang, having benefited from the assistance of Ms. Wong for the preceding three years, will have acquired the skills

necessary to carry out the duties of 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.

See "Directors and Senior Management" for further information regarding the qualifications of Ms. Wong and Mr. Wang.

EXEMPTION FROM STRICT COMPLIANCE WITH SECTION 342(1) IN RELATION TO PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires, subject to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, all prospectuses to state the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and set out the reports specified in Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

According to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, a listing applicant is required to include in its document a statement as to the gross trading income or sales turnover (as may be appropriate) of the listing applicant during each of the three financial years immediately preceding the issue of its document, as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, a listing applicant is required to include in its document a report by the auditors of the listing applicant with respect to profits and losses and assets and liabilities in respect of each of the three financial years immediately preceding the issue of the document.

According to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as it thinks fit, a certificate of exemption from compliance with the relevant requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with the relevant requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

Rule 4.04(1) of the Listing Rules requires that the consolidated results of the listing applicant and its subsidiaries in respect of each of the three financial years immediately preceding the issue of the document of the listing applicant, or such shorter period as may be acceptable to the Stock Exchange, be included in the accountants' report of the document.

According to Rule 18A.06 of the Listing Rules, an eligible biotech company shall comply with Rule 4.04 of the Listing Rules modified so that references to "three financial years" or "three years" in that rule shall instead refer to "two financial years" or "two years," as the case may be.

This document contains the consolidated results of our Group for the **[REDACTED]**, but does not include the certain financial statements and results of our Group in respect of each of the three financial years immediately preceding the issue of this document as required under paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Accordingly, we have applied for, and the SFC [has granted] us, a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict

compliance with the requirements under paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

(i) our Company is company committed to the research, development, manufacturing and sale of comprehensive, non-pharmacological, innovative management solutions for weight and metabolism-related diseases in China and globally, and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules;

(ii) our Company has included in this document the Accountants' Report covering the **[REDACTED]** in accordance with Rule 18A.06 of the Listing Rules;

(iii) notwithstanding that the financial results set out in this document are only for the **[REDACTED]** in accordance with Chapter 18A of the Listing Rules, other information required to be disclosed under the Listing Rules and requirements under the Companies (Winding up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this document pursuant to the relevant requirements;

(iv) furthermore, as Chapter 18A of the Listing Rules provides track record period of two years for biotech companies in terms of financial disclosure, strict compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance would be unnecessary and/or irrelevant in the circumstance of our Company; and

(v) our Directors are of the view that the Accountants' Report covering the **[REDACTED]**, as set out in Appendix I to this document, together with other disclosure in this document, has already provided the potential investors with adequate and reasonably up-to-date information in the circumstances to form a view on the track record of our Company; and our Directors confirm that all information which is necessary for the investing public to make an informed assessment of the business, assets and liabilities, financial position, management and prospects has been included in this document. Therefore, the exemption would not prejudice the interests of the investing public.

A certificate of exemption [has been granted] by the SFC under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that (i) particulars of the exemption are set out in this document, and (ii) this document will be issued on or before [December 14, 2026].

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

Name	Address	Nationality
Executive Director		
Mr. Zuo Yuxing (左玉星)	Room 1501, Unit 4, Building 11 Leshan Hongye Yuan Zhuyun Community Xianlin Subdistrict Yuhang District Hangzhou Zhejiang PRC	Chinese
Non-executive Directors		
Mr. Xu Tianhong (徐天宏)	Room 1705, No. 4, Lane 567 Chezhan North Road Hongkou District Shanghai PRC	Chinese
Mr. Chen Yichao (陳毅超)	Room 701, Unit 1, Building 23 Jingduyuan Gongshu District Hangzhou Zhejiang PRC	Chinese
Independent Non-executive Directors		
Ms. Liang Jihong (梁繼紅)	Room 505, Building 5 Yard No. 2A Yuquan Road Haidian District Beijing PRC	Chinese
Ms. Sheng Ying (盛穎)	Room C (Duplex), 14th Floor No. 7, Lane 538 Haifang Road Jing'an District Shanghai PRC	Chinese
Mr. Leung Wai Yip (梁偉業)	Flat D, 29/F, Block 11 Royal Ascot Fotan Hong Kong	Chinese

For details with respect to our Directors, see "Directors and Senior Management" in this document.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

ICBC International Capital Limited
37/F, ICBC Tower
3 Garden Road
Central
Hong Kong

Caitong International Capital Co., Limited
Unit 2401-05, 24/F Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

[REDACTED]

Legal Advisers to our Company

As to Hong Kong and U.S. laws:

King & Wood
13/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Central
Hong Kong

	As to PRC laws: **Jingtian & Gongcheng** 34th Floor, Building 3 China World Mall 77 Jianguo Road Chaoyang District Beijing China
Legal Advisers to the Joint Sponsors and [REDACTED]	*As to Hong Kong laws:* **Tian Yuan Law Firm LLP** Suites 3304–3309, 33/F Jardine House One Connaught Place Central Hong Kong *As to PRC laws:* **JunHe LLP** 20/F, China Resources Building 8 Jianguomenbei Avenue Beijing PRC
Reporting Accountant and Independent Auditor	**Ernst & Young** *Certified Public Accountants and Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square 1717 West Nanjing Road Shanghai PRC
Compliance Adviser	**Somerley Capital Limited** 20/F China Building 29 Queen's Road Central Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office in the PRC	Room 302, Building 6 No.688, Bin An Road Binjiang District Hangzhou PRC
Headquarters and Principal Place of Business in the PRC	Room 302, Building 6 No.688, Bin An Road Binjiang District Hangzhou PRC
Principal Place of Business in Hong Kong	46/F Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong
Company's Website	https://www.tangjimed.com (*information contained on this website does not form part of this document*)
Joint Company Secretaries	**Ms. Wong Mei Fung Carrie** (*FCG, HKFCG*) 46/F Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong **Mr. Wang Jingyu** Room 302, Building 6 No.688, Bin An Road Binjiang District Hangzhou PRC
Authorized Representatives	**Mr. Zuo Yuxing** Room 302, Building 6 No.688, Bin An Road Binjiang District Hangzhou PRC **Ms. Wong Mei Fung Carrie** 46/F Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong
Audit Committee	Mr. Leung Wai Yip (*Chairperson*) Ms. Liang Jihong Ms. Sheng Ying

Remuneration Committee	Ms. Liang Jihong (*Chairperson*) Mr. Leung Wai Yip Ms. Sheng Ying
Nomination Committee	Mr. Zuo Yuxing (*Chairperson*) Mr. Leung Wai Yip Ms. Liang Jihong

[REDACTED]

Principal Banks	**Bank of Ningbo Co., Ltd. (Hangzhou Binjiang Small and Micro Enterprise Specialized Branch)** Room 101, 201, 202, Building 2, Wangxin Shuangcheng Mansion No.1785 Jianghan Road Binjiang District, Hangzhou Zhejiang Province PRC **China CITIC Bank Corporation Limited (China CITIC Bank Hangzhou Dongxin Branch)** Room 110, 111, 112, 1st Floor, Building 1 No. 309 Xintiandi Street Dongxin Sub-district, Gongshu District, Hangzhou Zhejiang Province PRC **Agricultural Bank of China Limited (Agricultural Bank of China Quzhou Development Zone Branch)** No. 230-13, 15 Quhua Road Xinxin Subdistrict, Kecheng District, Quzhou Zhejiang Province PRC

The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by Frost & Sullivan. The report prepared by Frost & Sullivan and cited in this document was commissioned by us. Information and statistics from official government sources have not been independently verified by us, the Joint Sponsors, the* [REDACTED]*, any of the* [REDACTED]*, any of our or their respective directors, officers or representatives or any other person involved in the* [REDACTED] *and no representation is given as to their correctness or accuracy.

OVERVIEW OF THE METABOLIC DISEASES

Metabolic diseases are a group of disorders in which the body's normal mechanisms for converting food into energy and key nutrients at the cellular level are disrupted. When these pathways malfunction, cells cannot properly process or transport proteins, carbohydrates and lipids, leading to widespread biochemical imbalance. Clinically, this underlies major conditions such as obesity and overweight, MASH and T2DM.

Taken together, metabolic diseases have become one of the heaviest burdens on global healthcare systems. In 2021, diabetes alone was responsible for about 6.7 million deaths worldwide and 1.4 million deaths in China, with related medical expenditures reaching approximately US$966 billion and US$165 billion, respectively. Obesity and overweight, which are key drivers of diabetes and cardiovascular disease, affected around 3.1 billion people worldwide in 2020 and were associated with an estimated US$2.0 trillion in healthcare costs. In China, the number of people with obesity or overweight rose rapidly from 570.7 million in 2020 to 655.4 million in 2025, and direct medical spending linked to these conditions was about RMB200 billion in 2021. MASH, which is closely intertwined with both diabetes and obesity/overweight, can progress to liver failure and hepatocellular carcinoma, further escalating costs. In the United States, the lifetime care cost for all MASH patients was estimated at US$250.6 billion in 2023, while in China, MASH-related deaths are projected to increase from 25,580 in 2016 to 55,740 by 2030.

Most metabolic diseases currently lack curative therapies, and existing interventions mainly aim to control disease progression and alleviate symptoms. This is largely because metabolic disorders are highly complex, typically accompanied by multiple comorbidities and intertwined pathogenic pathways that demand an integrated management strategy. Many available treatments are designed to act on a single metabolic condition rather than the broader constellation of health problems experienced by patients. While some drug candidates can provide meaningful symptom relief, they may also be associated with significant long-term adverse effects, which further complicate the overall management of metabolic diseases.

OVERVIEW OF WEIGHT-LOSS MEDICAL DEVICE

The global obesity epidemic has catalyzed the emergence of a diverse spectrum of weight-loss medical devices, which complement or substitute traditional pharmacologic and surgical interventions. These devices aim to address the growing global burden of obesity and metabolic diseases by providing mechanical, physiological, or neurohormonal modulation to achieve sustainable weight loss and metabolic improvement.

Among these, endoscopic bariatric and metabolic therapies (EBMTs) represent an active area of research and development. Utilizing a fully incisionless, transoral approach, EBMTs bridge the therapeutic gap between pharmacotherapy and surgery. They offer a balance of clinical efficacy, reversibility, safety, and cost-effectiveness, making them particularly appealing for patients seeking minimally invasive yet durable

outcomes. Clinical trials show that these therapies induce approximately 10 to 20% total body weight loss and one to two percentage-point reductions in HbA1c, while doing so through a single, incisionless gastrointestinal intervention that reshapes gastric capacity and nutrient flow without chronic systemic drug exposure, allowing rapid recovery, reversibility and a lower peri-procedural risk profile compared with surgical bariatric operations.

In parallel, GLP-1 RAs such as semaglutide and tirzepatide have reshaped the obesity-treatment landscape, delivering clinically meaningful weight loss and metabolic benefits. A real-world clinical study of semaglutide demonstrated an average TWL% of approximately 4–6% at 6–7 months, increasing to around 9–15% after 12 months of treatment. GLP-1 is an incretin hormone that stimulates glucose-dependent insulin secretion, suppresses glucagon release, delays gastric emptying, and promotes satiety. GLP-1 RAs such as semaglutide and tirzepatide mimic the physiologic effects of incretin hormones to enhance insulin secretion, delay gastric emptying, and promote satiety. However, despite the clinical successes of these drugs, their long-term use remains limited by high discontinuation rates, gastrointestinal intolerance, and rapid weight regain after treatment cessation. Importantly, GLP-1–based therapies primarily modulate appetite and energy balance rather than addressing the anatomical and mechanical determinants of satiety that underpin durable weight control, underscoring the need for complementary, durable and well-tolerated non-pharmacologic options.

While conventional bariatric surgery has demonstrated durable weight-loss outcomes, its invasive nature, perioperative risks and limited patient acceptance constrain its applicability to a broader obese population. These limitations highlight an ongoing unmet need for solutions that combine pharmacologic potency with the physiological durability of device-based interventions. Against this backdrop, EBMTs are emerging as the next-generation standard of care, capable of complementing GLP-1 therapies, providing alternatives for patients deriving limited benefit, and offering less invasive options for patients with obesity who are terrified by permanent physiological changes of and not suitable for surgery, including those in clinically critical or highly fragile condition. As the technological landscape evolves, these devices are set to play an increasingly integral role in a comprehensive, multi-modal approach to managing obesity and its related metabolic disorders.

Treatment Pathways for Overweight and Obesity under National Clinical Practice Guidelines

National clinical practice guidelines recommend a stepwise treatment pathway for overweight and obesity based on BMI level, obesity-related diseases and treatment response. Nutrition, exercise and psychological intervention serve as the basic management measures throughout the entire process for all patients. For patients with lower BMI levels and without obesity-related diseases, clinical nutrition therapy is generally recommended as the first-line intervention. As BMI increases, or when obesity-related diseases are present, pharmacotherapy such as GLP-1 receptor agonists and orlistat may be considered or recommended together with nutrition therapy. Within this pathway, metabolic and bariatric therapy is positioned as a more intensive intervention option for patients with higher BMI levels, obesity-related complications, or inadequate response to nutrition and drug therapy. In particular, it may be considered for patients with BMI of 27.5 to <32.5 kg/m² under certain clinical conditions, and is generally recommended for patients with BMI ≥32.5 kg/m², especially those requiring more substantial weight loss and metabolic improvement. Throughout the treatment process, patients' conditions should be continuously monitored and assessed to support individualized treatment adjustment.

Limitations of Pharmacologic and Bariatric Surgery Therapies for Weight-loss

The following table outlines the major limitations observed in current pharmacologic weight-loss treatments.

Category	Sub-Issues	Key Points / Data
I. Therapeutic Durability & Adherence Issues	Limited Durability and Rebound Weight Gain	• In the STEP-1 extension, ~2/3 of prior weight loss was regained within 1 year after stopping semaglutide (–17.3% →–5.6%).
	High Discontinuation and Adherence Challenges	• ~26% of patients discontinue GLP-1 therapy by three months, ~31% by six months, and ~68% by 12 months — mostly due to gastrointestinal (GI) side effects, cost, or access barriers.
II. Safety and Adverse Reactions	Gastrointestinal Adverse Effects	• Common: nausea, vomiting, diarrhea, constipation. • GI adverse events reported in 49% of semaglutide users vs 26% placebo (STEP-4).
	Loss of Lean Body Mass	• 25–39% of total weight loss originates from lean tissue (DXA data). • Muscle loss raises sarcopenia concerns, particularly in older adults. • High lean mass loss increases frailty and fall risk in older or medically complex patients.
III. Systemic Safety Signals	Pancreatitis and Retinopathy Signals	• Overall pancreatitis risk not statistically increased, but reported in case series. • SUSTAIN-6: worsening diabetic retinopathy observed in rapid responders. • Pharmacovigilance Risk Assessment Committee confirmed NAION as a rare adverse reaction to semaglutide. Denmark reported confirmed cases of irreversible vision loss.
	Thyroid Tumor Warning and Contraindications	• Boxed warning for C-cell tumors (MTC/MEN2 contraindication).
IV. Other Clinical and Practical Limitations	Gallbladder and Biliary Disease Risk	• GLP-1 agonists linked to increased gallstone and cholecystitis incidence.
	Cost and Accessibility Limitations	• High out-of-pocket cost and limited insurance or Medicare coverage for obesity drugs.

Current pharmacologic weight-loss therapies, particularly GLP-1 RAs and related incretin-based agents, can induce substantial short-term weight reduction; however, their real-world use is constrained by multiple efficacy, safety and access limitations. Clinical studies have shown that the durability of effect is limited once treatment is stopped: patients regained roughly two thirds of previously lost weight within one year after discontinuing semaglutide, a GLP-1 RA, indicating that long-term maintenance generally requires ongoing therapy. In practice, adherence is challenging, around two thirds of patients discontinue GLP-1 treatment within 12 months, most commonly because of drug cost, gastrointestinal intolerance, or difficulties obtaining prescriptions and reimbursement.

Tolerability and safety also pose important constraints. Gastrointestinal adverse events such as nausea, vomiting, diarrhea, and constipation are very common, with nearly half of treated patients experiencing GI side effects compared with about one-quarter of placebo recipients in pivotal trials. In addition, body-composition analyzes suggest that approximately 25–39% of total weight loss comes from lean tissue, raising concerns about sarcopenia and functional decline, particularly in older adults. High lean mass loss may also increase frailty and fall risk in older or medically complex patients. Systemic safety signals, including case reports of pancreatitis, a higher incidence of gallbladder and biliary disease, and warnings about potential risks of thyroid C-cell tumors in susceptible individuals, necessitate careful patient selection and monitoring. In addition, the Pharmacovigilance Risk Assessment Committee has confirmed NAION as a rare adverse reaction to semaglutide, and Denmark reported confirmed cases of irreversible vision loss. Rapid improvements in glycemic control have also been associated with worsening diabetic retinopathy in some patients with pre-existing eye disease.

Beyond clinical considerations, pharmacologic weight-loss therapies face practical barriers related to cost and coverage. Many agents require long-term administration at relatively high prices, resulting in substantial out-of-pocket expenditure where obesity drugs are not broadly reimbursed. Limited insurance and public-payer coverage, particularly for chronic weight-management indications, restricts access and contributes to high discontinuation rates. Collectively, these limitations highlight the need for complementary, durable and well-tolerated weight-management modalities, including minimally invasive device-based interventions.

While traditional bariatric surgery has demonstrated well-established efficacy in patients with obesity, its invasive and largely irreversible nature, together with perioperative risks, limits its applicability across broader populations requiring weight loss and metabolic therapy. In contrast, EBMTs, characterized by minimal invasiveness, reversibility, and repeatability, are better suited for intervention in obesity and metabolic disorders and are well aligned with healthcare systems that emphasize tiered care delivery and long-term chronic disease management.

Endoscopic Bariatric and Metabolic Therapy

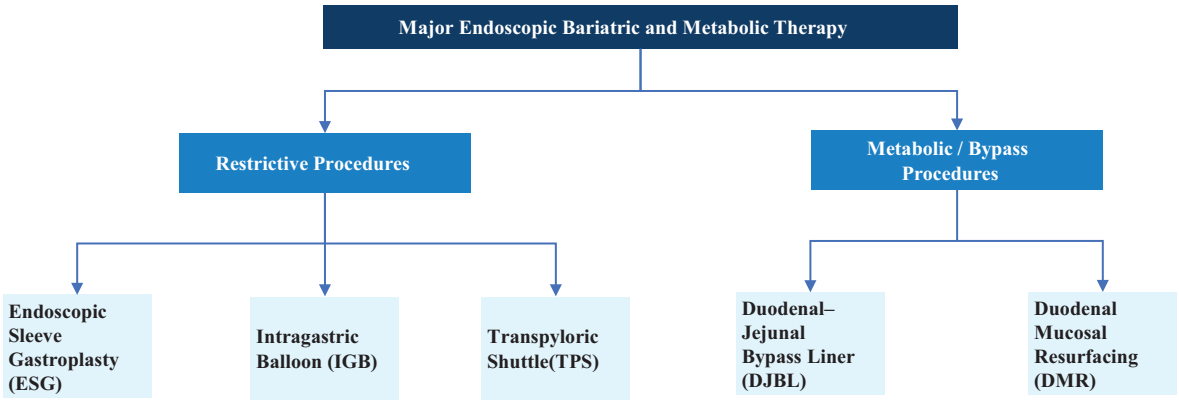
EBMTs are a group of minimally invasive, transoral, incisionless interventions that act within the stomach and proximal small intestine to induce weight loss and metabolic improvement. EBMT procedures function via well-established physiological pathways to reduce caloric intake, modulate incretin hormones, and improve insulin sensitivity. Using endoscopically delivered gastric bypass stent, balloons, suturing systems, liners, or other implants, these procedures reduce gastric capacity, delay gastric emptying, and isolate nutrient exposure in the proximal gut. In parallel, these procedures modulate metabolic gut hormones, such as GLP-1, PYY and ghrelin, to improve appetite control and glycemic regulation. Proximal gut nutrient isolation may also contribute to favorable metabolic responses in certain EBMT procedures. By simultaneously reducing caloric intake and enhancing metabolic control, EBMT aims to achieve more sustainable weight loss and durable improvements in cardio-metabolic health.

Compared with conventional bariatric surgery, EBMT offers several distinctive advantages. Procedures are entirely performed through natural orifices without external incisions, resulting in lower peri-operative risk, shorter recovery time and suitability for outpatient or day-case settings. Most devices are designed to be adjusted or removed endoscopically if needed, rather than being permanent. This reversibility allows clinicians to repeat, modify or escalate treatment over time as part of a stepwise obesity- management strategy. These therapies are also compatible with pharmacologic and digital programs, enabling combination or sequential treatment with GLP-1 RAs and structured lifestyle interventions for sustained weight control. EBMT procedures can be tailored to patient anatomy, BMI level and comorbid conditions, allowing gradual adjustment of intervention intensity and combination with lifestyle or pharmacologic therapies as needed.

Milestones in the evolution of EBMTs includes the expansion of intragastric balloon systems in the 2010s, guideline recognition of balloons as a standard weight-loss option, regulatory approvals of endoscopic sleeve gastroplasty platforms and aspiration devices, and more recent approvals of novel gastric bypass stents and duodenal-jejunal bypass liners in major markets, including China and Europe. EBMT is now primarily indicated for adults with severe or morbid obesity who have not achieved adequate results with diet, exercise, and pharmacotherapy; individuals with mild or moderate obesity and obesity-related metabolic diseases such as T2DM, hypertension, or MASH; and patients who are intolerant of or unresponsive to medication-based weight-loss therapy. In addition, the DMR product Revita has obtained CE marking certification in Europe. Compared with pharmacologic weight-loss therapy, EBMT can deliver greater weight loss without chronic systemic exposure, injection burden, high long-term drug costs, or the rapid weight regain often seen after treatment cessation. Compared with bariatric surgery, it avoids major abdominal surgery, prolonged hospitalization or irreversible anatomical alteration, offering a safer, reversible and more acceptable option for many patients. By combining high efficacy with a more favorable safety, tolerability and reversibility profile, EBMT achieves a risk–benefit balance that neither drugs nor surgery alone can offer.

Classification of Endoscopic Bariatric and Metabolic Therapies

The following diagram outlines the main categories of EBMT, grouped into restrictive and metabolic/ bypass procedures.



Source: Frost & Sullivan analysis

EBMT encompass a broad range of minimally invasive gastrointestinal interventions designed to achieve clinically meaningful weight loss and metabolic improvement. These procedures are performed entirely through natural orifices using flexible endoscopic platforms, avoiding surgical incisions. EBMT techniques function through well-established mechanisms including gastric volume restriction, delayed gastric emptying, modulation of incretin hormones, such as GLP-1 and PYY, alteration of duodenal nutrient flow, and mucosal metabolic remodeling. Collectively, these pathways result in reduced caloric intake, improved insulin sensitivity, and enhanced metabolic control.

Metabolic/bypass procedures focus more directly on alteration of duodenal nutrient flow and mucosal metabolic remodeling, and modifying nutrient exposure and mucosal signaling in the proximal small intestine to achieve metabolic benefits that may be partly independent of weight loss. Key examples include but are not limited to (i) the duodenal-jejunal bypass liner (DJBL), a flexible endoscopic liner deployed from the duodenum to the jejunum to mimic the effects of a surgical bypass by reducing contact between chyme and the intestinal wall; and (ii) duodenal mucosal resurfacing (DMR), which uses controlled thermal ablation of the duodenal mucosa followed by mucosal regeneration to modulate duodenal signaling and support improvements in glycaemic control and insulin sensitivity in selected patients.

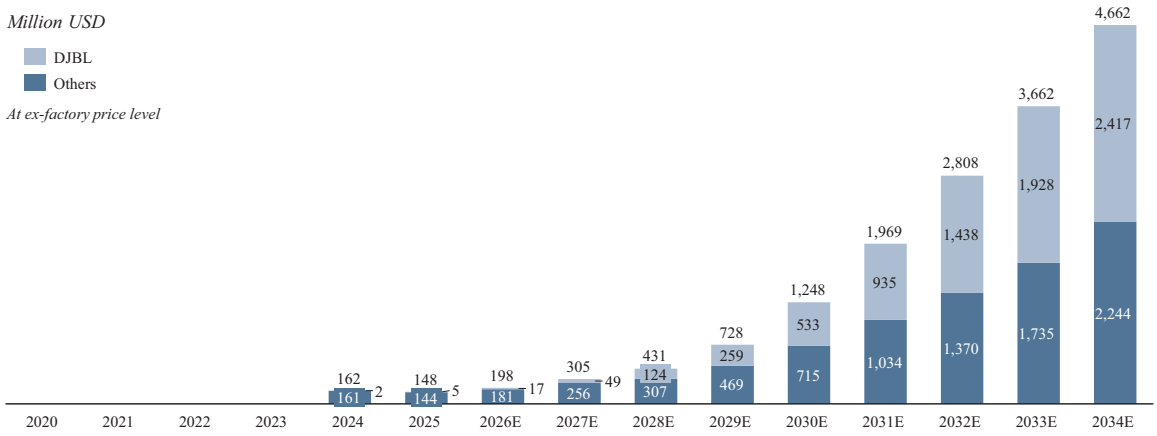
EBMT is positioned between pharmacologic therapies and bariatric surgery, providing a reversible, scalable and patient-acceptable therapeutic continuum, and is increasingly recognized as an essential component of modern obesity and metabolic disease management.

Global EBMT Device Market Outlook

The following chart sets forth the global market size of EBMT medical devices, at ex-factory price level, for the period from 2020 to 2034.

Global Market Size of EBMT Medical Devices, 2020–2034E

Period	CAGR		
	DJBL	Others	Total EBMT
2020-2025	NA	NA	NA
2025-2030E	159.8%	37.8%	53.1%
2030E-2034E	45.9%	33.1%	39.0%



Source: Frost & Sullivan Analysis

The global market for EBMT medical devices, including DJBL and other EBMT devices, is expected to experience a temporary decline from US$162 million in 2024 to US$148 million in 2025 at ex-factory price level, before entering a rapid growth phase. The market is projected to expand to approximately US$728 million by 2029, approximately US$1,248 million by 2030E, and further to approximately US$4,662 million by 2034E. The total EBMT medical device market is expected to grow at a CAGR of 53.1% from 2025 to 2030E and 39.0% from 2030E to 2034E. DJBL and other EBMT devices are expected to grow at CAGRs of 159.8% and 37.8%, respectively, from 2025 to 2030E, and 45.9% and 33.1%, respectively, from 2030E to 2034E.

The temporary decline in 2025 mainly reflects the early-stage commercialization status of EBMT devices and the short-term impact of evolving obesity treatment paradigms. In particular, the broader global supply, improving accessibility and pricing optimization of GLP-1-based weight-loss drugs, such as semaglutide and tirzepatide, may divert part of the potential EBMT patient population toward pharmacological treatment in the near term, given the convenience and higher initial acceptance of drug therapy compared with endoscopic device-based interventions. In addition, certain representative global EBMT companies faced revenue pressure and a tighter financing environment in 2025, leading to cost-control measures, channel adjustments and reduced sales and marketing investments, which further slowed near-term commercialization. Meanwhile, although future treatment pathways may gradually evolve toward a complementary model between pharmacotherapy and EBMT devices, such as using drugs for initial weight reduction and device-based interventions for long-term weight maintenance and metabolic improvement, this combined treatment model remained at the stage of clinical exploration and evidence

generation in 2025 and had not yet translated into broad clinical adoption. Looking forward, the global EBMT medical device market is expected to resume strong growth, supported by rising obesity and metabolic disease prevalence, broader clinical adoption, accelerating product approvals, continued evidence generation, improving outpatient treatment capacity, and the increasing recognition of EBMT devices as minimally invasive metabolic interventions that may complement pharmacotherapy and provide an alternative for patients who are not suitable for, or are unwilling to undergo, bariatric surgery.

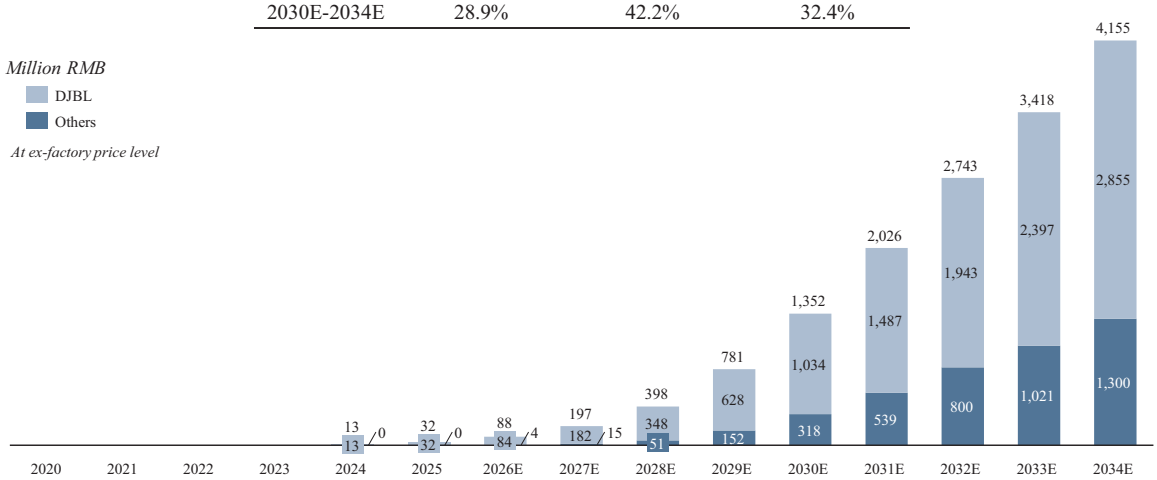
The global market for DJBL medical devices remains at an early but rapid expansion stage. At ex-factory price level, the market size increased from US$1.8 million in 2024 to US$4.5 million in 2025, and is projected to expand to US$259.3 million by 2029 and US$533.1 million by 2030E. From 2025 to 2030E, the global DJBL medical device market is expected to grow at a CAGR of 159.8%, reflecting the early-stage launch and rapid clinical adoption of DJBL products. Growth momentum is expected to continue from 2030E to 2034E, with the market forecast to reach US$2,417.5 million by 2034E, representing a CAGR of 45.9% during the period. This growth is expected to be supported by the rising prevalence of obesity and T2DM, increasing clinical acceptance of endoscopic metabolic therapy, gradual regulatory approvals in major markets, and the progressive incorporation of DJBL devices into multidisciplinary obesity and metabolic disease management pathways.

EBMT Device Market Outlook in China

The following chart sets forth the historical and projected market size of obesity medical devices in China, at ex-factory price level, for the period from 2020 to 2034.

Market Size of EBMT Medical Devices in China, 2020–2034E

Period	CAGR		
	DJBL	Others	Total EBMT
2020-2025	NA	NA	NA
2025-2030E	100.1%	NA	111.1%
2030E-2034E	28.9%	42.2%	32.4%



Source: Frost & Sullivan Analysis

The market for EBMT medical devices in China, including DJBL and other EBMT devices, is expected to grow from RMB13 million in 2024 to RMB32 million in 2025 at ex-factory price level, before entering a rapid growth phase. The market is projected to expand to RMB781 million by 2029, RMB1,352 million by 2030E, and further to RMB4,155 million by 2034E. The total EBMT medical device market in China is expected to grow at a CAGR of 111.1% from 2025 to 2030E and 32.4% from 2030E to 2034E. DJBL and other EBMT devices are expected to grow at CAGRs of 100.1% and NA, respectively, from 2025 to 2030E, and 28.9% and 42.2%, respectively, from 2030E to 2034E.

The market for DJBL medical devices in China remains at an early but rapid expansion stage. At ex-factory price level, the market size increased from RMB12.7 million in 2024 to RMB32.2 million in 2025, and is projected to expand to RMB628.3 million by 2029 and RMB1,033.5 million by 2030E. From 2025 to 2030E, the DJBL medical device market in China is expected to grow at a CAGR of 100.1%, reflecting the early-stage commercialization and rapid clinical adoption of DJBL products in China. Growth momentum is expected to continue from 2030E to 2034E, with the market forecast to reach RMB2,855.0 million by 2034E, representing a CAGR of 28.9% during the period. This growth is expected to be supported by the rising prevalence of obesity and T2DM in China, increasing clinical acceptance of endoscopic metabolic therapy, gradual expansion of domestic product approvals, growing outpatient endoscopic treatment capacity, and the progressive incorporation of DJBL devices into multidisciplinary obesity and metabolic disease management pathways.

Global Competitive Landscape of Approved EBMT

Fluid-filled intragastric balloon systems

Fluid-filled intragastric balloons are currently the most established segment of approved EBMT products. Systems such as Orbera, Spatz3, Medsil and LexBal are endoscopically placed in the stomach for several months to partially occupy gastric volume, enhance satiety and support short- to mid-term weight loss in adults with obesity who have failed diet and exercise programs. These devices have obtained FDA and/or CE approvals since 2008 to 2021 and are marketed across the US, Europe and other regions, with indications typically covering patients with class I–II obesity or BMI around 30–50 kg/m². Newer designs such as the Allurion (Elipse) swallowable capsule balloon further simplify placement by avoiding endoscopy in selected cases.

Product Name	Company	First Approval Year	Regulatory Agency	Approval Country/ Region	Product Description	Indication
Orbera Intragastric Balloon System	Boston Scientific	2015	FDA+CE	USA/ Global	Liquid-filled gastric balloon designed for 6-month placement	BMI 30–50 kg/m²; adults with obesity who failed to lose weight through diet and exercise.
Spatz3 Adjustable Balloon System	Spatz FGIA Inc.	2021	FDA+CE	USA / EU / LATAM	Adjustable-volume liquid-filled balloon;	BMI 35–40 kg/m², or BMI 30–34.9 kg/m² with ≥ 1 major obesity-related comorbidity; failed supervised weight-loss program.
Medsil Intragastric Balloon	Medsil (Medispar)	2008	CE	CE markets	Saline-filled silicone balloon; endoscopic placement/removal; 6-month dwell	BMI 30–40 kg/m²; adults with obesity (per manufacturer).
LexBal	Lexel	2015	CE	CE markets	Liquid-filled intragastric balloon; endoscopic placement/ removal; up to 12-month dwell	BMI used for obesity/ overweight management in adults under specialist supervision (centers typically treat BMI 30–40 kg/m²).
Allurion (Elipse)	Allurion Technologies	2015	CE	EU / Middle East / APAC	Swallowable capsule balloon that self-inflates after ingestion, no endoscopy required	BMI ≥ 27 kg/m²; adults ≥ 18 years as adjunct to lifestyle and behavior modification programs.

The table above summarizes the main commercialized fluid-filled intragastric balloon systems, including their manufacturers, approval years, regulatory agencies, key markets and principal indications.

Gas-filled, hybrid and special balloons

Gas-filled balloons and hybrid systems broaden the EBMT competitive landscape by offering different profiles of comfort, adjustability and dwell time. The Obalon Balloon System, a swallowable gas-filled capsule balloon requiring minimal endoscopic intervention, and the Heliosphere air-filled balloon provide non-surgical options for adults with overweight or obesity in the US and selected international markets. Hybrid devices such as End-Ball, which can be filled with air and/or liquid, and special designs such as the TransPyloric Shuttle (TPS), which delays gastric emptying through transpyloric positioning, target patients with BMI typically in the 27–40 kg/m² range and are positioned as outpatient weight-loss tools under specialist supervision.

The following table summarizes approved gas-filled, hybrid and special balloon products, together with their sponsors, regulatory status, geographic coverage and intended patient populations.

Product Type	Product Name	Company	First Approval Year	Regulatory Agency	Approval Country / Region	Product Description	Indication
Gas-filled balloon	**Obalon Balloon System**	Obalon Therapeutics	2014	FDA+CE	USA / Selected EU	Swallowable gas-filled capsule balloon; 3 capsules placed over 12 weeks	BMI 30–40 kg/m²; adults > 22 years who failed diet and exercise programs.
	Heliosphere Balloon	Helioscopie Medical Imaging	2014	CE	EU / Middle East / LATAM	Air-filled intragastric balloon for non-surgical obesity treatment	BMI ≥ 27 kg/m²; adults with obesity or overweight with difficult-to-control type 2 diabetes.
Hybrid (air + liquid) balloon	**End-Ball**	Endalis	2016	CE	EU / Asia (CE markets)	Endoscopic balloon that can be filled with air and/or liquid; ~700 mL; 6-month dwell	BMI 27–40 kg/m²; adults with overweight/obesity
Special balloon	**TransPyloric Shuttle (TPS)**	BAROnova	2019	FDA+CE	USA	Endoscopically placed transpyloric silicone device that delays gastric emptying; max 12-month dwell	BMI 35.0–40.0 kg/m², or BMI 30.0–34.9 kg/m² with ≥1 obesity-related comorbidity; used with diet and behavior modification.

Non-balloon EBMT devices

Beyond balloon technologies, non-balloon EBMT devices focus on duodenal bypass and duodenal implants to address both weight and metabolic control. The gastric bypass stent system approved by the NMPA in China provides a temporary endoscopic bypass solution for obese patients who have not responded adequately to lifestyle or pharmacologic therapy. In European Union, the RESET duodenal-jejunal bypass liner (DJBL) is designed to mimic surgical Roux-en-Y gastric bypass effects for the management of obesity in adult patients with BMI ≥40 kg/m², or those with BMI ≥30 kg/m² accompanied by at least one cardiometabolic risk factor such as T2DM or dyslipidemia, while the Revita system employs endoscopic catheter-based DMR using hydrothermal ablation to remodel dysfunctional duodenal mucosa. As an incisionless procedure, Revita is designed as an adjunct to diet and exercise to improve glycemic control in inadequately controlled T2DM patients with preserved ß-cell function and to reduce liver fat in T2DM patients with metabolic dysfunction-associated fatty liver disease (MAFLD). These products illustrate the evolution of treatment toward metabolic-focused, reversible EBMT solutions.

The following table summarizes the principal commercialized non-balloon EBMT devices, including duodenal-jejunal bypass liners and duodenal implants, and sets out their core features and indications.

Product Type	Product Name	Company	First Approval Year	Regulatory Agency	Approval Country / Region	Product Description	Indication
Duodenal-Jejunal Bypass Liner	**Gastric Bypass Stent System**	Tangji Medical	2024	NMPA	China	Endoscopic stent delivery system for temporary gastrointestinal bypass; includes retrieval kit	For patients with inadequate response to lifestyle modification, non-invasive, or pharmacologic therapy, including: 1) Simple obesity with BMI ≥ 32.5 kg/m^2; 2) BMI 30-32.5 kg/m^2 with ≥ 2 metabolic syndrome components; 3) BMI 30-32.5 kg/m^2 with obesity-related comorbidities.
	RESET	Morphic Medical	2025	CE marking	EU / UK	Endoscopically anchored polymer liner in proximal small intestine (≤9 months) to mimic RYGB effects	BMI ≥40 kg/m², or those with BMI ≥30 kg/m² accompanied by at least one cardiometabolic risk factor such as type 2 diabetes or dyslipidemia.
DMR	**Revita**	Fractyl Health	2016	CE marking	EU / UK	Endoscopic catheter- based duodenal mucosal resurfacing (DMR) system using hydrothermal ablation to remodel dysfunctional duodenal mucosa (incisionless procedure).	As an adjunct to diet and exercise, for DMR to improve glycemic control in inadequately controlled T2D patients (with preserved ß-cell function) and reduce liver fat in T2D patients with NAFLD.

Currently, no duodenal–jejunal bypass liner (DJBL) device has been approved by the U.S. FDA for commercial use, and such devices remain investigational in the United States. In Europe, certain DJBL products have previously obtained CE mark certification, and newer devices such as RESET® have recently received CE marking, allowing limited commercialization in the European Union.

Duodenal-Jejunal Bypass Liner Therapy

Although invasive bariatric surgery delivers substantial and well-documented benefits, its use remains concentrated in only a portion of eligible patients. Clinical selection criteria, the need for specialized centers, and the long-term implications of irreversible anatomical changes mean that many individuals continue to look for less invasive options. This situation has encouraged the development of reversible endoscopic therapies that aim to reproduce the key physiological benefits of metabolic surgery while reducing procedural burden and offering greater flexibility in patient management.

The duodenal-jejunal bypass liner (DJBL) represents an important and emerging technology, which is a reversible weight loss treatment modality invented with reference to the principles of a traditional bariatric therapy, Roux-en-Y Gastric Bypass. DJBL has the characteristics of obvious weight loss effects, reversibility, less invasive, and fewer adverse effects.

The system consists of a flexible, polymeric sleeve endoscopically anchored in the duodenal bulb and extending approximately 60 cm into the proximal jejunum. By creating a physical barrier between ingested nutrients and the mucosa of the upper small intestine, the liner prevents direct contact with bile and pancreatic secretions, thereby delaying digestion and absorption.

Clinically, the DJBL is placed endoscopically under sedation and removed after 3-9 months, making it a fully reversible, incisionless, and repeatable intervention. Published studies report 10-20 % TWL and marked HbA1c reduction (~1-2%). Adverse events are generally mild and transient, including abdominal discomfort or nausea; more serious complications such as device migration or hepatic abscess are rare and manageable with timely removal.

DJBL therapy bridges the therapeutic gap between pharmacologic treatment and invasive bariatric surgery. It appeals to patients who are refractory to pharmacologic weight-loss therapy yet unwilling or unfit for permanent surgical alteration. The device's reversibility, scalability, and metabolic potency position it as a cornerstone technology within the evolving ecosystem of endoscopic bariatric interventions.



Source: Literature review, Frost & Sullivan analysis

Indication of Duodenal-Jejunal Bypass Liner Therapy Mentioned in Guidelines in China

	Indication		
Guideline for Diagnosis and Treatment of Obesity (2024 edition)	(1) BMI ≥ 32.5 kg/m², or BMI ≥ 27.5 kg/m² with T2DM, regardless of treatment response.	(2) BMI 27.5–32.5 kg/m², failed medical therapy or with obesity-related comorbidities.	(3) BMI 25.0–27.5 kg/m² with T2DM: requires ethical review and patient consent.
The Expert Consensus on Digestive Endoscopic Treatment of Obesity in China	(1) BMI ≥ 27.5 kg/m²: endoscopic bariatric therapy is acknowledged regardless of comorbidities, and regardless of prior failure of other intervention;	(2) BMI 25.0–27.5 kg/m² + waist ≥ 90 cm (male) / ≥ 85 cm (female): endoscopic bariatric therapy after failure of lifestyle and medical treatment;	(3) BMI 25.0–27.5 kg/m² + ≥1 obesity-related disease: therapy acknowledged if expected weight loss can improve related conditions after failure of lifestyle and medical treatment.
The Expert opinion on Endoscopic Duodenal-Jejunal Bypass Liner Implantation for Weight Loss (2025 Edition)	(1) BMI ≥ 28 kg/m² or 24–<28 kg/m² (18–65 yrs): consider;	(2) BMI meets criteria (<18 or >65 yrs): requires MDT review and informed consent;	(3) BMI meets criteria with severe comorbidities: proceed cautiously after MDT discussion.
Gastric Bypass Stent System Registration Technical Review Report (NMPA)	(1) BMI ≥ 32.5 kg/m² — obese patients not responding to non-surgical therapy;	(2) BMI 30–32.5 kg/m² — patients with at least two metabolic syndrome components;	(3) BMI 30–32.5 kg/m² — patients with obesity-related comorbidities such as T2DM, hypertension, or dyslipidemia.

The clinical application of the DJBL is supported by a clearly defined framework of indications established in leading guidelines. Against this backdrop, DJBL offers a novel therapeutic option in China, addressing a previously unmet gap between pharmacotherapy and invasive bariatric surgery in the obesity treatment landscape, particularly for patients with moderate to severe obesity accompanied by metabolic comorbidities.

Guideline for Diagnosis and Treatment of Obesity (2024 edition) issued by the NHC provides explicit direction for special patient populations. For instance, patients with a BMI meeting the standard threshold but who are outside the typical age range of 18-65 years, or those presenting with complex, severe comorbidities, are recommended to undergo a comprehensive Multi-Disciplinary Team (MDT) evaluation. This ensures careful risk-benefit analysis and reinforces the principle of personalized treatment planning, which is central to modern metabolic care. In addition, the NHC guideline indicates that interventional treatment options may be considered for patients with a BMI ≥32.5 kg/m², or a BMI ≥27.5 kg/m^2 with T2DM, regardless of prior failure of medical therapy, providing an evidence-based basis for the clinical use of gastric bypass stent systems without requiring exhaustion of pharmacological treatment.

According to the Expert Consensus on Digestive Endoscopic Treatment of Obesity in China, DJBL therapy is considered applicable for patients with a BMI ≥ 27.5 kg/m², regardless of the presence of comorbid conditions, and regardless of prior failure of other intervention. For individuals with BMI 25.0-27.5 kg/m², DJBL may be considered if they present with increased waist circumference (≥ 90 cm (male) or ≥ 85 cm (female)) and have failed to achieve adequate results through lifestyle modification and pharmacologic management.

The Gastric Bypass Stent System Registration Technical Review Report issued by the NMPA further refines the indication criteria, specifying eligibility for patients with BMI ≥ 32.5 kg/m², or for those with BMI 30-32.5 kg/m² accompanied by at least two metabolic syndrome components, or obesity-related comorbidities such as T2DM, hypertension, or dyslipidemia. These evidence-based thresholds establish a clear regulatory benchmark for patient selection and reinforce DJBL as a scientifically validated, device-based metabolic therapy.

Collectively, these guideline-based indications reflect growing clinical and regulatory consensus on the therapeutic value of DJBL. The structured patient-selection criteria not only enhance clinical outcomes but also support broader clinical adoption by aligning DJBL therapy with national regulatory standards and emerging international best practices.

Advantage of Duodenal-Jejunal Bypass Liner Therapy

Mechanistic innovation

The DJBL employs a non-surgical metabolic bypass mechanism that mimics key physiological effects of Roux-en-Y gastric bypass through a combination of physical isolation, hormonal modulation, bile acid regulation and gut microbiota alteration. By deploying a flexible polymeric liner from the duodenal bulb to the proximal jejunum, the DJBL prevents direct contact between ingested food and the intestinal mucosa. In parallel, it separates bile and pancreatic secretions from the chyme, thereby delaying the digestion and absorption of fats and carbohydrates and reducing overall nutrient absorption. As nutrients pass through the duodenum and proximal jejunum without contacting the intestinal wall, stimulation of K cells and secretion of GIP are reduced. Meanwhile, the accelerated delivery of chyme to the distal small intestine stimulates L cells to secrete GLP-1, resulting in increased GLP-1 levels. These hormonal changes contribute to improved glycaemic control and weight reduction. Operating on principles comparable to Roux-en-Y gastric bypass, the DJBL has been shown to increase circulating bile acid levels in patients with obesity and T2DM. Elevated bile acids further promote GLP-1 secretion and support improvements in glucose metabolism. In addition, the DJBL alters the distribution of gut microbiota and their metabolic products, indirectly regulating host metabolism and contributing to improvements in insulin resistance and hepatic steatosis.

Minimally invasive and reversible

DJBL therapy exemplifies the upgrades in minimally invasive, incisionless interventions that redefine patient accessibility in obesity and diabetes management. As a fully reversible and repeatable system, DJBL

can be removed or replaced as clinically indicated, offering a procedural flexibility unattainable in surgical bariatrics. The absence of external incisions and the outpatient nature of the procedure significantly reduce procedure-related risk, shorten recovery time, and allow most patients to be discharged on the same day. Compared with traditional bariatric surgery, DJBL thus provides an alternative with far lower procedural burden.

Strong clinical efficacy

Clinical data of DJBL demonstrates weight loss and glycemic control within 12 months post-implantation. Across multiple multicenter clinical studies, DJBL users have demonstrated 10-20% total body-weight loss with HbA1c and fasting glucose reduction. Recent data from China indicate that patients can achieve approximately 11–12% total weight loss within a 3-month implantation period, accompanied by significant reductions in BMI and waist circumference. Additionally, DJBL significantly reduces cardiovascular risk parameters, such as blood pressure and lipid levels, but these benefits also diminish post-retrieval. These outcomes approach those of surgical gastric bypass while maintaining a superior safety and recovery profile.

Broad patient applicability

The DJBL system demonstrates broad clinical applicability across overweight and moderate to severe obesity populations, offering a practical solution for individuals with BMI $\geq$ 25.0 kg/m² who have failed lifestyle or pharmacologic interventions. This population has traditionally occupied a treatment gap between pharmacotherapy and invasive surgery, often experiencing inadequate response to medications while being considered insufficiently obese for surgical approval. Our product is particularly suitable for patients with obesity-related metabolic comorbidities, individuals who are intolerant to pharmacotherapy, eligible surgical candidates who decline invasive procedures, as well as those experiencing weight regain following prior medication or surgeries such as sleeve gastrectomy.

Safety and cost advantages

DJBL delivers a balance of safety, controllability and economic efficiency compared with traditional bariatric surgery, with clinical data to date supporting a favorable and well-tolerated risk profile. From a health-economic perspective, DJBL's short procedural time, outpatient setting, and low complication rate translate into significant cost savings for healthcare systems. These characteristics support its potential inclusion in reimbursement programs as a cost-effective metabolic therapy. The discontinuation of the ENDO Trial highlighted certain safety concerns associated with earlier DJBL designs and underscored the importance of device optimization and improved clinical management protocols for subsequent generations of endoscopic bariatric devices. Compared with earlier DJBL systems, newer-generation devices, including the Gastric Bypass Stent System developed by Tangji Medical, incorporate design improvements intended to enhance device stability and safety, such as optimized anchoring structures and retrieval mechanisms, which may help reduce the risk of device-related complications observed in earlier studies.

Comparison of Major Obesity Treatment Modalities: EBMT vs Pharmacotherapy vs Bariatric Surgery

Comparison Dimension	EBMT (e.g., *Intragastric Balloon* / DJBL)	Pharmacotherapy: Semaglutide 2.4 mg	Bariatric Surgery: Sleeve Gastrectomy (SG) / Roux-en-Y Gastric Bypass (RYGB)
Treatment modality	• Minimally invasive endoscopic therapy; no gastric resection involved; gastric anatomy largely preserved; procedures may be repeatable or partially reversible	• Long-term pharmacological management of obesity; requires ongoing administration	• Invasive surgical procedures involving gastric resection or gastrointestinal reconstruction
Representative interventions	• *Intragastric Balloon*, DJBL	• Once-weekly GLP-1 receptor agonist	• SG, RYGB
Typical weight loss	• Clinical studies suggest approximately 10–20% TWL within 6–12 months, significantly higher than lifestyle intervention alone	• STEP-1 trial reported approximately 14.9% body weight reduction at 68 weeks	• Typically 25–30% TWL within 12 months, representing the largest weight-loss magnitude
Durability of effect	• Weight-loss effects can be maintained with structured follow-up and lifestyle management	• Weight maintenance generally requires continuous treatment; in the STEP-1 extension, approximately two-thirds of prior weight loss was regained within one year after semaglutide discontinuation, High Discontinuation and Adherence Challenges, 68% of patients discontinue GLP-1 therapy by one year	• Generally demonstrates strong long-term durability of weight loss
Metabolic benefits	• Improvements observed in metabolic comorbidities such as glycemic control, blood pressure, and sleep apnea	• Improvements observed in weight-related metabolic indicators	• Most pronounced improvements in metabolic diseases such as T2DM and hypertension
Invasiveness / reversibility	• Less invasive than surgery; rapid recovery; some procedures are reversible or adjustable	• Non-invasive	• Most invasive and largely irreversible
Safety profile / common risks	• Generally favorable safety profile; serious complications relatively uncommon	• Mainly gastrointestinal adverse events; with muscle loss; Pancreatitis and Retinopathy Signals; Thyroid Tumor Warning and Contraindications	• Perioperative complications, anesthesia risks, and potential long-term nutritional deficiencies
Key advantages	• Provides a balanced option between efficacy and invasiveness, enabling meaningful weight loss with relatively low treatment burden	• Non-interventional and broadly scalable	• Largest magnitude of weight loss
Key limitations	• Weight-loss magnitude typically lower than bariatric surgery	• High Discontinuation and Adherence Challenges; and with muscle loss.	• High invasiveness and longer recovery with ongoing nutritional management

Source: Frost & Sullivan analysis

Comparative Positioning of GBS and Major Obesity Treatment Options

Comparison Dimension	GBS (Gastric Bypass Stent System)	Other DJBL Devices	Pharmacotherapy (GLP-1–based anti-obesity drugs)
Treatment modality	• Endoscopically implanted temporary gastrointestinal bypass device; minimally invasive, removable and reversible; designed to partially mimic metabolic effects of gastric bypass	• Endoscopically implanted duodenal–jejunal bypass liner (DJBL); minimally invasive, removable and reversible	• Long-term pharmacologic management requiring continuous drug administration to maintain weight-loss effects
Representative products / procedures	• Tangji Medical GBS	• RESET	• Semaglutide 2.4 mg and other GLP-1 receptor agonists
Typical weight-loss / metabolic outcomes	• In the pivotal trial, 69.4% of test-group patients in the FAS and 76.2% in the PPS achieved >5% TWL at three months. Mean EWL% at three months reached 34.9% in the PPS.	• At 9 months, TWL approximately 11–14 kg, BMI reduction ~4–5 kg/m², HbA1c reduction ~1%	• STEP-1 trial showed mean weight reduction of ~14.9% at 68 weeks
Key advantages	• Shorter procedure time and shorter indwelling time (three months), which may improve procedural efficiency and patient convenience	• Minimally invasive and reversible; designed to mimic metabolic effects of bypass surgery	• Non-interventional with high patient acceptance
Key limitations	• Long-term real-world evidence continues to accumulate	• Longer indwelling time of up to nine months may increase device-related risks, including migration and liver abscess, particularly after prolonged implantation beyond six months.	• Requires long-term treatment; with high Discontinuation and Adherence Challenges; and with muscle loss.
Safety profile / common risks	• Favorable short-term safety profile; no device migration or serious device-related complications observed in pivotal clinical trial; 100% successful removal within 90 days	• Possible abdominal discomfort, nausea, and rare device migration	• Mainly gastrointestinal adverse events; with muscle loss; Pancreatitis and Retinopathy Signals; Thyroid Tumor Warning and Contraindications
Patient-related costs	• Typically a one-time or staged device and endoscopic procedure cost, potentially avoiding long-term pharmacotherapy expenses; generally ranging from RMB36,600-RMB39,100	• Usually one-time device cost plus implantation and removal procedures, approximately €8,000–€15,000	• Requires continuous medication; annual cost in China may reach approximately RMB 35,000, resulting in ongoing expenditure
Treatment positioning	• GBS is an approved endoscopic option for patients with BMI >32.5 kg/m², and for BMI 30.0–32.5 kg/m² patients with metabolic syndrome components or obesity-related comorbidities.	• BMI ≥40 kg/m² or those with BMI ≥30 kg/m² accompanied by at least one cardiometabolic risk factor such as type 2 diabetes or dyslipidemia	• Used with lifestyle intervention for overweight or obese adults, including BMI 24.0–27.5 kg/m² with obesity-related comorbidities and BMI 27.5–32.5 kg/m² after inadequate response to lifestyle intervention.

Source: Frost & Sullivan analysis

Growth Drivers of Weight-loss Devices Market

The growth of the weight-loss devices market is driven by the following key factors:

- ***Unmet Clinical Demands of Obesity and Its Co-morbidities.*** The global prevalence of overweight and obesity continues to rise. While lifestyle modification remains foundational, it typically yields modest and difficult-to-maintain outcomes. Pharmacotherapy's real-world use is often limited by tolerability issues, long-term adherence challenges, and uneven access across patient groups. These therapeutic gaps create opportunities for minimally invasive, device-based solutions capable of achieving meaningful weight loss and metabolic improvement without systemic drug exposure.
- ***Low Acceptance of Invasive Bariatric Surgery.*** Conventional bariatric surgery delivers weight-loss and metabolic efficacy but requires major abdominal surgery, carries meaningful peri-operative and long-term complication risks, and results in permanent anatomical alterations. The growing adoption of short-stay or day-case interventions that modulate gastric emptying or nutrient flow illustrates a clear shift in clinical practice toward safer and more flexible treatment options between chronic pharmacotherapy and major surgery, creating a favorable environment for innovative endoscopic platforms such as gastric bypass stent systems.
- ***Supportive Policy and Payer Trends.*** China has designated a comprehensive three-year "Weight Management Year" campaign (2024–2026) to strengthen the national response to overweight and obesity as a public health priority. This multi-sector initiative aims to establish a supportive environment for weight management. As part of implementation efforts, the NHC has also issued guidance requiring that healthy weight management clinics be established in all tertiary general hospitals, children's hospitals, and traditional Chinese medicine hospitals by mid-2025. Policy directives place particular emphasis on digital integration, precision and minimally invasive interventions, metabolic disease management, and the establishment of specialized weight-management clinics. In parallel, ongoing diagnosis-related group/diagnosis-intervention packet (DRG/DIP) and value-based payment reforms are designed to improve access to innovative, endoscopic and reversible weight-loss technologies.
- ***Technology and Evidence Tailwinds.*** Rapid technological advances in minimally invasive gastrointestinal device platforms, anchoring systems and biocompatible materials continue to enhance the safety, durability, and ease of placement or removal for device-based therapies. Emerging clinical evidence from randomized controlled trials and real-world studies increasingly supports minimally invasive, gastrointestinal device-based interventions as effective stand-alone options or as part of combination regimens with pharmacotherapy and lifestyle modification. Continued innovation is expected to expand patient eligibility, strengthen long-term outcomes, and solidify the clinical value of weight-management devices.

Future Trends of Weight-loss Devices Market

The weight-loss devices market is expected to evolve along four major trends:

- ***Evolving Clinical Focus.*** The clinical understanding of obesity is shifting from a primary focus on excess body weight to the broader concept of metabolic dysfunction. As reduction of cardio-metabolic risk becomes the central treatment objective, greater emphasis is placed on interventions that improve glycemic control, lipid profiles and liver health rather than weight alone. Minimally invasive, gastrointestinal device-based therapies are well aligned with this shift, offering reversible options that deliver both weight loss and metabolic benefits.

- ***Integration with Digital Health.*** Digital health technologies enable continuous, end-to-end management before and after weight-loss interventions. The integration of endoscopic devices with app-based coaching and data-driven follow-up enhances long-term adherence, reduces relapse rates, and improves real-world outcomes.

- ***Combination and Sequencing with Medicines.*** Early clinical studies and emerging real-world experience suggest that reversible gastrointestinal device-based interventions can be used in combination or sequence with anti-obesity pharmacotherapy, and may provide greater or more durable weight loss than either approach alone in selected patients. Devices can induce rapid initial weight loss and glycemic improvement, reducing the need for high-dose or prolonged drug use, while pharmacologic agents can help sustain device-initiated results and extend treatment durability. Tailored approaches, such as combining gastric bypass stent system with GLP-1 or amylin analogs, offer measurable metabolic synergy and reduce discontinuation risk. These integrated regimens are expected to generate payer-relevant, real-world outcomes over three to 12-month time horizons.

- ***Outcomes, Economics, and Reimbursement Readiness.*** Health technology assessments are placing increasing emphasis on composite clinical endpoints, such as TWL% and EWL% combined with metabolic biomarkers such as HbA1c and alanine aminotransferase, an enzyme found mostly in the liver, high levels of which can indicate liver damage, as credible measures of value. The outpatient, minimally invasive nature of these therapies supports faster recovery, lower use of inpatient resources and the potential for DRG/DIP-related savings. As payer pilots continue to evaluate total cost-effectiveness and long-term durability, coverage expansion and reimbursement for reversible weight-loss devices are expected to support broader coverage.

The Key Industry Challenges of the EBMT and DJBL Market

The EBMT and DJBL market faces the following key challenges:

- ***Regulatory and Clinical Evidence Requirements.*** Despite the growth potential of the EBMT market, including DJBL devices, regulatory approval for novel metabolic intervention devices remains complex and time-consuming. As EBMT technologies represent relatively new treatment approaches, regulatory authorities often require comprehensive clinical evidence to demonstrate long-term safety and efficacy before granting approval or expanding indications. In addition, the clinical evidence base for certain EBMT technologies remains relatively limited compared with established bariatric surgery procedures. Although multiple clinical studies have demonstrated the potential effectiveness of EBMT devices in weight loss and metabolic improvement, additional long-term and large-scale clinical data may still be required to further establish their clinical positioning and support broader adoption by physicians.

- ***Physician Adoption and Clinical Practice Integration.*** Physician awareness and adoption of EBMT technologies may take time to develop. Bariatric surgery and pharmacotherapy have been established treatment approaches for obesity management for many years, while the integration of new endoscopic metabolic therapies into clinical practice may require physician training, accumulation of procedural experience and updates to treatment guidelines. As a result, the pace of EBMT adoption may depend on the availability of trained physicians, hospital procedural capacity and the degree to which EBMT devices are incorporated into multidisciplinary obesity and metabolic disease management pathways.

- ***Reimbursement and Patient Affordability Constraints.*** Reimbursement coverage for EBMT procedures remains limited in many healthcare systems. In certain markets, obesity treatments are not fully covered by public healthcare insurance programs, which may affect patient affordability

and slow the adoption of device-based therapies. The pace of market development may therefore depend on payer recognition of the clinical and economic value of EBMT, including its potential role in reducing long-term obesity-related complications and healthcare costs.

- ***Competition from Pharmacotherapy and Bariatric Surgery.*** Competition from alternative obesity treatment options may also influence the development of the EBMT market. Pharmacological treatments, particularly GLP-1 receptor agonists and other emerging anti-obesity drugs, as well as established bariatric surgery procedures, may compete for the same patient population seeking weight management or metabolic interventions. While EBMT technologies, including DJBL devices, offer a minimally invasive treatment option positioned between pharmacotherapy and bariatric surgery, market development may still be affected by evolving treatment preferences, drug availability, patient acceptance and physician recommendations.

OBESITY AND OVERWEIGHT

Medically, obesity is a chronic metabolic disease caused by a variety of factors and characterized by excessive body fat accumulation. Fundamentally, the condition arises from an energy imbalance. Generally, obesity is the result of a combination of genetic factors, environment, personal diet and exercise choices. In the current epidemiological context, modern lifestyle changes, high-calorie diets, and lack of exercise are important factors contributing to the rapid growth of obese people. The WHO recognizes overweight and obesity as major global health challenges and key risk factors for noncommunicable diseases, such as cardiovascular disease, T2DM, and certain cancers.

Global Prevalence of Obesity and being Overweight

Obesity and being overweight are commonly assessed using anthropometric indicators such as BMI, waist circumference and waist-to-hip ratio. For adults, the World Health Organization (WHO) defines overweight as a BMI of at least 25 kg/m² and obesity as a BMI of at least 30 kg/m².

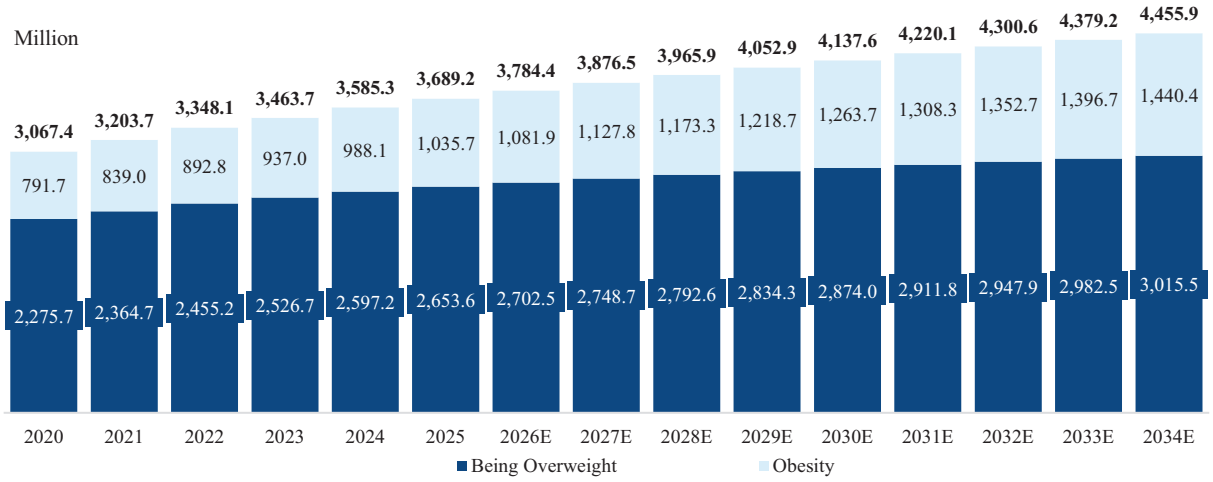
Globally, the burden of excess body weight is substantial and continues to rise. The number of patients who are overweight increased from 2,275.7 million in 2020 to 2,653.6 million in 2025, representing a CAGR of 3.1% over the same period, driven mainly by changes in dietary patterns and increasingly sedentary lifestyles. This population is projected to keep expanding, reaching 2,874.0 million in 2030, representing a CAGR of 1.6% from 2025 to 2030 and 3,015.5 million in 2034, representing a CAGR of 1.2% from 2030 to 2034.

The prevalence of obesity shows an even steeper upward trend. The number of patients with obesity worldwide grew from 791.7 million in 2020 to 1,035.7 million in 2025, corresponding to a CAGR of 5.5% over the same period. It is expected to increase further to 1,263.7 million in 2030, representing a CAGR of 4.1% from 2025 to 2030, and to reach 1,440.4 million in 2034, representing a CAGR of 3.3% from 2030 to 2034. Taken together, the total number of patients with overweight or obesity is forecast to rise from 3,067.4 million in 2020 to 4,455.9 million in 2034, underscoring the growing global demand for effective and scalable weight-management solutions.

The following chart illustrates the historical and projected number of patients with overweight or obesity worldwide from 2020 to 2034, measured in millions.

Global Prevalence of Obesity and being Overweight, 2020-2034E

Period	CAGR		
	Being Overweight	Obesity	Total
2020-2025	3.1%	5.5%	3.8%
2025-2030E	1.6%	4.1%	2.3%
2030E-2034E	1.2%	3.3%	1.9%



Source: Literature review, Frost & Sullivan analysis

Prevalence of Obesity and Being Overweight in China

Obesity and being overweight in China are primarily assessed using the Chinese adult diagnostic criteria, which define overweight as a BMI of at least 24 kg/m² and obesity as a BMI of at least 28 kg/m². Compared with WHO thresholds, these lower BMI cut-offs indicate a higher cardio-metabolic risk at a given BMI level in Chinese populations, and all prevalence figures below are calculated based on this basis.

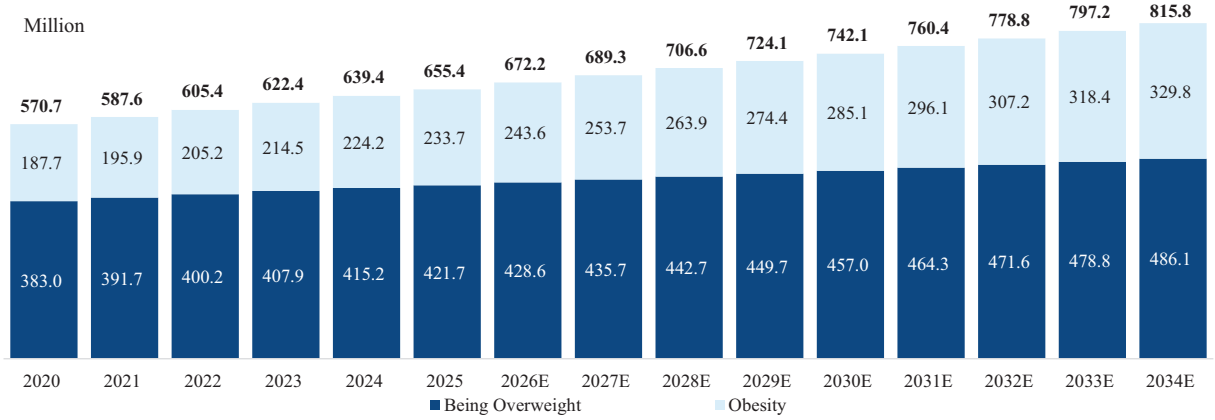
Under these criteria, the number of patients who are overweight in China increased from 383.0 million in 2020 to 421.7 million in 2025, representing a CAGR of 1.9% over the same period. This population is projected to continue rising to 457.0 million in 2030 and 486.1 million in 2034, representing a CAGR of 1.6% from 2025 to 2030, and a CAGR of 1.6% from 2030 to 2034. The steady growth of the overweight population is largely driven by shifts in dietary patterns toward higher-calorie foods and reduced physical activity associated with urbanization and lifestyle changes.

Obesity has expanded even more rapidly. The number of patients with obesity grew from 187.7 million in 2020 to 233.7 million in 2025, representing a CAGR of 4.5% over the same period, and is expected to reach 285.1 million in 2030 and 329.8 million in 2034, representing a CAGR of 4.1% from 2025 to 2030, and a CAGR of 3.7% from 2030 to 2034, respectively. As a result, the total number of patients with overweight or obesity in China is projected to increase from 570.7 million in 2020 to 815.8 million in 2034. This persistent upward trend, particularly in the obese segment, points to a large and expanding population at elevated cardio-metabolic risk, underscoring the need for more effective and scalable weight-management interventions.

The following chart illustrates the historical and projected number of patients with overweight and obesity in China from 2020 to 2034, measured in millions under Chinese diagnostic criteria.

Prevalence of Obesity and being Overweight in China, 2020-2034E

Period	CAGR		
	Being Overweight	Obesity	Total
2020-2025	1.9%	4.5%	2.8%
2025-2030E	1.6%	4.1%	2.5%
2030E-2034E	1.6%	3.7%	2.4%



Source: Literature review, Frost & Sullivan analysis

MASH COMPLICATED WITH OBESITY

MASH complicated with obesity represents the inflammatory and fibrotic end of the MAFLD spectrum in individuals with excess adiposity. Over time, these processes can progress from simple steatosis to MASH, fibrosis and ultimately cirrhosis and hepatocellular carcinoma. Clinically, MASH complicated with obesity is often silent for many years. As disease advances, patients may develop non-specific symptoms such as fatigue, weight loss, abdominal discomfort, nausea and cognitive changes, while signs of liver dysfunction emerge in advanced stages. Obesity, T2DM, dyslipidaemia, hypertriglyceridaemia and other components of metabolic syndrome are key risk factors, and many patients present with multiple cardio-metabolic comorbidities. Because MASH is a strong predictor of progression to cirrhosis and liver-related mortality, resolution of MASH rather than simple fat reduction has become the central therapeutic goal in clinical management and drug development.

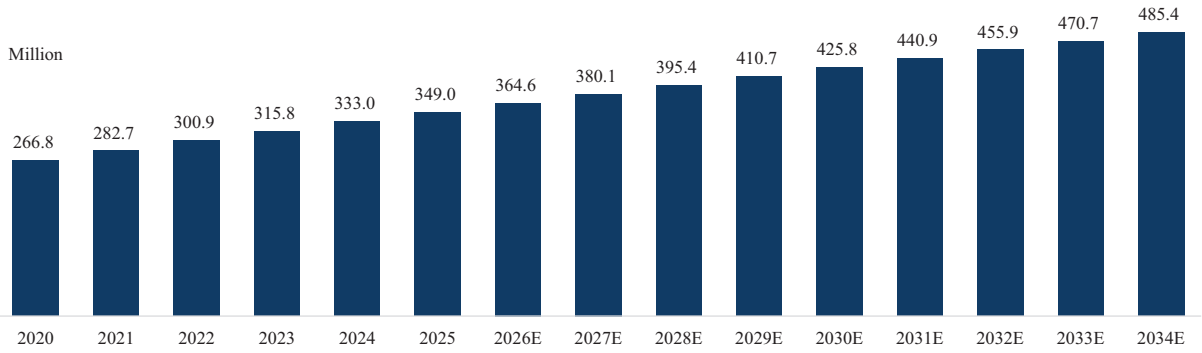
The rising global prevalence of obesity has translated into a parallel increase in MASH complicated with obesity, including more patients progressing to advanced fibrosis and cirrhosis. Although lifestyle modification and weight loss remain the cornerstone of management, durable weight reduction is difficult to achieve in routine practice, and currently available pharmacotherapies often focus on metabolic comorbidities or complications rather than directly resolving liver inflammation and fibrosis. As a result, there is growing clinical interest in safe, effective, and sustainable weight-management and metabolic interventions, including both pharmacologic and device-based approaches, to address the substantial unmet need in MASH complicated with obesity.

Prevalence of MASH in Obesity Patients Globally

MASH has become a major global public health concern, closely linked to the rising obesity epidemic. As the progressive, inflammatory and fibrotic form of metabolic liver disease. Among obesity patients, the burden of MASH is substantial and continues to grow. In 2020, an estimated 266.8 million obesity patients worldwide were living with MASH. This number increased to 349.0 million by 2025, 425.8 million by 2030 and 485.4 million by 2034, representing a CAGR of 5.5% from 2020 to 2025, a CAGR of 4.1% from 2025 to 2030, and a CAGR of 3.3% from 2030 to 2034. The steadily rising prevalence highlights the urgent need for earlier screening, preventive strategies and innovative therapies that address both obesity and metabolic liver disease. The following chart illustrates the historical and projected number of patients with obesity living with MASH worldwide from 2020 to 2034, measured in millions.

Global Prevalence of MASH in Obesity Patients, 2020-2034E

Period	CAGR
2020-2025	5.5%
2025-2030E	4.1%
2030E-2034E	3.3%



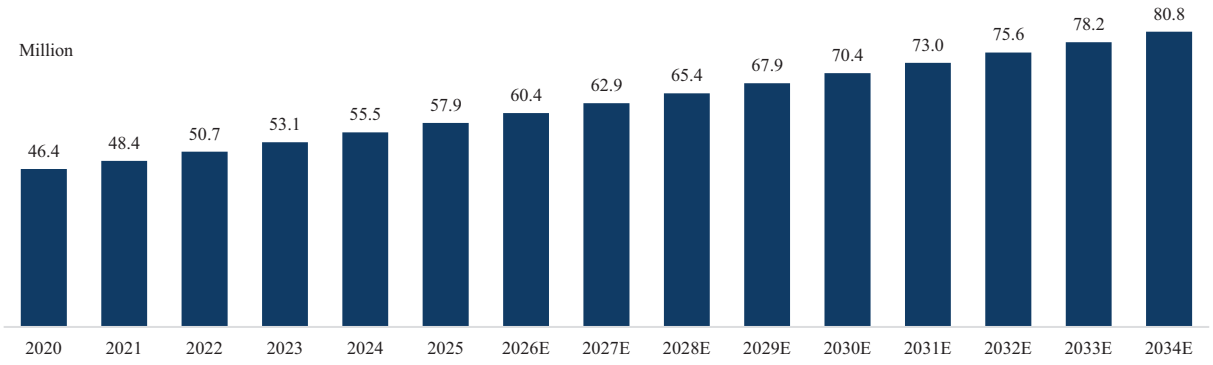
Source: Frost & Sullivan analysis

Prevalence of MASH in Obesity Patients in China

In China, rising rates of obesity and steatotic liver disease are driving a growing burden of MASH in patients with obesity. MASH represents progression from simple steatosis to inflammatory and fibrotic liver disease and is strongly linked to T2DM, dyslipidaemia, and other cardio-metabolic comorbidities. The number of patients with obesity living with MASH in China is estimated to increase from 46.4 million in 2020 to 57.9 million in 2025, representing a CAGR of 4.6% over the same period. This population is projected to further rise to 70.4 million in 2030, representing a CAGR of 4.0% from 2025 to 2030, and 80.8 million in 2034, representing a CAGR of 3.5% from 2030 to 2034, indicating sustained but gradually moderating growth on top of an already high baseline prevalence. These trends highlight a substantial and expanding pool of Chinese patients with MASH complicated with obesity who require earlier identification and more effective treatment options targeting both weight and liver disease. The following chart illustrates the historical and projected number of patients with obesity living with MASH in China from 2020 to 2034, measured in millions.

China Prevalence of MASH in Obesity Patients, 2020-2034E

Period	CAGR
2020-2025	4.6%
2025-2030E	4.0%
2030E-2034E	3.5%



Source: Frost & Sullivan analysis

Global and China Competitive Landscape of EBMT Devices for treatment of MASH

Globally, no medical device has yet obtained regulatory approval with MASH as its primary treatment indication. Current interventional options for patients with MASH and obesity remain limited to lifestyle modification, pharmacologic therapy and bariatric surgery, and device-based approaches are still at the exploratory or clinical-research stage in major markets. Our product candidate GBS-SH, intended for MASH complicated with obesity has received Breakthrough Device Designation from the FDA as an innovative therapy. It is the first medical device from China to obtain such designation for the treatment of metabolic diseases, positioning the product at the forefront of the global EBMT landscape for MASH with obesity.

T2DM COMPLICATED WITH OBESITY

T2DM complicated with obesity represents a major subtype of acquired metabolic disease characterized by the coexistence and reciprocal interaction of excess adiposity and impaired glucose metabolism. In these patients, excess body weight or waist circumference aggravates insulin resistance, increases the likelihood of progressing from prediabetes to T2DM and makes blood glucose control more difficult.

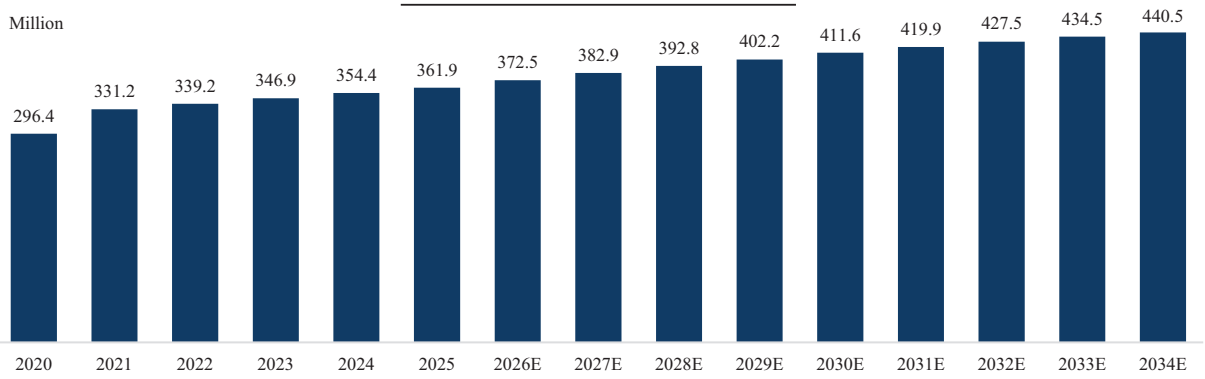
From a clinical management perspective, T2DM complicated with obesity is addressed through an integrated approach encompassing lifestyle modification, pharmacologic therapy, and interventional procedures such as surgical bariatric operations and endoscopic bariatric and metabolic therapies. Lifestyle modification forms the foundation of care but is difficult to maintain over the long term in real-world settings. Conventional bariatric surgery offers substantial and durable metabolic benefits and can even induce remission of T2DM in selected obese patients, yet its invasive nature, surgical risks, and lifelong postoperative follow-up requirements limit broader adoption. Consequently, there remains a significant unmet clinical need for safe, effective, and durable weight-loss solutions that can complement or bridge pharmacologic therapy.

Prevalence of T2DM in Obesity Patients Globally

Globally, the number of patients with obesity living with T2DM is projected to rise from 296.4 million in 2020 to 361.9 million in 2025, representing a CAGR of 4.1% over the same period. This figure is expected to further increase to 411.6 million in 2030, representing a CAGR of 2.6% from 2025 to 2030, and to 440.5 million in 2034, representing a CAGR 1.7% from 2030 to 2034. Although growth is anticipated to moderate gradually over time, the absolute number of patients with T2DM complicated with obesity will continue to expand, underscoring the substantial and persistent global burden of this condition. The following chart illustrates the historical and projected number of patients with obesity living with T2DM worldwide from 2020 to 2034, measured in millions.

Global Prevalence of T2DM in Obesity Patients, 2020-2034E

Period	CAGR
2020-2025	4.1%
2025-2030E	2.6%
2030E-2034E	1.7%



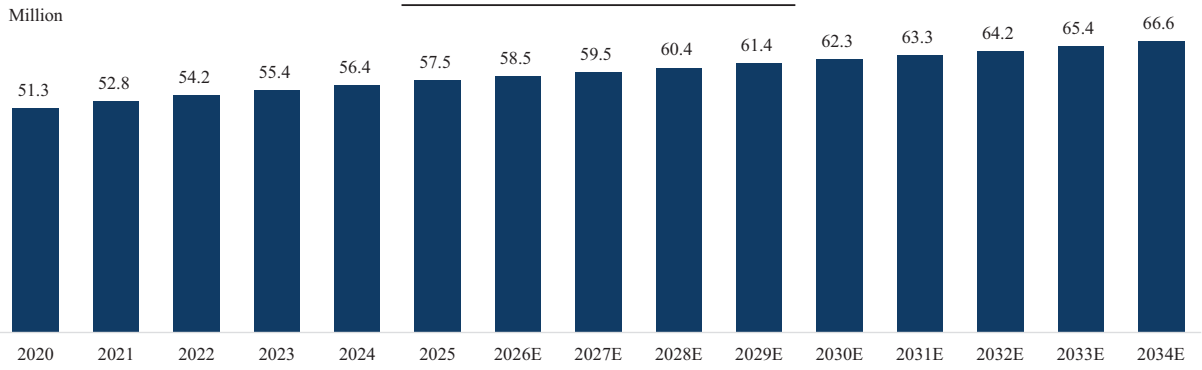
Source: Frost & Sullivan analysis

Prevalence of T2DM in Obesity Patients in China

In China, excess body weight and central obesity are also key drivers of T2DM. At the same time, shifts toward energy-dense diets, population aging, increasingly sedentary lifestyles, and broader screening and diagnosis continue to drive the rising prevalence of T2DM complicated with obesity. Under these trends, the number of patients with obesity living with T2DM in China is projected to increase from 51.3 million in 2020 to 57.5 million in 2025, representing a CAGR of 2.3% over the same period. This figure is expected to reach 62.3 million in 2030, representing a CAGR of 1.6% from 2025 to 2030, and to 66.6 million in 2034, representing a CAGR of 1.7% from 2030 to 2034, indicating continued but gradually moderating growth on top of a high baseline prevalence. The following chart illustrates the historical and projected number of patients with obesity living with T2DM in China from 2020 to 2034, measured in millions.

China Prevalence of T2DM in Obesity Patients, 2020-2034E

Period	CAGR
2020-2025	2.3%
2025-2030E	1.6%
2030E-2034E	1.7%



Source: Frost & Sullivan analysis

Global and China Competitive Landscape of EBMT Devices for Treatment of T2DM Complicated with Obesity

On the global front, a representative EBMT product specifically targeting metabolic dysfunction in T2DM is the Revita system, which utilizes DMR. Revita is an endoscopically delivered, catheter-based system that employs hydrothermal ablation to remodel dysfunctional duodenal mucosa through an incisionless procedure. As an adjunct to diet and exercise, it is designed to improve glycemic control in inadequately controlled T2DM patients with preserved *β*-cell function and to reduce liver fat in T2DM patients with MAFLD. This innovative approach highlights the industry's evolution toward procedure-based metabolic modulation. The following table summarizes the key attributes of Revita, including device type, regulatory status and diabetes-related indication.

Product Name	Company	Device Type	Stage / Approval	Diabetes-related Indication	Notes
Revita	Fractyl Health	DMR	CE Approved	*T2DM patients (with preserved ß-cell function) and reduce liver fat in T2DM patients with MAFLD*	Endoscopic catheter-based DMR system using hydrothermal ablation to remodel dysfunctional duodenal mucosa (incisionless procedure).

In China, diabetes-related EBMT devices remain at an earlier stage of development. We are developing a gastrointestinal bypass stent system intended to address metabolic disorders, including MASH and T2DM complicated with obesity, through endoscopic creation of a short-term intestinal bypass. While the device has already been approved for obesity treatment, additional indications in T2DM and MASH are being evaluated in clinical studies and, subject to successful trial results and regulatory review, could potentially obtain approval in the coming years. This pipeline underscores the emerging domestic innovation potential in EBMT solutions for patients with diabetes and obesity.

REPORT COMMISSIONED BY FROST & SULLIVAN

In connection with the **[REDACTED]**, we have engaged Frost & Sullivan to conduct a detailed analysis and prepare an industry report on the major markets for which our product candidates are positioned. Frost & Sullivan is an independent global market research and consulting company that provides market research on a variety of industries including biotechnology. We have agreed to pay Frost & Sullivan a total fee of RMB730,000 for the preparation of the Frost & Sullivan Report, and we believe that such fees are consistent with the market rate. The payment of such amount was not contingent upon our successful **[REDACTED]** or on the results of the Frost & Sullivan Report. Except for the Frost & Sullivan Report, we did not commission any other industry report in connection with the **[REDACTED]**.

The market size projections in the Frost & Sullivan Report were based on the following key assumptions: (i) the addressable market size is calculated as the product of target market population, disease prevalence rate, diagnosis rate, treatment rate, therapy penetration rate, and average annual treatment cost, with adjustments for patient compliance and disease-specific factors; (ii) future market trends incorporate considerations of evolving healthcare policies, competitive landscape developments, pipeline advancements, and changes in patient demographics; (iii) the overall healthcare environment and regulatory framework in the target jurisdictions are expected to remain stable during the forecast period; and (iv) there are no extreme disruptions such as force majeure events or fundamental changes to industry regulations that would dramatically alter market dynamics. The reliability of the Frost & Sullivan Report may be affected by the accuracy of the foregoing key assumptions.

OVERVIEW OF THE MAJOR LAWS, RULES AND REGULATIONS RELATING TO OUR BUSINESS IN THE PRC

This section sets forth a summary of the relevant significant PRC laws and regulations that affect our business and the industry in which we operate.

Regulations and Classification of Medical Devices

Pursuant to the Regulations on the Supervision and Administration of Medical Devices (Revised in 2024)(醫療器械監督管理條例(2024修訂)) (the "**2024 Medical Device Regulations**") recently amended on December 6, 2024 and came into effect on January 20, 2025, the medical products administrations of the State Council shall be responsible for the supervision of medical devices of the PRC. All relevant departments of the State Council shall be responsible for the supervision of medical devices within their respective scope of duties. In order to guarantee the safety of medical devices, local people's governments above the county level should reinforce their leading role in the supervision and administration of medical devices within their respective administration regions, organize and coordinate the supervision and administration of medical devices and contingency plans within their respective administration regions and strengthen the competency of supervision and administration of medical devices. The medical products administrations of local people's governments above the county level are responsible for the supervision and administration of medical devices in their respective administrative regions. Relevant departments of the local people's governments above the county level are responsible for the supervision and administration of medical devices within their respective scope of duties.

In the PRC, medical devices have been classified into three categories for administration based on the degree of risk. Category I medical devices shall refer to those devices with low risks, whose safety and effectiveness can be ensured through routine administration. Category II medical devices shall refer to those devices with moderate risks, which shall be strictly controlled and administered to ensure their safety and effectiveness. Category III medical devices shall refer to those devices with relatively high risks, which shall be strictly controlled and administered through special measures to ensure their safety and effectiveness.

On September 7, 2022, the General Department of the NMPA published the Guiding Opinions on Strengthening the Graded Supervision of Medical Device Production and Operation (關于加强醫療器械生產經營分級監管工作的指導意見) (the "**Guiding Opinions**") which came into effect on January 1, 2023. The Guiding Opinions require that the supervision of enterprises engaged in the production and operation of medical devices should be graded. The medical products administration divided the medical device enterprises into four regulatory levels according to the risk, and implemented the corresponding regulatory measures for enterprises at different regulatory levels. The enterprises kept good credit status for a long time can be adjusted downward regulatory level. For registers who commissioned the production of medical devices cross regional, or only for the entrusted production of the entrusted production enterprises, as well as remote warehouse management enterprises, should be appropriate to increase the level of supervision.

Registration and Filings of Medical Device Products

Pursuant to the Measures for the Administration of Registration and Record-filing of Medical Devices (醫療器械注冊與備案管理辦法) promulgated by the State Administration for Market Regulation ("**SAMR**") on August 26, 2021 and came into effect on October 1, 2021, Category II and Category III medical devices are subject to product registration management. Category I medical devices are subject to product filing management. Record-filing parties of domestic Category I medical devices shall submit record-filing materials to the drug regulatory authorities at the level of city divided into districts. Domestic Category II medical devices shall be examined by the drug regulatory authorities of provinces, autonomous region, and centrally-administered municipalities, which shall issue the Medical Device Registration Certificate upon

approval after examination. Domestic Category III medical devices shall be examined by the NMPA, which shall issue the Medical Device Registration Certificate upon approval after examination. The registration certificate for a medical device is valid for five years, and the registrant shall apply to the original registration departments for renewal at least six months prior to its expiration date.

According to the Measures for the Administration of Registration and Record-filing of Medical Devices, the clinical evaluation shall be conducted for the registration or record-filing of medical devices, but except for circumstances specified under any of the following: (I) the medical device has clear working mechanism, finalized design and mature production process, and the marketed medical devices of the same kind have been used in clinical application for years with no record of serious adverse event, and does not change the general purpose of the medical device; or (II) any other circumstance where the safety and effectiveness of the medical device can be proved through non-clinical evaluation. The NMPA issued Announcement on Issuing Catalog of Medical Devices Exempted from Clinical Evaluation (the "Catalog")(關於發布免於進行臨床評價醫療器械目錄的通告) on September 16, 2021, which came into effect on October 1, 2021. The Catalog was last amended on May 12, 2025, and effective on the same date.

Pursuant to the Technical Guidance Principles for Decision on Whether to Conduct Medical Device Clinical Trials (決策是否開展醫療器械臨床試驗技術指導原則), clinical trials are in principle required for Category III medical devices with high risks in clinical use, as well as medical devices that have significant differences in scope of application, technical characteristics, and/or biological properties compared with medical devices that have been approved for marketing in the PRC.

In order to strengthen the verification administration of the quality management system for medical device registration and to ensure the verification quality, the NMPA published the Guidelines for Inspection of Quality Management System for Medical Device Registration (醫療器械注冊質量管理體系核查指南) on September 29, 2022 to explicit the standards and requirements of Category II and Category III medical device quality management.

Good Clinical Practice for Clinical Trial

Clinical trials on medical devices shall be conducted by organizations that possess relevant qualifications as required by the Good Clinical Practice for Medical Devices Trials. According to the Good Clinical Practice for Medical Devices Trials (醫療器械臨床試驗質量管理規範), which became effective on June 1, 2016, the Good Clinical Practice includes full procedures of clinical trial of medical devices, including, among others, the protocol design, conduct, monitoring, verification, inspection, and data collection, recording, analysis and conclusion and reporting procedure of a clinical trial.

On March 24, 2022, the NMPA and the National Health Commission of the PRC jointly issued the new Good Clinical Practice for Medical Devices Trials (醫療器械臨床試驗質量管理規範) (the "**2022 Good Clinical Practice**") which became effective on May 1, 2022, as an amendment to the expired Good Clinical Practice for Medical Devices Trials (the "**2016 Good Clinical Practice**"). The 2022 Good Clinical Practice includes full procedures of clinical trial of medical devices, including, among others, the protocol design, conduct, monitoring, verification, inspection, and data collection, recording, analysis and conclusion and reporting procedure of a clinical trial.

Medical Device Registrant System

Pursuant to the Notice of the NMPA on Expanding the Pilot of the Medical Device Registrant System (國家藥監局關於擴大醫療器械注冊人制度試點工作的通知) promulgated by the NMPA and coming into force on August 1, 2019, in order to fully implement the medical device registrant system, the NMPA decided to further expand the pilot of the medical device registrant system on the basis of the pilot work of the medical device registrant system in the free trade zones of Shanghai, Guangdong and Tianjin. The contents and

objectives of the pilot program mainly include: exploring the establishment of the management system for entrusted production of medical devices, optimizing resource allocation and clarifying the liabilities of the parties concerned. An applicant for medical device registration who applies for and obtains a medical device registration certificate shall become a medical device registrant. The applicant may entrust an enterprise with corresponding production capacity to produce samples, and the registrant may entrust the production of the certified products to one or more enterprises with production capacity.

The Regulations on the Supervision and Administration of Medical Devices has further clarified the definition and obligations of the medical device registrant, and clarified the rights and obligations of the registrant and other market entities such as the entrusted production enterprises, operators of e-commerce platforms and users, indicating the full implementation of the medical device registrant system in China.

Innovative Medical Device Special Review and Approval Procedure

According to the Opinions of the State Council on Reforming the Evaluation, Review and Approval System for Drugs and Medical Devices (國務院關于改革藥品醫療器械審評審批制度的意見) issued by the State Council and coming into effect on August 9, 2015, the government encouraged the research, development and innovation of medical devices, and included the application for registration of innovative medical devices with the invention patent of core technology and significant clinical value into the scope of special review and approval, which shall enjoy the priority in handling.

In October 8, 2017, the General Office of the CPC Central Committee and the General Office of the State Council issued and implemented the Opinions on Deepening the Reforming of the Evaluation and Approval System and Encouraging the Innovation of Drugs and Medical Devices (關于深化審評審批制度改革鼓勵藥品醫療器械創新的意見) (the "**Opinions**"), which aims to encourage the innovation of medical devices. According to the Opinions, priority in review and approval shall be given to innovative medical devices supported by major national science and technology projects and national key research and development programs, and clinical trials conducted by the National Clinical Research Center and approved by the administration authorities of the center.

Pursuant to the Innovative Medical Device Special Review and Approval Procedure (創新醫療器械特別審查程序) (the "**Green Path**") promulgated by the NMPA on November 2, 2018 and coming into force on December 1, 2018, the government opened the Green Path for innovative medical devices. The special review procedures shall apply to the examination of medical devices in the following circumstances: (i) the applicant legally owns the invention patent right of the core technology of the product in China through the technological innovation activities led by the applicant, or legally obtains the invention patent right or the right to use the same in China through an assignment in accordance with law, and the time between the application for the special review of innovative medical devices and the publication date of the patent authorization shall not exceed 5 years. Alternatively, the patent administrative department of the State Council has disclosed the application for the invention patent of the core technology, and the Patent Search and Consultation Center of the State Intellectual Property Office has issued a search report stating the novelty and creativity of the core technology solution of the product; (ii) the applicant has completed the preliminary research of the product and owns the product prototype, the research process is true and under control, and the research data is complete and traceable; (iii) the main working principle or mechanism of action of the product is the first of its kind in China. The product performance or safety has fundamental improvement compared with similar products, its technology is at the international leading level, and the clinical application value is significant. The Center for Medical Device Evaluation of the NMPA shall give priority to the technical review of innovative medical devices whose application for registration has been accepted. When the technical review is completed, the NMPA shall give priority to the administrative review and approval of the same. Prior to the acceptance of an application for the admission to the Green Path and during the following technical review process, the Center for Medical Device Evaluation of the NMPA shall assign designated personnel to provide timely guidance upon the applicant's request and

discuss relevant technical issues with the applicant. An applicant may also apply for discussions with the Center for Medical Device Evaluation of the NMPA for issues such as the design of clinical trials through filing discussion request forms. The Center for Medical Device Evaluation of the NMPA shall promptly review such discussion request forms and any supplemental materials submitted by the applicant. If the Center for Medical Device Evaluation of the NMPA agrees to have further discussions with the applicant, it shall clearly inform the applicant of the issues to be discussed, and liaise with the applicant to determine the form, time, place and participants of such discussions. The discussion record confirmed and signed by both parties will constitute a reference for further registrational review of such product candidate.

Medical Device Production Permit

According to the 2024 Medical Device Regulations, in addition to the required medical device registration certificates, a producer of medical devices shall file a record with or obtain a production license from medical products administrations of local people's governments at the corresponding level before commencing production. The medical device production license is valid for five years. Where the period of validity for the license needs to be extended upon expiry, the procedures for such extension shall be handled in accordance with the provisions of relevant laws on administrative licensing.

The Administrative Measures for the Supervision of the Production of Medical Devices (醫療器械生產監督管理辦法), was amended by the former CFDA and came into effect on November 17, 2017. In order to further strengthen the supervision and management of medical devices production, standardize medical device production activities and ensure the safety and effectiveness of medical devices, the Administrative Measures for the Supervision of the Production of Medical Devices (醫療器械生產監督管理辦法) (the "**2022 Supervisory and Administrative Measures for Production**") was last amended by the SAMR on March 10, 2022 and came into effect on May 1, 2022 in accordance with the 2024 Medical Regulations.

The enterprises engaging in the production of Category I medical devices shall make filings for such Category I medical devices with the local branches at the district city level of the NMPA and submit proofing materials of qualification to engage in the production of such medical devices.

The enterprises engaging in the production of Category II and Category III medical devices shall apply for a Manufacture License for Medical Devices (醫療器械生產許可證) to the provincial branches of the NMPA, and submit proofing materials of qualification to engage in the production of such medical devices and registration certificates for such medical devices produced.

Production and Quality Management of Medical Devices

Pursuant to the Good Manufacturing Practice for Medical Devices (醫療器械生產質量管理規範) promulgated by the former CFDA on December 29, 2014 and came into effect on March 1, 2015 (the "**GMP** "), an enterprise engaging in the production of medical devices shall establish and effectively maintain a quality control system in accordance with the requirements of the GMP. The enterprise engaging in the production of medical devices shall, in accordance with the requirements of the GMP and taking into account the characteristics of the products, establish a sound quality management system suitable for the medical devices produced and ensure its effective operation. The enterprise shall establish procurement control procedures to ensure that the purchased goods comply with the relevant requirements, which shall not be lower than the relevant requirements of laws and regulations and national mandatory standards. The enterprise shall establish a supplier review system and conduct reviews and evaluations on the suppliers. The enterprise shall record the procurement, production and inspection of raw materials. Such records shall be true, accurate, complete and traceable. The enterprise shall implement risk management throughout the whole process of design and development, production, sales and after-sales services. The measures taken shall be in line with the risks of the products.

Administration of Medical Device Operation

The Measures for the Supervision and Administration of Medical Devices Operation (醫療器械經營監督管理辦法) were promulgated on July 30, 2014, effective on October 1, 2014 and amended on November 17, 2017.

In order to strengthen the supervision and management of medical devices operation, regulate medical device operation activities, and ensure the safety and effectiveness of medical devices, the State Administration for Market Regulation has formulated the Measures for the Supervision and Administration of Medical Devices Operation (醫療器械經營監督管理辦法) (the "**2022 Supervisory and Administrative Measures for Operations**") in accordance with the 2024 Device Medical Regulations, which were promulgated on March 10, 2022 and came into effect on May 1, 2022. According to the 2022 Supervisory and Administrative Measures for Operations, an enterprise engaging in the operation of medical devices shall have business premises and storage conditions suitable for the operation scale and scope, and shall have a quality control department or personnel suitable for the medical devices it operates. An enterprise engaged in the operation of Category II medical devices shall file with the competent municipal level medical products administration and provide proofing materials for satisfying the relevant conditions of engaging in the operation of Category II medical devices, while an enterprise engaged in the operation of Category III medical devices shall apply for a Business Operation License of Medical Devices (醫療器械經營許可證) to the competent municipal level medical products administration and provide proofing materials for satisfying the relevant conditions of engaging in the operation of such medical devices. The competent medical products administration which receives an operation permit application shall grant the Business Operation License of Medical Devices if the enterprise meets the prescribed requirements. A Business Operation License of Medical Devices is valid for five years and may be renewed pursuant to the relevant regulations. An enterprise engaging in medical devices operation shall not operate any medical device that has not been legally registered or filed for record, without a qualification certificate, outdated, invalid or disqualified.

Two-invoice System

According to the Notice on Opinions on the Implementation of the "Two-invoice System" in Drug Procurement by Public Medical Institutions (for Trial Implementation) (關於在公立醫療機構藥品採購中推行「兩票制」的實施意見(試行)的通知) (the "**Notice**"), jointly issued by the Medical Reform Office of the State Council, NHC, CFDA, NDRC, the Ministry of Industry and Information Technology, the Ministry of Commerce, the State Taxation Administration and the National Administration of Traditional Chinese Medicine on December 26, 2016, the "Two-invoice System" refers to the system that requires one invoice to be issued from pharmaceutical manufacturers to pharmaceutical distributors and the other invoice to be issued from pharmaceutical distributors to medical institutions. The Notice requires the gradual implementation of the "Two-invoice System" in drug procurement by public medical institutions, encourages other medical institutions to implement the "Two-invoice System," and strives to promote the "Two-invoice System" in full swing nationwide by 2018.

According to the Notice on Consolidating the Achievements of Canceling Drug Markups and Deepening Comprehensive Reforms in Public Hospitals (關于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) promulgated by the former National Health and Family Planning Commission, the Ministry of Finance, the NDRC and other departments on March 5, 2018, high value medical consumables shall be subject to classified and centralized purchase, and the "Two Invoice System" in relation to high-value medical consumables shall be gradually implemented.

On July 19, 2019, the General Office of the State Council issued the Notice on Printing and Distributing the Reform Plan for the Management of High-value Medical Consumables (國務院辦公廳關於印發治理高值醫用耗材改革方案的通知) (the "**Circular on High-Value Medical Consumables**"), which

encourages local governments to adopt the "Two-invoice System" on a case-by-case basis in order to reduce the circulation of high-value medical consumables and promote the transparency of purchase and sales. Pursuant to the Reply of the National Healthcare Security Administration (the "**NHSA**") to Recommendation No. 1209 of the Second Session of the 13th National People's Congress (國家醫療保障局對十三届全國人大二次會議第1209號建議的答覆) issued by NHSA on July 23, 2019, "Two Invoice System" for high-value consumables needs to be further discussed given the huge differences between high-value consumables and pharmaceuticals and the complexity of their clinical use and after-sales service.

Procurement Management of Medical Devices

Pursuant to the Notice on Further Strengthening the Administration of Centralized Procurement of Medical Devices (關于進一步加强醫療器械集中采購管理的通知) issued by the Ministry of Health on June 21, 2007, centralized procurement of medical devices shall be subject to geographic administration. It shall be led by the government and conducted at three levels, namely, the central level, the provincial level and the municipal level, and mainly at the provincial level. All non-profit medical institutions founded by the governments at various levels, industries and state-owned enterprises shall participate in centralized procurement of medical devices. No medical institution may evade centralized procurement in any way. The medical devices as mentioned above refers to medical equipment and medical consumables.

According to the Opinions of the State Council Leading Group for Deepening the Reform of Medical and Pharmaceutical Health System on Further Popularizing and Deepening the Reform of Medical and Pharmaceutical Health System (國務院關于印發「十三五」深化醫藥衛生體制改革規劃的通知)issued in November 2016, sunshine procurement of medical consumables, and centralized procurement of high value medical consumables, diagnostic reagents and large-scale medical equipment should be implemented.

According to the Notice of the State Council on Printing and Distributing the 13th Five-Year Plan for Deepening the Reform of Medical and Health System (國務院關于印發「十三五」深化醫藥衛生體制改革規劃的通知)issued in December 2016, centralized procurement of high-value medical consumables, diagnostic reagents and large-scale medical equipment should be carried out.

Procurement Management Policies for High-Value Medical Consumables

Pursuant to the Notice of Opinions on Reform of Pricing System of Pharmaceuticals and Medical Services(關于印發改革藥品和醫療服務價格形成機制的意見的通知) issued on November 9, 2009, the management on the pricing of medical devices will be strengthened. For high-value medical devices, especially for implantable and interventional medical devices, reasonable price formation can be guided by measures such as limiting the price difference rate in circulation links and publishing market price information.

According to the Administrative Norms on Centralized Procurement of High-Value Medical Consumables (Trial) (高值醫用耗材集中採購工作規範(試行)) issued on December 17, 2012, the online centralized procurement (the "**Centralized Procurement**") works of high-value medical consumables will be led by government and conducted by each province (regionally and municipally). Medical institutions and medical consumables production and operation enterprises shall procure through the Centralized Procurement platform established by each province (region and municipality). The administrative authorities in charge of the Centralized Procurement in each province (region and municipality) shall be responsible for formulating and preparing a Centralized Procurement list of high-value medical consumables within its administrative region. High-value medical consumables listed on the Centralized Procurement list may be procured by way of public tenders and invitational tenders or by other means stipulated by laws and regulations of the State.

On July 19, 2019, the General Office of the State Council issued the Circular on High-Value Medical Consumables and officially proposed to strengthen the standardized administration of high-value medical

consumables. It was required to explore the classification of high-value medical consumables in accordance with the principles of volume-based procurement, volume-price linkage, and promotion of market competition, and conduct centralized procurement.

The Guiding Opinions on National Organization of Centralized Volume-based Procurement and Use of High-Value Medical Consumables (關于開展國家組織高值醫用耗材集中帶量采購和使用的指導意見) which was issued by NHSA and other seven PRC authorities on April 30, 2021 stipulates that some high-value medical consumables with increased clinical usage, high purchase amount, mature clinical use, sufficient market competition, and high level of homogeneity will be included in the scope of volume-based procurement. All public medical institutions (including military medical institutions) are required to participate in the Centralized Procurement of high-value medical consumables in accordance with the regulations. The designated social medical institutions of medical insurance may voluntarily participate in the Centralized Procurement in accordance with the relevant regulations of their provinces, autonomous regions and municipalities, as applicable. On May 24, 2021, the General Office of the State Council released Notice of the General Office of the State Council on the Key Tasks of Deepening the Reform of the Medical and Health System in 2021 (國務院辦公廳關于印發深化醫藥衛生體制改革2021年重點工作任務的通知), expanding the scope of volume-based procurement of high-value medical consumables. On June 3, 2024, the General Office of the State Council released the Key Tasks of Deepening the Reform of the Medical and Health System in 2024 (深化醫藥衛生體制改革2024年重點工作任務),which stipulates further advancement in the centralized bulk procurement of medical consumables to improve quality and expand coverage.

The Key Control List of the First Batch of National High-value Medical Consumables (第一批國家高值醫用耗材重點治理清單) which was issued by the General Office of the NHC on January 8, 2020, clarifies 18 types of high-value medical consumables for key control. Pursuant to the Notice on the Rapid Collection of the Second Batch of High-value Medical Consumables Centralized Procurement Data and Price Monitoring (關於開展高值醫用耗材第二批集中採購數據快速採集與價格監測的通知) which was issued by the NHSA on November 20, 2020, the list of the second batch of medical consumables mainly included six kinds of high-value consumables, such as artificial hip joints, artificial knee joints, defibrillators, occluders, orthopedic materials and staplers.

According to the Circular on High-Value Medical Consumables, high-value medical consumables are defined as medical consumables directly used on humans, with strict requirements on safety, in great demand clinically, are relatively highly-priced, and that can pose heavy burdens on patients. The Circular on High-Value Medical Consumables releases several reform initiatives aiming at managing high-value medical consumables, including: (i) the classification and codes of high-value medical consumables in the national medical insurance system will be unified gradually, and rules on unique device identification in full life cycle of the high-value medical consumables, including but not limited to registration, procurement and usage, will be implemented by the NHSA, the NMPA, and the NHC by the end of 2020; (ii) the mechanism for including high-value medical consumables in basic medical insurance shall be built, and a list of high-value medical consumables shall be compiled, strengthening the dynamic adjustment mechanism. The access regulations shall be promulgated by the NHC and the MOF by the end of June 2020; (iii) the price markups placed on medical consumables at public hospitals will be abolished, and all medical consumables, including high-value medical consumables will be sold at procurement price at all public hospitals by the end of 2019; and (iv) the medical insurance payment policy shall be formulated and implemented by the NHSA, the MOF and the NHC. Meanwhile, the medical insurance payment standards on high-value medical consumables will be formulated and the dynamic adjustment mechanism will be established. The medical insurance funds and patients will share the cost of high-value medical consumables according to the medical insurance payment standards, and medical institutions shall further reduce procurement prices under the guidance of the Circular on High-Value Medical Consumables.

Export of Medical Devices

The 2024 Medical Device Regulations stipulates that the manufacturer of the medical devices for export shall ensure that the medical devices it produces meet the requirements of the importing country (region) and shall file the product information with the local municipal food and drug supervision and administration department.

Pursuant to the Administrative Provisions on the Export and Sales Certificate of Medical Device Products (醫療器械產品出口銷售證明管理規定) promulgated by the former CFDA on June 1, 2015 which took effect on September 1, 2015, where the registration certificate and the production permit certificate for medical device products have been obtained or the filing for medical device products and the production filing have been completed in the PRC, the food and drug administration authority may issue the Export and Sales Certificate for Medical Device Products to the relevant production enterprise. The validity period of the Export and Sales Certificate of Medical Device Products shall not exceed the deadlines of the certificates submitted by the enterprises in the application materials, whichever is the earliest, and shall not exceed two years.

Medical Device Recall, Adverse Event Monitoring and Re-evaluation

According to the Measures for the Administration of Medical Device Recalls (醫療器械召回管理辦法) promulgated by the former CFDA on January 25, 2017 which took effect on May 1, 2017, depending on the severity of defects of medical devices, the recall of medical devices can be divided into: (i) Level I recall: the use of the medical device may cause or has caused serious health hazards; (ii) Level II recall: the use of the medical device may cause or has caused temporary or reversible health hazards; or (iii) Level III recall: the medical device is less likely to cause harm but still needs to be recalled. Medical device manufacturers should determine the level of recall based on specific conditions and systematically design and organize the implementation of a recall plan based on the level of recall and the sales and use of medical devices.

According to the Administrative Measures for the Monitoring and Re-evaluation of Adverse Events of Medical Devices (醫療器械不良事件監測和再評價管理辦法) promulgated by the SAMR and the NHC on August 13, 2018 which took effect on January 1, 2019, holders of medical device marketing licenses shall have the quality management ability and corresponding capacity for liability to ensure the safety and effectiveness of medical devices, establish a medical device adverse event monitoring system, and directly report medical device adverse events to the technology institution for medical device adverse event monitoring. Any business enterprise authorized by the holder for sales or the medical device user shall report any medical device adverse event to the holder and the monitoring institution. The holder shall evaluate the identified adverse events, improve product quality according to the evaluation results, and report the evaluation results and measures for improving quality to the monitoring institution. Where approval from the original registration authority is required, an application shall be submitted as required.

The NMPA has established the national medical device adverse event monitoring information system, and strengthened the construction of medical device adverse event monitoring information network and database. The monitoring institutions designated by the NMPA are responsible for the unified management of the information on the medical device adverse events collected, and shall provide feedback to the relevant monitoring institutions, holders, business enterprises or users on the information related to the monitoring of medical device adverse events.

Regulations Relating to Advertisements of Medical Devices

In accordance with the Regulations on Medical Devices currently in force, the advertisements of a medical device shall be true and lawful, and its content shall not be false, exaggerated or misleading. Advertisements for medical devices shall be examined and approved by the food and medical products

administrations of the people's governments of the provinces, autonomous regions or municipalities where the manufacturing enterprises of medical devices or the agents of imported medical devices are located, and obtain the approval document for such advertisements for medical devices. A publisher of a medical device advertisement shall verify approval documents and their authenticity prior to the publication; if no approval document was obtained or the authenticity of any approval document has not been verified or the content of the advertisement is inconsistent with the approval documents, such medical device advertisement shall not be published.

On December 24, 2019, the State Administration for Market Regulation issued the Interim Measures for Examination and Administration of Advertisements for Drugs, Medical Devices, Health Foods and Formula Foods for Special Medical Purpose (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) (the "**Interim Measures for Review and Management**"), which came into effect on March 1, 2020. The Interim Measures for Review and Management provides that advertisements for medical devices shall not be published without examination, and the contents of advertisements for medical devices shall be subject to the content of the registration certificates or filing certificates, product specifications registered or filed and approved by the drug regulatory authorities. If the advertisement of medical devices involves the name, scope of application, mode of action or structure and composition of medical devices, it shall not exceed the scope of the registration certificate or filing certificate, or the product specifications registered or filed. The validity period of an advertisement approval for drugs, medical devices, health food and food for special medical use shall be consistent with the validity period of the registration certificate, record-filing certificate or the production license of the product, whichever is the shortest. Where no validity period is set forth in the registration certificate, record-filing certificate or the production license of the product, the advertisement approval shall be valid for two years.

Policies to Encourage the Development and Innovation of High-End Medical Devices Such as Surgical Robots

Certain laws, regulations and policies have been enacted in the PRC to encourage the development and innovation of high-end medical devices such as surgical robots.

On May 26, 2017, the General Office of the Ministry of Science and Technology issued the Notice of the General Office of the Ministry of Science and Technology on Printing and Distributing the "13th Five-Year Plan for Medical Device Technology Innovation"(科技部辦公廳關於印發<"十三五"醫療器械科技創新專項規劃>的通知) proposing to improve the independent innovation capability of medical devices in China and strengthen the application demonstration and promotion of domestic innovative medical devices, which is an important support for the establishment of an efficient, hierarchical, collaborative, homogeneous and accessible medical and health service system, improvement of medical and health service level and transformation of health service model.

In 2017, the NDRC issued the "Three-Year Action Plan for Enhancing the Core Competitiveness of Manufacturing Industry (2018-2020)"(增强製造業核心競爭力三年行動計劃(2018-2020年)), proposing to accelerate the development of advanced manufacturing industry, support and promote the industrialization of key technologies for high-end medical devices and drugs. In particular, in the field of medical devices, there are four categories and 27 sub-categories of medical devices industrialization projects with key support. Surgical robots are a kind of high-end treatment equipment with key support.

On December 26, 2017, the General Office of the NDRC issued the "Implementation Plan for the Industrialization of Key Technology of High-end Medical Devices and Drugs (2018-2020)"(高端醫療器械和藥品關鍵技術產業化實施方案(2018-2020年)), proposing to focus on high-end medical devices with large usage, wide application and high technical content. In the field of treatment equipment, the NDRC encouraged the industrialization of innovative equipment such as endoscopic surgical robots and neurosurgical robots, and promoted the upgrading and quality performance improvement of products such as orthopedic surgical robots.

On December 13, 2017, the Ministry of Industry and Information Technology issued the "Three-Year Action Plan to Promote the Development of the New Generation of AI Industry (2018-2020)" (促進新一代人工智能產業發展三年行動計劃(2018-2020)), proposing to accelerate the development of the AI industry and promote the deep integration of AI and the real economy. This document supports the cultivation of intelligent products including intelligent service robots, focuses on the development of key technologies such as 3D imaging positioning, intelligent precision and safety control, human-machine collaboration interface, supports the research and development of surgical robot operating system, and promotes the application of surgical robot in clinical medical treatment.

On November 10, 2019, 15 departments including the NDRC and the Ministry of Industry and Information Technology issued the Implementation Opinions on Deepening the Integrated Development of Advanced Manufacturing and Modern Service Industry (關于推動先進製造業和現代服務業深度融合發展的實施意見), proposing to promote the innovation and integration of key areas of consumer services and manufacturing industry, and focus on the development of high-end medical devices such as surgical robots, medical imaging, remote diagnosis and treatment, so as to gradually realize intelligent equipment and intelligent life.

On March 11, 2021, the NPC approved the Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Vision for 2035 (中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要), proposing to promote the reform of centralized and large-scale procurement and use of drugs and consumables organized by the State and develop high-end medical devices. The State Council will improve the fast-track review and approval mechanism for innovative drugs, vaccines, medical devices and other drugs, accelerate the review and approval of drugs and medical devices for urgent clinical needs and treatment of rare diseases, and promote the launch of new drugs and medical devices that have been launched overseas in urgent clinical needs as soon as possible.

On January 18, 2023, the Ministry of Industry and Information Technology and other 17 departments jointly issued the Notice on the Implementation Plan of the "Robot Plus" Application Action ((「機器人+」應用行動實施方案)), which clearly encourages qualified hospitals with needs to use robots to perform precise and minimally invasive surgery, build standardized operating rooms for robot applications, and study standards and norms for clinical applications of surgical robots.

EU REGULATORY OVERVIEW

Medical devices can be commercialized in the member states of the European Economic Area ("EEA") only if they meet the requirements of Regulation (EU) 2017/745 on medical devices ("MDR") and obtain the CE (Conformité Européenne) Mark.

Device Classifications and Conformity Assessment

In the EEA, devices are classified into Class I, Class IIa, Class IIb, and Class III based on the MDR classification rules (MEDDEV 2.4/1 rev.9). The classification is a risk-based mechanism according to the nature of human body contact and the contact duration of the medical devices. Medical devices in the EU must undergo a conformity assessment to demonstrate that they meet regulatory requirements to ensure they are safe and perform as intended. EU Member States can designate accredited notified bodies to conduct conformity assessments. The manufacturer of Class IIa, IIb, and Class III medical devices must lodge an application with a notified body to assess conformity to the MDR by submitting the compiled technical documentation.

Clinical Evaluation and Post-Market Surveillance

Under the MDR, manufacturers must conduct a clinical evaluation (guided by MEDDEV 2.7/1 rev.4) to verify the clinical safety and performance of their devices. The CE Mark may generally only be affixed to

a medical device if the product has passed the conformity assessment per the procedures outlined in the MDR. The CE certificates generally have a maximum validity period of five years.

Following market entry, medical device manufacturers are required to maintain comprehensive systems for risk management, quality management, and post-market surveillance. Manufacturers must actively gather and analyze post-market clinical follow-up studies (MEDDEV 2.12/2 rev.2) throughout the device's lifetime. Furthermore, they must comply with the medical devices vigilance system (MEDDEV 2.12/1 rev.8), which mandates the reporting of serious incidents and field safety corrective actions to the competent authorities.

U.S. FDA REGULATORY OVERVIEW

In the United States, medical devices are subject to extensive regulation by the Food and Drug Administration ("FDA") under the Federal Food, Drug, and Cosmetic Act ("FDCA") and its implementing regulations.

Device Classification and Premarket Pathways

The FDA classifies medical devices into three classes (Class I, II, and III) based on the level of risk associated with the device and the regulatory controls necessary to provide a reasonable assurance of safety and effectiveness. Depending on the device classification, manufacturers must generally utilize one of two primary premarket pathways before commercial distribution:

- Premarket Notification [510(k)]: For most Class II devices, the manufacturer must submit a 510(k) premarket notification to the FDA demonstrating that the device is "substantially equivalent" to a legally marketed predicate device (21 CFR Part 807 Subpart E).

- Premarket Approval (PMA): For Class III devices (those that are life-sustaining, life-supporting, or present a potential unreasonable risk of illness or injury), the FDA requires the submission of a PMA application (21 CFR Part 814). The PMA process is more rigorous than the 510(k) pathway and requires the submission of valid scientific evidence, typically including extensive preclinical and clinical data, to independently demonstrate the device's safety and effectiveness.

Establishment Registration and Quality System Requirements

Prior to commercializing a medical device in the U.S., manufacturers and initial importers must register their establishments with the FDA and list the devices they manufacture or distribute (21 CFR Part 807).

Furthermore, manufacturers must strictly comply with the FDA's Quality System Regulation (QMSR) as set forth in 21 CFR Part 820. The QMSR establishes comprehensive requirements for the design, manufacture, packaging, labeling, storage, installation, and servicing of medical devices to ensure they consistently meet applicable requirements and specifications. The FDA enforces these requirements through routine and unannounced inspections of manufacturing facilities. Following market entry, manufacturers are also subject to stringent post-market surveillance and Medical Device Reporting (MDR) requirements, mandating the timely reporting of device-related adverse events and malfunctions.

OTHER INTERNATIONAL MARKETS REGULATORY OVERVIEW

In addition to the PRC, the EU, and the U.S., we may commercialize our products in other international markets. We have obtained or are evaluating regulatory pathways in various jurisdictions across Southeast Asia, Latin America, the Middle East, and other regions. While the specific laws

governing medical devices vary, these markets generally enforce risk-based classification systems and require product registration or marketing authorization from local competent authorities prior to commercialization.

Southeast Asia

In Southeast Asia, medical device regulations are increasingly harmonized under the ASEAN Medical Device Directive (AMDD), utilizing the Common Submission Dossier Template (CSDT) for product registration.

- Indonesia: The Ministry of Health (MOH) regulates devices under Regulation No. 1190/Menkes/VIII/2010 on the Circulation Permit of Medical Devices and Household Health Supplies, supported by classification and evaluation guidelines.

- Singapore: The Health Sciences Authority (HSA) oversees devices under the Health Products Act 2007, the Health Products (Medical Devices) Regulations 2010, and the Health Products (Clinical Trials) Regulations 2016.

- Malaysia: The Medical Device Authority (MDA) enforces compliance through guidelines on classification (MDA/GD/0009), CSDT submissions (MDA/GD/0008), labeling (MDA/GD/0026), and essential principles of safety and performance (MDA/GD/0007).

- Thailand: The Thai FDA regulates devices under the Medical Device Act B.E. 2551 (2008) and its amendment B.E. 2562 (2019), along with rules on risk classification and labeling.

- Vietnam: The MOH manages devices under Decree No. 98/2021/ND-CP (as amended by Decree No. 07/2023/ND-CP) and its guiding circulars (Circular 05/2022/TT-BYT and Circular 39/2016/TT-BYT).

- Philippines: The FDA regulates devices under the Food and Drug Administration Act of 2009 (RA 9711) and Administrative Order No. 2018-0002 regarding the issuance of authorizations based on ASEAN harmonized requirements.

Latin America

In Latin America, regulatory authorities mandate strict adherence to Good Manufacturing Practices (GMP) and local registration requirements:

- Colombia: INVIMA regulates devices primarily under Decree 4725 of 2005 regarding sanitary registration and surveillance.

- Ecuador: ARCSA enforces the Substitute Technical Sanitary Regulation for the Registration and Control of Medical Devices for Human Use, along with GMP and storage regulations.

- Brazil: The Brazilian Health Regulatory Agency (ANVISA) regulates medical devices under Law No. 6,360/1976 and Decree No. 8,077/2013.

Middle East and Other Regions

- Saudi Arabia: The SFDA regulates market access through the Medical Devices Marketing Authorization (MDS-G002) and clinical research requirements (MDS-REQ 2).

- United Arab Emirates: The EDE governs medical products under Federal Law No. 8 of 2019 and health information technology under Federal Law No. 2 of 2019.

- Hong Kong SAR: The Medical Device Division (MDD) operates a voluntary listing system guided by documents such as GN-01 (overview), GN-02 (listing of Class II/III/IV devices), and TR-003 (classification).

Many of these international jurisdictions recognize marketing approvals granted by reference regulatory authorities (such as the U.S. FDA or the EU Notified Bodies for CE marking) to streamline their local registration processes. Foreign manufacturers are typically required to appoint a local authorized representative to hold the product registration and handle post-market vigilance reporting under the applicable local laws.

OTHER LAWS AND REGULATIONS

This section sets forth a summary of the relevant significant PRC laws and regulations that affect our daily operations.

Regulations on the Establishment and Operation of Foreign-invested Enterprises

Foreign Investment

The Foreign Investment Law of the People's Republic of China (中華人民共和國外商投資法) (the "**Foreign Investment Law**") which was passed by the National People's Congress on March 15, 2019 and came into force on January 1, 2020, and the Implementation Regulations for the Foreign Investment Law of the People's Republic of China (中華人民共和國外商投資法實施條例) which was promulgated by the State Council on December 26, 2019 and came into force on January 1, 2020, were the legal foundation for foreign investment in the PRC.

The Foreign Investment Information Reporting Measures (外商投資信息報告辦法) promulgated by MOFCOM and the SAMR on December 30, 2019, and effective on January 1, 2020, explicitly established the foreign investment information reporting system which requires foreign investors or foreign-invested enterprises to submit investment information to the commercial authorities through the enterprise registration system and the enterprise credit information publicity system.

The Negative List

The Negative List refers to the special administrative measures for foreign investment access implemented according to the requirements of the state with respect to foreign investment in specific industries, and the national treatment will be given to foreign investments outside the negative list. The negative list currently implemented is the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) (外商投資准入特別管理措施(負面清單)(2024年版)) promulgated by the NDRC and the MOFCOM on September 6, 2024, and effective on November 1, 2024.

According to the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) and the Catalog of Industries for Encouraging Foreign Investment (2025)(鼓勵外商投資產業目錄(2025年版)), which was promulgated by the NDRC and the MOFCOM on December 15, 2025 and became effective on February 1, 2026, foreign investment projects can be classified into four categories, namely encouraged, permitted, restricted and prohibited. Foreign investment projects that are not included in the Negative List are permitted foreign investment projects.

Regulations on Labor Protection and Social Security

Labor

According to the Labor Law of the PRC (中華人民共和國勞動法) issued by the SCNPC on July 5, 1994, implemented on January 1, 1995 and finally amended on December 29, 2018, employers shall develop and improve their rules and regulations in accordance with the law to ensure that workers enjoy their labor rights and perform their labor obligations. Employers shall develop and improve the system of labor safety and sanitation, strictly implement the national protocols and procedures on labor safety, guard against labor safety accidents and reduce occupational hazards. Labor safety and sanitation facilities shall meet the relevant national standards. Employers must provide workers with the necessary labor protection equipment that meets the safety and hygiene conditions stipulated under national regulations by the State, and conduct regular health checks for workers who engage in operations with occupational hazards.

According to the Labor Contract Law of the PRC (中華人民共和國勞動合同法) issued by the Standing Committee of the National People's Congress (the "**SCNPC**") on June 29, 2007, came into effect on January 1, 2008 and finally revised on December 28, 2012, and the Implementation Regulation on Labor Contract Law of the PRC (中華人民共和國勞動合同法實施條例) promulgated by the State Council on September 18, 2008 and became effect on the same day, the relationship between the employers and the employees shall be regulated by a labor contract, which shall be drawn up in writing.

The Social Insurance

According to the Social Insurance Law of PRC (中華人民共和國社會保險法) promulgated by the SCNPC on October 28, 2010 and implemented on July 1, 2011 and further amended on December 29, 2018, employees shall participate in basic pension insurance, basic medical insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees. Employees shall also participate in work-related injury insurance and maternity insurance. Work-related injury insurance and maternity insurance contributions shall be paid by employers rather than employees. An employer shall make registration with the local social insurance agency in accordance with the provisions of the law. For employers failing to conduct social insurance registration, the administrative department of social insurance shall order them to make corrections within a prescribed time limit; if they still fail to do so within the time limit, employers shall have to pay a penalty over one time but no more than three times of the amount of the social insurance premium payable by them, and their directly responsible executive staff and other directly responsible persons shall be fined RMB500 to RMB3,000. Also, those employer who fail to promptly contribute social insurance contributions in full amount shall be ordered by the social insurance collection agency to make or supplement contributions within a designated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day of the outstanding contribution amount; where payment is not made within the designated period, the relevant administrative authorities shall impose a fine ranging from one to three times of the outstanding contribution amount.

According to the Reform Plan of the State Tax and Local Tax Collection Administration System (國税地税徵管體制改革方案), which was promulgated by the General Office of the Communist Party of China and the General Office of the State Council of the PRC on July 20, 2018, from January 1, 2019, all the social insurance premiums including the premiums of the basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance will be collected by the tax authorities.

The Housing Provident Fund

According to the Regulations on the Administration of Housing Provident Fund (住房公積金管理條例) promulgated by the State Council and became effective on April 3, 1999, and was finally amended on

March 24, 2019, housing provident fund paid and deposited both by employees themselves and their employer shall be owned by the employees. The newly established enterprise shall register with the Housing Provident Fund Management Center for housing provident fund payment and deposit within 30 days from the date of establishment, and within 20 days from the date of registration, go through the procedures for the establishment or transfer of housing provident fund accounts for the employees of this enterprise. When an employer employs an employee, it shall register with the housing provident fund management center within 30 days from the date of employment, and go through the procedures for the establishment or transfer of an employee's housing provident fund account. Employers shall timely pay and deposit housing provident fund contributions in full amount and late or insufficient payments shall be prohibited. With respect to employers who violate the regulations here in above and fail to complete housing provident fund payment and deposit registrations or open housing provident fund accounts for their employees, such employers shall be ordered by the housing provident fund administration center to complete such procedures within a designated period. Those who fail to complete their registrations within the designated period shall be subject to a fine from RMB10,000 to RMB50,000. When employers are in breach of these regulations and fail to pay the deposit housing provident fund contributions in full amount as they fall due, the housing provident fund administration center shall order such employers to pay within a prescribed time limit period, failing which an application may be made to a people's court for compulsory enforcement.

Regulations on Production Safety

According to the Safety Production Law of the People's Republic of China (中華人民共和國安全生產法) revised by the SCNPC on June 10, 2021 and effective on September 1, 2021, a production and business operation entity must (i) abide by this law and other laws and regulations related to production safety, strengthen production safety management, and establish a sound production safety responsibility system and formulate a set of production safety rules and regulations for all employees; (ii) increase the efforts to guarantee the input of funds, supplies, technology and personnel to production safety, improve production safety conditions, and strengthen standardization and informatization of production safety; (iii) construct a dual prevention mechanism consisting of graded management and control of safety risks and examination and control of potential risks, improve the risk prevention and resolution mechanism, enhance production safety levels and ensure production safety. Entities that do not have the conditions for safe production shall not engage in production and business activities.

Regulations on Environmental Protection

Environmental Protection

The Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), promulgated by the SCNPC on December 26, 1989 and amended on April 24, 2014, summarizes the rights and responsibilities of environmental protection regulatory authorities. The Ministry of Environmental Protection (now the Ministry of Ecology and Environment) is authorized to promulgate national standards for environmental quality and discharge and to supervise China's environmental protection policies. At the same time, local environmental protection authorities may formulate local standards that are stricter than the national standards, in which case, the companies concerned shall comply with the national and local standards.

Environmental Impact Assessment

According to the Regulations on the Administration of Construction Project Environmental Protection (建設項目環境保護管理條例) promulgated by the State Council on November 29, 1998 and amended on July 16, 2017 and taking effect on October 1, 2017, the construction entity shall submit an environmental impact report or an environmental impact statement, or fill in a registration form depending on the degree of impact the construction project has on environment. For a construction project for which an environmental

impact report or environmental impact statement shall be prepared, the construction entity shall submit the environmental impact report and environmental impact statement to the competent administrative department of the environmental protection for approval before starting construction. If the Environmental Impact Assessment Documents of a construction project have not been reviewed by the approving authority in accordance with the law or have not been granted approval after the review, the construction unit shall be prohibited from commencing construction works.

According to the Law of the People's Republic of China on Environmental Impact Assessment (中華人民共和國環境影響評價法) promulgated by the SCNPC on October 28, 2002 and amended on July 2, 2016 and December 29, 2018, for construction projects that have an impact on the environment, entities shall prepare an environmental impact report, report form or registration form in accordance with the severity of the impact that the project may have on the environment.

Completion and Acceptance

The Interim Measures for Acceptance of Environmental Protection upon Completion of Construction Projects (建設項目竣工環境保護驗收暫行辦法) as promulgated and implemented by the former Ministry of Environmental Protection (now the Ministry of Ecology and Environment) on November 20, 2017. The Measures regulates the procedures and standards for environmental protection acceptance by construction units upon the completion of construction projects.

Pollutant Discharge

Pursuant to the Law of the PRC on Prevention and Control of Environmental Pollution Caused by Solid Wastes (Revised in 2020)((中華人民共和國固體廢物污染環境防治法(2020修訂)), promulgated on April 29, 2020 and took effect on September 1, 2020, the construction of projects which discharge solid waste and the construction of project for storage, use and treatment of solid waste shall be carried out upon the appraisal regarding their effects on environment and in compliance with the relevant state regulations concerning the management of environmental protection in respect of construction projects.

According to the Catalog of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Edition)(固定污染源排污許可分類管理名錄(2019年版)) promulgated by the Ministry of Ecology and Environment came into effect on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented based on factors such as the amount of pollutants generated, the amount of pollutants discharged and the degree of impact on the environment. The pollutant discharging entity subject to registration management does not need to apply for the pollutant discharge permit, but shall fill in the pollutant discharge registration form on the national pollutant discharge permit management information platform.

Product Liability and Protection of Consumers' Rights

According to the Product Quality Law of The People's Republic of China (中華人民共和國產品質量法) amended by the SCNPC which took effect on December 29, 2018, producers and sellers shall establish and improve their internal system for product quality control, and strictly apply the quality standards for jobs, the quality responsibility system and the related check measures. Producers and sellers are responsible for the product quality according to the provisions of the law.

According to the Civil Code of the People's Republic of China (中華人民共和國民法典), which was promulgated by the National People's Congress on May 28, 2020 and came into effect on January 1, 2021, patients who suffer from damage due to defects in drugs, disinfectant products and medical devices, or the infusion of unqualified blood may claim compensation from the drug marketing license holder, the manufacturer, the blood provider, or the medical institution. Where a patient claims compensation from a medical institution, the medical institution shall, after paying the compensation, have the right to recover such compensation from the responsible drug marketing license holder, producer and blood provider.

Lease of Property

According to the Administrative Measures for Commodity House Leasing (商品房屋租賃管理辦法) which was promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and came into effect on February 1, 2011, the parties to a commodity house lease shall complete the lease registration with the competent construction (real estate) departments of the municipalities directly under the Central Government, cities and counties where the leased property is located within 30 days after the lease is executed. The competent construction (real estate) departments of the municipalities directly under the Central Government, cities and counties shall urge those who do not register on time hereof to make rectification within a specified time limit, and shall impose a fine below RMB1,000 on individuals who fail to rectify within the specified time limit, and a fine between RMB1,000 and RMB10,000 on institutions which fail to rectify within the specified time limit.

According to the Civil Code of the People's Republic of China, promulgated by the SCNPC on May 28, 2020, and effective on January 1, 2021, if the parties to a lease contract fail to go through the formalities of registration of such contract in accordance with the provisions of laws and administrative regulations, the validity of the contract shall not be affected.

Fire Prevention

The Fire Prevention Law of the PRC (中華人民共和國消防法) (the "**Fire Prevention Law**"), was adopted in April 1998 and last amended in April 2021. The Fire Prevention Law provides that fire control design and construction of a construction project shall comply with the State's fire control technical standards. Developers, designers, builders and project supervisors shall be responsible for the quality of the fire control design and construction of the construction project pursuant to the law. Construction project fire control design examinations and acceptance systems shall be implemented for construction projects which are required to have fire control design in accordance with the national fire protection technical standards.

According to the Fire Prevention Law and the Interim Provisions on Design Inspection and Acceptance of Fire Protection of Construction Projects (建設工程消防設計審查驗收管理暫行規定) (the "**Interim Provisions on Fire Protection**") which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on April 1, 2020 and recently amended on August 21, 2023 and effective on October 30, 2023, a special construction project as stipulated in the Interim Provisions on Fire Protection shall be subject to fire protection design review before such project commences construction and shall be subject to fire protection inspection before such project was put into use. Other construction projects other than a special construction project shall be subject to fire protection inspection recordation, and the competent department of housing and urban-rural development shall conduct a random fire protection inspection thereof. If the project fails to pass the random fire protection inspection, such project shall be ceased to be put into use.

Anti-Unfair Competition

Pursuant to the Anti-Unfair Competition Law of the People's Republic of China (中華人民共和國反不正當競爭法) (the "**Anti-Unfair Competition Law**"), which was amended by the SCNPC and came into effect on April 23, 2019, unfair competition is defined as an act in which an operator violates the provisions of the Anti-Unfair Competition Law in its production and operation activities, disturbs the market competition order and damages the legitimate rights and interests of other operators or consumers. According to the Anti-Unfair Competition Law, business operators shall abide by the principles of voluntariness, equality, fairness and integrity and abide by laws and business ethics in their market transactions. Operators who violate the provisions of the Anti-Unfair Competition Law shall be subject to corresponding civil, administrative or criminal liabilities according to the specific circumstances.

Pursuant to the Provisional Regulations of the State Administration of Industry and Commerce on Banning Commercial Bribery (國家工商行政管理局關於禁止商業賄賂行為的暫行規定) (the "**Provisions on**

Banning Commercial Bribery") promulgated by the former State Administration for Industry and Commerce and taking effect on November 15, 1996, commercial bribery refers to the act of a business operator to bribe another entity or individual by using property or other means for the purpose of selling or purchasing goods, and "other means" refers to the means of providing benefits other than property, such as travel or visits, in various names at home and abroad. According to the Anti-Unfair Competition Law and the Provisions on Banning Commercial Bribery, the supervision and inspection authorities may impose fines according to the circumstances, and confiscate any illegal gains.

According to the Compliance Guidelines for Pharmaceutical Enterprises on Prevention of Commercial Bribery Risks (醫藥企業防範商業賄賂風險合規指引) issued by the SAMR on January 10, 2025, pharmaceutical enterprises are the principal entities responsible for preventing their own commercial bribery risks. Pharmaceutical enterprises should implement the main responsibility, strengthen internal control and compliance management to prevent commercial bribery risks, and consciously resist commercial bribery behaviors. This Guidelines advocated that pharmaceutical enterprises introduce professional institutions to evaluate the construction and implementation of their compliance management systems for preventing commercial bribery risks.

Regulations on Intellectual Property

Trademark

Trademarks are protected by the Trademark Law of the PRC (中華人民共和國商標法) issued by the SCNPC on August 23, 1982, came into effect on March 1, 1983 and finally amended on April 23, 2019 and the Implementation Regulation of the PRC Trademark Law (中華人民共和國商標法實施條例) issued by the State Council on August 3, 2002 and came into effect on September 15, 2002, amended on April 29, 2014 and came into effect on May 1, 2014. The Trademark Office of National Intellectual Property Administration of the PRC handles trademark registration and grants registered trademarks for a validity period of ten years. Trademarks may be renewed every ten years where a registered trademark needs to be used after the expiration of its validity period. Trademark registrants may license, authorize others to use their registered trademark by signing up a trademark license contract. The trademark license agreements shall be submitted to the trademark office for recording.

Patent

According to the Patent Law of the People's Republic of China (中華人民共和國專利法) which was revised by the SCNPC on October 17, 2020 and came to effect on June 1, 2021, and the Implementing Regulations of the Patent Law of the People's Republic of China (中華人民共和國專利法實施細則) which was revised by the State Council on December 11, 2023 and came to effect on January 20, 2024, the patent administration department under the State Council is responsible for the patent work throughout the country. It receives and examines patent applications and grants patent rights for inventions-creations in accordance with law.

Copyright and Software Registration

According to the Copyright Law of the PRC (中華人民共和國著作權法) which was promulgated by the SCNPC on September 7, 1990 and implemented on June 1, 1991, and finally revised on November 11, 2020 and came into effect on June 1, 2021, 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) promulgated by the State Council on August 2, 2002 and implemented on September 15, 2002, and finally revised on January 30, 2013, copyright holders enjoy a variety of personal and property rights, including the right of publication, the right of authorship, the right of reproduction, and the right of communication of information on networks.

The Regulation on Computers Software Protection ((計算機軟件保護條例), which was promulgated by the State Council on June 4, 1991 and amended in 2001 and 2013, respectively, was formulated for the purposes of protecting the rights and interests of copyright owners of computer software, regulating the relationship of interests generated in the development, dissemination and use of computer software, encouraging the development and application of computer software, and promoting the development of software industry and the informatization of national economy. According to the Regulation on Computer Software Protection, Chinese citizens, legal entities or other organizations are entitled to the copyright in the software which they have developed, whether published or not. A software copyright owner may register with the software registration institution recognized by the copyright administration department of the State Council. A registration certificate issued by the software registration institution is a preliminary proof of the registered items.

Domain Name

In accordance with the provisions of the Administrative Measures for Internet Domain Names (互聯網域名管理辦法) promulgated by the Ministry of Industry and Information Technology on August 24, 2017 and taking effect on November 1, 2017, to establish domain name root servers and domain name root server operating organizations, domain name registration management organizations and domain registration service organizations within the territory of China, licenses from the Ministry of Industry and Information Technology or the telecommunications administration authority of the province, autonomous region or municipality directly under the central government shall be obtained in accordance with the relevant regulations. The domain name registration service shall be conducted following the principle of "apply first, register first." 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 Ministry of Industry and Information Technology on November 27, 2017 and effective on January 1, 2018 provides for the obligations of internet information service providers and other entities to fight terrorism and maintain network security.

Information Security and Data Privacy

Pursuant to the PRC Civil Code (中華人民共和國民法典), the personal information of a natural person shall be protected by the law. An information processor shall not disclose or tamper with any personal information collected or stored thereby; and without the consent of the natural person, no personal information shall be illegally provided to any other person, excluding the information through which the specific individual cannot be identified after processing and which cannot be restored. An information processor shall take technical measures and other necessary measures to ensure the security of the personal information collected and stored thereby and prevent information leakage, tampering, and loss.

On May 8, 2017, the Supreme People's Court and the Supreme People's Procuratorate jointly released the Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens' Personal Information (最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋) (the "**Interpretations**"), which came into effect on June 1, 2017, clarifies several concepts regarding the crime of "infringement of citizens' personal information" stipulated by Article 253A of the Criminal Law of the PRC (中華人民共和國刑法), including the "provision of citizens' personal information" and "illegally obtaining any citizen's personal information by other methods." In addition, the Interpretations specify the standards for determining "serious circumstances" and "particularly serious circumstances" of this crime.

The Data Security Law of the PRC (中華人民共和國數據安全法), which was promulgated by the SCNPC on June 10, 2021 and took effect on September 1, 2021, provides that China shall establish a data classification and grading protection system, formulate the important data catalogs to enhance the protection of important data. Processors of important data shall specify the person responsible for data security and management

agencies to implement data security protection responsibilities. Relevant authorities will establish the measures for the cross-border transfer of important data. If any company violates the Data Security Law of the PRC to provide important data outside China, such a company may be punished by administrative sanctions, including penalties, fines, and/or suspension of relevant business or revocation of the business license.

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") was promulgated by the SCNPC on August 20, 2021 and came into effect on November 1, 2021. The Personal Information Protection Law reiterates the circumstances under which a personal information processor could process personal information and the requirements for such circumstances, such as when (1) the individual's consent has been obtained; (2) the processing is necessary for the conclusion or performance of a contract to which the individual is a party; (3) the processing is necessary to fulfill statutory duties and statutory obligations; (4) the processing is necessary to respond to public health emergencies or protect natural persons' life, health and property safety under emergency circumstances; (5) the personal information that has been made public is processed within a reasonable scope in accordance with this Law; (6) personal information is processed within a reasonable scope to conduct news reporting, public opinion-based supervision, and other activities in the public interest; or (7) under any other circumstance as provided by any law or regulation. It also stipulates the obligations of a personal information processor. Any violation of the provisions and requirements under the Personal Information Protection Law may subject a personal information processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses, being entered into the relevant credit record or even criminal liabilities.

The Opinions on Strictly Cracking Down on 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), which were issued by the General Office of the State Council and another authority on July 6, 2021, require to speed up the revision of legislation on strengthening the confidentiality and archives coordination between regulators related to overseas issuance and listing of securities, and improvement to the legislation on data security, cross-border data flow, and management of confidential information.

The Measures for Cybersecurity Review (網絡安全審查辦法) which was published by Cyberspace Administration of China in December 28, 2021 and took effect on February 15, 2022, provides that, which provided that: (1) network platform operators holding personal information of more than one million users shall be subject to cybersecurity review by the Cybersecurity Review Office prior to listing abroad; (2) critical information infrastructure operators (the "**CIIO**") procuring network products and services that affect or may affect national security shall be subject to cybersecurity review; and (3) network platform operators carrying out data processing activities that affect or may affect national security shall be subject to cybersecurity review.

On September 24, 2024, the Regulations on Network Data Security Management (《網絡數據安全管理條例》) (the "**Network Data Security Management Regulations**") was promulgated by the State Council and took effect on January 1, 2025. The Network Data Security Management Regulations apply to the network data handling activities conducted within the territory of the PRC and stipulates that if the network data handling activities affect or may affect national security, a national security review must be conducted in accordance with relevant regulations. The Network Data Security Management Regulations restate and further specify the legal requirements for personal information, cross-border transfer of important data and personal information, data handling activities in network platform services and also provides intensified requirements for important data handlers and large-scale Internet platform service providers. Any failure to comply with such requirements may subject the data processor to, among others, suspension of services, fines, revoking relevant business permits or business licenses and penalties.

According to the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) issued by the Cyberspace Administration of China on July 7, 2022 and became effective on September 1, 2022, a data processor that provides data overseas under any of the following circumstances shall apply to the national cyberspace administration for the security assessment of the outbound data

transfer through local provincial cyberspace administration: (I) a data processor provides important data abroad; (II) the critical information infrastructure operator or the data processor that has processed the personal information of more than 1 million people provides personal information abroad; (III) the data processor that has provided the personal information of over 100,000 people or the sensitive personal information of over 10,000 people cumulatively since January 1 of the previous year provides personal information abroad; and (IV) any other circumstance where an application for the security assessment of outbound data transfer is required by the national cyberspace administration. The Cyberspace Administration of China promulgated the Provisions on Promoting and Regulating Crossborder Data Flows (《促進和規範數據跨境流動規定》) on March 22, 2024, which further clarifies the implementation and convergence of the existing data exit security assessment, personal information exit standard contract, personal information protection certification and other data exit systems, relaxes the conditions for cross-border data flow, and narrows the scope of data exit security assessment.

Regulations Relating to Overseas Direct Investment

Pursuant to the Regulations on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) issued by the SAFE on July 13, 2009 and came into effect on August 1, 2009, upon obtaining approval for overseas investment, an enterprise in Chinese Mainland shall apply for foreign exchange registration for its overseas direct investments. According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment, the administrative approval for foreign exchange registration approval under overseas direct investment has been canceled, and the banks are entitled to review and carry out foreign exchange registration under overseas direct investment directly.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》), which was issued by the MOFCOM on September 6, 2014 and came into effect on October 6, 2014, the MOFCOM and the commerce departments at provincial levels shall subject the overseas investment of enterprises to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region, or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and came into effect on March 1, 2018, the investing activities of enterprises in Chinese Mainland such as acquiring overseas ownerships, controlling rights, operating and management rights and other relevant interests by way of investing assets and interests or providing financing and guarantees to control its overseas enterprises, either directly or indirectly, are required to obtain approval or filing with the NDRC in accordance with the relevant conditions of the overseas investment projects. Outbound investment projects that involve sensitive countries and regions or sensitive industries shall be subject to administration of verification and approval by the NDRC and non-sensitive outbound investment projects shall be subject to administration by record-filing. For non-sensitive projects of US$300 million or above invested by local enterprises in Chinese Mainland or carried out by overseas enterprises controlled by them, the investors shall file with the NDRC and non-sensitive outbound investment projects, of which the investment amount of investors in Chinese Mainland is less than US$300 million (exclusive) shall file with the provincial counterpart of the NDRC.

Regulations Relating to Overseas Securities Offering and Listing

The CSRC promulgated the 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》), or the Overseas Listing Trial Measures, and five relevant guidelines on February 17, 2023, which took effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively reformed the regulatory regime for overseas offering and listing of PRC domestic companies' securities, either directly or indirectly, into a filing-based system.

According to the Overseas Listing Trial Measures, the PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. The Overseas Listing Trial Measures provides that an overseas listing or offering is explicitly prohibited, if any of the following applies: (i) such securities offering or listing is explicitly prohibited by provisions in PRC laws, administrative regulations or relevant state rules; (ii) the proposed securities offering or listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (iii) the domestic company intending to be listed or offer securities in overseas markets, or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to be listed or offer securities in overseas markets is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

Where an issuer submits an application for initial **[REDACTED]** to competent overseas regulators, filing application with the CSRC shall be submitted within three business days thereafter. Subsequent securities offering of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three business days after the offering is completed. Subsequent securities offering and listing of an issuer in other overseas markets shall be filed as initial public offerings.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of 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》), or the Provision on Confidentiality, which took effect on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant national provisions.

Regulations on the H Share Full Circulation

According to the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (2023 Amendment) (H股公司境內未上市股份申請「全流通」業務指引(2023修正)), which was issued and implemented by the CSRC on November 14, 2019 and amended on August 10, 2023, 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, and authorize the domestic enterprises to file the "Full Circulation" application, 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. The shareholders of domestic unlisted shares shall authorize the domestic enterprises to file the "Full Circulation" application with CSRC by filing materials on key compliance issues, including whether the "Full Circulation" has fulfilled adequate internal decision-making procedures, necessary internal approvals and authorizations, and whether the "Full circulation" involves approval or filing procedures set out in the laws, regulations and policies for state-owned asset administration, industry supervision and foreign investment, and if so, whether such approval or filing procedures have been performed. Domestic enterprises that are not yet listed may file the "Full Circulation" application when applying for listing in an

overseas IPO. After an application for "Full Circulation" has been approved by the CSRC, the domestic enterprise shall submit relevant status reports to the CSRC within 15 days after the shares involved in the application completing the transfer registration in CSDC. The domestic unlisted shares may not be transferred back to China after they have been listed and circulated in Hong Kong.

According to the Measures for Implementation of H-share "Full Circulation" Business (H股「全流通」業務實施細則) promulgated by the China Securities Depository and Clearing Corporation Limited (the "**CSDC**") and Shenzhen Stock Exchange (the "**SZSE**") on December 31, 2019, the businesses of cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of participants, services of nominal holders, etc. in relation to the "Full Circulation" business, are subject to the Measures for Implementation. Where there is no provision in the Measures for Implementation, it shall be handled with reference to other business rules of the CSDC, China Securities Depository and Clearing (Hong Kong) Company Limited and the SZSE.

The Shenzhen Branch of CSDC promulgated the Guide to the Program for H-share "Full Circulation" Business of 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 September 20, 2024. These guidelines aim at standardizing the business operations of H-share "Full Circulation" and have made provisions for relevant businesses related to H-share "Full Circulation," including business preparation, cross-border transfer registration, overseas share custody, initial maintenance of detailed domestic holdings, change and maintenance of detailed domestic holdings, handling of corporate actions, settlement and delivery, and risk management.

OVERVIEW

We are a China-based medical device company focused on providing novel solutions for the treatment and integrated management of metabolic diseases. Founded in Hangzhou in 2016 and by developing the first medical device approved for the digestive endoscopic treatment of obesity in China, we have established ourselves as an early entrant advancing clinical applications in the metabolic disease field, providing novel solutions that offer therapeutic features distinct from pharmacotherapy and invasive bariatric surgery in metabolic diseases treatment. We envision a future where our minimally invasive technologies deliver clinical benefits for metabolic diseases, benefiting patients worldwide.

KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

The following is a summary of our key corporate and business development milestones:

Year	Milestone
2016	• Our Company was established.
2017	• We commenced the research and development of our Core Product, the GBS, in Hangzhou.
2020	• The GBS was admitted into the Green Path for Innovative Medical Device by NMPA.
2021	• Our product/solution was honored with the "2021 Best Smart Healthcare Solution Product" award by the Global New Economy Outstanding Achievement Awards Committee.
2022	• We completed the pivotal clinical trial for the GBS and met the primary endpoints of the clinical study of GBS in China. • We obtained "2022 National Disruptive Innovation Competition Excellence Award" by Torch Center of Ministry of Science and Technology.
2023	• We completed the NMPA submission of the GBS for review.
2024	• Our GBS received approval from the NMPA in January and became the first medical device approved for digestive endoscopic treatment of obesity in China. • Our GBS-SH has been granted Breakthrough Device Designation by the FDA. • Our Gastric Bypass Stent System was acknowledged in the *Guideline for Diagnosis and Treatment of Obesity (2024 edition)* issued by the NHC and the Expert Consensus on Digestive Endoscopic Treatment of Obesity in China. • We obtained medical device registration certificate in Indonesia for the GBS.
2025	• The GBS obtained medical device registration certificates in countries and regions including Hong Kong, Thailand, Vietnam, Saudi Arabia, Malaysia and Ecuador.

Year	Milestone
	• Our GBS was acknowledged in the *Expert consensus on weight management clinic setting (2025 edition)* and *Expert opinion on endoscopic duodenal-jejunal bypass liner implantation for weight loss (2025 edition).*
	• We obtained "International Medical Innovation Competition - Medical Innovation Award" by CIIE Exhibition Union Medical Devices Committee.
	• We completed first implantation of our DIGB for pivotal clinical trial in China.
2026	• The GBS obtained medical device registration certificates in four additional markets, including Colombia, the Philippines, Singapore and Brazil.
	• We completed the first implantation of our GBS-Lower BMI for its pivotal clinical trial in China.
	• The GBS had accumulated over 5,200 implantation cases in real-world settings.
	• We obtained the production license for our new Quzhou production facility for GBS capacity expansion.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, we had three major subsidiaries which are all wholly-owned by our Company. Detailed information of our subsidiaries is set out below:

Name	Place of Incorporation	Date of incorporation	Equity interest attributable to our Group	Principal business activities
Shanghai Tangji Shuchuang Technology Co., Ltd.* (上海糖吉術創科技有限公司) ("**Shanghai Tangji**") . . .	PRC	November 8, 2021	100%	Research, development, and commercialization of medical devices
Tianjin Tangji Shuxiang Health Technology Co., Ltd.* (天津糖吉數享健康科技有限公司) ("**Tianjin Tangji**")	PRC	August 29, 2023	100%	Research, development, manufacturing and commercialization of medical devices
Quzhou Jikang Medical Technology Co., Ltd.* (衢州吉康醫療科技有限公司) **("Jikang Medical")**	PRC	December 30, 2024	100%	Research, development and manufacturing of medical devices and consumables

* *The English names of the PRC companies are translations of their Chinese names, and are included herein for identification purpose only. If there is any inconsistency, the Chinese name shall prevail.*

See "Appendix IV — Statutory and General Information — A. Further Information about Our Company — 3. Changes in the Share Capital of Our Subsidiaries" for more details on share capital changes of our subsidiaries.

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

On August 11, 2016, our Company was incorporated in the PRC with an initial registered capital of RMB1,000,000. The founding shareholders were Mr. Zuo and Dr. Xu Tianhong (徐天宏) ("**Dr. Xu**"), who held 70% and 30% of the equity interest in our Company respectively.

Since our incorporation, we have completed several rounds of pre-**[REDACTED]** financing. See " — Pre-**[REDACTED]** Investments" below for more information.

2019 Equity Increase and Transfer

Pursuant to a shareholders' resolution dated April 9, 2019, our then Shareholders agreed that we shall increase our registered capital from RMB1,523,100 to RMB1,538,500 and Zhoushan Aizhong shall subscribe for our increased registered capital of RMB15,400 at a consideration of RMB1.0.

Subsequently, in April 2019, Dr. Xu and Zhoushan Aizhong entered into an equity transfer agreement, pursuant to which Dr. Xu transferred his registered capital of RMB101,100, representing 6.57% equity interest in our Company at that time, to Zhoushan Aizhong at a consideration of RMB1.0.

2020 Conversion of Capital Reserve into Registered Capital

On June 5, 2020, our then Shareholders passed a resolution to convert capital reserves into registered capital on a pro rata basis, increasing our registered capital from RMB1,000,000 to RMB10,000,000 with our then Shareholders subscribing the registered capital in proportion to their respective equity interest in our Company.

2021 Founder Equity Transfer

On April 7, 2021, Dr. Xu and Mr. Zuo entered into an equity transfer agreement, pursuant to which Dr. Xu agreed to transfer his registered capital of RMB393,684, representing 3.74% equity interest in our Company at that time, to Mr. Zuo at nil consideration.

Conversion into a Joint Stock Company

Pursuant to the Shareholders' resolutions dated January 7, 2026, the then Shareholders of our Company agreed to convert our Company from a limited liability company into a joint stock company under the name of Hangzhou Tangji Medical Technology Co., Ltd. (杭州糖吉医疗科技股份有限公司). Upon completion of the conversion, the share capital of our Company was RMB15,642,178 divided into 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 Company immediately before the conversion.

Share Subdivision

Pursuant to the Shareholders' resolutions dated January 19, 2026, each share of our Company with a nominal value of RMB1.00 was sub-divided into 10 Shares with a nominal value of RMB0.10 each, and such Share Subdivision shall take effect immediately before the **[REDACTED]**. Upon completion of such Share Subdivision, the registered capital of our Company will be RMB17,715,951, which will be divided into

177,159,510 Shares with a nominal value of RMB0.10 each. Upon completion of the Share Subdivision, the shareholding structure of our Company will be as follows:

Shareholders	Number of Shares	Percentage of shareholding
Mr. Zuo	45,293,460	25.57%
Dr. Xu	8,043,160	4.54%
Hangzhou Proxima Venture Capital Partnership (Limited Partnership)* (杭州比鄰星創業投資合夥企業 (有限合夥)) ("**Hangzhou Proxima**")	2,325,620	1.31%
Shenzhen Hongli Gerui Investment Partnership Enterprise (Limited Partnership)* (深圳弘勵格睿投資合夥企業(有限合夥)) ("**Hongli Gerui**")	7,440,000	4.20%
Haizhao Zeda Investment Management (Beijing) Co., Ltd.* (海兆澤達投資管理 (北京) 有限公司) ("**Haizhao Zeda**")	1,830,000	1.03%
Shenzhen Fuming Dinghui Equity Investment Partnership (L.P.) 深圳市富明鼎匯股權投資合夥企業（有限合夥）("**Fuming Dinghui**")	5,430,000	3.07%
Hangzhou Jincheng Investment Partnership Enterprise (Limited Partnership)* (杭州謹程投資合夥企業 (有限合夥)) ("**Hangzhou Jincheng**")	3,088,420	1.74%
Hangzhou Oufang Investment Partnership (Limited Partnership)* (杭州藕舫投資合夥企業 (有限合夥)) ("**Hangzhou Oufang**")	1,080,000	0.61%
Zhoushan Aizhong	10,915,910	6.16%
Shanghai Fanghe Investment Center (Limited Partnership)* (上海方和投資中心 (有限合夥)) ("**Shanghai Fanghe**")	8,340,000	4.71%
Ms. Wang Zixin	670,000	0.38%
Ningbo Junjing Management Consulting Partnership Enterprise (Limited Partnership)* (寧波君敬管理諮詢合夥企業 (有限合夥)) ("**Ningbo Junjing**")	5,263,150	2.97%
Sanya Baichuan Zhixin Private Equity Investment Fund Partnership (Limited Partnership)* (三亞百川致新私募股權投資基金合夥企業 (有限合夥)) ("**Baidu Ventures**")	7,894,740	4.46%
Beijing Fengze Jiuyuan Venture Capital Co., Ltd.* (北京豐澤久源創業投資有限責任公司) ("**Fengze Jiuyuan**")	2,631,580	1.49%
Langma No.40 (Shenzhen) Entrepreneurship Investment Center (Limited Partnership)* (朗瑪四十號 (深圳) 創業投資中心 (有限合夥)) ("**Langma No.40**")	421,050	0.24%
Ganzhou Dingxin Huihong Equity Investment Partnership (Limited Partnership)* (贛州市鼎心暉弘股權投資合夥企業 (有限合夥)) ("**Dingxin Huihong**")	1,315,790	0.74%
Wuxi Guolian Guokang Health Industry Investment Center (Limited Partnership)* (無錫國聯國康健康產業投資中心 (有限合夥)) ("**Wuxi Guolian**")	4,829,400	2.73%
Wuxi Dianshi Gonying Consulting Services Partnership (Limited Partnership)* (無錫點石共贏諮詢服務合夥企業 (有限合夥)) ("**Wuxi Dianshi**")	45,400	0.03%
Shenzhen Tuojin Venture Capital Fund Partnership* (深圳拓金創業投資基金合夥企業 (有限合夥)) ("**Shenzhen Tuojin**")	4,636,230	2.62%
Gongqingcheng Tuojin Zhonghe Investment Partnership (Limited Partnership)* (共青城拓金眾合投資合夥企業 (有限合夥)) ("**Gongqingcheng Tuojin**")	37,090	0.02%
Qingdao Yiyue Venture Capital Partnership (Limited Partnership)* (青島頤悅創業投資合夥企業 (有限合夥)) ("**Qingdao Yiyue**")	6,104,370	3.45%
Chengdu Wenjiang Emerging Industry Venture Capital Fund Limited Partnership* (成都溫江新興產業創業投資基金合夥企業 (有限合夥)) ("**Wenjiang Venture Capital**")	2,318,110	1.31%

Shareholders	Number of Shares	Percentage of shareholding
Wutong Chengdu Wutong Jutang Enterprise Management Partnership (Limited Partnership)* (成都梧桐聚糖企業管理合夥企業(有限合夥) ("**Wutong Jutang**")	27,820	0.02%
Chengdu Sanyi Kechuang Equity Investment Fund Partnership (Limited Partnership)* (成都三醫科創股權投資基金合夥企業 (有限合夥)) ("**Chengdu Sanyi**")	1,545,410	0.87%
Zhoushan Zhongying Management Consulting Partnership (Limited Partnership)* (舟山眾贏管理諮詢合夥企業 (有限合夥)) ("**Zhoushan Zhongying**")	1,315,790	0.74%
Langma No. 87 (Shenzhen) Private Venture Capital Fund Limited Partnership* (朗瑪八十七號 (深圳) 私募創業投資基金合夥企業 (有限合夥) ("**Langma No.87**")	1,777,520	1.00%
Langma No. 94 (Shenzhen) Private Venture Capital Fund Limited Partnership* (朗瑪九十四號 (深圳) 私募創業投資基金合夥企業 (有限合夥)) ("**Langma No.94**")	1,777,520	1.00%
Quzhou Greenstone New Materials Equity Investment Partnership (Limited Partnership)* (衢州綠石新材料股權投資合夥企業 (有限合夥)) ("**Quzhou Greenstone**")	4,740,050	2.68%
Foshan Nanhai Jinduo Investment Partnership (Limited Partnership)* (佛山南海金鐸投資合夥企業 (有限合夥)) ("**Nanhai Jinduo**")	3,385,750	1.91%
Zhoushan Hanzhang Management Consulting Partnership (Limited Partnership)* (舟山涵章管理諮詢合夥企業 (有限合夥)) ("**Zhoushan Hanzhang**")	894,740	0.51%
Hangzhou Hi Tech Innovation Phase I Equity Investment Partnership (Limited Partnership)* (杭州高新科創一期股權投資合夥企業 (有限合夥)) ("**Hangzhou Hi Tech**")	10,665,120	6.02%
Mianyang Fukai Industrial Investment Fund Partnership (Limited Partnership)* (綿陽涪凱產業投資基金合夥企業(有限合夥)) ("**Mianyang Fukai**")	3,673,540	2.07%
Mianyang Science and Technology City Sci-Tech Innovation Investment Group Co., Ltd.* (綿陽科技城科技創新投資集團有限公司) ("**Mianyang Sci-Tech Innovation Investment"**)	3,436,540	1.94%
Wuxi Liangxi Science and Technology Innovation Industrial Investment Phase II Fund Partnership (Limited Partnership)* (無錫市梁溪科創產業投資二期基金合夥企業(有限合夥)) ("**Liangxi Sci-Tech**")	4,740,050	2.68%
Nantong Haorui Venture Capital Partnership (Limited Partnership)* (南通濠睿創業投資合夥企業(有限合夥)) ("**Nantong Haorui Venture Capital**")	1,777,520	1.00%
Zhejiang Pharmaceutical Industry and Finance (Kaihua) Equity Investment Partnership (Limited Partnership)* (浙藥產融（開化）股權投資合夥企業（有限合夥）) (**"Zheyao Chanrong"**)	2,370,030	1.34%
Luzhou Jinduo Medical Investment No. 1 Venture Capital Partnership (Limited Partnership)* (瀘州金舵醫投壹號創業投資合夥企業（有限合夥）) ("**Luzhou Jinduo**")	5,078,630	2.87%
Total	**177,159,510**	**100%**

* *The English names of the PRC companies are translations of their Chinese names, and are included herein for identification purpose only. If there is any inconsistency, the Chinese name shall prevail.*

SHARE INCENTIVE SCHEME

In recognition of the contributions of, the directors, senior management and core employees of our Group, and to incentivize them to further promote our development, we adopted a share incentive scheme and granted share awards to eligible grantees under such scheme indirectly through the partnership interest in our stock ownership platform, namely Zhoushan Aizhong. All the underlying equity interest of the share awards granted under the employee incentive scheme is directly held by Zhoushan Aizhong. As of the Latest Practicable Date, all the share awards granted under the employee incentive scheme had been granted to the relevant grantees and there were no outstanding share awards. The employee incentive scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of share awards after the **[REDACTED]**.

Zhoushan Aizhong is a limited partnership established in the PRC. As of the Latest Practicable Date, the general partner of Zhoushan Aizhong was Mr. Zuo (our executive Director, Chairman and chief executive officer) and he held approximately 13.56% of the limited partnership interest. As of the Latest Practicable Date, Zhoushan Aizhong had 48 limited partners, including Mr. Wang Jingyu (王鏡宇) (our secretary to the Board), Ms. Chen Junfei (陳俊飛) (our director of finance), Ms. Yu Jiayan (俞佳燕) (our director of operation), Mr. Chen Jiahao (陳嘉灝) (our chief marketing officer), Dr. Li Wenyu (李文宇) (our technical director) and Mr. Zhong Gaofeng (鐘高峰) (our director of clinical and registration affairs), who held approximately 8.00%, 5.10%, 6.86%, 9.96%, 9.85% and 6.23% of the limited partnership interest, respectively. Save as disclosed above, as of the Latest Practicable Date, the other limited partners of Zhoushan Aizhong were employees or consultants of our Group and none of them were our Directors, senior management, or connected persons with a limited partnership interest of 30% or more.

CAPITALIZATION OF OUR COMPANY

The following table sets forth our shareholding structure as of the Latest Practicable Date and immediately upon the **[REDACTED]** (assuming the **[REDACTED]** is not exercised):

Name of Shareholder	Number of Shares as of the Latest Practicable Date	Ownership percentage as of the Latest Practicable Date	Total number of H Shares immediately after completion of the [REDACTED]	Ownership percentage after completion of the [REDACTED]
Single largest shareholder				
Mr. Zuo	4,529,346	25.57%	45,293,460	**[REDACTED]**
Zhoushan Aizhong	1,091,591	6.16%	10,915,910	**[REDACTED]**
Directors				
Dr. Xu	804,316	4.54%	8,043,160	**[REDACTED]**
Sophisticated Investors				
Baidu Ventures	789,474	4.46%	7,894,740	**[REDACTED]**
Hangzhou Hi Tech	1,066,512	6.02%	10,665,120	**[REDACTED]**

Name of Shareholder	Number of Shares as of the Latest Practicable Date	Ownership percentage as of the Latest Practicable Date	Total number of H Shares immediately after completion of the [REDACTED]	Ownership percentage after completion of the [REDACTED]
Other Pre-[REDACTED] Investors				
Shanghai Fanghe	834,000	4.71%	8,340,000	**[REDACTED]**
Hongli Gerui	744,000	4.20%	7,440,000	**[REDACTED]**
Qingdao Yiyue	610,437	3.45%	6,104,370	**[REDACTED]**
Fuming Dinghui	543,000	3.07%	5,430,000	**[REDACTED]**
Ningbo Junjing	526,315	2.97%	5,263,150	**[REDACTED]**
Luzhou Jinduo	507,863	2.87%	5,078,630	**[REDACTED]**
Wuxi Guolian	482,940	2.73%	4,829,400	**[REDACTED]**
Quzhou Greenstone	474,005	2.68%	4,740,050	**[REDACTED]**
Liangxi Sci-Tech	474,005	2.68%	4,740,050	**[REDACTED]**
Shenzhen Tuojin	463,623	2.62%	4,636,230	**[REDACTED]**
Mianyang Fukai	367,354	2.07%	3,673,540	**[REDACTED]**
Mianyang Sci-Tech Innovation Investment	343,654	1.94%	3,436,540	**[REDACTED]**
Nanhai Jinduo	338,575	1.91%	3,385,750	**[REDACTED]**
Hangzhou Jincheng	308,842	1.74%	3,088,420	**[REDACTED]**
Fengze Jiuyuan	263,158	1.49%	2,631,580	**[REDACTED]**
Zheyao Chanrong	237,003	1.34%	2,370,030	**[REDACTED]**
Hangzhou Proxima	232,562	1.31%	2,325,620	**[REDACTED]**
Wenjiang Venture Capital	231,811	1.31%	2,318,110	**[REDACTED]**
Haizhao Zeda	183,000	1.03%	1,830,000	**[REDACTED]**
Langma No.94	177,752	1.00%	1,777,520	**[REDACTED]**
Langma No.87	177,752	1.00%	1,777,520	**[REDACTED]**
Nantong Haorui Venture Capital	177,752	1.00%	1,777,520	**[REDACTED]**
Chengdu Sanyi	154,541	0.87%	1,545,410	**[REDACTED]**
Zhoushan Zhongying	131,579	0.74%	1,315,790	**[REDACTED]**
Dingxin Huihong	131,579	0.74%	1,315,790	**[REDACTED]**
Hangzhou Oufang	108,000	0.61%	1,080,000	**[REDACTED]**
Zhoushan Hanzhang	89,474	0.51%	894,740	**[REDACTED]**
Ms. Wang Zixin	67,000	0.38%	670,000	**[REDACTED]**
Langma No.40	42,105	0.24%	421,050	**[REDACTED]**
Wuxi Dianshi	4,540	0.03%	45,400	**[REDACTED]**
Wutong Jutang	2,782	0.02%	27,820	**[REDACTED]**
Gongqingcheng Tuojin	3,709	0.02%	37,090	**[REDACTED]**
Shareholders taking part in the **[REDACTED]**	–	–	**[REDACTED]**	**[REDACTED]**
Total	**17,715,951**	**100.0%**	**[REDACTED]**	**100.0%**

PRE-[REDACTED] INVESTMENTS

We concluded several rounds of investments with the Pre-**[REDACTED]** Investors. The basis of determination for the consideration of the Pre-**[REDACTED]** Investments were from arm's length negotiations after taking into consideration the timing of the investments and the status of our business operation and product development between (i) our Company and the Pre-**[REDACTED]** Investors in respect of the equity financings, and (ii) the relevant transferors and transferees in respect of the share transfers.

The following table summarizes the principal terms of the Pre-**[REDACTED]** Investments:

Round	Date(s) of agreement	Date of settlement of full consideration for the relevant round	Investor(s)	Amount of Registered Capital subscribed (RMB)	Total proceeds raised	Post-money valuation of our Company	Cost per Share[(1)]	Discount to the [REDACTED][(2)]
Angel	December 5, 2016	January 9, 2017	• Hangzhou Proxima	125,000	RMB10.5 million	RMB50,500,000	RMB1.25	**[REDACTED]**
	December 5, 2016		• Hongli Gerui	87,500				
	December 5, 2016		• Haizhao Zeda	25,000				
	December 5, 2016		• Mr. Wang Jinggui	12,500				
	December 5, 2016		• Zhengzhou Airport Baiqiao Biomedical Technology Co., Ltd. (鄭州航空港百橋生物科技有限公司)	12,500				
Pre-A	May 30, 2018	April 12, 2019	• Hangzhou Proxima	54,100				
	May 30, 2018		• Fuming Dinghui	90,200	RMB14.45 million	RMB84,450,000	RMB1.23	**[REDACTED]**
	May 30, 2018		• Haizhao Zeda	5,400				
	May 30, 2018		• Hangzhou Jincheng	54,100				
	May 30, 2018		• Hangzhou Oufang	18,000				
	May 27, 2019		• Mr. Wang Jinggui	2,700				
	May 30, 2018		• Hongli Gerui	36,100				
A	May 27, 2019	June 12, 2019	• Ms. Wang Zixin	11,070	RMB11.00 million	RMB149,979,200	RMB1.50	**[REDACTED]**
	May 27, 2019		• Shanghai Fanghe	110,700				
A+	October 21, 2020	October 20, 2020	• Ningbo Junjing	526,315	RMB10.00 million	RMB200,000,000		
B	April 15, 2021	May 8, 2021	• Fengze Jiuyuan	263,158	RMB55.00 million	RMB455,000,000	RMB3.80	**[REDACTED]**
	April 15, 2021		• Langma No.40	263,158				
	April 15, 2021		• Dingxin Huihong	131,579				
	April 15, 2021		• Beijing Baidu Biwei Enterprise Management Center (Limited Partnership) (北京百度畢威企業管理中心（有限合夥))	789,474				
B+	June 1, 2022	August 31, 2023	• Shenzhen Tuojin	463,623	RMB80.66 million	RMB920,155,000	RMB6.47	**[REDACTED]**
	June 1, 2022		• Gongqingcheng Tuojin	3,709				
	June 1, 2022		• Wuxi Guolian	386,352				
	June 1, 2022		• Wuxi Dianshi	3,632				
	November 18, 2022		• Qingdao Yiyue	610,437				
	May 1, 2023		• Chengdu Sanyi	154,541				
	May 1, 2023		• Wenjiang Venture Capital	231,811				
	May 1, 2023		• Wutong Jutang	2,782				
C	December 26, 2024	January 23, 2025	• Langma No.87	177,752	RMB70.00 million	RMB1,270,000,000	RMB8.44	**[REDACTED]**
	December 26, 2024		• Langma No.94	177,752				
	December 26, 2024		• Quzhou Greenstone	474,005				
C+	November 18, 2025	March 6, 2026	• Hangzhou Hi Tech	1,066,512	RMB90.00 million	RMB1,360,000,000	RMB8.44	**[REDACTED]**

Round	Date(s) of agreement	Date of settlement of full consideration for the relevant round	Investor(s)	Amount of Registered Capital subscribed (RMB)	Total proceeds raised	Post-money valuation of our Company	Cost per Share[(1)]	Discount to the [REDACTED][(2)]
	March 23, 2026	March 6, 2026	• Mianyang Fukai • Mianyang Sci-Tech Innovation Investment • Liangxi Sci-Tech • Nantong Haorui Venture Capital	367,354 343,654 474,050 177,752	RMB115.00 million	RMB1,475,000,000	RMB8.44	**[REDACTED]**
	June 23, 2026	June 25, 2026	• Zheyao Chanrong	237,003	RMB20.00 million	RMB1,495,000,000	RMB8.44	**[REDACTED]**

Notes:

(1) The cost per Share is adjusted to reflect subsequent capital injections or share conversions, as applicable.

(2) 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.

Use of proceeds ..... We utilized the proceeds from the Pre-**[REDACTED]** Investments for research and development and the operating expenses of our Company. As of the Latest Practicable Date, approximately 75% of the net proceeds from the Pre-**[REDACTED]** Investments had been utilized.

Lock-up ..... Pursuant to the applicable PRC laws, within the 12 months following the **[REDACTED]**, all existing Shareholders (including the Pre-**[REDACTED]** Investors) of our Company could not dispose of any of the Shares held by them.

Strategic benefits .... At the time of the Pre-**[REDACTED]** Investment, we believed that our Group could benefit from the additional capital injected by the Pre-**[REDACTED]** Investors in our Group, their business resources, knowledge and experience, potential business opportunities and benefits that may be provided by them. Our Pre-**[REDACTED]** Investors include institutional investors, some of which are highly experienced in investing in the industry where we operate. Our Directors believed that our Company could benefit from their industry insights and guidance. Our Directors were 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 Group.

Basis of determination of the consideration ..... The considerations for each round of Pre-**[REDACTED]** Investments were determined based on arm's length negotiation amongst the respective Pre-**[REDACTED]** Investors and our Group after taking into consideration of the timing of the investments, the status of our business operations, the R&D status of our products, financial performance of our Group, and our future business prospects.

Reasons for Fluctuations in Valuation in the Pre-[REDACTED] Investments . . . . . .

The increase in valuation from Pre-A Investments to Series A investment was mainly due to the progress in the pre-clinical development and proof-of-concept studies of the Company's flagship GBS product, together with securing of key intellectual property rights and the recruitment of a seasoned R&D clinical team, which significantly enhanced the Company's competitive positioning and long-term value proposition.

The increase in valuation from Series A+ Investments to Series B Investment was mainly due to the GBS being admitted into the Green Path for Innovative Medical Device by NMPA in 2020.

The increase in valuation from Series B Investment to Series B+ Investment was mainly due to several milestone achieved by the GBS, including (i) completion of the pivotal clinical trial for the GBS and we met the preliminary endpoints of the clinical study of GBS in China in 2022; and (ii) we completed the NMPA submission of the GBS for review.

The increase in valuation from Series B+ Investment to Series C investment was mainly because our GBS received approval from the NMPA in January 2024 and became the first medical device approved for digestive endoscopic treatment of obesity in China.

The increase in valuation from Series C+ Investments to the valuation in the **[REDACTED]** is mainly due to: (i) the Company's unique product advantage as the world's first and China's first approved Class III innovative endoscopic bariatric and metabolic therapy device, addressing unmet medical needs between pharmaceutical and surgical treatments; (ii) strong commercial progress with regulatory approvals in 12 countries and regions, coverage under 28 provincial medical insurance programmes and scalable hospital penetration as of the Latest Practicable Date; (iii) the substantial and fast-growing obesity and metabolic disease market, supported by a comprehensive product portfolio and expanded production capacity for sustainable global growth.

Save for the above, there were no other material fluctuations between each round of Pre-**[REDACTED]** Investments.

Special Rights of the Pre-[REDACTED] Investors . . . . . .

Pursuant to the shareholders' agreement entered into between our Company, Mr. Zuo and our Pre-**[REDACTED]** Investors, the Pre-**[REDACTED]** Investors had been granted certain special rights, including but not limited, right of first refusal and co sale rights, pre-emptive rights, director nomination rights, special voting rights on protected matters, anti-dilution rights, redemption rights, drag along rights, liquidation preferences, dividend rights, most favored treatment right and information rights, among which, the Pre-**[REDACTED]** Investors had been granted redemption right by the Company ("**Company's Redemption Right**") and by Mr. Zuo (the "**CS Redemption Right**") pursuant to the shareholders' agreement.

On December 30, 2025, our Company, Mr. Zuo and the Pre-**[REDACTED]** Investors had entered into a supplemental agreement to the shareholders' agreement (the "**Supplemental Agreement**"). As advised by our PRC Legal Advisors pursuant to the terms of the Supplemental Agreement: (1) the Company's Redemption Right had been terminated and had become void ab initio and deemed to have never had any legal effect (i.e. irrevocably unenforceable); (2) the CS

Redemption Right had been suspended prior to the Listing Application and will be terminated immediately before the **[REDACTED]**; and (3) all other special rights, including right of first refusal and co-sale, anti-dilution rights, drag-along rights, liquidation preferences, dividend right, and information rights, shall be terminated before the **[REDACTED]** and will become void ab initio and deemed to have never had any legal effect.

Throughout the Track Record Period, neither the Company's Redemption Right nor the CS Redemption Right had been exercised by any of the Pre-**[REDACTED]** Investors.

In respect of the Company's Redemption Right, as advised by our PRC Legal Advisors, under the PRC Civil Code 《(中華人民共和國民法典》), the parties to a contract have the right to mutually rescind or terminate the agreement in whole or in part, and may, through express agreement, determine the effective scope and retroactive effect of such termination, provided that it does not contravene mandatory provisions of law. Where the parties expressly agree that certain rights or obligations shall be treated as *void ab initio* ("自始無效''), such agreement is valid and legally binding between the parties and operates to extinguish the relevant contractual rights retrospectively as if they had never arisen. For details, see note 25 to the Accountants' Report set out in Appendix I to this document.

In respect of the CS Redemption Right, the CS Redemption Right does not constitute any obligation of our Company. Furthermore, there had been no separate agreements or side letters entered into between either Mr. Zuo and the Pre-**[REDACTED]** Investors, without our Company being a party thereof. No guarantee had been provided by our Company in respect of the CS Redemption Right. Accordingly, no financial liability had been recorded by our Company in respect of the CS Redemption Right. For details, see note 30 to the Accountants' Report set out in Appendix I to this document.

Confirmation of compliance with Guide for New Listing Applicants

On the basis that (i) the **[REDACTED]**, being the first day of trading of the Shares on the Stock Exchange will take place no earlier than 120 clear days after completion of the Pre-**[REDACTED]** Investments; and (ii) the special rights granted to the Pre-**[REDACTED]** Investors will be suspended upon filing of a listing application and/or shall cease to be effective and be discontinued prior to the proposed **[REDACTED]**, the Joint Sponsors confirm 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 of the Pre-[REDACTED] Investors

Our Pre-**[REDACTED]** Investors include two Sophisticated Investors, namely Baidu Ventures and Hangzhou Hi Tech. Both Sophisticated Investors have invested in the Company at least six months before the **[REDACTED]**, holding approximately **[REDACTED]**% of the total issued Shares immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

To the best of our knowledge, information and belief and having made all reasonable enquiries, all the Pre-**[REDACTED]** Investors were Independent Third Parties as of the Latest Practicable Date. The background information of our Pre-**[REDACTED]** Investors as of the Latest Practicable Date is set out below.

Pre-[REDACTED] Investors	Background
Sophisticated Investors	
Baidu Ventures	Baidu Ventures is a limited partnership established in the PRC and focusing on equity investment and investment management. As of the Latest Practicable Date, the general partner of Baidu Ventures was Beijing Baizhi Consulting Management Center (Limited Partnership) (北京百致諮詢管理中心（有限合夥）) ("**Baizhi Consulting**"). The general partner of Baizhi Consulting is Sanya Baichuan Zhixin Investment Co., Ltd. (三亚百川致新投资有限公司), which is wholly-owned by Beijing Baidu Investment Management Co., Ltd. (北京百度投資管理有限公司) ("**Baidu Investment Management**"). Baidu Investment Management is a limited liability company established in the PRC, focusing on investment management. As of the Latest Practicable Date, Baidu Investment Management is a consolidated group entity of and controlled by Baidu, Inc. (NASDAQ.BIDU; 9888.HK). As of the Latest Practicable Date, Baidu Investment Management had assets under management of not less than HK$1.0 billion and invested in a wide range of sectors including the biotech and healthcare sectors. The limited partner of Baidu Ventures is Dazi County Bairuixiang Venture Capital Management Co., Ltd. (達孜縣百瑞翔創業投資管理有限責任公司) ("**Bairuixiang Venture**"), which owned approximately 99.94% of Baidu Ventures' partnership interest. Bairuixiang Venture is ultimately controlled by Baidu, Inc.
Hangzhou Hi Tech . . .	Hangzhou Hi Tech is a limited partnership established in the PRC. As of the Latest Practicable Date, the general partner of Hangzhou Hi Tech was Hangzhou Hehe Chuangye Investment Co., Ltd. (杭州禾合創業投資有限公司) ("**Hangzhou Hehe**"), and Hangzhou High-tech Venture Capital Co., Ltd. (杭州高新創業投資有限公司) ("**High-Tech Venture Capital**") as its only limited partner held approximately 99% of its equity interest. Both Hangzhou Hehe and High-Tech Venture Capital are wholly-owned by the Finance Bureau of Hangzhou High-Tech Industrial Development Zone (Binjiang) （杭州高新技術產業開發區（濱江）財政局）, which is a PRC governmental body as defined under the Listing Rules. Hangzhou Hehe is an equity investment management institution with affluent investment experience in biotech and healthcare sectors, including but not limited to 17 private companies in biotech and healthcare sectors. As of the July 31, 2026, Hangzhou Hehe managed approximately RMB6.72 billion of capital.
Other Pre-*[REDACTED] *Investors	
Hangzhou Proxima . . .	Hangzhou Proxima is a limited partnership established in the PRC and is managed by its general partner, Hangzhou Proxima Innovative Investment Management L.P. (Limited Partnership) (杭州比鄰星創新投資管理合夥企業(有限合夥)), whose general partner is Shanghai Proxima Asset Management Co., Ltd. (上海比鄰星資產管理有限公司), which is owned as to 90% by Mr. Sun Xiaolu (孫

Pre-[REDACTED] Investors	Background
	曉路), one of our previous Directors. As of the Latest Practicable Date, none of the limited partners of Hangzhou Proxima owned over 30% partnership interest of Hangzhou Proxima.
Shanghai Fanghe	Shanghai Fanghe is a limited partnership established in the PRC and focusing on investment and asset management. As of the Latest Practicable Date, the general partner of Shanghai Fanghe was Shanghai Yabao Fanghe Investment Management Center (Limited Partnership) (上海婭寶方和投資管理中心（有限合夥）("**Shanghai Yabao Fanghe**"), whose general partner is Beijing Yabao Fanghe Investment Management Co., Ltd. (北京雅寶方和投資管理有限責任公司) ("**Yabao Fanghe Investment Management**"). The limited partners of Shanghai Yabao Fanghe include Ouyang Kun (歐陽鯤) and Zhang Dai (張岱), who hold approximately 50.5% and 48.5% of the partnership interests of Shanghai Yabao Fanghe, respectively. Yabao Fanghe Investment Management is owned as to approximately 51% by Ouyang Kun and 49% by Zhang Dai. Both Ouyang Kun and Zhang Dai are Independent Third Parties. As of the Latest Practicable Date, none of the limited partners of Shanghai Fanghe owned over 30% partnership interest of Shanghai Fanghe.
Hongli Gerui	Hongli Gerui is a limited partnership established in the PRC and focusing on venture capital. As of the Latest Practicable Date, the general partner of Hongli Gerui was Shenzhen Hongli Gerui Private Equity Fund Management Co., Ltd. (深圳弘勵格睿私募股權基金管理有限公司), and Liang Xiaowei (梁小薇) an Independent Third Party, being its limited partner, held 99% of its equity interest.
Fuming Dinghui	Fuming Dinghui is a limited partnership established in the PRC and registered with the Asset Management Association of China as a private equity investment fund, focusing on equity investment and venture capital. As of the Latest Practicable Date, the general partner of Fuming Dinghui was Shenzhen Dingxin Capital Management Co., Ltd. (深圳市鼎心資本管理有限公司) ("**Shenzhen Dingxin**"), which is a professional private equity and venture capital fund management institution focusing on the healthcare and hard-technology sectors. Shenzhen Dingxin is wholly owned by Shenzhen Jingyuanrong Industrial Investment Co., Ltd. (深圳市景元容實業投資有限公司), which is ultimately controlled by Ding Yuanrong (丁元容), an Independent Third Party, who holds approximately 99.9% of the equity interests in Shenzhen Jingyuanrong. As of the Latest Practicable Date, Ganzhou Dingxin Huian Venture Capital Partnership (Limited Partnership) (贛州市鼎心輝安創業投資合夥企業（有限合夥）), an Independent Third Party, held approximately 96.34% of the partnership interest of Fuming Dinghui. The limited partners of Ganzhou Dingxin includes Shenzhen Hongxin Investment Partnership (Limited Partnership) (深圳市泓鑫投資合夥企業（有限合夥)) ("**Hongxin Investment**"), holding approximately 35.89% of its partnership interests, which is in turn owned as to approximately 40% by Li Yongjun (李永軍) and 30% by Li Yongkui (李永魁). Both Li Yongjun and Li Yongkui are Independent Third Parties. Save for Hongxin Investment, none of the other limited partners of Ganzhou Dingxin held 30% or more of its partnership interests.
Hangzhou Jincheng . . .	Hangzhou Jincheng is a limited partnership established in the PRC and focusing on investment management and consulting. As of the Latest Practicable Date, the general partner of Hangzhou Jincheng was Shenzhen Chunyang Qiying Venture

Pre-[REDACTED] Investors	Background
	Investment Partnership (Limited Partnership) (深圳春陽啓盈創業投資合夥企業（有限合夥）) ("**Chunyang Qiying**") and except for Chunyang Qiying, none of the limited partners of Hangzhou Jincheng owned over 30% partnership interest and each of them was an Independent Third Party. Chunyang Qiying held approximately 58.16% of the partnership interests in Hangzhou Jincheng. Chunyang Qiying is a limited partnership established under the laws of the PRC and engaged in equity investment and venture capital. The general partner of Chunyang Qiying is Shenzhen Qianhai Chunyang Venture Capital Partnership (Limited Partnership)* (深圳前海春陽創業投資合夥企業（有限合夥）), whose general partner is Shenzhen Qianhai Chunyang Asset Management Co., Ltd.* (深圳前海春陽資產管理有限公司) ("Chunyang Asset Management"), an asset management company based in Shenzhen, PRC primarily engaged in equity investment and asset management. Chunyang Asset Management is owned as to 80% by Shenzhen Chunyang Chuangxian Information Consulting Partnership (Limited Partnership)* (深圳春陽創先資訊諮詢合夥企業（有限合夥）), the general partner of which is Fu Junru (傅軍如) with a 10% partnership interests and the sole limited partner of which is Wu Min (武敏) with a 90% partnership interests. Both Fu Junru and Wu Min are Independent Third Parties.
Haizhao Zeda	Haizhao Zeda is a limited liability company established in the PRC and focusing on investment management. As of the Latest Practicable Date, Xu Haijun (徐海珺) and Zhong Haiqun (仲兆群), each of them an Independent Third Party, held 45% of its equity interest respectively.
Hangzhou Oufang	Hangzhou Oufang is a limited partnership established in the PRC, whose core business is private equity investment fund operations. As of the Latest Practicable Date, the general partner of the partnership was Hangzhou Ofound Venture Capital Management Co., Ltd.(杭州藕舫創業投資管理有限公司), which is owned as to approximately 63% by Liu Jianbin (劉建斌), an Independent Third Party; none of its limited partners held 30% or more of the partnership equity interests, and each of such limited partners was an Independent Third Party. Hangzhou Ofound Venture Capital Management Co., Ltd. held approximately 0.24% of the partnership interests in Hangzhou Oufang.
Ms. Wang Zixin	Ms. Wang Zixin is a PRC resident and an individual Pre-**[REDACTED]** Investor of the Company. To the best knowledge of our Directors, Ms. Wang Zixin is an Independent Third Party.
Ningbo Junjing	Ningbo Junjing is a limited partnership established in the PRC and focusing on enterprise management consulting. As of the Latest Practicable Date, the general partner of Ningbo Junjing was Chen Yonghong (陳永紅), an Independent Third Party. Except for Jia Jun (賈軍), an Independent Third Party, who holds 44.5% of the partnership interests in Ningbo Junjing, none of the other limited partners hold 30% or more of the partnership interest in Ningbo Junjing. Among the limited partners was Shen Qiongfang (沈瓊芳), a former employee of the Company and a former director, who formally ceased to be a director on 27 June 2025 pursuant to a shareholders' resolution.

Pre-[REDACTED] Investors	Background
Fengze Jiuyuan	Fengze Jiuyuan is a limited liability company established in the PRC and focusing on project investment and investment management. As of the Latest Practicable Date, Liu Zhilian (劉志連) owned 52% of its equity interest and Zhu Yuanjun (朱元君) owned 48% of its equity interest and each of them was an Independent Third Party.
Langma No.40, Langma No.87, Langma No. 94	Each of Langma No.40, Langma No.87 and Langma No. 94 is a limited partnership established in the PRC and focusing on venture capital. As of the Latest Practicable Date, the general partner of Langma No.40, Langma No.87, and Langma No. 94 was Everest Venture Capital Investment Co., Ltd. (朗瑪峰創業投資有限公司) ("**Everest Venture Capital**"), and Langma No.87 and Langma No.94 each had approximately 50 limited partners, each of whom hold less than 30% partnership interest and was an Independent Third Party. Everest Venture Capital is an investment company focusing on investment in high-tech companies. Langma No.40 has one limited partner, Mr. Xiao Jiancong (肖建聰) who is an Independent Third Party. Everest Venture Capital had approximately RMB10 billion of assets under its management as of the Latest Practicable Date. Everest Venture Capital is 95.00% owned by Mr. Xiao Jiancong.
Dingxin Huihong	Dingxin Huihong is a limited partnership established in the PRC and focusing on equity investment. As of the Latest Practicable Date, the general partner of Dingxin Huihong was Shenzhen Dingxin Capital Management Co., Ltd. (深圳市鼎心資本管理有限公司) and except for Foshan Jinchun No. 5 Venture Capital Partnership (Limited Partnership) (佛山金醇伍號創業投資合夥企業（有限合夥）) ("**Jinchun No. 5**"), none of the limited partners of Dingxin Huihong owned over 30% partnership interest and each of them was an Independent Third Party. Shenzhen Dingxin Capital Management Co., Ltd. was established in 2014 and primarily engages in investment activities, with a particular focus on early-stage and specialized investments in the healthcare and hard technology sectors. Jinchun No. 5 is a limited partnership established in the PRC. As of the Latest Practicable Date, its general partner was Xuyong Jintuo Equity Fund Management Co., Ltd. (敘永金舵股權投資基金管理有限公司) ("**Xuyong Jintuo**"). The sole limited partner of Phase I Jinlu Investment was Sichuan Golden Rudder Investment Co., Ltd. (四川金舵投資有限責任公司) ("**Golden Rudder Investment**"), which held approximately 99% of the partnership interests therein. Xuyong Jintuo is owned as to approximately 97% by Golden Rudder Investment. Golden Rudder Investment is in turn owned as to approximately 86.83% by Luzhou Laojiao Group Co., Ltd. (瀘州老窖集團有限責任公司), which is owned as to approximately 67% by the State-owned Assets Supervision and Administration Commission of Luzhou Municipal People's Government (瀘州市國有資產監督管理委員會).
Shenzhen Tuojin and Gongqingcheng Tuojin	Shenzhen Tuojin is a limited partnership established in the PRC and focusing on venture capital and equity investment. As of the Latest Practicable Date, the general partner of Shenzhen Tuojin was Shenzhen Tuojin Private Equity Fund Management Co., Ltd. (深圳拓金私募股權投資基金管理有限公司), which is owned as to approximately 45.16% by Li Yang (栗洋) and 54.84% by Topping Capital Management Co., Ltd. (拓金資本管理有限公司). Topping Capital Management Co., Ltd. is owned as to 50% by Wang Fang (王芳) and 50% by Li Yang, both being Independent Third Parties. As of the Latest Practicable Date, Xi'an Shanmei Industrial Investment Fund Partnership (Limited Partnership) (西安善美產業投資基

金合夥企業（有限合夥)) ("**Shanmei Industrial Investment**") was a limited partner of Shenzhen Tuojin, holding approximately 71.43% of the partnership interests therein. Shanmei Industrial Investment is a limited partnership, the general partner of which is Xi'an Shanmei Fund Management Co., Ltd. (西安善美基金管理有限公司) ("**Xi'an Shanmei**"). The sole limited partner of Shanmei Industrial Investment is Shaanxi Coal and Chemical Industry Group Co., Ltd. (陝西 煤業化工集團有限責任公司) ("**Shaanxi Coal and Chemical**"), which held approximately 99.98% of the partnership interests therein. Xi'an Shanmei is also owned as to approximately 98% by Shaanxi Coal and Chemical. Shaanxi Coal and Chemical is in turn wholly owned by the State-owned Assets Supervision and Administration Commission of the Shaanxi Provincial People's Government (陝西省人民政府國有資產監督管理委員會). Apart from Shanmei Industrial Investment, none of the limited partners of Shenzhen Tuojin owned over 30% partnership interest. As of the Latest Practicable Date, Shenzhen Tuojin's actual controller was Li Yang, who was the general partner of Gongqingcheng Tuojin and an Independent Third Party.

Gongqingcheng Tuojin is a limited partnership established in the PRC and focusing on investment with self-owned capital. As of the Latest Practicable Date, the general partner of Gongqingcheng Tuojin was Li Yang, and none of the limited partners of Gongqingcheng Tuojin owned over 30% partnership interest and saved for that disclosed, each of them was an Independent Third Party.

Wuxi Guolian . . . . . Wuxi Guolian is a private equity fund established under the laws of PRC and is managed by Wuxi Guolian Industrial Investment Private Fund Management Co., Ltd. (無錫國聯產業投資私募基金管理有限公司), which is also the general partner of Wuxi Guolian. Wuxi Guolian Industry Investment Co., Ltd. has four shareholders. As of the Latest Practicable Date, Wuxi Innovation Investment Group Co., Ltd. (無錫市創新投資集團有限公司) held approximately 55% of its equity interests, and Wuxi Guolian Industrial Investment Group Co., Ltd. (無錫國聯 實業投資集團有限公司) held approximately 30% of its equity interests. Wuxi Innovation Investment Group Co., Ltd. is owned as to approximately 73.5% by Wuxi Guofa Capital Operation Co., Ltd. (無錫市國發資本運營有限公司), which is wholly owned by the State-owned Assets Supervision and Administration Commission of Wuxi Municipal People's Government (無錫市人民政府國有資產監督管理委員會). Wuxi Guolian Industrial Investment Group Co., Ltd. is wholly owned by Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展（集團）有限公司). Wuxi Guolian Development (Group) Co., Ltd. is owned as to approximately 34.43% by Wuxi Guofa Capital Operation Co., Ltd. and approximately 59.13% by the State-owned Assets Supervision and Administration Commission of Wuxi Municipal People's Government. As of the Latest Practicable Date, Wuxi Guolian had 3 limited partners with Wuxi Guolian Financial Investment Group Co., Ltd. (無錫國聯金融投資集團有限公司) being its largest limited partner, holding approximately 49.5% of partnership interest in Wuxi Guolian. Wuxi Guolian Financial Investment Group Co., Ltd. is wholly owned by Wuxi Guolian Development (Group) Co., Ltd. As of the Latest Practicable Date, Wuxi Guolian Financial Investment Group Co., Ltd. (無錫國聯金融投資集團有限公司), Wuxi Guofa Capital Operation Co., Ltd. (無錫市國發資本運營有限公司) and Wuxi Liangxi Venture Investment Co., Ltd. (無錫梁溪創業投資有限公司) each holding 10% or more of partnership interest in Wuxi Guolian, were the major limited partners of Wuxi Guolian.

Pre-[REDACTED] Investors	Background
Wuxi Dianshi	Wuxi Dianshi is a limited partnership established in the PRC and focusing on investment with self-owned capital. As of the Latest Practicable Date, the general partner of Wuxi Dianshi was Shen Guangping (沈廣平) and Ji Wenyong (紀文勇) being an Independent Third Party, held approximately 80% of its equity interest as its limited partner.
Qingdao Yiyue	Qingdao Yiyue is a limited partnership established in the PRC and focusing on investment with self-owned capital. As of the Latest Practicable Date, the general partner of Qingdao Yiyue was NNFE Private Equity Fund Management (Beijing) Co., Ltd (新誼私募基金管理（北京）有限公司), which is owned as to approximately 80% by Beijing Xinyi Holdings Group Co., Ltd. (北京新毅控股集團有限公司). Beijing Xinyi Holdings Group Co., Ltd. is wholly owned by Song Xiaoyu (宋笑宇), an Independent Third Party. As of the Latest Practicable Date, Qingdao Yiyue has 6 limited partners with Beijing Xinruimaisi Biotechnology Co., Ltd. (北京新瑞邁斯生物科技有限公司) ("**Beijing Xinruimaisi**") being its largest limited partner, holding approximately 30% of the partnership interest in Qingdao Yiyue and each of Qingdao Yiyue and its general partner and limited partners was an Independent Third Party. Beijing Xinruimaisi's largest shareholder, Beijing Ronglin Biotechnology Co., Ltd. (北京融霖生物科技有限公司), held approximately 49.1% of its equity interests. Li Yongming (李永明), an Independent Third Party, wholly owns Beijing Ronglin Biotechnology Co., Ltd.
Wenjiang Venture Capital and Chengdu Sanyi	Wenjiang Venture Capital is a limited partnership established in the PRC and focusing on venture capital. As of the Latest Practicable Date, the general partner of Wenjiang Venture Capital was Chengdu Guanghua Wutong Equity Investment Fund Management Co., Ltd. (成都光華梧桐股權投資基金管理有限公司). ("**Guanghua Wutong**"). Guanghua Wutong is wholly owned by Chengdu Guanghua Kaiyuan Capital Management Co., Ltd. (成都光華開源資本管理有限責任公司), which is owned as to approximately 51.18% by the State-owned Assets Supervision and Administration Bureau of Wenjiang District, Chengdu (成都市溫江區國有資產監督管理局). As of the Latest Practicable Date, Wenjiang Venture Capital had 4 limited partners with Chengdu Wenjiang Major Industrialization Project Equity Investment Fund Partnership (Limited Partnership) (成都溫江重大產業化項目股權投資基金合夥企業（有限合夥）) ("**Chengdu Wenjiang Major Industrialization Project**") being its largest limited partner, holding approximately 67.87 % of the partnership interest in Wenjiang Venture Capital and each of Wenjiang Venture Capital and its general partner and limited partners was an Independent Third Party. Chengdu Wenjiang Major Industrialization Project is a limited partnership established in the PRC and focuses on equity investments through private equity funds. As of the Latest Practicable Date, the general partner of Chengdu Wenjiang Major Industrialization Project was Guanghua Wutong. As of the Latest Practicable Date, Chengdu Wenjiang Major Industrialization Project had three limited partners. Chengdu Wenjiang Urban Investment Shunyuan Ecological Environment Construction Co., Ltd. (成都市溫江城投順源生態環境建設有限公司) ("**Wenjiang Urban Investment**") held approximately 59.98% of the partnership interests, and Chengdu Jiulian Kehai Health Technology Co., Ltd. (成都九聯科海健康科技有限公司) ("**Jiulian Kehai")** held approximately 39.98% of the partnership interests in Chengdu Wenjiang Major Industrialization Project. Wenjiang Urban Investment is wholly owned by Chengdu Wenjiang Development Holding Group Co., Ltd. (成都溫江發展控股集團有限公司), which is in turn wholly

owned by the State-owned Assets Supervision and Administration Bureau of Wenjiang District, Chengdu (成都市溫江區國有資產監督管理局). Chengdu Medical City Urban Construction and Development Co., Ltd. (成都醫學城城市建設發展有限公司) held approximately 90% of the equity interests in Jiulian Kehai, which is wholly owned by Chengdu Jiulian Investment Group Co., Ltd. (成都九聯投資集團有限公司). Chengdu Jiulian Investment Group Co., Ltd. is owned as to approximately 89.81% by Chengdu Wenjiang Industrial Investment Holding Group Co., Ltd. (成都溫江產業投資控股集團有限公司), which is wholly owned by the State-owned Assets Supervision and Administration Bureau of Wenjiang District, Chengdu (成都市溫江區國有資產監督管理局). Save for Wenjiang Urban Investment and Jiulian Kehai, none of the other limited partners of Chengdu Wenjiang Major Industrialization Project held 30% or more of the partnership interests therein.

Chengdu Sanyi is a limited partnership established in the PRC and focusing on venture capital. As of the Latest Practicable Date, the general partners of Chengdu Sanyi were Guanghua Wutong and Chengdu Innovation Venture Capital Co., Ltd. (成都創新風險投資有限公司) **("Chengdu Innovation")**. Chengdu Innovation is owned as to approximately 55.83% by Chengdu Science and Technology Innovation Investment Group Co., Ltd. (成都科技創新投資集團有限公司) **("Chengdu Science and Technology Innovation")** and 36.79% by Sichuan State-owned Assets Investment Management Co., Ltd. (四川省國有資產經營投資管理有限責任公司) **("Sichuan State-owned Assets Investment")**. Chengdu Science and Technology Innovation is owned as to 49% by Chengdu Industry Investment Co., Ltd. (成都產業投資集團有限公司), which is in turn owned as to 90% by the State-owned Assets Supervision and Administration Commission of the Chengdu Municipal People's Government (成都 市國有資產監督管理委員會). Sichuan State-owned Assets Investment is owned as to approximately 86.95% by Sichuan Development Holdings Co., Ltd. (四川發展（控股）有限責任公司), which is in turn owned as to 90% by the State-owned Assets Supervision and Administration Commission of the Sichuan Provincial People's Government (四川省政府國有資產監督管理委員會). As of the Latest Practicable Date, the limited partners were Chengdu Jingrong Venture Capital Co., Ltd. (成都市菁蓉創富投資有限公司) and Chengdu Wenjiang Major Industrialization Project each holding 49.5% of the partnership interest in Chengdu Sanyi. Chengdu Science and Technology Innovation held 75% of equity interests in Chengdu Jingrong Chuangfu Investment Co., Ltd. To the best knowledge of our Directors, each of Chengdu Sanyi and its general partner and limited partners is an Independent Third Party.

Wutong Jutang ..... Wutong Jutang is a limited partnership established in the PRC and focusing on enterprise management and consulting. As of the Latest Practicable Date, the general partner of Wutong Jutang was Wang Fei (王飛). Wutong Jutang has 4 limited partners, and its largest limited partner is Wang Hongliang (王宏亮), holding approximately 27.78% of the partnership interest in Wutong Jutang and each of Wutong Jutang and its general partner and limited partners is an Independent Third Party.

Pre-[REDACTED] Investors	Background
Zhoushan Zhongying	Zhoushan Zhongying is a limited partnership established in the PRC and is an investment platform established for the purpose of investing in our Company. As of the Latest Practicable Date, the general partner of Zhoushan Zhongying was Fu Weili (符蔚麗), who is our Company's employee. As of the Latest Practicable Date, she held approximately 0.10% of the partnership interest. Zhoushan Zhongying has eight limited partners, and its largest limited partner is Huang Aihua (黃愛華), holding approximately 60% of the partnership interest, and some of its limited partners are our senior management, including Ms. Chen Junfei (陳俊飛) (our director of finance), Mr. Chen Jiahao (陳嘉灝) (our chief marketing officer) and Dr. Li Wenyu (李文宇) (our technical director), who held 4.90%, 10.00% and 5.00% of partnership interest, respectively. Save as disclosed above, as of the Latest Practicable Date, none of the other limited partners were Directors, senior management, or connected persons of our Company, nor did any hold a partnership interest of 30% or more.
Quzhou Greenstone	Quzhou Greenstone is a limited partnership established in the PRC and focusing on equity investment. As of the Latest Practicable Date, the general partner of Quzhou Greenstone was Quzhou State Owned Assets Xin'an Capital Management Co., Ltd. (衢州市國資信安資本管理有限公司) **("Xin'an Capital")**. Xin'an Capital is wholly owned by Quzhou Financial Holding Group Co., Ltd. (衢州市金源控股集團有限公司), which is owned as to approximately 56.49% by Quzhou Holdings Group Co., Ltd. (衢州控股集團有限公司) **("Quzhou Holdings")** and 43.51% by Quzhou Grand Garden Construction Investment and Development Group Co., Ltd. (衢州市大花園建設投資發展集團有限公司). Quzhou Holdings is wholly owned by Quzhou Industrial Investment Holding Group Co., Ltd. (衢州市產業投資控股集團有限公司), which is in turn wholly owned by State-owned Assets Supervision and Administration Commission of the Quzhou Municipal People's Government (衢州市人民政府國有資產監督管理委員會). Quzhou Grand Garden Construction Investment and Development Group Co., Ltd. is owned as to approximately 51% by Quzhou Linxing Forestry Seedling Co., Ltd. (衢州大花園控股集團有限公司) and 49% by Quzhou Holdings. Quzhou Linxing Forestry Seedling Co., Ltd. is owned as to approximately 51% by Quzhou State-owned Capital Operation Co., Ltd. (衢州市國有資本運營有限公司) **("Quzhou State-owned Capital")** and 49% by State-owned Assets Supervision and Administration Commission of the Quzhou Municipal People's Government, and Quzhou State-owned Capital is owned as to approximately 98.17% by Quzhou State-owned Assets Holding Group Co., Ltd.(衢州市國資控股集團有限公司), which is wholly owned by State-owned Assets Supervision and Administration Commission of the Quzhou Municipal People's Government. To the best knowledge of our Directors, each of Quzhou Greenstone and its general partner and limited partners is an Independent Third Party.
Nanhai Jinduo and Luzhou Jinduo	Nanhai Jinduo is a limited partnership established in the PRC and focusing on equity investment. As of the Latest Practicable Date, the general partner of Nanhai Jinduo was Xuyong Jinduo Equity Investment Fund Management Co., Ltd. (叙永金舵股權投資基金管理有限公司), and Sichuan Jinduo Investment Co., Ltd. (四川金舵投資有限責任公司) ("**Sichuan Jinduo Investment**") an Independent Third Party, being its limited partner, held approximately 99.5% of its partnership interest. Sichuan Jinduo Investment is ultimately controlled by Luzhou Laojiao Group Co., Ltd. (瀘州老窖集團有限責任公司), which is a large state-owned brewing enterprise controlled by the State-owned Assets Supervision and Administration Commission of Luzhou City in Sichuan Province.

Pre-[REDACTED] Investors	Background
	Luzhou Jinduo is a limited partnership established in the PRC primarily engaged in equity and venture capital investment. Luzhou Jinduo has one limited partner, Southwest Medical and Health Industry Investment Group Co., Ltd. (西南醫療健康產業投資集團有限公司) ("**Southwest Medical Investment**") which holds 98% of the partnership interest of Luzohu Jinduo. Southwest Medical Investment is wholly owned by Luzhou Development Holding Group Co., Ltd. (瀘州發展控股集團有限公司), which is in turn wholly-owned and controlled by the Luzhou Municipal State-owned Assets Supervision and Administration Commission (瀘州市國有資產監督管理委員會). The general partner of Luzhou Jinduo is Xuyong Jinduo Equity Investment Fund Management Co., Ltd. (叙永金舵股權投資基金管理有限公司), which is owned as to 97% by Sichuan Jinduo Investment.
Zhoushan Hanzhang . .	Zhoushan Hanzhang is a limited partnership established in the PRC and is an investment platform established for the purpose of investing in our Company. As of the Latest Practicable Date, the general partner of Zhoushan Hanzhang was Zheng Chunying (鄭春瑩), who is our Company's employee. As of the Latest Practicable Date, Zhoushan Hanzhang had 12 limited partners where its largest limited partner is Yang Zhigang (楊志崗), holding approximately 29.41% of the partnership interest in Zhoushan Hanzhang and some of its limited partners are our Company's senior management, including Mr. Wang Jingyu (王镜宇) (our secretary to the Board) and Dr. Li Wenyu (李文宇) (our technical director), who held 7.35% and 1.47% of partnership interest, respectively. Save as disclosed above, as of the Latest Practicable Date, none of these other limited partners were Directors, senior management or connected persons of our Company, nor did any hold a partnership interest of 30% or more.
Mianyang Fukai and Mianyang Sci-Tech Innovation Investment	Mianyang Fukai is a limited partnership established in the PRC and focusing on equity investment. Mianyang Fukai has two limited partners, amongst which Sichuan Zifa Industrial Investment Group Co., Ltd.* (四川梓发产业投资集团有限公司) ("**Sichuan Zifa**") holds approximately 92.0% of the partnership interest in Mianyang Fukai. Sichuan Zifa is a company established in the PRC and primarily engaged in investment management. It is wholly-owned by the State-owned Assets Supervision and Administration Office of Santai County (三台县国有资产监督管理办公室). The general partner of Mianyang Fukai is Mianyang Puzhong Enterprise Management Co., Ltd.* (绵阳普仲企业管理有限责任公司), which is wholly-owned by Mianyang Kefa Equity Investment Fund Management Co., Ltd.*（绵阳科发股权投资基金管理有限公司）, which is in turn owned as to 49.25% by Mianyang Science and Technology City Development Investment (Group) Co., Ltd.* (绵阳科技城发展投资（集团）有限公司) ("**Mianyang Science and Technology City Development**"). Mianyang Science and Technology City Development is ultimately controlled by the Mianyang State-owned Assets Supervision and Administration Commission (绵阳市国有资产监督管理委员会) in Sichuan province. Mianyang Sci-Tech Innovation Investment is a company established in the PRC and focusing on investment in the innovative technology sector. Mianyang Sci-Tech Innovation Investment has six shareholders, amongst which Mianyang Science and Technology City Management Committee* (绵阳科技城管理委员会) is the largest shareholder and holds 34% of the shareholding. None of the other remaining shareholders of Mianyang Sci-Tech Innovation Investment holds 30% or more of the shareholding.

Pre-[REDACTED] Investors	Background
Liangxi Sci-tech	Liangxi Sci-tech is a limited liability partnership established under the laws of the PRC and is managed by its general partner, Wuxi Liangxi Science & Technology Innovation Industrial Investment Phase II Management Co., Ltd.* (無錫市梁溪科創產業投資二期管理有限公司) ("**Wuxi Management**"). Liangxi Sci-tech is owned as to (i) approximately 0.08% by Wuxi Management, (ii) approximately 49.96% by Wuxi Liangxi Sci-Tech City Innovation Investment Co., Ltd.* (無錫市梁溪科技城創新投資有限公司) ("**Wuxi Innovation Investment**") and (iii) approximately 49.96% by Wuxi Xiangyun Investment Co., Ltd.* (無錫市象雲投資有限公司) ("**Wuxi Xiangyun**"). Wuxi Management is held as to 50% by Wuxi Boshu Investment Management Co., Ltd.* (無錫博數投資管理有限公司) as its largest shareholder. Wuxi Boshu Investment Management Co., Ltd is in turn held as to 80% by Wuxi Borong Investment Partnership (Limited Partnership)* (無錫博融投資合夥企業（有限合夥）), whose general partner is Beijing Bohua Capital Co., Ltd.* (北京博華資本有限公司), which is ultimately controlled by Mr. Xu Wenbo (徐文博), an Independent Third-Party. Wuxi Innovation Investment is held 100% by Wuxi City Liangxi Technology City Industrial Park Development Group Co., Ltd.* (無錫市梁溪科技城園區發展集團有限公司). Wuxi City Liangxi Technology City Industrial Park Development Group Co., Ltd.* (無錫市梁溪科技城園區發展集團有限公司) is in turn 100% held by Wuxi City Liangxi Technology City Development Group Co., Ltd.* (無錫市梁溪科技城發展集團有限公司), Wuxi City Liangxi Technology City Development Group Co., Ltd.* (無錫市梁溪科技城發展集團有限公司) is held (i) approximately 38.54% by Wuxi Guangyi Jianfa Holdings Group Co., Ltd.* (無錫市廣益建發控股集團有限公司) and (ii) six other independent shareholders each holding no more than 30% of its equity interest. Wuxi Guangyi Jianfa Holdings Group Co., Ltd.* (無錫市廣益建發控股集團有限公司) is in turn held 50% by Wuxi City Liangxi District State-owned Assets Supervision and Administration Office* ("**Wuxi SASAC Office**") (無錫市梁溪區人民政府國有資產監管管理辦公室), being it's largest single shareholder. Wuxi Xiangyun is held approximately 89.8% by Wuxi Liangxi Industrial Development Group Co., Ltd.* (無錫市梁溪產業發展集團有限公司), which is in turn held (i) approximately 60% by Wuxi City Office and (ii) approximately 40% by Wuxi City Liangxi Urban Operations Services Group Co., Ltd.* (無錫市梁溪城市運營服務集團有限公司). Wuxi Liangxi Urban Operations Services Group Co., Ltd.* (無錫市梁溪城市運營服務集團有限公司) is held 100% by Wuxi Liangxi Urban Development Group Co., Ltd. (無錫市梁溪城市發展集團有限公司). Wuxi Liangxi Urban Development Group Co., Ltd. (無錫市梁溪城市發展集團有限公司) is held 100% by Wuxi SASAC Office.
Nantong Haorui Venture Capital	Nantong Haorui Venture Capital is a limited partnership established in the PRC primarily engaged in venture capital investment. Nantong Haorui Venture Capital has three limited partners, amongst which Nantong Economic and Technological Development Zone Holding Group Co., Ltd.* (南通经济技术开发区控股集团有限公司) ("**Nantong Economic and Technological Holding**") and Nantong Investment Management Co., Ltd.* (南通投资管理有限公) ("**Nantong Investment Management**") each holds approximately 49.3% of the partnership interest. Nantong Economic and Technological Holding is in turn wholly-owned by the Nantong Economic and Technological Development Zone Management Committee* (南通市经济技术开发区管理委员会) in Jiangsu province. Nantong

Pre-[REDACTED] Investors	Background
	Investment Management is company established in the PRC engaged in investment management and is wholly-owned by Nantong Industrial Holding Group Co., Ltd.* (南通产业控股集团有限公司), which is in turn owned as to 94.4% by the Nantong Municipal People's Government State-owned Assets Supervision and Administration Commission* (南通市人民政府国有资产监督管理委员会) in Jiangsu province.
Zheyao Chanrong	Zheyao Chanrong is a limited partnership established in the PRC primarily engaged in equity and venture capital investment. It has been registered with the Asset Management Association of China (SBUV02), and its fund manager is Zhejiang Orient Group Chanrong Investment Co., Ltd. (P1006237). Zheyao Chanrong has three limited partners, amongst which Kaihua County Huakong Equity Investment Co., Ltd. (開化縣華控股權投資有限公司) ("**Kaihua Huakong**") is the largest limited partner and holds 60% of the partnership interest. None of the other two remaining limited partners hold 30% or more of the partnership interest. Kaihua Huakong is a company established in the PRC and ultimately controlled by the Kaihua County State-owned Assets Management Service Center (開化縣國有資產管理服務中心) in Kaihua County in Quzhou province. Zheyao Chanrong has two general partners, namely Chanrong Chantou (Hangzhou) Equity Investment Co., Ltd. (產融產投（杭州）股權投資有限公司) and Zhejiang Hanqing Equity Investment Co., Ltd. (浙江汗青股權投資有限公司). The former is wholly owned by Zhejiang Oriental Group Industrial Finance Investment Co., Ltd. (浙江東方集團產融投資有限公司), which is in turn wholly-owned by Zhejiang Oriental Holding Group Co., Ltd. (浙江東方控股集團股份有限公司) ("**Zhejiang Oriental Holding**"). Zhejiang Oriental Holding (600120.SH) is a company established in the PRC in 1988 and listed on the Shanghai Stock Exchange in 1997. Its business operations cover trusts, futures, life insurance, financial leasing, fund management, and wealth management, amongst others.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any material acquisition or disposal.

PUBLIC FLOAT

Immediately upon completion of the **[REDACTED]** (assuming the conversion of unlisted shares into H Shares is completed and the **[REDACTED]** is not exercised), the Company will have **[REDACTED]** H Shares, among which:

a. the **[REDACTED]** H Shares held by Mr. Zuo, Zhoushan Aizhong and Dr. Xu to be converted from Unlisted Shares pursuant to the conversion of Unlisted Shares into H Shares of the Company and **[REDACTED]** on the Stock Exchange (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 substantial shareholders and Directors and therefore constitute Shares held by core connected persons of our Company;

b. the **[REDACTED]** H Shares to be converted from Unlisted Shares pursuant to the conversion of Unlisted Shares into H Shares of the Company and **[REDACTED]** on the Stock Exchange (representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]**) will be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing

Rules after the **[REDACTED]** as these shares will be held by entities and individuals who 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

c. **[REDACTED]** H Shares will be issued pursuant to the **[REDACTED]**.

In light of above, immediately following the completion of the **[REDACTED]**, 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, thereby satisfying the public float requirement under Rule 19A.13A(1) of the Listing Rules.

Assuming that the **[REDACTED]** is not exercised, based on an **[REDACTED]** of (i) HK$**[REDACTED]** per **[REDACTED]** (being the minimum **[REDACTED]** of the indicative **[REDACTED]** range), the market capitalization of our Shares immediately upon **[REDACTED]** is expected to be approximately HK$**[REDACTED]** million, and the minimum prescribed public float percentage applicable to our Shares is **[REDACTED]**%; (ii) HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]** range), the market capitalization of our Shares immediately upon **[REDACTED]** is expected to be approximately HK$**[REDACTED]** million, and the minimum prescribed public float percentage applicable to our Shares is **[REDACTED]**%; and (iii) HK$**[REDACTED]** per **[REDACTED]** (being the maximum **[REDACTED]** of the indicative **[REDACTED]** range), the market capitalization of our Shares immediately upon **[REDACTED]** is expected to be approximately HK$**[REDACTED]** million, and the minimum prescribed public float percentage applicable to our Shares is **[REDACTED]**%.

FREE FLOAT

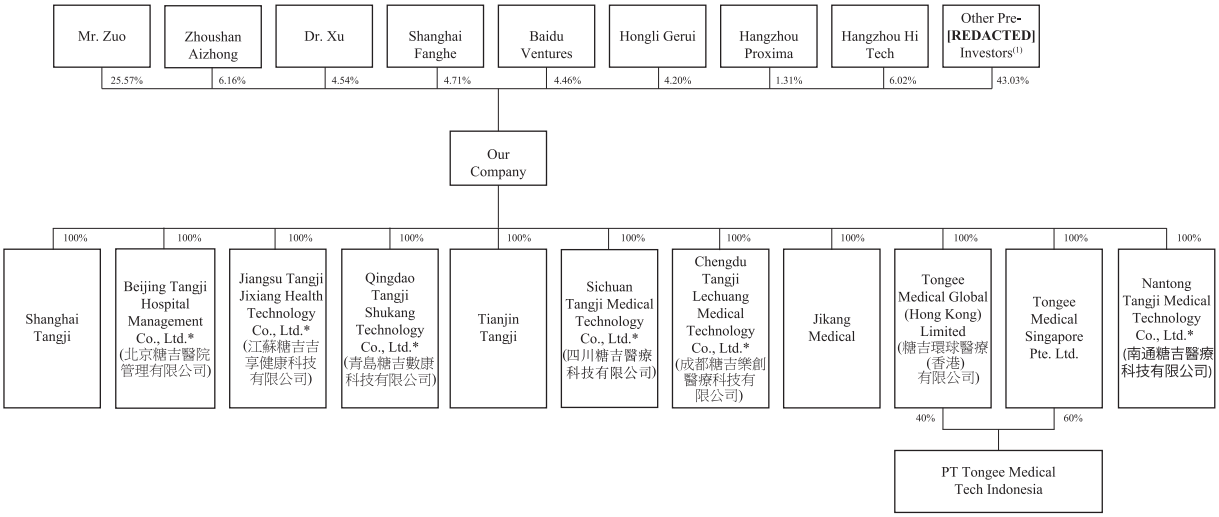
Rule 19A.13C(1) of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether 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 the **[REDACTED]** H Shares to be issued pursuant to the **[REDACTED]**, which represent approximately **[REDACTED]**% of our Company's total number of issued Shares upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the Company will satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules.

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate structure immediately before the [REDACTED]

The following chart depicts a simplified shareholding and corporate structure of our Group and our subsidiaries immediately prior to the completion of the **[REDACTED]** and the conversion (assuming that no changes are made to the issued share capital of our Company between the Latest Practicable Date and **[REDACTED]**):

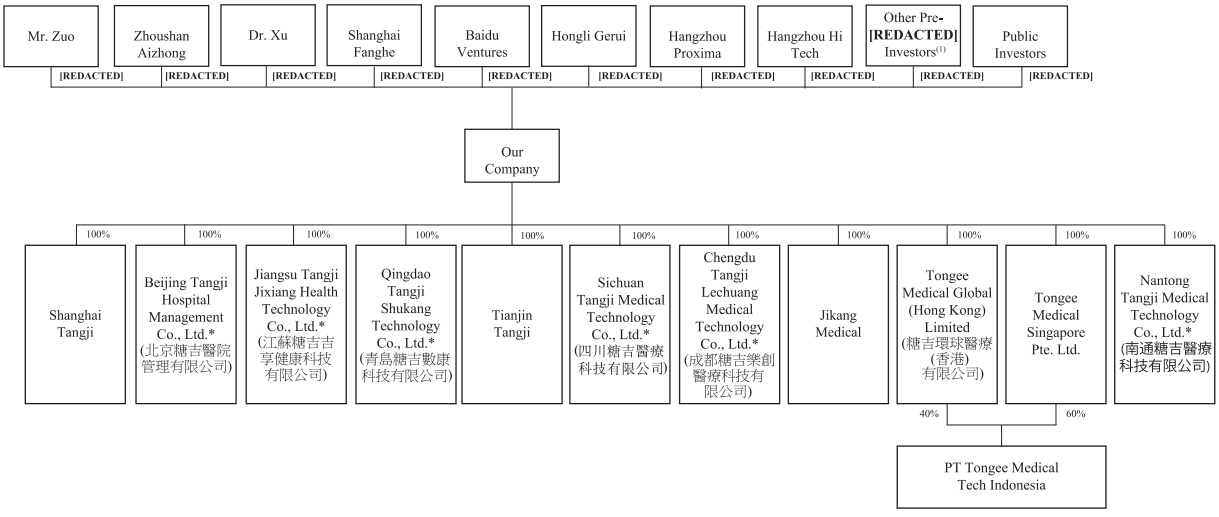


Note:

1. For the identities of the other Pre-**[REDACTED]** Investors, see "- Capitalization of our Company" in this section.

Shareholding and Corporate structure immediately following the [REDACTED]

The following chart depicts a simplified shareholding and corporate structure of our Group and our subsidiaries immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised and that no changes are made to the issued share capital of the Company between the Latest Practicable Date and **[REDACTED]**):



Note:

1. For the identities of the other Pre-**[REDACTED]** Investors, see "- Capitalization of our Company" in this section.

OVERVIEW

We are a China-based medical device company focused on providing novel solutions for the treatment and integrated management of metabolic diseases. Founded in Hangzhou in 2016 and by developing the first medical device approved for the digestive endoscopic treatment of obesity in China, we have established ourselves as an early entrant advancing clinical applications in the metabolic disease field, providing novel solutions that offer therapeutic features distinct from pharmacotherapy and invasive bariatric surgery in metabolic diseases treatment. We envision a future where our minimally invasive technologies deliver clinical benefits for metabolic diseases, benefiting patients worldwide.

We have strategically focused our product portfolio on metabolic diseases, a therapeutic area characterized by vast, growing patient populations and significant unmet medical needs. Driven by global lifestyle changes, urbanization, and aging populations, metabolic diseases, including obesity, metabolic dysfunction-associated steatohepatitis (MASH), and type 2 diabetes mellitus (T2DM), have become a pervasive global health challenge, creating one of the largest and fastest-growing opportunities in the medical device sector.

- ***Obesity:*** Obesity is a complex, relapsing chronic disease associated with a range of metabolic complications. In China, where obesity is defined as a BMI of ≥28.0 kg/m², the population of patients with obesity has reached 233.7 million in 2025 and is projected to expand to 329.8 million by 2034, according to Frost & Sullivan.

- ***MASH***: MASH represents a critical therapeutic void with limited effective treatment options globally. The prevalence of MASH in patients with obesity in China was 57.9 million in 2025, according to Frost & Sullivan. As MASH can progress to cirrhosis and liver cancer, there is an urgent clinical need for interventions that address the underlying metabolic drivers of the disease.

- ***T2DM***: The increase of body weight or waist circumference can aggravate insulin resistance. In China, the number of patients with obesity living with T2DM reached 57.5 million in 2025, according to Frost & Sullivan. Conventional pharmacotherapies often face challenges regarding long-term adherence and side effects, creating a substantial demand for non-pharmacologic interventions that can deliver durable glycemic control.

Against the backdrop of this vast prevalence, endoscopic bariatric and metabolic therapy (EBMT) has emerged as an effective, minimally invasive solution, offering an alternative to address the unmet clinical needs in treatment of obesity and metabolic diseases. According to Frost & Sullivan, the global market size of EBMT devices is projected to grow from US$148 million in 2025 to US$1,248 million by 2030, representing a CAGR of 53.1%. In China, the market size of EBMT devices is projected to grow from RMB32 million in 2025 to RMB1,352 million by 2030, representing a CAGR of 111.1%, driven by the introduction of innovative, less invasive solutions like ours.

To seize these market opportunities and address the unmet medical needs associated with metabolic diseases, we initiated the development of our Core Product, the gastric bypass stent system (the "**GBS**") in 2017, led by a senior management team with extensive experience and deep insights in the medical device industry. We have strategically built a product pipeline that spans from the treatment devices for obesity and metabolic diseases, to compatible devices and integrated management products, all of which focusing on the treatment and management of metabolic diseases, addressing indications including overweight, obesity, MASH complicated with obesity, and T2DM complicated with obesity. As of the Latest Practicable Date, we have successfully developed and commercially launched one EBMT treatment device product, being our Core Product, and obtained registration approval on two compatible products that are designed to facilitate the operations of treatment devices and one digital health management platform for full-cycle management. In addition, we are developing the GBS-Low BMI and independently developing various other pipeline product candidates at different stages, targeting mainstream viable EBMT options for metabolic diseases, enabling us to penetrate this vast but underserved market.

The following diagram summarizes the development and registration status of our in-house developed products and product candidates in key regions as of the Latest Practicable Date.

Product Pipeline

	Portfolio	Product code name	Treatment Indication	Region	Pre-clinical / Clinical Trial / Registration	Upcoming Key Milestone (Expected)	Source	Risk Classification	Competent Authorities
Treatment Devices for Obesity and Metabolic Diseases	Gastric bypass Stent System	★GBS	Obesity	China	Approved in China (January, 2024)	N/A	Self-developed	III	NMPA
			Obesity	Other Regions*	Approved in Hong Kong, Indonesia, Thailand, Vietnam, Saudi Arabia, Malaysia, Ecuador, Colombia, the Philippines, Singapore and Brazil.	N/A	Self-developed	Multiple[4]	Multiple[5]
			Obesity	EU*	In CE marking review	Expects obtaining CE marking from the relevant notified body in H2 2026	Self-developed	IIb	UDEM (NB: CE2696)
			Obesity and Overweight	China	Clinical Trial in process	To complete pivotal clinical study in Q4 2027	Self-developed	III	NMPA
		●GBS-SH	MASH	Global #	IDE-Enabling studies [1]	To initiate early feasibility study in Europe in Q3 2026	Self-developed	Multiple[6]	Multiple[7]
		●GBS-DM	T2DM	China	FIH study	To complete FIH study in Q4 2027	Self-developed	III	NMPA
	Degradable Intragastric Balloon	●DIGB	Obesity	China	Clinical trial in process[2]	To complete the pivotal clinical study in Q4 2027	Self-developed	III	NMPA
			Obesity	EU*	In CE marking review	Expects obtaining CE marking from the relevant notified body in Q1 2028	Self-developed	IIb	BSI (NB: CE2797)
	Retrievable Intragastric Balloon	●RIGB	Obesity	China	Registration testing in preparation	To complete registration testing in Q4 2026	Self-developed	III	NMPA
Devices Compatible	*Video Gastroscope	GA [3]	/	China	Approved in China (December, 2025)	N/A	Self-developed	II	Shanghai NMPA
			/	EU	In CE marking review	Expects obtaining CE marking from the relevant notified body in Q2 2027	Self-developed	IIa	SGS BELGIUM NV (NB: CE1639)
	*Aspiration/ Deflation Catheter	SIC	/	China	Registration testing completed	To submit NMPA registration in Q4 2026	Self-developed	II	Zhejiang NMPA
	*Endoscopic retrieval kit	RTK	/	China	Approved in China (July, 2025)	N/A	Self-developed	II	Zhejiang NMPA
Integrated management	*Obesity management software	Dtx	/	China	Approved in China (December, 2024)	N/A	Self-developed	II	Tianjin NMPA

★Core Product ● Key Product

* Denotes devices or product candidates exempted from mandatory or additional local clinical trial requirements in the specified jurisdictions. The specific regulatory bases are as follows:

(i) For GBS (in the EU, Indonesia, Thailand, Hong Kong, Vietnam, Saudi Arabia, Malaysia, Ecuador, Colombia, the Philippines, Singapore and Brazil) and DIGB (in the EU): Exempted from conducting local clinical trials. The respective Notified Bodies and competent authorities accept clinical evaluation reports supported by clinical trial data generated in China, which have been assessed to comply with applicable regulations, including the EU Medical Device Regulation (MDR, Regulation (EU) 2017/745).

(ii) For GA (in the EU): Exempted from clinical trials as it is a Class IIa device and does not fall within the scope of Article 61(4) of the EU MDR that mandates clinical trials. Its registration is supported by clinical evaluation data pursuant to Article 61 of the EU MDR.

(iii) For GA, RTK, and Dtx (in China): Exempted from clinical trials as they are Class II devices included in the Catalogue of Medical Devices Exempted from Clinical Evaluation (《免於進行臨床評價醫療器械目錄》) promulgated by the NMPA, and meet the relevant exemption criteria under the Measures for the Administration of Registration and Recordation of Medical Devices (《醫療器械註冊與備案管理辦法》).

\# Mainly includes China, US, EU, and Southeast Asia

MASH denotes metabolic dysfunction-associated steatohepatitis

T2DM denotes Type 2 diabetes mellitus

1 We have completed FIH study in patients with obesity and MASH in China, and plan to conduct further clinical research across different ethnicities.

2 We initiated a prospective, multicenter, randomized controlled pivotal clinical trial in China in August 2025, with the aim of completing the trial by 2027.

3 Video Gastroscope consists of endoscopic video image processor and electronic upper gastrointestinal endoscope.

4 The risk classification for the GBS is Class C in Indonesia, Thailand, Vietnam, Saudi Arabia, Malaysia, the Philippines and Singapore; Class III in Hong Kong, Ecuador and Brazil; and Class IIb in Colombia.

5 The competent authorities for the GBS are the MOH in Indonesia, MOH in Vietnam, the Thai FDA in Thailand, the MDD in Hong Kong, the SFDA in Saudi Arabia, the MDA in Malaysia, the ARCSA in Ecuador, the INVIMA in Colombia, the FDA in the Philippines, the HSA in Singapore, and the ANVISA in Brazil.

6 The risk classification for GBS-SH is Class III in China and the U.S.; Class IIb in the EU; and Class C in Indonesia, Thailand, Vietnam, Malaysia, the Philippines, and Singapore.

7 The competent authorities for GBS-SH are the NMPA in China, the FDA in the U.S. and the Philippines, the MOH in Indonesia and Vietnam, the Thai FDA in Thailand, the MDA in Malaysia, and the HSA in Singapore. For the EU, the competent authority will be a Notified Body (NB) which is yet to be determined.

Note: Design stage refers to the designing and developing of the sample product. IDE-enabling studies refer to the requisite preclinical research conducted to support an IDE application for clinical trials.

Our Core Product

GBS is a minimally invasive medical device developed for the treatment of obesity, inspired by the weight loss and metabolic benefits of Roux-en-Y gastric bypass (RYGB) surgery. It functions as a flexible, retrievable sleeve placed endoscopically to establish an impermeable barrier between gastric chyme and the intestinal mucosa of the duodenum and proximal jejunum, in order to reduce nutrient absorption and promote hormone modulation to achieve weight loss.

Our Core Product represents an evolution in treatment weight loss and the management of metabolic disorders. It was the world's first commercializing approved intestinal interventional medical device for obesity, and received NMPA approval as a Class III Innovative Medical Device in January 2024, becoming the first medical device approved for digestive endoscopic treatment of obesity in China. The device was approved under the special review green path procedures for innovative medical devices (the "**Green Path**"), highlighting its novel mechanism and significant clinical value. We are actively developing the GBS-Low BMI, aiming to address a broader population with unmet clinical needs, and to introduce new specification of the GBS. We received ethics approval from the leading institution of the study in January 2026 and had initiated patient enrollment and recruitment for its pivotal trial, and had reached approximately 50.0% of the target patient enrollment as of the Latest Practicable Date, targeting completion of the clinical study by the end of 2027.

In addition, we are actively advancing the global expansion of GBS. As of the Latest Practicable Date, it had also received regulatory approvals in 11 other countries and regions, including Hong Kong, Indonesia, Thailand, Vietnam, Saudi Arabia, Malaysia, Ecuador, Colombia, the Philippines, Singapore and Brazil. Additionally, we are in the process of obtaining registration for the GBS in other regions such as the European Union.

Our Core Product has demonstrated a proven track record of rapid product commercialization and market penetration. In the year ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, the GBS was used in 239, 2,066, 817 and 1,955 commercial implantation procedures, respectively, representing an over eight-fold increase from 2024 to 2025 and an 139.3% increase from the six months ended June 30, 2025 to the same period of 2026. Since the commercial launch of the GBS in China in April 2024 and up to the Latest Practicable Date, it had been successfully used in over 5,200 commercial implantation procedures. As of the same date, endoscopic procedures using the GBS have been launched at 490 hospitals across China, and we have completed training for physicians at over 650 hospitals. We have established a dedicated in-house sales and marketing team with deep industry expertise, primarily focusing on academic promotion and physician education. Supported by the demonstrated efficacy and safety clinical performance of the GBS in weight loss, our value-based pricing strategy, strong endorsements from leading KOLs in metabolic surgery, gastroenterology, and endocrinology, and our extensive distributor network, we believe we are well-positioned to capture the significant opportunities in China's underpenetrated endoscopic weight loss market and further expand our market share.

Our Key Products

We are developing a gastric bypass stent system product candidate targeting MASH complicated with obesity (the "**GBS-SH**"), developed based on the same platform with the GBS. It is designed to utilize a longer sleeve and an optimized retrieval system for an expected six-month implantation period. In recognition of its potential to address significant unmet medical needs, GBS-SH was granted Breakthrough Device Designation by the FDA in October 2024, making us the only Chinese company to obtain such designation as of the Latest Practicable Date. This designation is reserved for devices that offer significant advantages over existing alternatives, and it facilitates prioritized review by the FDA throughout the regulatory process. We plan to initiate an international multi-center registration trial by the end of 2027.

Leveraging the same platform, we are also developing a gastric bypass stent system product candidate targeting T2DM complicated with obesity (the "**GBS-DM**"). Initial observations from our FIH study on GBS-DM indicated significant improvements in glycemic control, including in FPG and HbA1c, in patients with T2DM complicated with obesity. We are currently in the small-scale exploratory clinical research phase to validate the device for an estimated six to nine-month implantation period.

Based on the intragastric balloon platform, we are developing two product candidates designed to reduce gastric volume and induce satiety. Our key innovation of the platform is a polyurethane thin-film forming technology, designed to significantly reduce adverse events compared to competitor products. The degradable intragastric balloon (the "**DIGB**") is engineered with a degradable valve that allows the inner fluid to be released from the balloon after three to four months, improving patient experience by innovatively eliminating the need for endoscopic retrieval. The retrievable intragastric balloon (the "**RIGB**") is built on the same technological platform as the DIGB with similar components, which is designed as a non-degradable balloon for a six-month implantation period requiring endoscopic removal. The pivotal clinical trial of DIGB has initiated patient enrollment, reaching nearly 70% of the targeted size as of the Latest Practicable Date. We have submitted applications for the CE marking in Europe for the DIGB in February 2026. As of the Latest Practicable Date, we have commenced feasibility verification studies of RIGB.

Other Product and Product Candidates

We have developed a diversified product portfolio to complement our core offerings. Our Core Product, GBS, is supplied as a comprehensive system that includes both a delivery system and a retrieval system. The GBS procedure can be performed using standard, third-party video gastrointestinal endoscopes commonly available in hospitals. While our proprietary compatible devices, such as the GA, CA and RTK, are not mandatory for the use of our Core Product, we have developed these specialized accessories to further optimize the procedural experience and provide physicians with a complete portfolio. The RTK, in particular, serves as an optional, specialized retrieval tool that offers enhanced operational flexibility.

- *Candidates for weight loss*: Our pipeline includes minimally invasive endoscopic and ingestible products and product candidates for weight management and weight loss. Our endoscopic suturing system (the "**ESS**") enables endoscopic sleeve gastroplasty, a procedure that reduces stomach volume through a series of sutures to promote weight loss. Additionally, our super space-occupying gel capsule (the "**SOC**") represents a novel, non-surgical approach. The SOC is designed to expand into a biocompatible gel within the stomach to physically induce a feeling of fullness, offering a temporary intervention. Together, these candidates provide a spectrum of varied therapy options.

- *Candidates for T2DM complicated with obesity:* Our lead candidate aside from GBS-DM is the ablation catheter (the "**RAC**"), designed for duodenal mucosal resurfacing. This endoscopic procedure remodels the superficial lining of the duodenum, aiming to positively alter nutrient-sensing and hormone secretion pathways, such as GLP-1, thereby improving glycemic control and insulin sensitivity with a potentially durable effect. This positions the RAC as a differentiated, interventional option between daily pharmacology and metabolic surgery.

- *Compatible Devices and Accessories*: Our video gastroscope product (the "**GA**") features an innovatively extended length designed to facilitate EBMT treatment procedures, providing visualization and operational reach for complex interventions. The GA was granted its Class II Medical Device Registration Certificate by the Shanghai NMPA in December 2025. As of the Latest Practicable Date, we have submitted application for CE marking for GA in Europe, and expect obtaining CE marking from the relevant notified body in Q2 2027. Complementing the

GA, we are developing an electronic video colonoscope focusing on lower gastrointestinal endoscopy (the "**CA**"), for which we submitted the CE marking application in March 2026 and the NMPA registration application in April 2026. We expect to obtain approvals for such applications in the second quarter of 2027 and the fourth quarter of 2026, respectively. We are also developing a digestive endoscopy quality control software (the "**EQS**"), which applies image recognition technology to assist physicians in improving the quality and completeness of endoscopic procedures. We plan to submit NMPA registration application for the EQS in the fourth quarter of 2026.

- Our pipeline in this category also includes aspiration/deflation catheter (the "**SIC**") specifically designed to puncture, deflate, and evacuate fluid from intragastric balloons. The innovative aspect of the SIC lies in its bullet-like ejection mechanism with a spring-loaded, trigger-activated design, which reduces the difficulty of puncturing intragastric balloon products, such as our RIGB, thereby facilitating easier operation for physicians. The SIC is planned for regulatory submission in 2026. Central to our retrieval safety is the endoscopic retrieval kit (the "**RTK**"), an upgraded system for the GBS designed to withdraw the entire stent into a retrieval tube, significantly enhancing procedural safety during device removal. The RTK obtained its Class II Medical Device Registration Certificate from the Zhejiang NMPA in July 2025. In addition, we are developing an impedance-based body composition analyzer (the "**BCA**") and a dual-energy X-ray bone densitometer and body composition analyzer (the "**BCS**"). Body composition analyzers are bioelectrical devices commonly used in weight management outpatient departments, designed to assist the assessment of patients. BCA is typically used for preliminary assessment, while BCS assessment is preferred where a more precise evaluation is required, as it can provide relatively more accurate assessment of body composition. The BCA and BCS are currently at design stage.

- *Comprehensive Lifestyle Management*: Our Dtx is a digital health management platform designed to support weight management. This software enables clinicians to oversee patient weight management progress, serving as a bridge between patients and clinicians to enhance compliance through continuous engagement. Dtx was granted Class II Medical Device Registration Certificate by the Tianjin NMPA in 2024, marking a significant milestone. We also offer clinical nutrition food products ("**CNT**") to provide targeted nutritional support as a key dietary intervention in medical weight management programs.

We have established five integrated, proprietary technology platforms that comprehensively support our product development, production, and quality control. These platforms, which encompass advanced stent engineering, film forming, polymer modification, sophisticated delivery systems, and stringent product quality control, are built upon deep expertise in materials science and engineering. The specialized know-how and patents underpinning them are the result of long-term accumulation and are difficult to replicate. We believe our technology platforms form a solid foundation for the R&D of our broad product pipeline of product candidates.

We have established an experienced management and R&D team that covers the entire value chain of interventional medical devices. Our team effectively integrates clinical insights with advanced engineering, allowing us to translate complex concepts into novel solutions. With extensive industry experience and specialized expertise in biomedical materials, we possess development capabilities spanning from fundamental materials science and engineering design to clinical validation and regulatory registration. Complementing our technical capabilities is our commercialization background. This multidisciplinary combination of insight, R&D, and commercialization serves as the cornerstone of our sustained research and development and commercialization.

OUR STRENGTHS

We are a medical technology company, and a key contributor to the metabolic disease treatment and management ecosystem. We believe our competitive advantages are founded on the following core strengths:

The World's First Commercializing Approved Intestinal Interventional Medical Device for Obesity, Offering a Differentiated and Competitive Treatment Option

Our Core Product, the GBS, is a novel solution that addresses the unmet clinical need in obesity. According to Frost & Sullivan, the GBS was the first globally commercializing approved intestinal interventional medical device for obesity. It was approved for commercialization for the treatment of obesity by the NMPA under the Green Path in January 2024, becoming the first medical device approved for digestive endoscopic treatment of obesity in China. The regulatory milestone validates our innovation and grants us a significant first-mover advantage in the massive and underserved Chinese obesity market. The GBS has also been acknowledged in authoritative clinical guidelines and expert consensuses in China, including the Guideline for Diagnosis and Treatment of Obesity (2024 edition) issued by the NHC, the Expert Consensus on Digestive Endoscopic Treatment of Obesity in China, the Expert opinion on Endoscopic Duodenal-Jejunal Bypass Liner Implantation for Weight Loss (2025 Edition), and the Expert Consensus on Weight Management Clinic Setting (2025 edition). Additionally, our Core Product GBS has already secured regulatory approvals in 11 other countries and regions as of the Latest Practicable Date, including Hong Kong, Indonesia, Thailand, Vietnam, Saudi Arabia, Malaysia, Ecuador, Colombia, the Philippines, Singapore and Brazil.

Unlike restrictive surgeries that permanently alter anatomy, the GBS mimics the weight loss and metabolic benefits of RYGB surgery through a reversible, minimally invasive approach. Distinct from most existing commercial treatments that mainly target the point of intake by limiting food consumption, the GBS primarily targets the point of reducing nutrient absorption. The GBS achieves its therapeutic effects through a unique dual-action mechanism. Mechanically, its sleeve creates a physical barrier in the duodenum and proximal jejunum to reduce nutrient absorption. Metabolically, this bypass triggers gut hormone secretion alteration, reducing GIP and stimulating GLP-1 to enhance satiety and improve blood glycemic control. Complemented by its ability to favorably modulate gut microbiota composition and preserves muscle mass, the GBS offers a multifaceted approach to long-term weight control.

The GBS demonstrates clinical profile characterized by high efficacy, a short treatment duration, and a favorable safety record. According to Frost & Sullivan, as the world's first endoscopically delivered bypass therapy approved for a short three-month implantation, it achieves weight loss efficacy comparable to FDA-approved implants with longer durations (6 or 12 months). In contrast to invasive bariatric surgeries, the GBS offers a reversible, anatomy-sparing solution with a superior safety profile. Against pharmaceutical therapies, such as GLP-1 RAs, it provides distinct advantages by effectively preserving lean muscle mass and offering a short-term intervention rather than requiring chronic, long-term medication adherence.

Since the commercial launch of GBS, based on real-world data from over 5,200 patients as of the Latest Practicable Date, approximately 2,000 patients with available data and an implantation duration reaching three months achieved a mean TWL% of 12.0% at the time of stent removal. These patients demonstrated efficacy outcomes superior to those observed in our pivotal clinical trials. Specifically, the clinical response rate, defined as ≥5% TWL, reached approximately 93.6% in this real-world setting, compared to approximately 80% in our pivotal clinical trials. According to Frost & Sullivan, this 5% TWL% level typically recognized as the clinically meaningful threshold in regulatory approvals and clinical guidelines in this field. Subsequently, after the retrieval of the GBS and as of the Latest Practicable Date, mean TWL% was approximately 13.0% at Month 6, based on data from approximately 1,600 patients available, the efficacy remained relatively stable at mean TWL% of 12.5% at Month 9, based on data from

approximately 800 patients, 12.3% at Month 12, based on data from approximately 490 patients, and 13.3% at Month 15, based on data from approximately 260 patients. Notably, among the patients with certain body composition data available to us, approximately 90% achieved weight loss without muscle loss.

Moreover, our Core Product demonstrates sustained therapeutic benefit. Pivotal clinical trial shows that a significant proportion of patients continued to lose weight or sustain weight loss level for 24 weeks after device retrieval, and real-world evidence suggests efficacy can be maintained for up to nine months post-retrieval. Our Core Product also demonstrates a favorable safety profile, characterized by a low device-related rate of adverse events. Building upon this established efficacy and safety foundation of the GBS, we are strategically expanding the addressable patient population of our Core Product to include patients with a lower BMI. This expansion aims to address the significant unmet medical needs within this substantial demographic.

We believe the clinical performance and safety profile of the GBS are directly attributable to our innovative and unique design features, which establish high technical barriers to entry and underpins our market leadership. Our GBS features a unique anti-blockage design that leverages natural intestinal peristalsis to detach and clear potential blockage in the event of an obstruction, significantly mitigating a common failure mode of intestinal liners. The system is further distinguished by a biomimetic peristaltic distal release mechanism, which allows the sleeve's natural deployment without X-ray guidance, thereby minimizing procedure time and radiation exposure.

To ensure safety during removal, the device also incorporates a dual-protection retrieval system with a patented protective cap and funnel design to shield the esophagus and gastric mucosa. Building on this, our second-generation retrieval system approved by Zhejiang NMPA as a Class II medical device in July 2025 enables full retraction into a protective sheath prior to removal, further enhancing procedural safety.

A Comprehensive, Multi-Modality Portfolio Strategically Targeting the Vast Metabolic Disease Market

We have strategically positioned ourselves to address the massive global challenge of metabolic diseases, including overweight, obesity, MASH complicated with obesity, and T2DM complicated with obesity. According to Frost & Sullivan, the global population with obesity is projected to reach 1,263.7 million by 2030. The need for intervention is further amplified in MASH, which affects approximately 34% of individuals with obesity. As of the Latest Practicable Date, only two pharmaceutical therapies have received FDA approval for MASH, underscoring a significant unmet medical need, particularly for interventional device treatments. Furthermore, the rising prevalence of T2DM among individuals with obesity creates a compounding health crisis, driving urgent demand for therapies that can achieve weight loss and glycemic control.

To capture this market opportunity, we have established a diversified in-house developed pipeline beyond our Core Product. This pipeline spans mainstream interventional modalities to address various patient needs. We are advancing treatments for complex metabolic conditions, as exemplified by our specialized candidate, GBS-SH, for MASH complicated with obesity. In a FIH study, GBS-SH demonstrated compelling efficacy in reduction (fibrosis improvement by one or more stages) in liver fibrosis with no worsening of steatohepatitis, which was in 44.4% of the patient with liver fibrosis stage 1 to stage 3 in FAS, and 57.1% in PPS. Notably, in a subgroup with liver fibrosis stage 2 or stage 3, 66.7% of patients achieved reduction in both MASH resolution and fibrosis improvement by ≥1 stage, highlighting its potential in difficult-to-treat cases. This transformative profile was validated by the FDA's grant of Breakthrough Device Designation in October 2024.

For T2DM complicated with obesity, we are optimizing product candidate GBS-DM (together with GBS and GBS-SH, the "**GBS Series**"), with positive outcomes observed in a three-month early feasibility

FIH study. Specifically, data showed that 12 weeks after implantation, the mean HbA1c was reduced from 9.0% to 7.1%, demonstrating significant glycemic improvement. Additionally, pre-clinical investigation is underway on our proprietary product candidate for T2DM complicated with obesity, RAC, a DMR system expected to minimize stenosis risk while ensuring effective mucosal ablation.

Based on the intragastric balloon platform, we are developing two product candidates designed to reduce gastric volume and induce satiety. Our key innovation of the platform is polyurethane thin-film forming technology, designed to significantly reduce adverse events compared to competitor products. The DIGB is engineered with a degradable valve that allows the inner fluid to be released from the balloon after three to four months, improving patient experience by innovatively eliminating the need for endoscopic retrieval. We have conducted FIH study on DIGB, which demonstrated compelling efficacy. Specifically, the mean TWL% was 10.2%, and 90.0% of patients achieved a weight loss of ≥5% TWL. It is currently undergoing a pivotal clinical trial in China which is expected to complete in 2027, targeting NMPA approval in 2028. We plan to submit application for CE marking for DIGB in Europe in 2026. To serve diverse market needs, we are also developing a non-degradable version RIGB for international markets and the ESS to provide a comprehensive bariatric toolkit.

Beyond therapeutic devices, our comprehensive portfolio of commercialized products and product candidates is designed to cover the entire treatment lifecycle of metabolic diseases. A cornerstone is our proprietary obesity management software, Dtx, approved as a Class II medical device in China in December 2024, making it the first digital health management platform for obesity management in China, according to Frost & Sullivan. By integrating our interventional devices with this digital tool, we establish a closed-loop prevention, treatment, management ecosystem, supporting patients from device therapy through long-term maintenance.

Established Commercialization Capability with Efficient Market Rollout, Deep KOL Engagement and Training Infrastructure

We have achieved progress in commercialization, rapidly translating regulatory approval into significant market adoption. Admitted to the NMPA's Green Path for innovative medical devices, the GBS has gained market acceptance among clinical experts for its unique minimally invasive and reversible therapeutic profile. This strong acceptance is reflected in our compelling commercial performance. In the year ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, the GBS was used in 239, 2,066, 817 and 1,955 commercial implantation procedures, respectively, representing an over eight-fold increase from 2024 to 2025 and an 139.3% increase from the six months ended June 30, 2025 to the same period of 2026. As of the Latest Practicable Date, the GBS has been successfully implanted in over 5,200 procedures across 30 provinces in China. This growth validates the product's strong market momentum and its ability to address the vast unmet clinical need for treatment of obesity in China.

Our commercialization strategy is centered on clinical value and broad patient access. Prior to launch, we conducted extensive consultations with top metabolic experts, hospital administrators, and health economists to establish a pricing model that reflects the product's substantial clinical value while ensuring economic accessibility for hospitals and patients, a key driver of our rapid adoption. To secure sustainable volume growth, we are actively advancing market access and have successfully secured inclusion in 28 provincial-level medical insurance reimbursement directories as of the Latest Practicable Date, laying a critical foundation for long-term market expansion.

Our market penetration is driven by deep academic engagement and high-level collaborations. We strategically target national and regional medical centers of excellence in obesity and metabolic diseases. We have established strong partnerships with KOLs at these centers, involving them early in product design optimization and multicenter clinical trials. Despite the inherent challenges typically associated with establishing a novel therapeutic paradigm, the GBS has achieved rapid clinical consensus and market

penetration. This endorsement has translated into exceptional market uptake. We achieved 1,000 implantations in five months from June to November 2025, with monthly volume surging to over 200 implantations in July 2025. As of the Latest Practicable Date, the procedure has been successfully launched in 490 hospitals. Notably, we have seen significant traction in our hospital network, with commercial volume in single benchmark institution reaching as high as approximately 550 implantations, demonstrating that the GBS has swiftly transitioned to a recognized, reproducible clinical therapy.

To sustain our business expansion, we are committed to cultivating a broad network of proficient hospitals capable of performing this innovative procedure. We systematically promote standardized endoscopic operation protocols for both implantation and integrated patient management through national academic conferences, specialized training workshops, and procedural demonstrations. As of the Latest Practicable Date, we have established three flagship procedural training bases in collaboration with leading hospitals and universities. Under these collaborative arrangements, one of our key roles is to support the operational aspects of the training programs, such as bearing logistical expenses. The hospitals and universities provide the training facilities and expert personnel to conduct procedural demonstrations and hands-on animal operation training for attending physicians. These collaborations do not involve the conduct of clinical trials, the collection of patient clinical data, or joint research and development activities. Our academic initiatives had over 400 training sessions and seminars conducted, and had completed training for physicians at over 650 hospitals as of the same date.

A Consistent, Integrated R&D and Production Platform Driving Continuous Product Iterations and High Clinical Standards.

Our success is underpinned by a powerful, integrated platform that combines innovation capabilities with a stringent and globally aligned quality control system. This platform focuses on three core pillars: technology innovation and material science advancement, efficient clinical trial design and execution, and production capabilities.

Research and Development Capabilities. Our R&D philosophy is driven by original innovation and rapid verification. During the Track Record Period and up to the Latest Practicable Date, we have conducted extensive preclinical studies, and have been maintaining a cohort of numerous swines, enabling an agile feedback loop for immediate concept testing and iteration. Our strong in-house expertise is reflected in a comprehensive and growing intellectual property portfolio. As of the Latest Practicable Date, we owned an aggregate of 220 granted patents and patent applications which consisted of 88 granted patents and 66 patent applications in China, and 23 granted patents and 43 patent applications overseas. 104 of the granted patents and patent applications as of the Latest Practicable Date were related to our Core Product. Leveraging our long-term focus on metabolic diseases, we have assembled a core R&D team with deep technical expertise in critical fields such as metabolic diseases, polymer materials, structural design, and processing technologies. This expertise is institutionalized within our proprietary technology platforms, which form the foundation of our innovation, encompassing advanced stent engineering, advanced film forming technology, polymer modification, sophisticated delivery systems, and stringent product quality control. These platforms, built upon long-term accumulation of specialized know-how and patents, are difficult to replicate and enable us to systematically tackle industry challenges. For instance, we developed a proprietary and unique anti-blockage design that leverages natural intestinal peristalsis to detach and clear potential blockage in the event of an obstruction to reduce blockage rates and early removal. Similarly, to address placement challenges, our polymer and processing teams collaborated to create a unique deployment technology and an optimized implantation process. We are committed to expanding our pipeline through continuous R&D to strengthen our long-term competitive edge. Our efforts are augmented by strategic external partnerships, including a joint development collaboration with a leading hospital in Shanghai focused on innovation in the field of stent technology. Additionally, we are backed by a scientific advisory board comprising top scientists and physicians in metabolic disease treatment, who provide critical insights into global technological progress and development trends.

Clinical Development Expertise. With deep experience in Class III medical devices, we have developed a profound understanding of relevant laws and regulations in both China and overseas markets. As the developer of the first medical device approved for digestive endoscopic treatment of obesity in China, we have accumulated unique, practical know-how in the efficient management and execution of such complex trials. Our expertise covers the entire clinical lifecycle, including trial planning, protocol design, project execution, data management, and analysis. We have successfully designed and executed the pivotal clinical trial for the GBS in China by working closely with principal investigators (PIs) at top-tier domestic and international hospitals. We actively monitor the progress of our ongoing trials and leverage our high-quality clinical data from China to support global registrations. Specifically, we expect our Chinese clinical data to partially support our CE marking application, potentially accelerating the registration process in Europe.

Production and Quality Control. We have built a professional production team capable of ensuring a seamless transition from product development to commercial-scale production. As of the Latest Practicable Date, we operate our independent production facilities in Hangzhou with a total gross floor area of approximately 4,385 sq.m. To further scale our production capacity, we are constructing a new production base in Quzhou, mainly for the production of our Core Product, spanning approximately 5,000 sq.m. As of the Latest Practicable Date, we had obtained the medical device manufacturing license for the GBS at the Quzhou facility, and the facility is expected to be operational in the second half of 2026. We have established a comprehensive and strict quality control management system that operates in full compliance with the GMP standards of the NMPA and the ISO 13485:2016 international standard. Our production capabilities are powered and sustained by our proprietary technological platforms ensuring performance and safety. We have also implemented an ERP system to digitize our production and supply chain workflows. This system offers distinct advantages by ensuring full-lifecycle product traceability, while significantly enhancing operational efficiency and minimizing the risk of human error through digital management.

An Experienced Management Team with Deep Scientific Expertise and Keen Industry Insight

We are led by an experienced management team with a proven track record of success, combining deep clinical insight with exceptional industrial execution capability.

- ***Mr. Zuo Yuxing, Our Chairman and Founder***: Leveraging his unique background as a former gastroenterologist, Mr. Zuo founded the company to bridge a critical clinical gap. His firsthand understanding of the limitations in metabolic disease treatment drove his mission to transform surgical principles into minimally invasive device therapies. As the principal inventor of the GBS and with over 20 years of medical device industry experience, he is the chief architect of our corporate vision and product philosophy.

- ***Dr. Li Wenyu, Our Technical Director***: Our R&D efforts are spearheaded by Dr. Li, who possesses over a decade of specialized experience in biomedical materials and device development. Dr. Li has successfully led the research and development of our pipeline portfolio, including the GBS and related product candidates for various indications, as well as our DIGB and RIGB products, ensuring our technology remains at the forefront of innovation.

- ***Mr. Zhong Gaofeng, Our Director of Clinical and Registration Affairs***: Mr. Zhong oversees our clinical and registration strategy with over 20 years of experience. He has successfully navigated our pipeline products and product candidates through critical milestones, including the NMPA approval of the GBS and the FDA Breakthrough Device Designation of the GBS-SH. He also maintains a network of over 30 leading hospitals and KOLs, which facilitates our efficient clinical trial execution.

- ***Mr. Chen Jiahao, Our Chief Marketing Officer***: Mr. Chen executes our commercialization strategy with over 20 years of sales and marketing experience in the high-value medical device

sector. His extensive tenure at global industry leaders such as Medtronic equips us with best-in-class commercial operational expertise, which is instrumental in scaling our market presence and driving adoption.

For further details of our senior management, see "Directors and Senior Management."

OUR STRATEGIES

We plan to execute the following strategic initiatives to leverage our competitive advantages and fulfill our corporate mission:

Consolidate and Expand Our Leadership in China's High-Growth Endoscopic Weight Loss Market

The endoscopic weight loss market in China represents substantial untapped potential. According to Frost & Sullivan, it remains currently significantly underpenetrated relative to developed markets, which stands in stark contrast to the scale of the addressable demographic. According to Frost & Sullivan, the number of patients with obesity in China grew from 187.7 million in 2020 to 233.7 million in 2025, representing a CAGR of 4.5% over the same period, and is expected to reach 285.1 million in 2030 and 329.8 million in 2034, representing a CAGR of 4.1% from 2025 to 2030, and a CAGR of 3.7% from 2030 to 2034, respectively. This vast patient pool creates an urgent demand for effective interventions, particularly for those requiring medical weight loss beyond lifestyle modification but for whom invasive bariatric surgery is either clinically unsuitable or personally unacceptable.

To capitalize on this growth, our immediate priority is to secure dominant adoption in China's top metabolic surgery centers by leveraging the proven clinical profile and strong KOL endorsement of the GBS. We aim to establish a leading market share in these core hospitals, while simultaneously extending our coverage to a wider network of hospitals with the potential to perform these procedures. Our long-term roadmap targets broad coverage of majority of Grade IIIA hospitals and other capable Grade III hospitals in China. We will strategically penetrate key clinical departments such as endocrinology, gastroenterology, bariatric surgery, and specialized obesity treatment departments, thereby unlocking channel penetration potential which is further catalyzed by the NHC's "Weight Management Year" initiative (2024–2026) mandating the establishment of weight management clinics in certain tertiary hospitals. To enable this expansion, we will expand our commercial team with talent experienced in medical devices and optimize our distribution network for nationwide coverage.

Strengthen Academic Promotion and Collaboration. We will continue to cultivate our network of KOLs and physicians in the metabolic surgery field while strategically expanding this network into clinical departments of digestive, gastroenterology and endocrinology, where we see strong demand for our therapies. We will maintain close communication with leading medical associations, societies and conferences, and capitalize on favorable industry policies and the momentum of the national health campaigns such as the three-year campaign on public weight management initiated by the NHC and other ministries in China. Moreover, we believe that broadening our coverage of KOLs and physicians will provide us with a significant competitive edge in promoting our products and establishing the GBS as a cross-disciplinary standard of care.

Conduct Long-term Post-operative Follow-up, Innovate through Evidence and Sustain Leadership. We are committed to evidence-based clinical validation and long-term patient outcomes. We will continue to conduct post-operative follow-up assessments following endoscopic weight loss procedures to further study the long-term safety and efficacy of the GBS. This high-quality evidence will directly inform future product iterations and support our partners in publishing influential studies, thereby reinforcing our academic standing. Ultimately, this evidence-driven approach will further strengthen our partnerships with physicians, enhance our brand reputation, and reinforce our position as the leader in metabolic intervention.

Accelerate the Development of Innovative Treatments and Integrated Management Pipelines for Metabolic Diseases.

We are committed to strengthening our leadership in the endoscopic treatment of metabolic diseases by continuously advancing a broad and integrated product pipeline.

Accelerating Product Innovation and Extension of Clinical Indications. To maintain our technological edge, we are accelerating the development of our GBS Series. This includes conducting clinical research for the GBS-Low BMI and commercializing the 81 cm sleeve specification under our existing GBS registration. As of the Latest Practicable Date, we have received ethics approval from the leading institution of the study in January 2026 and had initiated patient enrollment and recruitment for its pivotal trial, and had reached approximately 50.0% of the target patient enrollment as of the Latest Practicable Date, targeting completion of the clinical study by the end of 2027.

Diversifying Product Portfolio through Internal R&D. Concurrently, we are accelerating our broader pipeline, including dedicated devices GBS-SH and GBS-DM, as well as the DIGB and RIGB. By integrating these therapies with our approved digital health management platform, we aim to create a diversified product portfolio of hospital treatment and home management, which will solidify our leadership in the metabolic treatment field. Leveraging our established market position and deep expertise, we believe that the experience and technical know-how gained from our existing portfolio will directly fuel and accelerate the development of future products.

Strategic Partnerships and Business Development. To complement our internal innovation, we will actively seek collaboration and investment opportunities with third parties, with a focus on the endoscopic metabolic and weight loss sectors. Our deep understanding and unique insights into metabolic diseases enable us to identify external technologies with significant clinical potential for the treatment of obesity, MASH complicated with obesity and T2DM complicated with obesity. We will prudently evaluate investment opportunities to expand our portfolio regarding these technologies through strategic acquisitions, collaborations, or in-licensing arrangements.

Continue to Advance Our International Development Strategy

We are committed to expanding our global footprint with a differentiated international promotion strategy tailored for our GBS, focusing on high-potential overseas markets. To execute this strategy efficiently, we plan to collaborate with a global network of partners, including medical device companies, research institutions, core hospitals, and distributors.

Global R&D and Regulatory Capabilities. Our international expansion is supported by an R&D platform built to meet the stringent global standards. We have made significant progress with the GBS, having already completed the Stage 2 of the quality management system (QMS) and technical audits for the CE marking. Leveraging our mature experience in development and production, we are striving to enter the European market, representing a market opportunity to introduce one of the first Chinese self-developed endoscopic weight-loss products in the region. Concurrently, our R&D team is strategically synchronizing product iterations with global regulatory timelines. For the extension of indication for the GBS, we plan to update overseas registrations upon completion of its pivotal trial. We are also advancing our intragastric balloon portfolio for international markets, with CE marking application submissions planned for the DIGB and the non-degradable RIGB in 2026, ensuring a diversified portfolio for global patients.

Commercialization and Strategic Partnerships. To ensure rapid market access, our sales and marketing teams are building a distribution ecosystem. Beyond Europe, Southeast Asia and the Middle East, we are advancing registration work in other key markets such as Mexico. We will conduct feasibility assessments for additional markets and may leverage localized clinical trials to accelerate entry. Our global partners will be instrumental in facilitating effective market access across diverse geographies.

Localization Teams and Emerging Market Breakthroughs. We will build localized teams to navigate regulatory pathways and execute ground strategies in high-potential emerging markets. Our regulatory teams have demonstrated agility in markets recognizing NMPA approval, securing registration in 11 other countries and regions, including Hong Kong, Indonesia, Thailand, Vietnam, Saudi Arabia, Malaysia, Ecuador, Colombia, the Philippines, Singapore and Brazil, since the GBS's NMPA approval in January 2024. We are working to obtain registrations in the European Union by the end of 2026. To maximize the value of these approvals, we will invest in localized academic promotion teams to build a strong brand presence and drive sales growth. Demonstrating our rapid execution, as of the Latest Practicable Date, we have already successfully completed physician training at 11 hospitals across Southeast Asia.

Improve Operational Efficiency and Achieve Economies of Scale to Support Long-Term Sustainable Growth

We are committed to optimizing our production and operational capabilities to underpin our commercial expansion and ensure long-term, sustainable growth.

Production Capacity Expansion. To support our projected sales growth, we are constructing a new production facility in Quzhou, mainly for the production of our Core Product. As of the Latest Practicable Date, we had obtained the medical device manufacturing license for the GBS at the Quzhou facility. This facility, with a total gross floor area of approximately 5,000 sq.m., is expected to commence operations in 2026. This expansion is poised to unlock economies of scale, driving down unit costs and improving operating efficiency. We will further enhance efficiency by continuously upgrading our production infrastructure and increasing the level of automation across our production processes.

Operational Efficiency. In terms of operations, we will continue to execute strategies focused on lean management and efficiency improvement. We intend to strengthen our supply chain coordination and streamline our internal management processes to support our growing scale of operations. Simultaneously, we are actively exploring and implementing methods to optimize our inventory management systems, thereby further elevating our overall operational efficiency and responsiveness to market demand.

Attract, Develop, and Retain Top-Tier Talent to Drive Innovation and Commercial Capabilities

We believe that talent is the cornerstone of our sustainable growth. To support our ambitious R&D and commercialization goals, we plan to execute a comprehensive talent strategy focused on attracting, developing, and retaining high-caliber professionals across all key functions.

We will continue to recruit outstanding R&D talent with multi-disciplinary expertise in material science, mechanical engineering, software and clinical medicine to expand our internal innovation capabilities. Beyond technical skills, we foster a collaborative environment where our R&D team maintains direct communication with KOLs and clinical experts. This ensures our innovations are grounded in clinical insights and aligned with market needs.

To drive rapid market penetration for the GBS and future pipeline product candidates, we will expand our sales and marketing team. We will provide systematic training to equip our commercial team with deep product knowledge and the skills to deliver high-quality, professional support to physicians and distribution partners.

To ensure long-term stability and motivation, we are committed to offering competitive compensation, comprehensive benefits, clear career paths, and continuous learning opportunities. We aim to create a dynamic, rewarding, and growth-oriented environment where employees can thrive and grow alongside the company.

OUR PRODUCTS AND PRODUCT PIPELINE

We are a China-based medical device company focused on providing novel solutions for the treatment and integrated management of metabolic diseases. As of the Latest Practicable Date, we have successfully developed and commercially launched one EBMT treatment device product, being our Core Product, and obtained registration approval on two compatible products that are designed to facilitate the operations of treatment devices for obesity and metabolic diseases and one digital health management platform for management. In addition, we are expanding various in-house pipeline products at different stages of development. The chart below summarized our in-house developed product portfolio as of the Latest Practicable Date.

Product Pipeline

	Portfolio	Product code name	Treatment Indication	Region	Pre-clinical / Clinical Trial / Registration	Upcoming Key Milestone (Expected)	Source	Risk Classification	Competent Authorities
Treatment Devices for Obesity and Metabolic Diseases	Gastric bypass Stent System	★GBS	Obesity	China	Approved in China (January, 2024)	N/A	Self-developed	III	NMPA
			Obesity	Other Regions*	Approved in Hong Kong, Indonesia, Thailand, Vietnam, Saudi Arabia, Malaysia, Ecuador, Colombia, the Philippines, Singapore and Brazil.	N/A	Self-developed	Multiple[4]	Multiple[5]
			Obesity	EU*	In CE marking review	Expects obtaining CE marking from the relevant notified body in H2 2026	Self-developed	IIb	UDEM (NB: CE2696)
			Obesity and Overweight	China	Clinical Trial in process	To complete pivotal clinical study in Q4 2027	Self-developed	III	NMPA
		•GBS-SH	MASH	Global #	IDE-Enabling studies [1]	To initiate early feasibility study in Europe in Q3 2026	Self-developed	Multiple[6]	Multiple[7]
		•GBS-DM	T2DM	China	FIH study	To complete FIH study in Q4 2027	Self-developed	III	NMPA
	Degradable Intragastric Balloon	•DIGB	Obesity	China	Clinical trial in process[2]	To complete the pivotal clinical study in Q4 2027	Self-developed	III	NMPA
			Obesity	EU*	In CE marking review	Expects obtaining CE marking from the relevant notified body in Q1 2028	Self-developed	IIb	BSI (NB: CE2797)
	Retrievable Intragastric Balloon	•RIGB	Obesity	China	Registration testing in preparation	To complete registration testing in Q4 2026	Self-developed	III	NMPA
Devices Compatible	*Video Gastroscope	GA [3]	/	China	Approved in China (December, 2025)	N/A	Self-developed	II	Shanghai NMPA
			/	EU	In CE marking review	Expects obtaining CE marking from the relevant notified body in Q2 2027	Self-developed	IIa	SGS BELGIUM NV (NB: CE1639)
	*Aspiration/ Deflation Catheter	SIC	/	China	Registration testing completed	To submit NMPA registration in Q4 2026	Self-developed	II	Zhejiang NMPA
	*Endoscopic retrieval kit	RTK	/	China	Approved in China (July, 2025)	N/A	Self-developed	II	Zhejiang NMPA
Integrated management	*Obesity management software	Dtx	/	China	Approved in China (December, 2024)	N/A	Self-developed	II	Tianjin NMPA

★Core Product • Key Product

* Denotes devices or product candidates exempted from mandatory or additional local clinical trial requirements in the specified jurisdictions. The specific regulatory bases are as follows:

(i) For GBS (in the EU, Indonesia, Thailand, Hong Kong, Vietnam, Saudi Arabia, Malaysia, Ecuador, Colombia, the Philippines, Singapore and Brazil) and DIGB (in the EU): Exempted from conducting local clinical trials. The respective Notified Bodies and competent authorities accept clinical evaluation reports supported by clinical trial data generated in China, which have been assessed to comply with applicable regulations, including the EU Medical Device Regulation (MDR, Regulation (EU) 2017/745).

(ii) For GA (in the EU): Exempted from clinical trials as it is a Class IIa device and does not fall within the scope of Article 61(4) of the EU MDR that mandates clinical trials. Its registration is supported by clinical evaluation data pursuant to Article 61 of the EU MDR.

(iii) For GA, RTK, and Dtx (in China): Exempted from clinical trials as they are Class II devices included in the Catalogue of Medical Devices Exempted from Clinical Evaluation (《免於進行臨床評價醫療器械目錄》) promulgated by the NMPA, and meet the relevant exemption criteria under the Measures for the Administration of Registration and Recordation of Medical Devices (《醫療器械註冊與備案管理辦法》).

\# Mainly includes China, US, EU, and Southeast Asia

MASH denotes metabolic dysfunction-associated steatohepatitis

T2DM denotes Type 2 diabetes mellitus

1 We have completed FIH study in patients with obesity and MASH in China, and plan to conduct further clinical research across different ethnicities.

2 We initiated a prospective, multicenter, randomized controlled pivotal clinical trial in China in August 2025, with the aim of completing the trial by 2027.

3 Video Gastroscope consists of endoscopic video image processor and electronic upper gastrointestinal endoscope.

4 The risk classification for the GBS is Class C in Indonesia, Thailand, Vietnam, Saudi Arabia, Malaysia, the Philippines and Singapore; Class III in Hong Kong, Ecuador and Brazil; and Class IIb in Colombia.

5 The competent authorities for the GBS are the MOH in Indonesia, MOH in Vietnam, the Thai FDA in Thailand, the MDD in Hong Kong, the SFDA in Saudi Arabia, the MDA in Malaysia, the ARCSA in Ecuador, the INVIMA in Colombia, the FDA in the Philippines, the HSA in Singapore, and the ANVISA in Brazil.

6 The risk classification for GBS-SH is Class III in China and the U.S.; Class IIb in the EU; and Class C in Indonesia, Thailand, Vietnam, Malaysia, the Philippines, and Singapore.

7 The competent authorities for GBS-SH are the NMPA in China, the FDA in the U.S. and the Philippines, the MOH in Indonesia and Vietnam, the Thai FDA in Thailand, the MDA in Malaysia, and the HSA in Singapore. For the EU, the competent authority will be a Notified Body (NB) which is yet to be determined.

Note: Design stage refers to the designing and developing of the sample product. IDE-enabling studies refer to the requisite preclinical research conducted to support an IDE application for clinical trials.

Our Core Product, the Gastric Bypass Stent System for Obesity

Overview

Our Core Product, the GBS is a minimally invasive medical device developed by us for the treatment of obesity. According to Frost & Sullivan, the GBS was the first globally commercializing approved intestinal interventional medical device for obesity. The GBS is inspired by the proven weight loss and metabolic benefits of the RYGB surgery, an invasive bariatric surgery, and offers a non-surgical alternative by mimicking its core mechanism. Mechanically, its sleeve creates a physical barrier in the duodenum and proximal jejunum to reduce nutrient absorption. Metabolically, this bypass triggers gut hormone secretion alteration, reducing GIP and stimulating GLP-1 to enhance satiety and improve blood glycemic control. Complemented by its ability to favorably modulate gut microbiota composition and preserves muscle mass, the GBS offers a multifaceted approach to long-term weight control.

It had received NMPA approval as a Class III Innovative Medical Device in January 2024, becoming the first medical device approved for digestive endoscopic treatment of obesity in China. The device was approved under the NMPA's Green Path, highlighting its novel mechanism and significant clinical value. As of the Latest Practicable Date, it has also received regulatory approvals in 11 other countries and regions, including Hong Kong, Indonesia, Thailand, Vietnam, Saudi Arabia, Malaysia, Ecuador, Colombia, the Philippines, Singapore and Brazil.

Approved by the NMPA for patients who have not achieved sufficient improvement with lifestyle interventions, non-invasive therapies, or pharmacotherapy, the current indication covers individuals meeting one of the following criteria: (i) BMI ≥ 32.5 kg/m² with simple obesity; (ii) BMI between 30.0 and 32.5 kg/m² with at least two components of metabolic syndrome; or (iii) BMI between 30.0 and 32.5 kg/m² with obesity-related comorbidities (the "**Approved Indication**"). We are actively developing the GBS-Low BMI, aiming to address a broader population with unmet clinical needs.

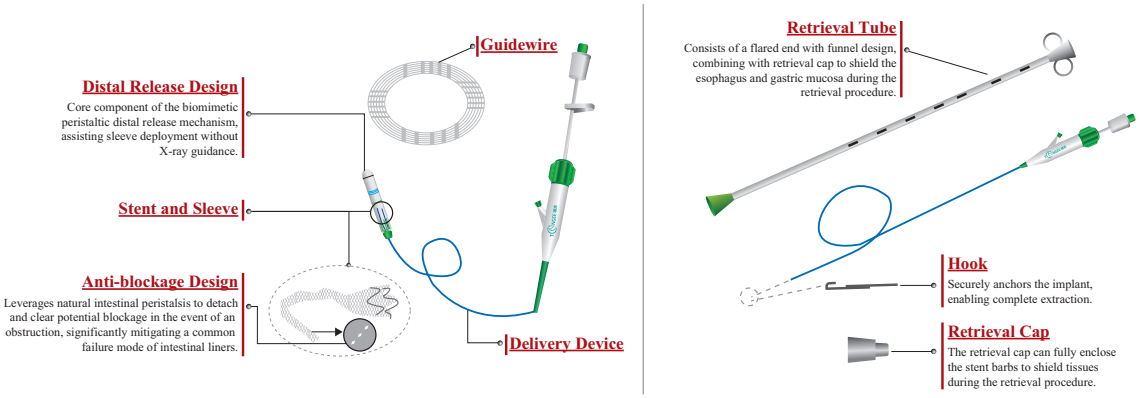
Product Structure

Our GBS system comprises a delivery system and a retrieval system.

The delivery system It consists of a delivery device, the GBS stent, and a guidewire, with the stent pre-loaded within the device's storage tube. The GBS stent itself is an assembly of the following key components: a nitinol alloy stent with anchoring barbs, a sleeve made from linear low-density polyethylene (LLDPE) and low-density polyethylene (LDPE) film, an ultra-high-molecular-weight polyethylene (UHMWPE) retrieval suture, radiopaque tantalum marker rings, and release ball. The sleeve features a low coefficient of friction and non-permeable to ensure the smooth passage of food chyme. Our GBS also features a unique anti-blockage design that leverages natural intestinal peristalsis to detach and clear potential blockage in the event of an obstruction, significantly mitigating a common failure mode of intestinal liners. The delivery system is further distinguished by a biomimetic peristaltic distal release mechanism, which allows the sleeve natural deployment without X-ray guidance, thereby minimizing procedure time and radiation exposure.

The retrieval system It consists of a retrieval tube, a retrieval hook, and a retrieval cap, facilitating the complete endoscopic extraction of the implant. The retrieval tube consists of a flared end with funnel design, combining with retrieval cap to shield the esophagus and gastric mucosa during the retrieval procedure.

Below is an illustration diagram of our GBS:



Delivery System **Retrieval System**

Operation Procedure

GBS Implantation Procedure The GBS implantation is a standardized, endoscopic procedure performed under anesthesia. It begins with the placement of a guidewire to establish gastric access. The integrated delivery system is then advanced to the stomach over the guidewire. The core deployment process is conducted under continuous endoscopic vision, ensuring precision and safety. The deployment process is simplified by color-coded marker lines that enable direct visual alignment with the pylorus, ensuring controlled and accurate stent release. Upon release, direct endoscopic observation confirms that the stent has fully expanded and the anchoring barbs have anchored in the duodenal bulb. A follow-up digital fluoroscopy is scheduled post-procedure on an as-needed basis, utilizing the stent's radiopaque markers to objectively verify that the device remains in the correct position and maintains full expansion.

GBS Removal Procedure The procedure is conducted under continuous endoscopic visualization. It begins with an endoscopic assessment of the stent's position. The key step involves using a specialized retrieval hook to engage the stent under visualization, collapsing it into a compact form, and then withdrawing the gastric stent entirely after it is retracted into a protective retrieval cap to cover all barbs before removal. This design aims to shield the patient's upper gastrointestinal tract and prevent tissue damage during extraction. The entire system is then entirely withdrawn, completing the procedure. Post-removal, a final endoscopic inspection is performed to confirm tissue integrity. The retrieved device is also examined to verify its structural completeness, confirming a successful and complete removal.

Market Opportunity and Competition

The GBS targets the gap in weight loss in patients with obesity, the large population of patients who are unresponsive to diet and/or drug therapy but are unwilling or unsuitable for invasive, irreversible bariatric surgery. Pharmacologic therapies, such as the GLP-1 RAs, are often constrained by high discontinuation rates, rapid weight regain upon cessation, and potential muscle mass loss, while traditional bariatric surgery, despite its efficacy, remains a niche solution due to its invasive nature and permanent anatomical alteration.

The unique positioning of the GBS unlocks a sizable addressable market. According to Frost & Sullivan, the number of patients with obesity worldwide reached 1,035.7 million in 2025 and is expected to increase to 1,263.7 million in 2030 and 1,440.4 million in 2034. In China, the number of patients with obesity reached 233.7 million in 2025. Correspondingly, the global market for EBMT medical devices is projected to grow from US$148 million in 2025 to US$1,248 million by 2030, representing a CAGR of 53.1%, respectively. In China, the market size for EBMT medical devices is projected to grow from RMB32 million in 2025 to RMB1,352 million by 2030, representing a CAGR of 111.1%.

The market is expanding under the NHC's "Weight Management Year" campaign (2024–2026), which mandates the establishment of weight management clinics in hospitals of certain tertiary. Simultaneously, the inclusion of our GBS in Guideline for Diagnosis and Treatment of Obesity (2024 edition) issued by the NHC establishes a standardized framework for adoption, validating the therapy's role in mainstream obesity treatment. Furthermore, the inclusion of our GBS in medical insurance reimbursement programs in 28 provinces as of the Latest Practicable Date significantly enhances affordability, effectively converting the vast demographic of potential patients into an accessible commercial market.

Our GBS is the first NMPA-approved endoscopic bypass medical device for obesity, addressing the unmet clinical need. According to Frost & Sullivan, as of the Latest Practicable Date, there are no other domestic comparable products in China at the clinical trial submission or more advanced stages. Our primary known global competitor is Morphic Medical, whose RESET® device obtained the CE marking in Europe in 2025 for a narrower population of BMI ≥40 kg/m², or those with BMI ≥30 kg/m² accompanied by at least one concurrent cardiometabolic risk factor. We believe our GBS is competitively positioned with a potentially larger addressable market, with our development plan aiming to expand into the even larger BMI25.0-30.0 kg/m² population. Technically, our GBS is designed to enhance patient safety and procedural efficiency. Its design enables deployment that operates without the need for X-ray guidance, thereby facilitating a short procedure time and eliminating patient radiation exposure. Furthermore, it utilizes a specialized structure engineered to significantly reduce the risk of blockage. Additionally, the competitive landscape of our GBS also includes intragastric balloon products. See "— Market Opportunity and Competition" for DIGB and RIGB.

Summary of Clinical Trial Data

Pivotal trial

We have completed a prospective, multi-center, randomized, controlled clinical trial in China (the "**Pivotal Trial**") to evaluate the efficacy and safety of the GBS for the treatment of obesity. We evaluated these endpoints by comparing test group patients receiving the GBS plus dietary intervention against control group patients receiving dietary intervention alone. We used dietary intervention as the control as it is a standard of care for obesity management.

Trial Design

The Pivotal Trial was conducted in seven centers in China, designed to enroll 100 patients. From November 2020 to October 2022, 99 eligible patients were enrolled and randomly assigned to the test group or the control group, with 50 and 49 patients in the respective groups. The analysis populations comprised 98 patients in both the full analysis set (FAS) and the safety set (SS), and 81 patients in the per protocol set (PPS). One patient randomized to the test group was excluded from all analysis sets as the device could not be implanted due to the patient's duodenal anatomy, and the patient did not receive any trial-related treatment. All patients met the following key inclusion criteria: (i) age between 18 and 60 years; (ii) BMI ≥30.0 kg/m²; (iii) American Society of Anesthesiologists (ASA) physical status classification of I-II; and (iv) voluntarily participated and signed the informed consent form.

The primary endpoint of the Pivotal Trial was the proportion of patients achieving ≥5% TWL and the percentage of excess weight loss (EWL%) in three months. Secondary endpoints included: (i) change in waist circumference in three months; (ii) device performance evaluation in the test group; (iii) change from baseline in BMI at Months 1, 3, 4, 6, and 9; (iv) change in HbA1c at Months 3, 6 and 9; (v) the intensity of glucose-lowering medication usage at Months 1, 3, 4, 6, and 9; (vi) change from baseline in glycemic parameters, lipid profiles, and blood pressure at Months 1, 3, 4, 6, and 9. Safety endpoints comprised the incidence of clinically significant laboratory changes, device- or procedure-related complications, and adverse events.

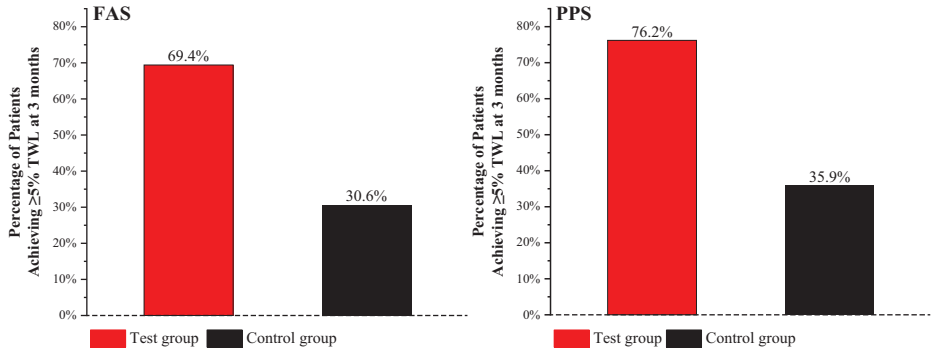
Efficacy Results

The pivotal trial was designed as a superiority study. It successfully met all pre-specified primary endpoints and secondary endpoints, demonstrating statistically and clinically superior weight loss for the test group compared to the control.

For the endpoint of percentage of patients achieving ≥5% TWL in three months, the results were as follows:

- In the FAS, the rate was 69.4% in the test group versus 30.6% in the control group, with a between-group difference of 38.78% (95% CI: 20.5%, 57.0%). The lower limit of the confidence interval exceeded the pre-specified superiority margin of 10%.

- In the PPS, the rate was 76.2% in the test group versus 35.9% in the control group, with a between-group difference of 40.3% (95% CI: 20.5%, 60.1%). The lower limit also exceeded the superiority margin of 10%.

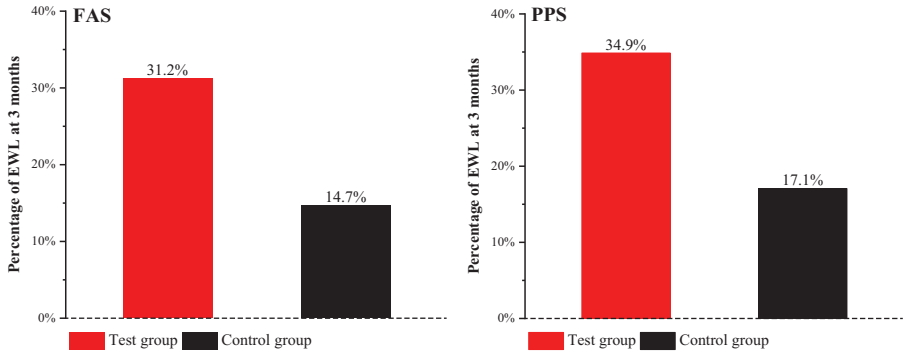


Percentage of patients achieving ≥5% total weight loss at 3 months

For the endpoint of EWL% in three months, the results were as follows:

- In the FAS, the mean EWL% was 31.2% ± 21.5% in the test group versus 14.7% ± 14.4% in the control group, with a between-group difference of 16.5% (95% CI: 9.2%, 23.9%). The lower limit of the confidence interval exceeded the pre-specified superiority margin of 2%.

- In the PPS, the mean EWL% was 34.9% ± 20.4% in the test group versus 17.1% ± 14.8% in the control group, with a between-group difference of 17.8% (95% CI: 9.8%, 25.7%). The lower limit also exceeded the superiority margin of 2%.



Percentage of excess weight loss at 3 months

In addition to the primary endpoints, the pivotal trial evaluated multiple secondary endpoints to comprehensively assess the efficacy of the GBS. The results for the secondary endpoints were as follows:

- *Change in waist circumference in three months*: At Month 3, the mean change in waist circumference from baseline in the FAS was -3.83±4.14 cm in the test group and -2.50±4.61 cm in the control group (p=0.083), and in the PPS, it was -4.22±4.15 cm and -2.67±4.94 cm, respectively (p=0.055). Although the differences did not reach statistical significance, the absolute mean reduction in the test group was greater than that in the control group. Furthermore, the percentage change in waist circumference from baseline at Month 3 showed a statistically significant difference between the two groups in the PPS (p=0.041), though not in the FAS (p=0.068).

- *Device performance evaluation in the test group*: In both the FAS and PPS, the device achieved a 100.0% success rate for delivery, deployment, and retrieval. Furthermore, no device inversion or detachment was observed at 30 and 90 days post-procedure.

- *Change from baseline in BMI at Months 1, 3, 4, 6, and 9*: The test group demonstrated a statistically significant greater reduction in BMI compared to the control group across all follow-up points. Specifically, in the FAS, the mean change in BMI from baseline at Months 1, 3, 4, 6, and 9 in the test group were -1.93±0.93 kg/m², -3.07±1.84 kg/m², -3.30±2.34 kg/m², -3.18±3.11 kg/m², and -3.10±4.20 kg/m², respectively, all of which were statistically superior to the control group (all p-values < 0.05).

- *Change in HbA1c at Months 3, 6 and 9*: The differences between the test and control groups at Months 3, 6, and 9 did not reach statistical significance. This was because the indicator was analyzed across all subjects, but the number of subjects with a history of diabetes was small (8 in the test group and 9 in the control group), thus no statistical difference was established.

- *The intensity of glucose-lowering medication usage at Months 1, 3, 4, 6, and 9*: This indicator was analyzed only for subjects using glucose-lowering medications to treat diabetes. In the FAS, the differences between the two groups were statistically significant at Month 1 (p=0.045) and Month 4 (p=0.018), but did not reach statistical significance at Months 3, 6, and 9. The lack of statistical significance at other follow-up points and in the PPS was due to the small number of subjects using glucose-lowering medications to treat diabetes.

- *Change from baseline in glycemic parameters, lipid profiles, and blood pressure at Months 1, 3, 4, 6, and 9*: (i) glycemic parameters: In the FAS, the difference in fasting insulin at Month 1, and fasting C-peptide at Months 4 and 6 were statistically significant. However, the differences in

fasting blood glucose at all time points, and other glycemic parameters at remaining time points did not reach statistical significance. This was attributed to the small number of subjects with a history of diabetes; (ii) lipid profiles (TC, TG, HDL-C, LDL-C): In the FAS, the difference in HDL-C at Month 3 was statistically significant. The differences in TC, TG, LDL-C at all time points, and HDL-C at remaining time points did not reach statistical significance; and (iii) blood pressure: The differences in the change from baseline in both systolic and diastolic blood pressure between the two groups did not reach statistical significance. Despite the lack of statistical significance, the absolute mean reductions in blood pressure in the test group were generally greater than those in the control group.

Safety Results

A total of 83 patients experienced adverse events (AEs), with 48 patients (245 events) in the test group and 35 patients (101 events) in the control group, indicating a between-group difference. Within the test group, 35 patients reported 83 events of device-related AEs, and 29 patients reported 67 events of procedure-related AEs. Serious adverse events (SAEs) occurred in six patients: four patients (four events) in the test group and two patients (two events) in the control group. In the test group, one SAE was assessed as device-related and one as procedure-related.

Adverse Events (AEs)	***Test group***	***Control group***
Patients with at least one AE, n (%)	48 (97.96%)	35 (71.43%)
Total number of AEs	245	101
Device-Related AEs, n (%)	35 (71.43%)	N/A
Serious Adverse Events (SAEs)		
Patients with at least one SAE, n (%)	4 (8.16%)	2 (4.08%)
Total number of SAEs	4	2
Device-Related SAEs, n (%)	1 (2.04%)	N/A

The safety profile of the GBS was characterized by a higher incidence of manageable AEs in the test group, consistent with the nature of an endoscopic implant procedure, with no increased risk of SAEs. As anticipated, the overall incidence of AEs was significantly higher in the test group (97.96%) than in the control group receiving only dietary intervention (71.43%). The majority of AEs in the test group were gastrointestinal and recoverable, without permanent injury. The reported adverse events in the test group were recoverable. There were no instances of irrecoverable adverse events or adverse events resulting in permanent injury or death during the pivotal clinical trial. Device-related AEs mainly include vomiting, abdominal pain, and gastrointestinal/duodenal ulcers. Importantly, the incidence of SAEs was not statistically different between the two groups (p=0.678). Specifically, of the four SAEs reported in the test group, one was assessed as device-related, being stent migration, one as procedure-related, and the remaining two were deemed unrelated to the device or procedure.

In conclusion, the pivotal trial demonstrated that the GBS provides statistically superior weight loss efficacy compared to dietary intervention alone, with a well-characterized and acceptable safety profile appropriate for an interventional device.

Pivotal trial for the GBS-Low BMI

To drive the continuous commercial expansion of our Core Product, the GBS, we are initiating a new pivotal clinical trial intended to support a modification to our existing NMPA registration. The primary objective is to extend the approved indication to cover patients with a lower BMI. The trial also introduces, as an additional variant to the currently approved 60 cm version, an 81 cm sleeve specification. Since the GBS-Low BMI utilizes the similar device structure and therapeutic mechanism as the approved GBS,

differing only in the target patient population's BMI range, it is regulated as an indication expansion rather than a separate product. Furthermore, as the GBS does not fall within the specific high-risk categories listed in the Catalogue of Class III Medical Devices Requiring Clinical Trial Approval (2020 Revision), we are not required to obtain a formal no objection letter from the NMPA to initiate this clinical trial.

The trial is expected to be designed as a prospective, multi-center, randomized, controlled study. We plan to enroll approximately 148 patients. Eligible patients should meet the following key inclusion criteria: (i) aged 18–60 years, (ii) diagnosis of obesity or overweight with inadequate weight loss response to prior lifestyle interventions, meeting one of the following sub-criteria: (a) BMI ≥32.5 kg/m^2; (b) BMI ≥27.5 kg/m^2 with comorbid T2DM; (c) BMI between 27.5 kg/m^2 and 32.5 kg/m^2 with either inadequate response to medical treatment for obesity, or with other obesity-related comorbidities inadequately managed by medical therapy; or (d) BMI between 25.0 kg/m^2 and 27.5 kg/m^2 with T2DM and inadequate glycemic control following intensive medical therapy. Eligible patients should voluntarily participate in the trial and provide written informed consent.

Following initial screening, eligible patients will be randomized on a 1:1 basis into either a test group, receiving GBS placement plus lifestyle intervention, or a control group, receiving dietary intervention alone. The total trial duration is planned for nine months, comprising a three-month implantation period followed by a six-month post-retrieval follow-up.

The primary efficacy endpoint is expected to be the proportion of patients achieving ≥5% TWL at three months compared to the control group based on key clinical indicators. Secondary efficacy endpoints will include, among others, device performance, weight loss outcomes at various follow-up time points, and changes in body composition and relevant metabolic parameters. Safety endpoints will assess the incidence of device deficiencies and adverse events.

We received ethics approval from the leading institution of the study in January 2026 and had initiated patient enrollment and recruitment for its pivotal trial, and had reached approximately 50.0% of the target patient enrollment as of the Latest Practicable Date, targeting completion of the clinical study by the end of 2027.

Development History and Development Plan

The R&D of our GBS commenced in 2017. The table below summarizes the key development milestones and future development plan for our GBS:

Time	Milestone
February 2017	Started pre-clinical investigation, including market research, and product design
November 2019	Completed the animal studies and type testing
September 2020	Obtained the NMPA approval to be reviewed under the Green Path
November 2020	Commenced the clinical trial in China
October 2022	Completed the clinical trial
March 2023	Submitted the NMPA registration application
January 2024	Obtained the NMPA approval as a Class III Innovative Medical Device
April 2024	Commenced sales in China

According to Frost & Sullivan, the overall development timeframe of our Core Product is generally in line with industry norms for comparable Class III innovative medical devices. The future development and commercialization plan for the GBS mainly include the following:

- ***Extension of indication and new specifications*:** Based on our commercially approved 60 cm sleeve model, we are pursuing a registration modification with the NMPA to achieve the primary objectives of expanding the approved indication to cover patients with a lower BMI, while introducing an 81 cm sleeve specification to complement the existing 60 cm version. This update will allow for coverage of clinical needs across our expanded addressable population and selection of more specifications. We received ethics approval from the leading institution of the study in January 2026 and had initiated patient enrollment and recruitment for its pivotal trial, and had reached approximately 50.0% of the target patient enrollment as of the Latest Practicable Date, targeting completion of the clinical study by the end of 2027.

- ***Registration in new markets*:** To drive global growth, we are actively expanding our regulatory footprint. Having secured approvals in 12 markets including Chinese Mainland, we are now strategically pursuing registrations in other key jurisdictions. Specifically, we are in the process of obtaining registration for the GBS in other regions such as the European Union. Furthermore, we are actively progressing our application for the CE marking in Europe toward its approval. We submitted our application for CE marking under the Medical Device Regulation (MDR) in July 2024. According to relevant regulations, based on our conformity analysis and communications with our notified body, the clinical data obtained from our pivotal clinical trials in China is acceptable for the purpose of CE marking, and no separate local clinical trials or additional R&D work are required within the EU. We expect to obtain the CE marking in the second half of 2026.

Material Communication with Competent Authorities

We have maintained active and constructive engagement with the NMPA throughout the development and registration of the GBS. Our regulatory journey began in September 2020, when the GBS was formally accepted into and publicized under the NMPA's Green Path review regime.

Following this, we commenced the pivotal clinical trial in China in November 2020, completed it in October 2022, and submitted the registration application in March 2023. The subsequent review process involved several key interactions with the NMPA. This collaborative process culminated in the NMPA's approval of the GBS as a Class III Innovative Medical Device in January 2024.

Other than the above, we have not had any material regulatory communications with the competent authorities for GBS, and we are not aware of any material concern from the competent authorities in connection with GBS. As of the Latest Practicable Date, no material adverse change had occurred with respect to our regulatory status for GBS.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP EXTENSION OF INDICATION AND SPECIFICATIONS, AND EXPAND OVERSEAS MARKET FOR OUR GBS SUCCESSFULLY

Our Key Product, Gastric Bypass Stent for MASH Complicated with Obesity

Based on our established gastric bypass stent platform, we are developing a device candidate, GBS-SH, for the treatment of MASH complicated with obesity. As a product targeting a distinct indication and featuring differences in product design with a longer sleeve of approximately 80 cm, and implantation duration of six months compared to three months for the GBS, GBS-SH is expected to be regulated as a separate entity under the Guiding Principles for the Division of Medical Device Registration Units issued by the NMPA, requiring its own clinical development and registration pathway, as the guide mandates separate registration for products with distinct intended indication.

We have completed a FIH study in China as of the Latest Practicable Date. Following our application submission in August 2024, this transformative profile was validated by the FDA's grant of Breakthrough Device Designation in October 2024. Reserved for devices treating life-threatening or debilitating conditions, this status facilitates an expedited development path and prioritized regulatory review. We plan to initiate further FIH study across different ethnic group to ensure that the product design is optimized for global patient populations.

Product Structure

The GBS-SH leverages the same platform as the GBS. It consists of a disposable delivery system, an implant that mainly includes stent and sleeve, and a disposable retrieval system. The core implant utilizes the same fundamental components as our GBS but is being developed with modifications, such as longer sleeve similar to the planned introduction of new specification of the GBS, and more advanced retrieval system, to optimize its therapeutic effect for MASH with an expected longer implantation duration of six months.

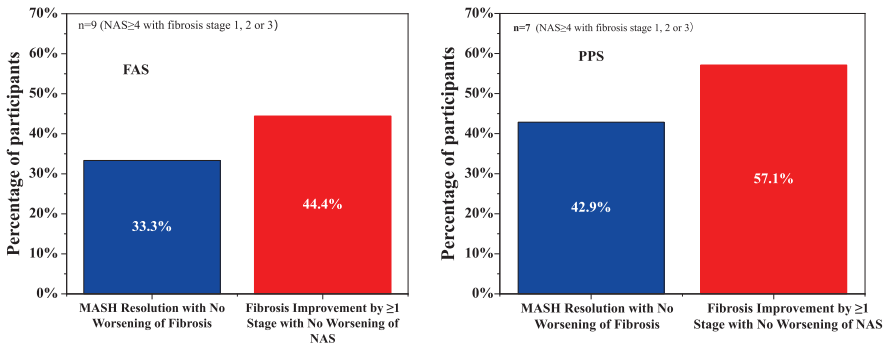
Operation Procedures

The operation procedure for GBS-SH is non-surgical, minimally invasive, and fully reversible. The placement and retrieval procedures are performed endoscopically, similar to our GBS. The key difference is the treatment period. Based on our exploratory studies, the implantation period for the MASH indication is expected to be primarily six months.

Summary of FIH Trial

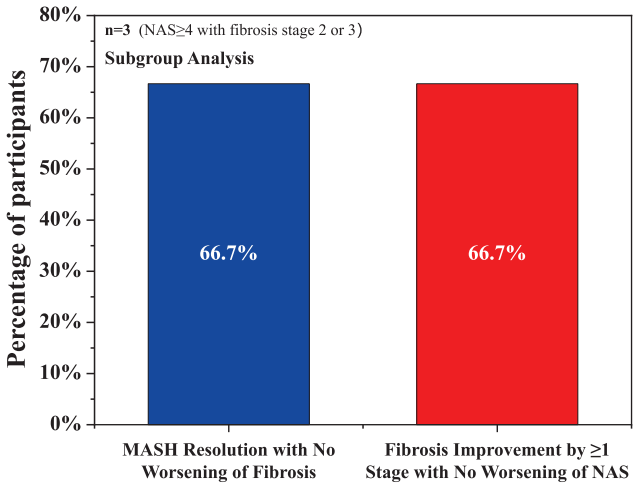
An independent, small-sample clinical trial of the GBS-SH has been conducted at two centers in China. The trial was designed to provide a preliminary assessment of the efficacy and safety of the GBS-SH. Key primary efficiency points include MASH resolution, defined as a reduction in the nonalcoholic fatty liver disease activity score (NAS) by ≥2 points (NAS ranges from 0 to 8, with higher scores indicating more severe disease) with no worsening of fibrosis and an improvement in fibrosis by ≥1 stage with no worsening of the NAS. Key inclusion criteria included: (i) aged 18–65; (ii) clinical diagnosis of MAFLD; (iii) MRI-PDFF ≥10%; and (iv) BMI ≥25.0 kg/m². Nine eligible patients provided informed consent and were enrolled.

All enrolled patients successfully underwent GBS implantation and retrieval, completed the primary endpoint assessment, and received follow-up examinations. All the patients were with NAS≥4 and fibrosis stage ≥1 and preliminary efficacy signals were observed. In the FAS (n=9), the proportion of patients with MASH resolution with no worsening of fibrosis was 33.3%. The proportion of fibrosis improvement by ≥1 stage with no worsening of NAS was 44.4%. In the PPS (n=7), the proportion of patients with MASH resolution with no worsening of fibrosis was 42.9%. The proportion of fibrosis improvement by ≥1 stage with no worsening of NAS was 57.1%.



Primary Endpoints of FIH study for GBS

In our study, the data indicated that in the more advanced disease subgroup (NAS≥4, fibrosis stage 2 or 3, n=3), two out of the three patients achieved both MASH resolution, and fibrosis improvement of at least one stage.



Subgroup Analysis of FIH Study for patients with NAS≥4 and stage 2 or stage 3

Secondary endpoint assessments at 12- and 24-week post-implantation demonstrated significant improvements across multiple domains. For instance, mean liver fat content (MRI-PDFF) was reduced by 62.5% in the FAS. Liver stiffness in the FAS, demonstrated improvement, where 55.6% of patients achieved a reduction of ≥2 kPa, with no patients experiencing a worsening of ≥2 kPa. In the PPS, 71.4% of patients achieved a reduction of ≥2 kPa.

The safety profile was favorable. AEs during the initial implantation phase were limited to mild, transient gastrointestinal reactions such as nausea and vomiting. No device-related SAEs occurred. Both device implantation and retrieval procedures were successful in 100% of cases.

In summary, this exploratory trial provides preliminary evidence that the GBS-SH is a potentially effective and safe interventional therapy for patients with MASH complicated with obesity, successfully validating its clinical application concept.

Market Opportunity and Competition

According to Frost & Sullivan, the treatment of MASH is a global challenge. Specifically, the therapeutic landscape for MASH, historically referred to as NASH since 1980, has seen limited breakthroughs, with only two drugs having received FDA approval as of the Latest Practicable Date. Crucially, the clinical utility of these existing agents is constrained by their limited efficacy in fibrosis improvement by ≥1 stage. If further worsened, such persistent fibrosis can progress to cirrhosis and hepatocellular carcinoma, or eventually necessitate liver transplantation, critically associated with increased mortality rates. In China, the treatment gap is even more acute, as no pharmacologic therapy has yet obtained regulatory approval for the specific treatment of MASH. This underscores a significant unmet need and highlights the innovative potential of our GBS-SH.

This therapeutic void is magnified by the sheer scale of the affected population. According to Frost & Sullivan, the number of patients with MASH complicated with obesity is projected to grow from 349.0 million globally, including 57.9 million in China, in 2025 to 485.4 million, including 80.8 million in China, by 2034, representing a massive and expanding burden that requires urgent intervention.

Further Development and Commercialization Plan

We plan to actively pursue the clinical application of GBS-SH. We plan to initiate an overseas exploratory FIH study in Europe to further evaluate the product for MASH complicated with obesity across different ethnicity. Subject to positive data, we plan to commence a global multi-center registration trial by the end of 2027, with subsequent regulatory filings aligned with the study's timeline.

We are committed to the continual iteration of GBS-SH to optimize its long-term therapeutic profile. Key focus areas of our research and studies include increasing the sleeve length and implantation duration, as well as on improving MASH and liver fibrosis.

As a product with a distinct indication, GBS-SH will be regulated as a separate entity. We intend to leverage regulatory designations, including its existing FDA Breakthrough Device Designation, to facilitate efficient dialog with global health authorities and streamline the path to market.

Material Communication with Competent Authorities

Following our application submission in August 2024 that was supported by clinical data from our FIH study conducted in China, the FDA granted Breakthrough Device Designation to the GBS-SH in October 2024. In accordance with applicable PRC regulations, this study for the GBS-SH did not require to be pre-approved by the NMPA as it is not involved in the Index of Class III Medical Devices subject to Clinical Trial Approval (《需進行臨床試驗審批的第三類醫療器械目錄》).

In August 2025, we received written clarification via email from the FDA regarding key aspects of our clinical trial design. Building on this regulatory alignment, we aim to initiate a global multi-center clinical trial to further validate the GBS-SH.

Other than the above, we have not had any material regulatory communications with the competent authorities for GBS-SH, and we are not aware of any material concern from the competent authorities in connection with GBS-SH.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR GBS-SH SUCCESSFULLY

Our Key Product, Gastric Bypass Stent for T2DM Complicated with Obesity

Based on our GBS platform, we are developing a product candidate for T2DM complicated with obesity, GBS-DM. As it addresses a distinct indication and necessitates a different product design, with a longer sleeve of approximately 80 cm and a longer treatment duration up to nine months, GBS-DM is expected to follow its own regulatory pathway as a separate product under the Guiding Principles for the Division of Medical Device Registration Units issued by the NMPA, requiring dedicated clinical trials and approvals from the NMPA, as the guide mandates separate registration for products with distinct intended indication. This iteration retains the core mechanism of action of the approved GBS.

Product Structure

The GBS-DM leverages the same platform as our GBS. It consists of a disposable delivery system, an implant that mainly includes stent and sleeve, and a disposable retrieval system. The core implant utilizes the same fundamental components as our GBS but is being developed with modifications, including a longer sleeve, to optimize its therapeutic effect for T2DM complicated with obesity, such as a longer implantation duration.

Operation Procedures

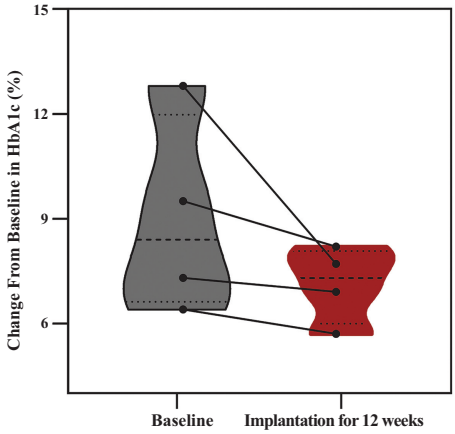
The operation procedure for GBS-DM is non-surgical, minimally invasive, and fully reversible. The placement and retrieval procedures are performed endoscopically, similar to our GBS. The key difference is the treatment period. Based on our exploratory studies, the implantation period for GBS-DM is not yet finalized but is estimated to be exceeding that of GBS.

Summary of FIH Trial

An independent, single-center, single-arm pilot study of the GBS-DM has been completed in compliance with applicable regulations in China. The study aimed to evaluate the preliminary efficacy and safety of the GBS-DM for treating patients with T2DM complicated with obesity.

Eligible patients were required to: (1) be aged 18–65; (2) have a BMI of 30–42 kg/m² with ineffective weight control via diet and exercise; (3) have an HbA1c≥6.5%; (4) be classified as ASA I–II; and (5) provide informed consent and demonstrate willingness to comply with follow-up requirements.

All enrolled patients underwent GBS-DM implantation with follow-ups scheduled at weeks 1, 4, 8, and 12 (device removal), as well as 12- and 24-weeks post-removal. Results from the four-patient cohort demonstrated significant glycemic improvement: at 12 weeks post-implantation, the mean HbA1c decreased from 9.0% (range: 6.4–12.8%) at baseline to 7.1% (range: 5.7–8.2%), representing a mean reduction of 1.9%.



Change from Baseline in HbA1c

The safety profile was favorable. The most common AEs were mild-to-moderate gastrointestinal symptoms, such as abdominal pain, nausea, vomiting, constipation, occurring primarily in the first week post-implantation. No device-related SAEs were reported.

Market Opportunity and Competition

According to Frost & Sullivan, the intersection of obesity and T2DM represents a substantial and expanding public health burden characterized by a high baseline prevalence and sustained growth. According to Frost & Sullivan, globally, the number of patients with obesity living with T2DM is projected to rise from 361.9 million in 2025 to approximately 440.5 million by 2034, underscoring the persistent global demand for integrated metabolic interventions. Mirroring this global trend, the burden in China is similarly acute. The population of patients with T2DM complicated with obesity in China is projected to increase from 57.5 million in 2025 to approximately 66.6 million by 2034. This vast, concentrated patient pool presents a significant addressable market for therapeutic innovation.

Despite this massive unmet clinical need, the market for device-based interventions remains significantly underserved. According to Frost & Sullivan, as of the Latest Practicable Date, there were no endoscopic medical devices in China that have received regulatory approval for the treatment of T2DM complicated with obesity. This absence of direct domestic competition highlights a market opportunity for our GBS to serve as a therapy addressing this critical therapeutic gap in the Chinese market. Globally, our competitive position is further differentiated against emerging therapies such as the DMR product, Revita. While DMR relies on energy-based mucosal ablation, a destructive process with outcomes subject to tissue regeneration variability, our GBS-DM employs a non-destructive mechanism. This distinction offers treatment controllability and reversibility. For patients, this non-permanent approach lowers the psychological barrier to treatment and ensures a more predictable safety profile, thereby enhancing patient compliance and willingness compared to irreversible tissue-altering procedures.

Further Development and Commercialization Plan

We plan to actively pursue the clinical application of GBS-DM. We have initiated a FIH study to further evaluate its potential for glycemic control and to refine the product design and expect to complete these studies in the second half of 2027. Building on the favorable data from these exploratory studies, we plan to initiate a registration clinical trial to support the regulatory approval for T2DM complicated with obesity. We aim to validate the device's performance with an extended implantation period, which is estimated to be six to nine months, to ensure sustained therapeutic efficacy for T2DM management.

Given that the GBS-DM targets a distinct indication from our core product and necessitates a different treatment duration, we plan to advance its regulation as a separate product entity rather than as a modification to our existing registration. We intend to maintain close communication with regulatory authorities to define the optimal clinical pathway and data requirements for this specific indication.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR GBS-DM SUCCESSFULLY

Our Key Product, the Degradable Intragastric Balloon

Building on our intragastric balloon platform, we developed the DIGB, which is engineered with a degradable valve that allows the inner fluid to be released from the balloon after three to four months, improving patient experience by innovatively eliminating the need for endoscopic retrieval. It is currently undergoing a pivotal clinical trial in China, with completion targeted for 2027. To execute our global strategy, we are taking steps for international market entry. We have submitted the CE marking application for the DIGB in February 2026. This submission was supported by our existing data including pre-clinical data and FIH study. Subsequently, we will supplement this application with the results from our pivotal clinical trial in China, expected in 2027. This staged approach allows us to optimize the overall regulatory approval timeline.

Product Structure

The DIGB consists of, a capsule shell, a folded balloon pre-loaded inside the capsule shell, a delivery catheter, and an auxiliary guidewire pre-loaded inside the delivery catheter. The balloon features a degradable valve inside, engineered to degrade unaffected by the gastric acid environment, ensuring predictable performance and patient safety. Once deployed and filled with liquid, the valve is designed to disintegrate spontaneously after approximately three to four months. This triggers the automatic release of the fluid and the deflation of the balloon, allowing it to be naturally excreted through the gastrointestinal tract.

Operation Procedure

The first procedure is delivering a capsule containing the deflated balloon. Once in the stomach, after a brief wait for dissolution of capsule, the balloon is filled with specific volume liquid via the delivery catheter. The delivery catheter is then swiftly withdrawn from the patient's mouth, detaching from the inflated balloon. The treatment cycle concludes after three to four months when the integrated degradable valve disintegrates, allowing the balloon to empty and be expelled naturally without an endoscopic procedure.

Market Opportunity and Competition

The DIGB targets a vast market of patients seeking effective weight loss who are deterred by the highly invasive procedures of certain traditional therapies. For prevalence of patient with obesity globally and in China, see "— Our Products and Product Pipeline — Our Core Product, the Gastric Bypass Stent System for Obesity — Market Opportunity and Competition."

The DIGB is designed with advanced polyurethane construction, which enables a thinner wall minimizes mechanical friction against the stomach wall, thereby aiming to reduce irritation and enhance patient tolerance. Meanwhile, the DIGB is designed to differentiate itself from traditional intragastric products by eliminating the need for endoscopic removal, thereby significantly lowering the threshold for treatment access. According to Frost & Sullivan, there were no comparable domestic products approved in China as of the Latest Practicable Date, representing a significant underserved market opportunity.

Summary of Clinical Trial Data

FIH Trial

A pilot study of our DIGB has been conducted at two sites in compliance with applicable regulations in China. The study aimed to provide a preliminary assessment of the efficacy and safety of the device in patients with obesity.

The primary efficacy endpoint was the mean TWL% at week 16. Secondary assessments included proportion of patients achieving ≥5% TWL, EWL%, changes in body composition parameters, improvement in obesity-related comorbidities, and recording of device-related adverse events. Key criteria for patient enrollment included: (i) aged 18–65; (ii) BMI ≥27.5 kg/m², with or without obesity-related comorbidities; and (iii) history of insufficient weight loss with lifestyle modification or medical treatment. Ten eligible patients provided informed consent were enrolled.

All patients successfully underwent device implantation and received scheduled follow-up. As of the Latest Practicable Date, ten patients have completed follow-up of 16 weeks. These patients achieved TWL% of 10.2%, with 90.0% of patients attaining a clinically significant weight loss response of ≥5% TWL. Significant improvements were also observed in secondary body composition parameters, including waist circumference and body fat percentage. The safety profile was favorable. Gastrointestinal symptoms occurring in the initial post-procedure period were managed symptomatically and resolved quickly. No device-related SAEs occurred during the study.

This pilot study provides initial evidence that our degradable intragastric balloon is a potentially effective and safe weight loss therapy for adults with obesity.

Pivotal clinical trial

We have initiated a prospective, multi-center, randomized, controlled pivotal clinical trial in China to evaluate the efficacy and safety of the DIGB for the treatment of obesity. We evaluated designed endpoints

by comparing test group patients receiving the DIGB plus dietary intervention, against control group patients receiving dietary intervention alone. We used dietary intervention as the control as it is a standard of care for weight loss.

The pivotal trial is designed to take place in 13 centers in China, with a total of 336 enrolled patients. The protocol of the pivotal trial study was design based on the Guideline for Diagnosis and Treatment of Obesity (2024 edition).

Eligible patients should meet the following key inclusion criteria: (i) aged 18–65 years, (ii) diagnosis of obesity with inadequate weight loss response to prior lifestyle interventions, meeting one of the following obesity or overweight: (a) BMI ≥32.5 kg/m²; (b) BMI ≥27.5 kg/m² with comorbid T2DM; or (c) BMI between 27.5 kg/m² and <32.5 kg/m² with either inadequate response to medical treatment for obesity, or with other obesity-related comorbidities inadequately managed by medical therapy. Eligible patients should voluntarily participate in the trial and provide written informed consent.

The two primary end points at Week 16 include mean TWL%, and proportion of patients achieving ≥5% TWL from baseline. Secondary endpoints include device performance evaluation (test group only); mean TWL% and weight loss response rate at Weeks 8, 12, 24, and 40; EWL% at Weeks 8, 12, 16, 24, and 40; change from baseline in BMI, waist circumference, hip circumference, and body fat percentage at the same time points; and changes in obesity-related complications at Weeks 16 and 40, covering blood pressure, including systolic blood pressure and diastolic blood pressure, lipid profiles, including total cholesterol, triglycerides, low-density lipoprotein cholesterol, and high-density lipoprotein cholesterol, and glycemic parameters, including HbA1c, fasting plasma glucose, fasting plasma insulin, and fasting C-peptide.

Safety endpoints comprise the incidence of device deficiencies, device-related AEs and SAEs, as well as all other AEs and SAEs occurring during the study. The pivotal clinical trial has initiated patient enrollment, reaching nearly 70% of the targeted size as of the Latest Practicable Date.

Further Development and Commercialization Plan

We are actively advancing the global development and registration of our DIGB to strategically address diverse clinical preferences and market requirements. The DIGB is engineered with a degradable design that allows the balloon to empty and expel naturally without an endoscopic procedure. A pivotal registration clinical trial is currently underway in China. We have initiated patient enrollment, targeting approximately 336 patients across multiple centers. We are actively progressing the trial and aim to complete it in 2027, followed by the submission of a registration application to the NMPA.

We also intend to strategically leverage the clinical data generated in China as the primary evidence to support and accelerate our regulatory submissions in key international markets. We have submitted the CE marking application for the DIGB in February 2026. This submission was supported by our existing data including pre-clinical data and FIH study. Subsequently, we will supplement this application with the results from our pivotal clinical trial in China, expected in 2027. This staged approach allows us to optimize the overall regulatory approval timeline.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR DIGB SUCCESSFULLY

Our Key Product, the Retrievable Intragastric Balloon

Our RIGB represents an intragastric balloon therapy designed to reduce gastric volume and induce satiety. Distinguished from traditional silicone balloons, the RIGB is constructed using our polyurethane thin-film forming technology. Furthermore, the RIGB features an ergonomic ellipsoid design tailored to fit the natural curvature of the stomach.

Product Structure

The RIGB is built on the same technological platform as the DIGB, comprising a balloon folded within a capsule, a capsule shell, a delivery catheter, and a pre-loaded auxiliary guidewire. The core distinction is that the RIGB does not feature a degradable valve. Therefore, after the six-month treatment period, the device requires endoscopic retrieval. The removal procedure involves endoscopic puncture and aspiration of the balloon under general anesthesia with endotracheal intubation, followed by extraction of the deflated device.

Operation Procedure

The placement procedure for the RIGB mirrors the DIGB, involving delivering the capsule, subsequent filling via a catheter and separating delivery catheter from the inflated balloon. However, unlike the DIGB, the RIGB requires a specific retrieval procedure upon completion of the six-month treatment period. The removal procedure involves puncturing the balloon under visualization, aspirating the fluid using either our SIC device or needle with an aspiration channel, and then extracting the deflated balloon using grasping forceps.

Market Opportunity and Competition

Our RIGB is designed to align with existing clinical practices while offering a significant technological upgrade. Unlike legacy competitors that often rely on silicone materials, our RIGB utilizes polyurethane thin-film forming technology. This innovation allows us to provide a product that fits seamlessly into established physician workflows overseas, but with superior safety, durability, and patient tolerance. For prevalence of patient with obesity globally and in China, see " — Our Products and Product Pipeline — Our Core Product, the Gastric Bypass Stent System for Obesity — Market Opportunity and Competition."

Globally, the market for intragastric devices is currently populated by overseas silicone-based incumbents, including Boston Scientific's Orbera, which was approved by the FDA in 2015, Spatz FGIA's Spatz3, which was approved by the FDA in 2021, as well as Medsil and LexBal, both of which CE-marked. While these international products validate the clinical pathway for intragastric therapy, there were no comparable domestic products approved in China as of the Latest Practicable Date, according to Frost & Sullivan. We believe the RIGB's advanced polyurethane construction positions it as a differentiated, next-generation alternative to these traditional silicone solutions. Specifically, this material enables a thinner wall which, coupled with an optimized oval design that better conforms to the natural gastric cavity, minimizes mechanical friction against the stomach wall, thereby aiming to reduce irritation and enhance patient tolerance.

Further Development and Commercialization Plan

The RIGB serves as a technologically advanced alternative within the established standard-of-care treatment paradigm, specifically tailored for international markets where physicians prefer retrievable devices. We are advancing the regulatory pathway for this product to capture opportunities in these established markets. We plan to submit the CE marking application for the RIGB in the second half of 2026.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR RIGB SUCCESSFULLY

Our Other Product and Product Candidates

We are actively expanding our portfolio to establish a diversified product portfolio for the treatment and management of metabolic diseases. Beyond our Core Product and Key Products our diverse range of

product and product candidates is designed to provide advanced therapeutic solutions, critical procedural support, and holistic lifecycle management, offering a total solution for metabolic diseases.

Product Candidates for Weight Loss

We offer a diversified portfolio of therapeutic candidates targeting distinct patient populations within the broad spectrum of obesity and metabolic disease.

- ***Endoscopic Suturing System (ESS):*** This system is designed to perform endoscopic sleeve gastroplasty, a minimally invasive weight-loss procedure. It enables physicians to place a series of sutures along the greater curvature of the stomach using a gastroscope, effectively reducing gastric volume and capacity to weight loss. Our ESS is specifically engineered to address key challenges in endoscopic suturing. Its design prioritizes excellent device deliverability through the endoscope channel, superior tissue visualization for accurate suture placement, and an intuitive, efficient suture deployment mechanism. These features are expected to reduce the procedural learning curve, minimize operative time of the endoscopic sleeve gastroplasty procedure for physicians.

- ***Super Space-occupying Gel Capsule (SOC):*** The SOC represents a novel approach to non-surgical weight loss. It is an ingestible capsule that expands into a biocompatible gel structure within the stomach to induce satiety and reduce food intake, serving as a temporary yet effective intervention for weight loss.

Product Candidates for T2DM

To address the growing demand for effective T2DM treatments, we offer an innovative duodenal mucosal ablation catheter (RAC) therapy for T2DM targets the significant unmet clinical need between pharmacotherapy and invasive surgery. This device is engineered for endoscopic duodenal mucosal resurfacing. Such targeted resurfacing is designed to alter the intestinal lining's interaction with nutrients, thereby influencing enterohormone secretion, such as GLP-1, and improving metabolic parameters like glycemic control.

Compatible Devices and Accessories

Our Core Product, GBS, is supplied as a comprehensive system that includes both a delivery system and a retrieval system within its original packaging. Therefore, the RTK serves as an optional, specialized retrieval tool that provides physicians with enhanced operational flexibility for GBS and hospitals are not required to purchase additional retrieval devices when using GBS. Furthermore, the GBS procedure can be performed using standard, third-party manufactured video gastrointestinal endoscopes commonly available in hospitals. While our proprietary compatible devices, such as the GA, CA and RTK, are not mandatory for the use of our Core Product, we have, nevertheless, developed these specialized accessories to further optimize the procedural experience and provide a comprehensive portfolio for physicians.

- ***Endoscopic Products and Ancillary Products***: Our proprietary gastroscope (GA) is a high-definition diagnostic and therapeutic endoscope developed specifically to support our interventional devices. GA features an innovatively extended length designed to facilitate EBMT treatment procedures, providing superior visualization and operational reach for complex interventions. The GA was granted its Class II Medical Device Registration Certificate by the Shanghai NMPA in December 2025. Complementing the GA, we are developing electronic video colonoscope focusing on lower gastrointestinal endoscope (CA), for which we submitted the CE marking application in March 2026 and the NMPA registration application in April 2026. We

expect to obtain approvals for such applications in the second quarter of 2027 and the fourth quarter of 2026, respectively. We are also developing a digestive endoscopy quality control software (EQS), which applies image recognition technology to assist physicians in improving the quality and completeness of endoscopic procedures. The EQS has completed registration testing, and we plan to submit NMPA registration application for the EQS in the fourth quarter of 2026.

- ***Aspiration/Deflation Catheter (SIC)***: The SIC is a specialized catheter designed to puncture, deflate, and evacuate the fluid from intragastric balloons. The innovative aspect of the SIC lies in its bullet-like ejection mechanism with a spring-loaded, trigger-activated design, which reduces the difficulty of puncturing intragastric balloon products, such as our RIGB, thereby facilitating easier operation for physicians. We have completed registration testing for the SIC as of the Latest Practicable Date. The SIC is planned to submit for both CE marking and NMPA registration in 2026, with approval anticipated in 2027.

- ***Endoscopic Retrieval Kit (RTK)***: The RTK is an upgraded, dedicated retrieval system for our GBS Series products, designed to ensure the safe removal of implants. It features a lubricious coating that facilitates the smooth withdrawal of the entire stent into the retrieval tube, enhancing both procedural ease and safety during retrieval procedure. The RTK was granted Class II Medical Device Registration Certificate by the Zhejiang NMPA in July 2025. We registered the RTK as a separate medical device primarily as a strategic commercial decision to serve as a universal retrieval system for our GBS Series, including our pipeline products, GBS-SH and GBS-DM. These pipeline products will require retrieval systems but are registered separately from GBS. The standalone registration of RTK is not a regulatory requirement imposed by the NMPA and has no impact on the registration and approval status of our Core Product. Currently, the RTK is not sold separately.

- ***Body Composition Analyzer Products***: We are developing an impedance-based body composition analyzer (BCA) and a dual-energy X-ray bone densitometer and body composition analyzer (BCS). Body composition analyzers are bioelectrical devices commonly used in weight management outpatient departments, designed to assist the assessment of patients. They measure key body composition parameters, such as body fat percentage and lean muscle mass, providing clinicians with objective data to support treatment planning and the continuous management of patients' overall condition. BCA is typically used for preliminary assessment, while BCS assessment is preferred where a more precise evaluation is required, as it can provide relatively more accurate assessment of body composition. The BCA and BCS are currently at design stage.

Comprehensive Lifestyle Management

Extending beyond interventional devices, we offer holistic solutions to support long-term patient outcomes through digital and nutritional interventions.

- ***Obesity Management Software (Dtx)***: Our Dtx is a digital health management platform designed to support weight management. This software enables clinicians to oversee patient weight management progress, serving as a bridge between patients and clinicians to enhance compliance through continuous engagement. Dtx was granted Class II Medical Device Registration Certificate by the NMPA in 2024, marking a significant milestone. Physicians utilize the Dtx software solely to monitor patients' physiological data inputted by the patients themselves, rather than issuing medical diagnoses or prescriptions. Accordingly, we do not provide medical services or bear medical liability arising from the physicians' use of the software. Dtx is in a trial operation phase and is provided free of charge to patients who have undergone the GBS procedure, and it currently does not operate on a SaaS subscription model. We did not generate any revenue from Dtx during the Track Record Period. Furthermore, as advised by our PRC Legal Advisors, the operation of the Dtx software does not fall under the restricted or prohibited businesses under applicable PRC laws and regulations.

- ***Clinical Nutrition Food Products (CNT)***: Our CNT products are formulated with low-calorie nutrients, essential minerals, high-quality proteins, and dietary fiber. This composition is designed to provide targeted nutritional support as a key dietary intervention in medical weight management programs.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR OTHER PRODUCT AND PRODUCT CANDIDATES SUCCESSFULLY

KEY OPERATING DATA

The table below sets forth key operating data of our Core Product during the Track Record Period:

	For the year ended / As of December 31,		For the six months ended/ As of June 30,	
	2024	2025	2025	2026
Sales volume (set)	1,053	2,650	1,022	1,880
Number of implantation procedures supported	239	2,066	817	1,955
Number of hospitals newly covered[(1)]	67	287	163	100
Average terminal price (tax inclusive)[(2)]	~36,600	~36,600	~36,600	~36,600

Notes:

(1) Number of hospitals covered represents the total number of newly added hospitals where our products have successfully completed the hospital admission process and are officially listed as available for clinical procurement and use by physicians as of the end of the periods indicated.

(2) Average terminal price represents the average price (tax included) at which our products are sold by distributors to the end-customers, which are primarily hospitals.

The significant increases in our sales volume, number of implantation procedures supported, and number of hospitals covered from 2024 to 2025 were primarily driven by our commercialization efforts. During this period, we expanded our distributor network and accelerated the hospital admission processes across various regions. Through our continuous academic promotion and other marketing efforts, the clinical acceptance of our products has significantly improved, evidenced by the exponential growth in the number of implantation procedures from 239 in 2024 to 2,066 in 2025, as well as the increase from 817 in the six months ended June 30, 2025 to 1,955 in the same period of 2026. The variance between our sales volume and the number of implantation procedures in each year during the Track Record Period primarily reflects the initial stage of our commercialization, during which our distributors procured products to establish necessary baseline inventory in anticipation of upcoming hospital admissions and scheduled surgeries. As our commercialization progressed, actual clinical consumption accelerated, leading to a narrower variance in 2025 and the six months ended June 30, 2026.

The price difference between the terminal price and our price to distributors primarily reflects the applicable taxes and the channel margin retained by our distributors to cover their substantial costs incurred. Our average terminal price (tax inclusive) remained relatively stable during the Track Record Period.

During the Track Record Period, substantially all of our revenue was generated from sales of our Core Product with a minor portion derived from sales of other products such as CNT product, all of which were generated in China. The table below sets forth revenue in absolute amounts and as a percentage of total revenue, gross profit and gross profit margin for the sales of the GBS and other products during the Track Record Period:

	Year ended December 31,				Six months ended June 30,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)							
					(unaudited)			
Revenue								
The GBS	12,706	99.9	32,086	99.6	12,326	99.6	23,628	99.7
Others	3	0.1	124	0.4	53	0.4	62	0.3
Total	**12,709**	**100.0**	**32,210**	**100.0**	**12,379**	**100.0**	**23,690**	**100.0**

	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in thousands, except for percentages)							
					(unaudited)			
Gross Profit								
The GBS	10,281	80.9	25,386	79.1	9,606	77.9	20,078	85.0
Others	1	33.3	37	29.8	28	52.8	32	51.6
Total	**10,282**	**80.9**	**25,423**	**78.9**	**9,634**	**77.8**	**20,110**	**84.9**

The table below sets forth our revenue in absolute amounts and as a percentage of total revenue by sales channel during the Track Record Period:

	Year ended December 31,				Six months ended June 30,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)							
					(unaudited)			
Revenue								
Distributor	12,600	99.1	32,086	99.6	12,326	99.6	23,628	99.7
Direct sales	109	0.9	124	0.4	53	0.4	62	0.3
Total	**12,709**	**100.0**	**32,210**	**100.0**	**12,379**	**100.0**	**23,690**	**100.0**

During the Track Record Period, the vast majority of our revenue was derived from sales to our distributors, with only a minimal portion generated from direct sales.

The table below sets forth our revenue from sales of the GBS by geographical region during the Track Record Period:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Revenue				
North China[(1)]	2,097	6,162	3,226	5,671
East China[(2)]	5,346	13,212	3,741	10,951
South China[(3)]	1,673	3,450	1,525	2,612
Southwestern China[(4)]	3,590	9,263	3,834	4,394
Total	**12,706**	**32,086**	**12,326**	**23,628**

Notes:

(1) North China includes Beijing, Gansu, Hebei, Heilongjiang, Jilin, Liaoning, Inner Mongolia, Ningxia, Qinghai, Shaanxi, Tianjin and Xinjiang.

(2) East China includes Anhui, Fujian, Jiangsu, Shandong, Shanghai and Zhejiang.

(3) South China includes Guangdong, Guangxi, Hainan, Hubei, Hunan and Jiangxi.

(4) Southwestern China includes Guizhou, Henan, Shanxi, Sichuan, Tibet, Yunnan and Chongqing.

OUR TECHNOLOGY PLATFORMS

We have established five integrated, proprietary technology platforms that underpin our R&D, production, and quality control capabilities. These platforms are strategically structured around the critical functional components of our Core Product and pipeline products and product candidates, encompassing medical stent engineering, advanced film forming, polymer modification, and sophisticated delivery and retrieval systems, all supported by a dedicated quality assurance framework. While each product is uniquely designed, these interconnected platforms maximize efficiency and accelerate innovation by leveraging shared core technologies and standardized processes.

We believe these platforms constitute a significant and sustainable competitive advantage. Continuous technical iteration and clinical insights, gained through both R&D and commercial-scale production, enable us to systematically optimize product performance and production processes. This synergistic approach ensures the efficient development of our pipeline and guarantees a seamless transition from prototype to commercial production, all within our stringent quality management system. As of the Latest Practicable Date, we owned 111 granted patents and 109 patent applications in relation to our technology platforms.

Advanced Medical Stent Technology Platform

This platform specializes in the R&D and precision production of high-quality medical stents. It synergizes our progress in material science, specifically room-temperature nitinol joining, ultra-low phase transition temperature forming, and advanced corrosion resistance treatments. By leveraging these distinct technical capabilities, we ensure our stents achieve accuracy, enhanced biocompatibility, and stable mechanical performance, meeting the demands of complex clinical applications.

This platform is primarily dedicated to the design, development, and production of our stent-based products, such as GBS Series. To support these operations, the platform utilizes a suite of specialized machinery and equipment, including circulating heat dissipation cooling systems, and micro-beam precision plasma welding machine.

Advanced Film Forming Technology Platform

This platform is dedicated to the comprehensive research, development, and scalable production of advanced thin-film materials and film processing. It is distinguished by a suite of technologies, including large-diameter fluoropolymer or polyethylene-based polymer thin-walled soft sleeve forming, high gas-barrier ultra-thin polyurethane forming, continuous film forming, and specialized silicone film anti-adhesion solutions. By mastering these complex processes, we are able to transcend critical material limitations, enhancing the functional reliability and longevity of our medical devices.

This platform is primarily dedicated to the design, development, and produce of stent sleeves and critical components, including the sleeves for our GBS Series products and candidates and our DIGB and RIGB candidates. To support these operations, the platform utilizes a suite of specialized machinery and equipment, such as three-layer co-extrusion casting machines.

Polymer Modification and Processing Platform

This platform centers on the advanced engineering of polymers via physical and chemical modification, high-precision cross-linking, and surface treatment. Through these techniques, we can improve the functional characteristics of base polymer materials, in terms of, among others, friction, strength, and pushability. These modifications are essential for elevating the overall clinical performance and handling of our devices.

This platform is primarily dedicated to the design, development, and production of our products and key components, including the various bonding connectors for our GBS Series and the molding components for our DIGB and RIGB candidates. Key machinery and equipment utilized in this platform include activation instruments, high-frequency welding machines, and laminating machines.

Delivery and Retrieval Technology Development and Production Platform

This platform focuses on the R&D of sophisticated systems for device delivery and retrieval. It possesses core technologies including distal precise release, high-precision synchronous control, and non-destructive retrieval. A critical capability of this platform is high-precision synchronous control technology, which translates a physician's external manipulation into complex, synchronized movements at the device's distal end, representing one of the most advanced and complex technologies in our portfolio.

This platform is primarily utilized for the design, development, and production of our delivery and retrieval systems, specifically those for the GBS Series, as well as the ESS, RTK and RAC. To enable these complex functions, the platform employs a suite of specialized machinery and testing equipment.

Product Quality and Assurance Platform

Established to safeguard our innovative products, this dedicated platform ensures safety and reliability standards throughout the entire product lifecycle. We believe that the technical upgrades and clinical insights accumulated through our continuous R&D efforts, combined with the scale-up of our commercialized products, enable us to constantly optimize product performance and production processes. This virtuous cycle allows us to efficiently develop new product candidates to expand our portfolio. Furthermore, our technology platforms facilitate seamless synergy across R&D, pilot testing, and mass production, ensuring that our pipeline candidates transition smoothly from design to commercial production in full compliance with our quality management system.

Leveraging these technology platforms, we have successfully developed a diverse portfolio of product candidates, including our Core Product and multiple first-in-China innovations. We are committed to continuous investment in R&D equipment and capacity expansion for each platform to further deepen our technical expertise and production capabilities, thereby supporting our long-term roadmap and meeting growing market demand.

RESEARCH AND DEVELOPMENT

Our R&D capabilities are anchored in our five core technology platforms, which drive ongoing initiatives focused on delivering clinically advanced products, enhancing the efficacy and safety of our existing portfolio, and expanding therapeutic applications. Since the NMPA registration approval of our GBS in January 2024, we have committed to its continual research and development, including follow-up studies based on real-world data for product optimization, as well as carrying out pivotal clinical studies for the GBS-Low BMI and introducing new specifications. Building upon this product's development foundation, we also maintain a deep pipeline of candidates. This includes product candidates based on the same platform like the GBS-SH for MASH complicated with obesity, and the GBS-DM for T2DM complicated with obesity, as well as novel platforms such as the DIGB and the SOC.

We incurred research and development expenses of RMB41.1 million, RMB48.7 million, RMB22.0 million and RMB38.7 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. During the same periods, our research and development expenses incurred for our Core Product were RMB10.7 million, RMB19.3 million, RMB7.5 million and RMB11.4 million, respectively, accounting for 25.9%, 39.7%, 34.0% and 29.6% of our total research and development expenses for the corresponding periods.

Our In-House R&D Team

As of June 30, 2026, our in-house R&D team consisted of 56 members, 25 of whom had a master's degree or above. Organized with dedicated process product design, and quality design functions, the team is highly experienced, with the majority of members possessing over five years of industry expertise. Our R&D team is led by our Technical Director, Dr. Li Wenyu, who has overseen our R&D efforts since June 2019. See "Directors and Senior Management — Senior Management" for his biography.

The team's primary responsibilities encompass the full product development lifecycle, including initial concept generation, design planning and input, design realization and output, and design verification. Furthermore, our R&D personnel provide essential technical support for subsequent stages, including clinical trials, regulatory registration, and quality management. All key R&D personnel involved in developing our Core Product, including Dr. Li Wenyu, remained with us as of the Latest Practicable Date. The table below outlines the primary R&D and clinical personnel responsible for our Core Product:

Core Product R&D and Clinical Affairs	Personnel (Current Position with our Company)
Pre-clinical Development	Mr. Zuo Yuxing (Chairman and Founder) Dr. Li Wenyu (Technical Director)
Clinical Trial & Registration	Mr. Zhong Gaofeng (Director of Clinical and Registration Affairs)

Our R&D capabilities in China are reflected by our strong intellectual property portfolio. As of the Latest Practicable Date, we owned an aggregate of 220 granted patents and patent applications which consisted of 88 granted patents and 66 patent applications in China and 23 granted patents and 43 patent applications overseas. 104 of the granted patents and patent applications as of the Latest Practicable Date were related to our Core Product. We also owned six registered software copyrights in China as of the same date.

We have entered into legally-binding confidentiality and non-compete agreements with our R&D team members. Pursuant to these agreements, any intellectual property conceived and developed during their employment belongs to us.

Product Design and Pre-Clinical Development

We have established and strictly follow an internal protocol that governs the design and development of our products, compliant with ISO-13485 standards. Our product design and development processes are summarized as below:

- *Design & Development Planning and Inputs*: We initiate the process by defining design inputs based on a comprehensive analysis of user needs, intended use, regulatory requirements, and risk management. These inputs establish clear, verifiable specifications for the product's functional performance, safety, usability, and reliability.

- *Design and Development Outputs*: Our R&D team translates the approved design inputs into prototypes, detailed design specifications, and production procedures. Outputs are documented to enable verification and include product drawings, component specifications, and initial risk management files. A formal design review is conducted to assess outputs against inputs at this stage.

- *Design and Development Verification*: We perform systematic verification activities to objectively confirm through testing and analysis that the design outputs meet all specified design input requirements. This includes biocompatibility testing, mechanical/functional bench testing, and animal studies to validate safety, performance, and reliability before finalizing specifications for production.

To efficiently and safely evaluate our products and candidates, we conduct systematic preclinical animal studies prior to clinical trials. Working with qualified third-party institutions, we follow a structured, protocol-driven process: we first develop detailed study protocols defining objectives and specifications; these are then reviewed by the testing partner for feasibility and cost estimation. The partner institution is responsible for animal preparation, surgical execution, and postoperative monitoring. We believe this approach allows us to identify potential risks early and iteratively refine product design. Findings from these studies directly inform final design validation or trigger targeted enhancements to safety and efficacy profiles before advancing to human trials.

Clinical Trials

Our clinical and registration affairs team is led by Mr. Zhong Gaofeng. The team is structured into a clinical group and a registration group.

Our team is responsible for reviewing our clinical trial protocols to ensure compliance with NMPA guidelines and GCP standards. They manage all aspects of our clinical trials, including site selection, protocol execution, and data monitoring, and handle all communications and submissions with regulatory bodies. We conduct clinical trials primarily to secure regulatory approvals by demonstrating the safety and efficacy of our new products. Beyond this essential objective, solid clinical evidence serves to validate our innovations, enhance our brand credibility, and support market adoption.

Our dedicated regulatory affairs team are mainly in charge of regulatory approval, submitting clinical study reports together with other documents to the relevant authorities. Our clinical data and practices are designed to meet the standards of applicable regulations.

Collaboration with Clinical Trial Institutions

We select clinical trial institutions from the NMPA's catalog of approved GCP-compliant hospitals. The major factors we consider include their academic credentials and expertise, particularly the PIs, available patient volume, and their enthusiasm for innovative therapies.

We prepare a detailed clinical trial protocol that is submitted to each institution's ethics committee (EC) for review and approval. Once approved, we enter into a clinical trial agreement with each institution. Pursuant to these agreements, the institution is obligated to conduct the trial strictly in accordance with the protocol, collect data, and issue case reports. We own all related intellectual property and results from the trial. We collaborate with leading clinical trial institutions for our product candidates.

Relationships with CROs and SMOs

We engage industry-leading contract research organizations (CROs) and site management organizations (SMOs) to manage, conduct, and support our clinical trials, including the pivotal trials for our GBS and DIGB.

We select our CROs and SMOs partners based on their qualifications, reputation, and specific experience with similar implantable devices and NMPA audits. Our CROs and SMOs are responsible for managing and monitoring trial implementation, and collecting data. We actively monitor our CROs and SMOs to ensure they perform their duties in line with our protocols and GCP standards. This includes holding weekly project meetings, conducting our own random on-site spot-checks, and retaining the right to replace personnel who do not meet our quality standards.

Relationships with CDMOs and Third-Party Service Providers

While we maintain a strategic focus on conducting the core production processes of our products in-house to safeguard our intellectual property and ensure stringent quality control, we engage specialized third-party service providers and contract manufacturers for specific production stages. Our collaboration with these external partners is primarily focused on non-core production steps where leveraging external expertise enhances efficiency. Specifically, we outsource the machining of certain molded components, such as handles and plastic parts, which are produced based on our proprietary technical drawings and designs. Additionally, we entrust the final ethylene oxide sterilization process to qualified third-party service providers.

To maintain the high standards of our final products, we implement a stringent selection and management process for these partners. We carefully select service providers based on their industry qualifications, production capacity, and strict compliance with GMP and ISO standards. We enforce stringent quality control measures over these outsourced processes; for instance, all externally machined components and sterilized products must undergo comprehensive incoming inspections and review of production records upon delivery to our warehouse before they can be released for final assembly or sale.

Relationships with PIs and KOLs

We believe that the quality, credibility, and academic value of our clinical trials depend significantly on the leadership and expertise of our PIs. We have established strong collaborative relationships with renowned experts in the fields of gastroenterology, digestive endoscopy, and metabolic surgery to lead our clinical studies. Our PIs bear the responsibility of supervising the clinical trials at their respective centers, ensuring that all study activities are conducted in strict adherence to the protocol and GCP guidelines, and safeguarding the safety and well-being of patients. They also provide critical academic input and feedback during the trial design phase, helping to optimize our clinical strategies.

We select our PIs based on a comprehensive set of criteria, including their academic standing in the industry, their clinical experience with endoscopic interventions, and their ability to manage complex clinical trials. We designed and managed our clinical trials for the GBS, engaging distinguished KOLs in China, including senior executives and department heads from premier Grade IIIA hospitals specializing in digestive diseases. Furthermore, we collaborate with leading specialists from prominent medical institutions in our research initiatives on GBS-SH. These collaborations not only ensure the high quality of our clinical data but also facilitate the broader academic acceptance of our innovative therapies.

INTELLECTUAL PROPERTY RIGHTS

Intellectual property rights are important to our business. We develop and use a number of patents, copyrights and other intellectual properties during our ordinary course of business.

As of the Latest Practicable Date, we owned an aggregate of 220 granted patents and patent applications which consisted of 88 granted patents and 66 patent applications in China and 23 granted patents and 43 patent applications overseas. 104 of the granted patents and patent applications as of the Latest Practicable Date were related to our Core Product. We also owned 100 registered trademarks and six registered software copyrights in China, as well as 17 registered trademarks overseas as of the same date.

The following table sets forth an overview of our material granted patents and pending patent applications in connection with our Core Product, the GBS, as of the Latest Practicable Date:

Product	Patent Name	Patent/ Application number	Patent Type	Holder	Jurisdiction	Patent Status	Date of Application	Date of Expiration
GBS	Gastric diverter and antibacterial digestive tract catheter thereof	ZL201710499034.3	Invention	Our Company	China	Granted	2017-06-27	2037-06-27
		EP3646827	Invention	Our Company	Europe	Granted	2017-10-13	2037-10-13
		IN478213	Invention	Our Company	India	Granted	2017-10-13	2037-10-13
		AU2017420550	Invention	Our Company	Australia	Granted	2017-10-13	2037-10-13
		JP6913825	Invention	Our Company	Japan	Granted	2017-10-13	2037-10-13
		RU2745080	Invention	Our Company	Russia	Granted	2017-10-13	2037-10-13
GBS	Duodenum built-in jejunum cannula releasing system and a use method therefor	ZL201810415050.4	Invention	Our Company	China	Granted	2018-05-03	2038-05-03
		US12303466B2	Invention	Our Company	United States	Granted	2019-04-30	2042-11-01
		EP3789003	Invention	Our Company	Europe	Granted	2019-04-30	2039-04-30
		IN507039	Invention	Our Company	India	Granted	2019-04-30	2039-04-30
		CA3094114	Invention	Our Company	Canada	Granted	2019-04-30	2039-04-30
		RU2759594	Invention	Our Company	Russia	Granted	2019-04-30	2039-04-30
		MX422441	Invention	Our Company	Mexico	Granted	2019-04-30	2039-04-30
		BR112020019784-0	Invention	Our Company	Brazil	Granted	2019-04-30	2039-04-30
GBS	Gastric diverter and release method thereof	ZL201810336514.2	Invention	Our Company	China	Granted	2018-04-12	2038-04-12
GBS	Gastric diverter and digestive tract stent thereof	ZL201810326731.3	Invention	Our Company	China	Granted	2018-04-12	2038-04-12
GBS	Gastric diverter and digestive tract support and release method thereof	US11517461B2	Invention	Our Company	United States	Granted	2018-10-24	2039-03-21
		EP3777784	Invention	Our Company	Europe	Granted	2018-10-24	2038-10-24
GBS	Intestinal barrier sleeve release system	ZL201710293809.1	Invention	Our Company	China	Granted	2017-04-28	2037-04-28
		US11622875B2	Invention	Our Company	United States	Granted	2017-06-28	2038-10-29
		EP3560463	Invention	Our Company	Europe	Granted	2017-06-28	2037-06-28
		IN485512	Invention	Our Company	India	Granted	2017-06-28	2037-06-28
		AU2017412054	Invention	Our Company	Australia	Granted	2017-06-28	2037-06-28
		JP6840270	Invention	Our Company	Japan	Granted	2017-06-28	2037-06-28
		RU2722311	Invention	Our Company	Russia	Granted	2017-06-28	2037-06-28

Product	Patent Name	Patent/ Application number	Patent Type	Holder	Jurisdiction	Patent Status	Date of Application	Date of Expiration
GBS	Extendable digestive tract cannula and use thereof	ZL202311159684.5	Invention	Our Company	China	Granted	2023-09-08	2043-09-08
		US19/514787	Invention	Our Company	United States	Pending	2024-04-12	N/A
		JP2026513949	Invention	Our Company	Japan	Pending	2024-04-12	N/A
		EP24861493.5	Invention	Our Company	Europe	Pending	2024-04-12	N/A
		KR1020267007507	Invention	Our Company	South Korea	Pending	2024-04-12	N/A
GBS	Digestive tract stent recovery device and endoscope cannula	TW1928771B	Invention	Our Company	Taiwan Region	Granted	2025-05-15	2045-05-14
		CN202410618308.6	Invention	Our Company	China	Pending	2024-05-17	N/A
		PCT/CN2024/097364	Invention	Our Company	WIPO (PCT)	Pending	2024-06-04	N/A
		EP24938359.7	Invention	Our Company	Europe	Pending	2024-06-04	N/A
		US19/528937	Invention	Our Company	United States	Pending	2024-06-04	N/A
GBS	Release ball inner core for distal release of digestive tract cannula and preparation method and application thereof	CN202311152577.X	Invention	Our Company	China	Pending	2023-09-07	N/A
		US19/514389	Invention	Our Company	United States	Pending	2024-03-20	N/A
		JP2026513734	Invention	Our Company	Japan	Pending	2024-03-20	N/A
		CA3303552	Invention	Our Company	Canada	Pending	2024-03-20	N/A
		EP24861465.3	Invention	Our Company	Europe	Pending	2024-03-20	N/A
		KR1020267006672	Invention	Our Company	South Korea	Pending	2024-03-20	N/A
GBS	Graded detachable digestive tract implant cannula and digestive tract implant kit	CN202410126018.X	Invention	Our Company	China	Pending	2024-01-29	N/A
		PCT/CN2024/083188	Invention	Our Company	WIPO (PCT)	Pending	2024-03-22	N/A
		EP24921153.3	Invention	Our Company	Europe	Pending	2024-03-22	N/A
		US19/528950	Invention	Our Company	United States	Pending	2024-03-22	N/A
GBS	Automatic fracture type digestive tract cannula and kit	CN202410125123.1	Invention	Our Company	China	Pending	2024-01-29	N/A
		PCT/CN2024/082937	Invention	Our Company	WIPO (PCT)	Pending	2024-03-21	N/A
		EP24921152.5	Invention	Our Company	Europe	Pending	2024-03-21	N/A
		US19/528561	Invention	Our Company	United States	Pending	2024-03-21	N/A

As of the Latest Practicable Date, all of our material patents and patent applications, including those related to our Core Product, were independently invented and developed by our employees during the normal course of their employment with us. These inventions are deemed as service inventions and the intellectual property rights associated with these patents and patent applications are fully, validly and legally controlled by us. None of these material patents or patent applications involves any co-development with or contributions from external consultants, hospitals, universities, or other third parties, and we have not experienced any material disputes, claims, or litigation regarding the inventorship or ownership of our intellectual properties.

The term of an individual patent may vary based on the countries or regions in which it is granted. The actual protection afforded by a patent varies on a claim-by-claim and country-by-country basis and 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 or 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 owned patents, or any such granted patents that may be issued in the future will be commercially useful in protecting our product candidates and the methods of manufacturing the same.

We may rely, in some circumstances, on trade secrets and/or confidential information to protect aspects of our product candidates. We seek to protect our proprietary products and product candidates, in part, by entering into confidentiality agreements with scientific partners and contractors, and including invention assignment clauses in agreements with our employees. We have included confidentiality covenants in employment agreements with our senior management and key members of our R&D team and other employees who have access to trade secrets or confidential information about our business. Our standard

employment contract, which we use to employ each of our employees, contains an assignment clause, under which we own all the rights to all inventions, technology, know-how and trade secrets derived during the course of such employee's work.

These agreements may not provide sufficient protection of our trade secrets and/or confidential information. These agreements may also be breached, resulting in the misappropriation of our trade secrets and/or confidential information, and we may not have an adequate remedy for any such breach. In addition, our trade secret and/or confidential information may become known or be independently developed by a third party, or misused by any collaborator to whom we disclose such information. Despite any measures taken to protect our intellectual property, unauthorized parties may attempt to or successfully copy aspects of our products or to obtain or use information that we regard as proprietary without our consent. As a result, we may be unable to sufficiently protect our trade secrets and proprietary information.

We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. Despite any measures taken to protect our data and intellectual property, unauthorized parties may attempt to or successfully gain access to and use information that we regard as proprietary.

Based on the freedom-to-operate (FTO) analysis conducted covering China and Europe of our Core Product, the GBS, we were not aware of any granted patents that may materially affect our rights to conduct R&D or commercialization of the GBS in these jurisdictions as of the Latest Practicable Date. FTO analysis is a patent investigation, based on a search of patent databases, that is commonly used to determine whether any existing patents cover a company's product, and to assess whether making, using, offering to sell, or selling the product would infringe any existing patents. However, we cannot provide any assurance that all relevant third-party patents were identified or that conflicting patents will not be issued in the future. See "Risk Factors — Risks Relating to Our Intellectual Property Rights."

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any proceedings in respect of, and we had not received notice of any claims of infringement, misappropriation or other violations of third-party intellectual property and we are not involved in any proceedings in respect of any intellectual property rights that may be threatened or pending and that may have an influence on its R&D for any product or product candidate in which we may be a claimant or a respondent. See "Appendix IV — B. Further Information about Our Business — 2. Intellectual Property Rights — Patents."

OUR CUSTOMERS

Our Major Customers

Our major customers mainly comprise our distributors during the Track Record Period. For salient terms of contracts with our distributors, see "— Sales, Distribution and Marketing — Sales to Distributors." Revenue generated from our largest customer in the year ended December 31, 2024 and 2025 and the six months ended June 30, 2026, accounted for 19.6%, 17.8% and 22.4% of our revenue, respectively. Revenue generated from our five largest customers in the year ended December 31, 2024 and 2025 and the six months ended June 30, 2026, accounted for 60.8%, 56.2% and 44.8% of our revenue, respectively. We generally require payment in advance before delivery, and credit terms are granted only in exceptional circumstances. The table below sets out certain details of our five largest customers for the periods indicated:

Six months ended June 30, 2026

Rank	Customer	Background	Major products sold	Approximate transaction amount	Percentage of total revenue	Year of commencement of business relationship with us
				(RMB'000)	(%)	
1.	Customer A*	Customer A comprises two entities controlled by the same beneficial owner. The two entities are both limited liability companies registered in Shandong Province, specializing in distribution and sales of medical devices.	The GBS	5,310	22.4	2024
2.	Customer G	A limited liability company registered in Gansu Province, primarily engaged in the sales of medical devices and medical technology services.	The GBS	1,659	7.0	2025
3.	Customer H	A joint stock company registered in Chongqing, primarily engaged in the wholesale and distribution of pharmaceuticals and medical devices.	The GBS	1,327	5.6	2026
4.	Customer B	A limited liability company registered in Jiangsu Province, primarily engaged in the wholesale of medical devices.	The GBS	1,195	5.0	2024
5.	Customer I	A limited liability company registered in Shanghai, primarily engaged in the sales of medical devices and disinfection equipment.	The GBS	1,128	4.8	2024
Total				**10,619**	**44.8**	

Year ended December 31, 2025

Rank	Customer	Background	Major products sold	Approximate transaction amount	Percentage of total revenue	Year of commencement of business relationship with us
				(RMB'000)	(%)	
1.	Customer C	A limited liability company registered in Shanghai, primarily engaged in the distribution of medical devices and the sale of disinfection equipment.	The GBS	5,732	17.8	2024
2.	Customer A*	Customer A comprises two entities controlled by the same beneficial owner. The two entities are both limited liability companies registered in Shandong Province, specializing in distribution and sales of medical devices.	The GBS	5,162	15.9	2024
3.	Customer B	A limited liability company registered in Jiangsu Province, primarily engaged in the wholesale of medical devices.	The GBS	3,858	12.0	2024
4.	Customer E	A limited liability company registered in Hunan Province, primarily engaged in the distribution of medical devices and pharmaceuticals.	The GBS	1,724	5.4	2024
5.	Customer D	A limited liability company registered in Yunnan Province, primarily engaged in the wholesale of medical devices.	The GBS	1,633	5.1	2024
Total				**18,109**	**56.2**	

Year ended December 31, 2024

Rank	Customer	Background	Major products sold	Approximate transaction amount	Percentage of total revenue	Year of commencement of business relationship with us
				(RMB'000)	(%)	
1.	Customer B	A limited liability company registered in Jiangsu Province, primarily engaged in the wholesale of medical devices.	The GBS	2,496	19.6	2024
2.	Customer C	A limited liability company registered in Shanghai, primarily engaged in the distribution of medical devices and the sale of disinfection equipment.	The GBS	1,904	15.0	2024
3.	Customer A*	Customer A comprises two entities controlled by the same beneficial owner. The two entities are both limited liability companies registered in Shandong Province, specializing in distribution and sales of medical devices.	The GBS	1,858	14.6	2024
4.	Customer F	A limited liability company registered in Beijing, primarily engaged in the distribution of medical devices.	The GBS	743	5.9	2024
5.	Customer D	A limited liability company registered in Yunnan Province, primarily engaged in the wholesale of medical devices.	The GBS	730	5.7	2024
Total				**7,731**	**60.8**	

* Calculated on a consolidated basis.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest customers in each year or period during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year or period during the Track Record Period.

OUR SUPPLIERS

Our Major Suppliers

Our major suppliers comprise CRO services provider, and provider of labor outsourcing and travel management and booking services. Purchase costs from our largest supplier in the year ended December 31, 2024 and 2025 and the six months ended June 30, 2026, accounted for 5.0%, 6.3% and 11.7% of our total purchases, respectively. Purchase costs from our five largest suppliers in the year ended December 31, 2024

and 2025 and the six months ended June 30, 2026, accounted for 16.2%, 22.0% and 33.5% of our total purchases, respectively. The table below sets out certain details of our five largest suppliers for the periods indicated:

Six months ended June 30, 2026

Rank	Supplier	Background	Major products/ services purchased	Approximate transaction amount	Percentage of total purchases	Year of commencement of business relationship with us	Typical credit term
				(RMB'000)	(%)		
1.	Supplier C	A limited liability company registered in Beijing, specializing in medical device registration consulting and clinical trial services.	CRO services	4,749	11.7	2019	Within 10 working days after completion of each milestone
2.	Supplier B*	Comprises entities controlled by the same group, primarily engaged in human resources management and enterprise services.	Human resources and labor outsourcing services	3,976	9.8	2024	No typical credit term
3.	Supplier J	A limited liability company registered in Sichuan Province, primarily engaged in technology development and consulting services.	Financial advisory services for equity financing	1,782	4.4	2026	30 business days after receipt of financing proceeds
4.	Supplier K*	Comprises two entities controlled by the same beneficial owner. The two entities are both limited liability companies registered in Beijing, primarily engaged in travel services and internet ride-hailing platform operations.	Travel management and booking services	1,736	4.3	2025	No typical credit term
5.	Supplier L	A limited liability company registered in Zhejiang Province, primarily engaged in biomedical technology development, technical consulting services and the sales of medical devices.	Technical and project development services	1,340	3.3	2025	Payable upon achievement of each milestone
Total				**13,583**	**33.5**		

Year ended December 31, 2025

Rank	Supplier	Background	Major products/ services purchased	Approximate transaction amount	Percentage of total purchases	Year of commencement of business relationship with us	Typical credit term
				(RMB'000)	(%)		
1.	Supplier B*	Comprises entities controlled by the same group, primarily engaged in human resources management and enterprise services.	Human resources and labor outsourcing services	3,216	6.3	2024	No typical credit term
2.	Supplier C	A limited liability company registered in Beijing, specializing in medical device registration consulting and clinical trial services.	CRO services	2,981	5.8	2019	10 business days upon achieving payment milestone
3.	Supplier A	A limited liability company registered in Zhejiang Province, primarily engaged in technology and corporate advisory services.	Financial advisory services for equity financing	2,400	4.7	2024	30 business days upon receipt of financing proceeds
4.	Supplier D	A limited liability company registered in Zhejiang Province, primarily engaged in travel and tourism services, and travel information consultation.	Travel management and booking services	1,457	2.8	2018	No typical credit term
5.	Supplier I	A limited liability company registered in Beijing, specializing in intellectual property agency and consulting services.	Intellectual property services	1,255	2.4	2019	No typical credit term
Total				**11,309**	**22.0**		

Year ended December 31, 2024

Rank	Supplier	Background	Major products/ services purchased	Approximate transaction amount	Percentage of total purchases	Year of commencement of business relationship with us	Typical credit term
				(RMB'000)	(%)		
1.	Supplier D	A limited liability company registered in Zhejiang Province, primarily engaged in travel and tourism services, and travel information consultation.	Travel management and booking services	1,581	5.0	2018	No typical credit term
2.	Supplier F	A Grade A tertiary hospital located in Guangdong Province.	Clinical trial center services	1,094	3.5	2023	No typical credit term
3.	Supplier E	A limited liability company registered in Zhejiang Province, primarily engaged in property management.	Property management	884	2.8	2017	No typical credit term
4.	Supplier G	A limited liability company registered in Beijing, specializing in medical device registration consulting and clinical trial services.	CRO services	800	2.5	2022	Five days upon achieving payment milestone
5.	Supplier H	A limited liability company registered in Shenzhen, specializing in the research, development, and production of electronic endoscope products.	Endoscope parts	752	2.4	2023	One month
Total				**5,111**	**16.2**		

Note: The calculation of percentage of total purchase amounts disclosed above exclude purchase amounts incurred in connection with the **[REDACTED]**.

* Calculated on a consolidated basis.

When we procure laboratory instruments and consumables using our standard contract template, we place specific orders on an as-needed basis specifying the quantity and delivery timeline. We typically settle payments on a monthly basis. Suppliers are required to warrant that the products meet original factory standards and our quality requirements, subject to our quality control inspection.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest suppliers in each year or period during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year or period during the Track Record Period.

Raw Materials and Procurement

Our principal raw materials primarily consist of nickel-titanium wires, metal and polymer components, electronic modules and packaging materials. We generally procure raw materials only from suppliers on our qualified supplier list. For R&D purposes, we prioritize qualified suppliers or validate new ones through stringent quality confirmations. For mass production, we implement a demand-driven procurement policy and formulate procurement plans based on rolling sales forecasts, maintaining a safety stock to ensure production continuity. We utilize an ERP system to manage the entire procurement life cycle.

We select suppliers based on stringent criteria, including qualification audits and sample and batch validations, especially for critical raw materials. We conduct annual reviews of our qualified suppliers and have established stable relationships with our key suppliers, many of whom have collaborated with us since 2018. Upon delivery, materials undergo strict quality control sampling and verification.

During the Track Record Period, we procured a vast majority of our raw materials from domestic suppliers in China. We did not experience any material difficulties, shortages, or interruptions in procuring raw materials during the Track Record Period and up to the Latest Practicable Date.

SALES, DISTRIBUTION AND MARKETING

Our Sales Network

Our commercial infrastructure consists of an internal sales and marketing team and a network of distributors. As of June 30, 2026, our internal sales and marketing team is comprised of 27 professionals. Our sales network is structured geographically into four major regions: north China, south China, east China, and west China. Our regional sales leaders possess extensive industry experience in China's high-value medical devices market, which we believe is critical for penetrating new markets and driving academic adoption. This sales team is supported by a centralized marketing team, responsible for academic promotion and market access, and a commercial team responsible for channel management, distributor contracting, and logistics.

Our Marketing Strategies

As our GBS is an innovative medical device, our marketing strategy is in strict compliance of the relevant laws and regulations and is heavily focused on academic promotion and physician education to build awareness and establish it as a standard of care. Our key marketing activities include: (i) academic conference participation, we actively participate in major national academic conferences across multiple relevant disciplines, including bariatric surgery, gastroenterology and digestion, and endocrinology, to present our clinical data and demonstrate our product's efficacy and safety to KOLs; (ii) systematic physician training, we have established a multi-level physician training program that includes foundational training at our animal lab in Hangzhou, where physicians are required to successfully perform multiple placements and retrievals on animal models to receive certification, and advanced training courses conducted at a renowned digestive disease specialty clinical institution in Beijing; (iii) holistic therapy promotion, we conduct integrated management training to educate physicians on the critical pre-operative and post-operative management, in addition to the procedure itself; (iv) brand building, we engage in public relations and media outreach to build our brand, and we have received coverage from major media outlets, highlighting our status as a domestic developer.

Sales to Distributors

We adopted a distributorship model to commercialize our products, which enables us to efficiently deepen our market penetration leveraging the resources of our distributors in a cost-effective manner. In the year ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, we derived 99.1%, 99.6%, 99.6% and 99.7% of our revenue through a distributorship model, respectively. The table below sets forth number of distributors and movement analysis as of the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
Number of distributors at the beginning of the period	—	44	44	70
Number of new distributors for the period	44	50	24	34
Number of terminated distributors for the period	—	(24)	(5)	(17)
Net increase in the number of distributors for the period	44	26	19	17
Number of distributors at the end of the period	44	70	63	87

Our distributors are legally established companies holding requisite medical device operation qualifications, primarily serving public hospitals and other medical institutions. Typically, our distributors cover major regional territories and they are entitled to engage sub-distributors to distribute our products, leveraging their localized capabilities and resources, ensuring efficient coverage in broad areas. As of the Latest Practicable Date, our distributors had engaged an aggregate of 91 sub-distributors with ongoing business relationships.

In 2024 and 2025 and the six months ended June 30, 2025 and 2026, we established relationships with 44, 50, 24 and 34 new distributors, respectively. The additions were primarily driven by our continuous efforts to commercialize our Core Product following its initial market launch in 2024, which required us to actively expand our distribution network to broaden our market coverage and accelerate hospital penetration. In 2024, 2025 and the six months ended June 30, 2025 and 2026, we terminated cooperation with nil, 24, five and 17 distributors, respectively, primarily taking into account their performances, specifically because they either failed to develop and gain admission to target hospitals according to the agreed-upon plans, or failed to meet their minimum sales targets.

Selection and Management

We select distributors based on their regional network, hospital coverage, and existing experience with our target hospital departments, such as gastroenterology, bariatric surgery, and endocrinology.

We maintain a buyer-seller relationship with our distributors. We actively manage our distributor network, as well as their inventory levels. Distributors place orders based on terminal hospital procurement plans, budget execution progress, and reasonable safety stocking needs. Pursuant to our framework agreements, distributors are required to provide monthly inventory reports upon our request and we retain the right to conduct on-site inventory inspections.

To effectively mitigate channel stuffing risks, we have implemented distributor management policies, including: (i) requiring full payment before delivery; (ii) only allowing product returns in the event of product quality defects; (iii) periodically monitoring our distributors' inventory levels to ensure they maintain a reasonable stock level commensurate with their sales capabilities; and (iv) requiring distributors to provide sales materials on a monthly basis, such as invoices and distribution records, enabling us to track their actual sell-through data and monitor the alignment between their sales and genuine market demand. At the end of each period during the Track Record Period, our distributors generally maintained healthy inventory levels of equal to or less than two to three month of their average implantation consumption.

To effectively prevent cannibalization and unauthorized cross-regional sales, we have implemented strict measures, including: (i) imposing geographic or hospital restrictions on our distributors and prohibit sales outside their designated regions or hospital; (ii) assigning a unique identification code to every single unit of our product, allowing us to trace the product; and (iii) reserving the right to enforce breach penalties or terminate the partnership in the event of non-compliance.

Specifically, we furnish guidelines in terms of price management of our products. In the event of non-compliance with our pricing guidelines, we reserve the right to hold such distributors liable for breach of contracts. We aim to continually optimize our distribution network.

Our distributors bear the duty to manage, guide, and supervise the sub-distributors they authorize within their designated territories, ensuring that these sub-distributors conduct operations in compliance with obligations and standards no less stringent than those we impose on the distributors. Pursuant to our framework agreements, distributors are required to file any sub-distributor arrangements with us within five working days since the commencement of such arrangements. We are entitled to hold our distributors liable for any market disruption caused by the misconduct of their sub-distributors, require them to indemnify us for any resulting losses.

Key Salient Terms

We typically enter into standard annual framework agreements with our distributors, which include annual sales targets and require a security deposit. The key salient terms of such framework agreements with our distributors include:

- *Duration:* The distribution agreements generally have a term of one year, subject to renewal upon mutual agreement.

- *Designated Territory and Scope*: We authorize distributors to sell our designated products within a specifically defined geographic area or to specific designated hospitals. Distributors are prohibited from selling or distributing our products outside the authorized territory or hospitals without our prior written consent.

- *Security deposit*: To ensure compliance with the agreement and performance of obligations, distributors are required to pay a refundable security deposit, the amount of which mainly depending on the scope of authorization.

- *Sales target and minimum purchase*: The agreement includes mutually agreed sales targets, and does not include minimum purchase requirements. We may consider terminating our cooperation with the distributor if it fails to meet such targets.

- *Return policy*: We typically only allow product returns related to product quality defects and subject to our prior written consent.

- *Payment*: We generally require distributors to make full payment in advance before the delivery of products.

- *Distributor's obligations*: Distributors are generally obligated to promote our products, maintain a professional sales team, and provide necessary after-sales services within the authorized territory. They are also required to comply with all applicable laws and regulations, including those related to medical device operations and anti-bribery.

- *Order execution*: The framework agreement is executed through separate customary sales contracts or purchase orders for each batch of products, which specify the product type, quantity, unit price, and delivery details.

- *Termination*: The agreements include termination clauses for fundamental breaches, such as selling outside authorized territories, handling counterfeit products, or infringing our intellectual property, among others.

- *Exclusivity*: Distributors are subject to strict exclusivity obligations and are prohibited from dealing in competing products or supplying our products to competing third parties. Any violation of these terms also constitutes fundamental breaches and grounds for termination.

According to Frost & Sullivan, our distributorship model and commercial arrangements with our distributors is in line with industry practices. To the best of our knowledge, all our distributors were Independent Third Parties, and none of our distributors were wholly owned or majority controlled by our former or current employees, during the Track Record Period and up to the Latest Practicable Date. We do not have any material concentration risk with respect to any single distributor.

Compliance with the Two-Invoice System

The "Two-Invoice System" (兩票制) is a regulatory initiative in China that generally limits the distribution chain to a single level of distributors, requiring one invoice to be issued from the manufacturer to the distributor and another from the distributor to the medical institution. While this system has been widely implemented for pharmaceutical products, its application to medical devices, particularly innovative high-value consumables like our GBS, remains fragmented and is determined on a province-by-province basis. During the Track Record Period, the vast majority of provinces where we operate did not mandate the Two-Invoice System for our product category, allowing us to adopt flexible distribution arrangements based on local market practices. In the limited regions, namely, Shaanxi and Fujian provinces, where the Two-Invoice System is also enforced for medical devices, we have proactively adapted our commercial arrangements by engaging distributors to supply directly to hospitals, thereby ensuring full compliance. As advised by our PRC Legal Advisors, we have complied with applicable laws and regulations relating to the Two-Invoice System in all material aspects in applicable provinces during the Track Record Period and up to the Latest Practicable Date. We will continue to monitor the evolving regulatory landscape and adjust our distribution structure in specific regions as necessary.

Direct Sales

We engage in direct sales on a strategic and limited basis. Our direct sales customers are primarily benchmark hospitals, such as certain private hospitals. We utilize a direct sales model in these specific cases where the high channel costs, such as higher margin expectations, of such institutions make a distributor-led model less efficient. By engaging with them directly, we can navigate their distinct admission procedures more efficiently, significantly accelerating the hospital entry process.

Pricing

Our pricing strategy is designed to reflect the significant clinical and innovative value of the GBS and other products, ensure fair margins for our distribution partners, and achieve broad market access. Under this strategy, the pricing of our Core Product was developed in consultation with metabolic disease experts, hospital administrators, and health economists, balancing clinical efficacy with economic accessibility. We offer varied price points and incentive structures to our provincial-level distributors compared to our regional distributors, typically in the form of volume-based incentives, such as providing one free unit for every ten units ordered, reflecting their different roles in channel management and market development.

These incentives are accounted for as a reduction in revenue and do not materially distort our pricing strategy or gross margin profile. We set a separate price point for our strategic direct sales customers. While we rely on our distributors to leverage their local resources and networks for hospital admissions and market development, we determine the final pricing of our products. We establish the bidding and terminal prices for public procurement, and our distributors do not have the authority to independently adjust these established prices through their own negotiations with medical institutions.

We have established a terminal price for the GBS procedure in public hospitals, generally ranging from RMB36,600 to RMB39,100 for a complete set comprising one delivery system and one retrieval system. In practice, the total terminal cost for a patient undergoing the GBS procedure involves various other hospital charges. While actual overall costs vary depending on the specific hospital and regional pricing policies, to our best information, an illustrative breakdown of a typical GBS procedure includes the aforementioned medical device fee of approximately RMB36,600, alongside other estimated associated costs of approximately RMB8,000, which generally include medicine, examinations and lab tests, treatment and consultation, and bed fees.

A key component of our market access strategy is achieving broad reimbursement. As of the Latest Practicable Date, our GBS is included in the provincial-level medical insurance reimbursement lists in 28 of the 30 provinces and municipalities where we have established commercial coverage, including Sichuan, Shandong, Hebei, Henan, Shanghai, Guangdong and Jiangsu. We are actively engaging with local healthcare security administrations in the remaining regions. For instance, we are making continuous efforts for the inclusion of GBS in Tianjin catalog by 2027.

As our GBS is a NMPA Class III Innovative Medical Device, as of the Latest Practicable Date, it was not subject to national or regional volume-based procurement (VBP) policies and programs. Furthermore, under the ongoing DRG/DIP payment reforms, regional DRG innovation incentive policies for innovative medical devices like our GBS vary. Certain regions establish a three-year period for such incentives, while others do not set a fixed term and instead adopt dynamic management. We are also actively collaborating with leading hospitals to establish dedicated surgical procedure pricing codes for GBS treatment to optimize the overall hospital cost structure and mitigate potential DRG pressures.

PRODUCTION AND QUALITY CONTROL

Production Facilities and Production Capacity

Our primary production and R&D operations are based in Hangzhou, China. As of the Latest Practicable Date, we operate an independent production facility in Hangzhou with a total gross floor area of approximately 4,385 sq.m. The facility, featuring a GMP-compliant cleanroom facility, was dedicated to the production of our Core Product, the GBS. Designed with an aim of scalability, this facility incorporates reserved infrastructure and floor space to accommodate the future commercial manufacturing of our pipeline candidates, such as other GBS Series products, the DIGB and the RIGB.

We hold a Class III and Class II Medical Device Production License for our production facilities. Our quality management system has been certified as compliant with ISO-13485:2016 standards. Our facility commenced operations in 2017 with a designed annual production capacity of 8,000 units, where one unit refers to one complete set of the GBS, comprising a delivery system, and a retrieval system. For the year ended December 31, 2024, it produced 3,401 units, representing an 42.5% utilization rate. For the year ended December 31, 2025, production reached 4,823 units, with a utilization rate of 60.3%. For the six months ended June 30, 2025 and 2026, production reached 1,790 units and 2,905 units, respectively, representing utilization rate of 44.8% and 72.6% for the respective periods.

To support our strategic expansion and meet rising market demand, we are establishing a new production facility in Quzhou, Zhejiang, mainly for the production of our Core Product, with an aggregate

gross floor area of approximately 5,000 sq.m. and is designed with an annual production capacity of 50,000 units. This facility is expected to fundamentally enhance our production scale and supply chain resilience. As of the Latest Practicable Date, we had obtained the medical device manufacturing license for the GBS at the Quzhou facility. We are currently carrying out final operational readiness procedures, in preparation for the commencement of production at our Quzhou facility, which is expected to commence in the second half of 2026.

In addition, we intend to establish two potential production facilities in Wuxi, Jiangsu and Mianyang, Sichuan, which are intended to support the sales and production of our CNT products. As of the Latest Practicable Date, these potential facilities were still at an early planning stage and no construction had commenced. We plan to use our operating cash and other internal cash resources to fund the development of these new facilities.

Production Process

Our production process is managed through our ERP system and is conducted in-house, with the exception of the final sterilization step. We commenced commercial production of our GBS in February 2024.

The process begins with the procurement of raw materials from our list of qualified suppliers. Upon receipt, all materials undergo incoming quality inspection before being released to the production line. Our GBS production is not highly automated but relies on a suite of proprietary, self-developed equipment, jigs, and fixtures, which we believe creates a significant technical barrier to entry. Key processes include the proprietary forming of the sleeve, anchor stent fabrication, and the final assembly of the implant, delivery, and retrieval systems.

After assembly and packaging in our cleanroom, the finished products are sent to a qualified third-party vendor for ethylene oxide (EO) sterilization. Following sterilization, the products are returned to our facility for final quality control testing and release to the finished goods warehouse.

Quality Control System

We have implemented a comprehensive quality control system to ensure our products are safe, effective, and compliant with NMPA regulations, GMP, and ISO 13485 standards. Our quality control system covers the entire product lifecycle, from design to post-market surveillance.

- *Design and development control*: Quality control is embedded in our R&D process to ensure product design meets all specifications and regulatory requirements before being transferred to production.

- *Supplier and raw material control*: We maintain a strict supplier management process. Potential new suppliers undergo a stringent qualification process, including sample testing by our quality department. Only after successful testing and evaluation are they added to our qualified supplier list for small-batch and, subsequently, mass procurement.

- *Production and finished product control*: Our production quality system mandates quality checks at every critical stage, including (i) incoming quality control, all raw materials from qualified suppliers are inspected and tested upon arrival; (ii) in-process quality control, which includes first and final article inspection to ensure process stability; (iii) final quality control, we conduct inspection of certain critical components such as the stent barbs and comprehensive testing of the finished product after in-house assembly; and (iv) outgoing quality control, a final inspection is performed after the product returns from outsourced sterilization to verify its final integrity and packaging before it is released for sale.

- *Environment control:* We establish and enforce stringent environmental control protocols for our microbiology laboratory and production facilities. These protocols are designed to maintain critical parameters, such as cleanliness, temperature, and humidity, within defined specifications, and their implementation is continuously monitored to ensure ongoing compliance and product quality integrity.

We maintain full traceability for our GBS, with each device linked by its identifier code to the individual employees who performed the key production steps. We also operate a post-market surveillance system to monitor and report any adverse events, ensuring continuous compliance and product improvement.

Inventory Management

Our inventories consist of raw materials, work in progress and finished goods. We manage our inventory levels based on our production plans and maintain safety stock levels to ensure continuous operations while avoiding overstocking. We utilize a digitalized ERP system to monitor our inventory status in real-time. We believe our inventory control policies have been effective and we did not experience any material shortage or overstocking during the Track Record Period and up to the Latest Practicable Date.

SEASONALITY

During the Track Record Period, our operation was subject to certain seasonal fluctuations, with typically increased sales during the fourth quarter. This trend is primarily attributable to (i) the fact that we initiated the commercialization of our Core Product following its NMPA approval in January 2024, and the lower sales volume in the first half of 2024 reflected a natural ramp-up period as we progressively expanded our hospital coverage and established our distributor network; and (ii) the purchasing patterns of our distributors, who tend to increase their inventory levels toward year-end in anticipation of public holidays and potential logistics disruptions, to ensure continuous supply for clinical procedures.

COMPETITION

The biotechnology industries are characterized by rapidly advancing technologies and intense competition. Although we believe that our pipeline of products and product candidates, leading R&D capability, established technology platforms, and experienced management team provide us with competitive advantages, we acknowledge the potential for competition from various sources, including major medical device and biotechnology companies. For more information on the competitive landscape of our products and product candidates, see "Market Opportunity and Competition" in this section for each product and product candidate above.

EMPLOYEES

As of June 30, 2026, we had 164 employees in total. The following table sets forth the number of our employees categorized by function as of June 30, 2026:

Function	Number of Employees
Research and Development	56
Clinical and Registration Affairs	7
General and Administrative	28
Sales and Marketing	27
Production and Quality	46
Total	**164**

We require fairness and transparency in our recruitment processes and place emphasis on diversity in our recruitment. We welcome talents from different backgrounds to join us in order to increase our workplace diversity. We adopt a hybrid recruitment process and recruit candidates through both online and traditional methods. We always strive to provide employees with comprehensive social benefits, a safe work environment and a wide range of career development opportunities. Furthermore, we are committed to strictly complying with applicable laws, regulations and standards related to workplace safety, providing a safe and healthy workplace for our employees and implementing an effective management system to help ensure employee safety and well-being. As required by laws and regulations in China, we participate in various employee social security plans, including, among other things, pension, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance and housing fund plans. We are committed to establishing a competitive and fair remuneration. In order to effectively motivate our staff, we continually refine our remuneration and incentive policies. We conduct performance evaluation for our employees regularly to provide feedback on their performance. Compensation for our staff typically consists of base salary and a performance-based bonus. We typically enter into standard employment agreements. In addition to such employment agreements, we typically enter into separate confidentiality and non-compete agreements. These contracts include standard confidentiality and non-compete covenants that prohibit the employee from disclosing, using or otherwise misappropriating our trade secrets, proprietary information or technical know-how and joining companies that compete with us or our affiliates during their employment and for a certain period of time thereafter. We maintain a good working relationship with our employees, and have not experienced any material labor disputes.

INSURANCE

We maintain certain insurance policies as of the Latest Practicable Date. For example, we maintain insurance policies that cover our assets and losses arising from accidents in clinical trials. We consider that the coverage from these insurance policies to be adequate for our operations and in line with the industry norm. During the Track Record Period, we had not made, or been the subject of, any material insurance claims.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

We believe our sustained growth lies in our contribution to society. Since our inception, we have adopted as our long-term strategic goal to promote environmental sustainability, support and participate in socially responsible projects, and adhere to a high standard of corporate governance.

ESG Governance

We prioritize Environmental, Social, and Governance (ESG) practices and have implemented a comprehensive ESG reporting process. Our Board holds full responsibility for establishing ESG policies and strategies, evaluating risks associated with daily operations, and monitoring progress to ensure effectiveness. It also fosters a culture aligned with our core ESG values. To bolster sustainability, improve governance, and enhance ESG performance, we have established a working mechanism comprising designated representatives from various functional departments, who are designated to manage the ESG issues most relevant to their respective functional lines ("**ESG Team**"). Reporting directly to the Board, they execute the ESG strategies laid out by leadership. ESG Team continuously conducts the identification and assessment of our material ESG risks and issues pursuant to institutional requirements, and promptly reports the results to our Board. The Board reviews such results and identifies material ESG issues based on the materiality of their impact on our business development and sustainable operations.

We have engaged external ESG consultants to conduct an assessment based on the importance of impact to us and financial materiality, thereby systematically identifying and evaluating ESG-related risks, development opportunities and their potential impacts. Key ESG matters are set out in the table below:

Key ESG matters	Potential risk	Actions
Waste Management and Contracted Party Monitoring	Non-compliant operations, delayed filings or unauthorized disposal of hazardous waste by contractors may trigger environmental pollution risks.	We entrust qualified entities for collection and annual centralized disposal, require contractors to assign dedicated personnel for waste management, and ask for rectification and accountability for non-compliance.
Clinical Trial Benefits	Non-compliant preclinical animal testing may compromise animal welfare; non-standard clinical trial protocols, ethical review and implementation may infringe patients' rights.	We standardize preclinical research as a mandatory compliance step for medical device trials, standardize clinical trial operations, complete ethical approval and secure informed consent to safeguard patient rights.

The ESG Team's duties include developing and implementing an ESG framework and policies aligned with our long-term strategies while regularly reviewing and adjusting them. They ensure compliance with evolving ESG related laws and regulations and promptly update policies accordingly. The ESG Team identifies, assesses, and manages material ESG risks on an ongoing basis and takes timely measures to reduce potential impacts. The ESG Team also evaluates stakeholder communication effectiveness and incorporates feedback to optimize strategies.

Moreover, the ESG Team closely monitors and evaluates our performance against ESG targets and provides regular reports to the Board. Through these coordinated efforts, we aim to embed responsible, sustainable business practices deeply into our corporate culture and operations, positioning the company for long-term success.

Environmental Protection

As a company focusing on the development, production and commercialization of medical device, we recognize the significant environmental responsibilities that come with our operations. Environmental responsibility is deeply ingrained in our corporate values, guiding our efforts to reduce ecological harm at every stage of the value chain. We are focused on ongoing improvement, striving to lower our environmental footprint while advancing sustainable growth in alignment with our commitment to planetary stewardship.

We have obtained the necessary environmental impact assessment report for our production facilities and construction completion and environmental protection acceptance reports for our R&D laboratories, demonstrating that our R&D and planned production facilities meet all relevant PRC environmental and regulatory standards concerning capacity, resource usage, and waste handling.

GHG Emissions and Resource Consumption Management

During the Track Record Period, our greenhouse gas (GHG) emissions were primarily generated from our R&D activities, production processes, and other ordinary business operations.

We closely monitor energy and water consumption levels at our offices and facilities and have implemented various policies and measures to conserve resources. These include:

- ***Energy management.*** We have implemented a stringent energy management system monitoring equipment safety and power usage. All lighting across our offices uses energy-efficient LED fixtures, and motion-sensor controls are installed in common corridors to ensure lights turn off automatically when unoccupied. Our guidelines govern the use of electrical appliances to prevent unnecessary energy waste.

- ***Water conservation.*** Motion-sensor faucets are installed throughout our office premises. We conduct regular inspections of water supply pipelines and promptly repair any identified leaks to minimize water loss.

- ***Other resources conservation.*** We have deployed product lifecycle management and enterprise resource planning systems to support paperless operations and require double-sided printing for all documents unless exceptional circumstances apply. The use of single-use items is actively discouraged; employees are encouraged to use reusable tableware and drinkware.

- ***Green office practices.*** We utilize video conferencing to reduce business travel and associated emissions. Our environmental management system is certified to ISO 14001 standards, and we leverage cloud-based storage solutions to reduce reliance on on-premises physical servers, thereby lowering energy consumption.

Through these efforts, we aim to further promote resource-saving practices and reduce overall resource usage.

The following table sets forth the amount of our electricity and water consumption for the periods indicated:

		Year ended December 31,		Six months ended June 30,
	Unit	2024	2025	2026
Electricity Consumption	kWh	322,340	773,278	574,697
Water Consumption	cubic meters	2,959	2,601	1,399

The following table sets forth the amount of our GHG emissions for the periods indicated:

		Year ended December 31,		Six months ended June 30,
	Unit	2024	2025	2026
Scope 1	tCO_2e	10.38	10.38	—(1)
Scope 2	tCO_2e	172.97	414.94	308.38
Scope 3	tCO_2e	0.11	0.11	0.04
Total GHG emission	tCO_2e	183.46	425.43	308.43
Total GHG emission intensity	tCO_2e/RMB in millions	14.43	13.21	13.00

Notes:

(1) Our Scope 1 emissions is related to fugitive refrigerant, calculated based on annual refill volumes. As no refrigerant refills were recorded for the first half of 2026, the Scope 1 emission for this period is reported as nil.

Based on the trends in our historical GHG emissions and the current emission status of the industry, we have formulated emission reduction targets that, taking 2025 as the base year, we aim to reduce the total GHG emission intensity by 10% by 2028. To achieve these targets, we will implement the following measures: (i) for Scope 1 emission, we aim to establish regular emission reduction initiatives including routine refrigerant leakage inspections, compliant recycling and disposal, and detailed ledger management; (ii) for Scope 2 emission, we aim to strengthen internal energy-saving electricity management and actively procure green electricity; (iii) for Scope 3 emission, we will focus on medical hazardous waste incineration to enhance source classification and control, prioritize the selection of low-carbon disposal partners, and optimize the connection processes for waste transportation and transfer.

Waste Management and Contracted Party Monitoring

We implement comprehensive policies to minimize our environmental impact through responsible waste management, energy efficiency, and water conservation. Our hazardous waste is generated from laboratory testing and R&D trials. Qualified compliant entities conduct collection of the waste and arrange for its centralized disposal on an annual basis in accordance with contractual agreements. We require the contracted parties for hazardous waste disposal to designate dedicated personnel to be responsible for waste transfer, disposal, settlement, submission of relevant documentation, assisting us with disposal verification and other related matters. We exercise supervision over the hazardous waste disposal process, conduct regular on-site inspections, strictly prohibit unauthorized disposal, and require rectification within a specified timeframe and pursue accountability for any non-compliant acts.

Social Responsibility

Product Safety, Social Risks, and Access to Healthcare

We recognize the profound social responsibility associated with the commercialization of our products. We have adopted internal control policies to mitigate the following critical social risks:

- *Inappropriate use of products*: To prevent risks associated with the inappropriate use of our products post-approval, we implement stringent programs focusing on physician training. We provide comprehensive procedural guidance, clear clinical indications, and ongoing medical education to ensure our devices are only used in accordance with approved protocols.

- *Effects of product pricing on access to healthcare*: We are committed to developing innovative therapies that are accessible to patients. Our pricing strategy is designed to balance the significant investment required for medical device R&D and quality assurance with the critical need for affordability.

- *Product safety and recall system*: We maintain a formal, mandatory product recall system in strict compliance with the NMPA's Rules for the recall of medical devices and international best practices. This system has clear procedures for the prompt identification, reporting, investigation, and execution of any necessary recall or corrective action. This ensures that any safety issue detected post-market is addressed immediately, minimizing risk to patients and maintaining product integrity.

Workplace Safety and Diversity

We have established and maintain a comprehensive set of rules, standard operating procedures, and measures, to ensure a healthy, safe, and inclusive environment for our employees and clinical trial participants. Our safety program emphasizes three core pillars: implementing clear guidelines for safe workplace practices, maintaining accident prevention protocols, and establishing transparent reporting procedures. For clinical trials, we require participants to demonstrate their understanding of all safety considerations both during initial enrollment and throughout their continued participation. These systematic protections reflect our fundamental commitment to fostering both physical safety and psychological well-being across all aspects of our operations.

We have also adopted a board diversity policy, which sets out the approach to achieve diversity of the Board. We recognize and embrace the benefits of having a diverse Board, including gender diversity, as an essential element in maintaining our competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. As of June 30, 2026, 91, or 555% of our total employees were female.

Clinical Trial Benefits

In terms of animal welfare safeguards, we designate preclinical research as a prerequisite compliance step for clinical trials. By standardizing the implementation and review procedures for preclinical research, we ensure the compliant and procedural conduct of our preclinical animal testing activities, laying a procedural foundation for animal welfare protection.

In terms of patient welfare and rights protection, we are dedicated to safeguard the core rights and interests of trial participants: (i) clinical trial protocols are jointly formulated by multiple departments and experts and subject to professional demonstration; (ii) prior to trial initiation, we submit and revise materials for ethical review, obtain ethical approval, and include informed consent form samples in the core trial documents to safeguard participants' right to information and informed choice; and (iii) we conduct standardized pre-trial procedures including personnel training and the standardized enrollment of patients to safeguard the safety and rights and interests of participants throughout the trial process.

Corporate Governance

We uphold corporate governance standards as the foundation of our sustainable growth and long-term success. Our governance framework is structured to ensure effective oversight, transparency in decision-making, and value creation for all stakeholders. The Board serves as the guiding force in shaping our strategic direction, overseeing comprehensive risk management, and maintaining accountability throughout the organization.

Patient Data Protection and Prevention of Data Manipulation

We are committed to protecting sensitive patient information and ensuring the confidentiality of clinical trial participant data in compliance with all relevant laws, regulations, and industry standards. We require our CROs to maintain strict confidentiality of all documents, data, and records generated during clinical trials, and to bind their employees and consultants to these same confidentiality obligations. Without our prior written consent, CROs are prohibited from sharing any confidential information with third parties. Additionally, all our employees sign confidentiality agreements to further secure sensitive information. To ensure data integrity and prevent manipulation, we have established comprehensive internal policies.

Supply Chain Management

We have established a supplier management system covering classification, access review and dynamic management, with production environment cleanliness requirements incorporated into outsourced production supplier screening criteria. We conduct dynamic management and annual reevaluation of existing outsourced production supplier, perform a comprehensive multi-dimensional scoring, verify their continuous compliance with cleanliness and other standards, and strictly implement an exit mechanism for non-compliant suppliers. There has been no material fraud, bribery or other misconduct involving our employees, distributors, suppliers and other third parties during the Track Record Period and up to the Latest Practicable Date.

Business Ethics and Integrity

We are committed to upholding high standards of corporate governance and fostering a healthy corporate culture. We believe that strong governance and ethical values are essential to the well-being of our employees and the sustainable development of our business. To this end, we have put in place a series of internal regulations to set forth the guidelines for compliance with laws and regulations and promote honest and ethical conduct, prevent corruption practices and conflicts of interest, and maintain operational transparency and fairness, including our code of business conduct and ethics, anti-corruption compliance policy, and internal control manual. These measures foster an ethical and transparent business environment while safeguarding our interests and those of all stakeholders.

PROPERTIES

We are headquartered in Hangzhou, Zhejiang. As of the Latest Practicable Date, we did not own any real property. As of the same date, we leased 12 properties in Chinese Mainland, with an aggregate GFA of approximately 26,500 sq.m., which were primarily used for office functions and production facilities. 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.

LICENSES, PERMITS AND CERTIFICATES

We are required to obtain and renew certain certificates, permits, and licenses for developing and commercializing our products, including those essential for the entire lifecycle of our medical device products. See "Regulatory Overview" for more information about the material certificates, permits, and licenses required for our business operations in Chinese Mainland, and other relevant jurisdictions. During the Track Record Period and up to the Latest Practicable Date, we have 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.

The following table sets forth the summary of the key licenses, permits and certificates which we have obtained as of the Latest Practicable Date in China and overseas:

License/Permit	Holder	Issue Authority	Valid Period
Manufacturing License (浙藥監械生產許 20220109 號)	Our Company	Zhejiang NMPA	2022.10 – 2027.10
Manufacturing License (津藥監械生產許 20250862 號)	Tianjin Tangji	Tianjin NMPA	2025.08 – 2030.08
Manufacturing License (浙藥監械生產許 20260060號)	Jikang Medical	Zhejiang NMPA	2026.06 – 2031.06
Class II Medical device Distribution Filing (第二類醫療器械經營備案: 浙杭食藥監械經營備20173153號)	Our Company	Hangzhou Market Supervision Bureau	Long term since 2017.12
Medical Device Distribution License (醫療器械經營許可證書: 浙杭藥監械經營許20210076號)	Our Company	Hangzhou Market Supervision Bureau	2026.01 – 2031.01
NMPA registration for GBS (國械註准20243130104)	Our Company	NMPA	2024.01 – 2029.01
NMPA registration for RTK (浙械註准20252021547)	Our Company	Zhejiang NMPA	2025.07 – 2030.07
NMPA registration for a consumable for GA (滬械註准20252060558)	Shanghai Tangji	Shanghai NMPA	2025.12 – 2030.12
NMPA registration for Dtx (津械註准20242210335)	Tianjin Tangji	Tianjin NMPA	2024.12 – 2029.12
NMPA registration for an accessory for the GBS (浙械註准20222061126)	Our Company	Zhejiang NMPA	2022.09 – 2027.09

License/Permit	Holder	Issue Authority	Valid Period
NMPA registration for the video image processor of GA (滬械註准20252060563)	Shanghai Tangji	Shanghai NMPA	2025.12 – 2030.12
Indonesia registration for GBS (KEMENKES RI AKL 20805420529)	Our Company	Ministry of Health of Indonesia	2024.10 – 2029.08
Thailand registration for GBS (68-2-2-2-0001693)	Our Company	Thailand FDA	2025.02 – 2029.12
Hong Kong registration for GBS (250834)	Our Company	Hongkong MDD	2025.03 – 2030.03
Vietnam registration for GBS (2501463DKLH/BYT-HTTB)	Our Company	Ministry of Health of Vietnam	Long term since 2025.04
Saudi registration for GBS (MDMA-2-2025-1941)	Our Company	Saudi FDA	2025.06 – 2028.06
Malaysia registration for GBS (GC4546725-207519)	Our Company	Malaysia MDA	2025.07 – 2030.07
Ecuador registration for GBS (18943-DME-0725)	Our Company	Ecuador ARCSA	2025.07 – 2030.07
Colombia registration for GBS (2026DM-0031993)	Our Company	Colombia INVIMA	2026.01 – 2036.01
The Philippines registration for GBS (CMDR-2026-07305A)	Our Company	The Philippines FDA	2026.03 – 2031.03
Singapore registration for GBS (MDPR260508F0003)	Our Company	Singapore HSA	Long term since 2026.05
Brazil registration for GBS (81504790573)	Our Company	Brazil ANVISA	2026.06 – 2036.06

License/Permit	Holder	Issue Authority	Valid Period
Certificate of ISO 13485:2016 (EN ISO 13485:2016 / AC:2018, EN ISO 13485:2016 / A11:2021) Medical devices - Quality management systems - Requirements for regulatory purposes (No. Q5 102885 0003 Rev. 05)	Our Company	TÜV SÜD Product Service GmbH • Certification Body	2026.08 – 2028.09
Certificate of ISO 13485:2016 Medical devices - Quality management systems (No. CN26/00003090)	Shanghai Tangji	SGS United Kingdom Ltd	2026.04 – 2029.04
Environmental Management System Certificate (GB/T 24001-2016 / ISO 14001:2015)	Our Company	Beijing NGV Certification Center Co., Ltd.	2025.01 – 2028.01
Quality Management System Certificate (GB/T 19001-2016 / ISO 9001:2015)	Our Company	Beijing NGV Certification Center Co., Ltd.	2025.01 – 2028.01
Occupational Health and Safety Management System Certificate (GB/T 45001-2020 / ISO 45001:2018)	Our Company	Beijing NGV Certification Center Co., Ltd.	2025.01 – 2028.01
Certificate of GMP and Control of Medical Devices / Health Products	Our Company	Ministry of Health of Brazil	2026.04 – 2028.04

COMPLIANCE

We face certain non-compliance risks during our ordinary course of business.

Properties Related Compliance

As of the Latest Practicable Date, agreements for three of our leased properties in Chinese Mainland had not been registered with the relevant PRC government authorities. Under the Administrative Measures for Commodity House Leasing, we may be ordered by the relevant authorities to rectify such non-compliance within a prescribed period. If we fail to do so, we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease, indicating a maximum potential fine of RMB30,000 for us as of the Latest Practicable Date. However, according to the Civil Code of the PRC, the failure to

register or file a lease contract does not affect its validity. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any administrative penalties for such non-compliance. As advised by our PRC Legal Advisors, the non-registration does not affect the legal validity of the lease contracts and does not constitute a substantive legal impediment with respect to the **[REDACTED]**. During the Track Record Period and up to the Latest Practicable Date, no single property interest that formed part of non-property activities had a carrying amount of 15%, and no single property interest that formed part of property activities had a carrying amount of 1%, of our total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this document is 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 our Group's interests in land or buildings.

Labor Related Compliance

During the Track Record Period, we did not make full contributions to the social insurance and housing provident fund with respect to certain employees as required by relevant PRC laws and regulations. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, the aggregate shortfall in our contributions to social insurance amounted to approximately RMB1.9 million, RMB2.6 million and nil, respectively. In the six months ended June 30, 2026, we made up for approximately RMB1.3 million of our social insurance contribution shortfalls. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, the aggregate shortfall in our contributions to housing provident funds amounted to approximately RMB0.8 million, RMB1.0 million and RMB1.5 million, respectively. We have made social insurance contributions and housing provident fund contributions in full since July 2026. As advised by our PRC Legal Advisor, an employer that has not made social insurance contributions in full and on time as prescribed by the law, may be ordered by relevant authorities to rectify and pay the required contributions within a stipulated deadline and be subject to a late payment fee of up to 0.05% per day. If the employer fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times the amount overdue. Accordingly, the aggregate maximum potential penalty that could be imposed on us for the aforementioned shortfalls during the Track Record Period is approximately RMB13.5 million.

The Interpretation (II) of the Supreme People's Court on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋（二）》), promulgated on July 31, 2025 and effective from September 1, 2025, clarifies that any agreement or undertaking to waive social insurance contributions is invalid. Our Directors are of the view that the new judicial interpretation will not have a material adverse impact on our business, financial condition or results of operations. Considering that (i) during the Track Record Period and up to the Latest Practicable Date, we were not aware of any administrative penalty imposed on us or our PRC subsidiaries by social insurance or housing provident fund authorities, nor did relevant enterprise credit reports evidence any such penalties, and we had not received any written notice from competent authorities ordering us to rectify any non-compliance in this regard; (ii) in the absence of employee complaints or third-party reports; (iii) we undertake that, in the event that competent government authorities require us or our PRC subsidiaries to make contributions or supplementary contributions within a stipulated time period, we will duly comply in a timely manner; (iv) based on the appropriate procedures performed by our PRC Legal Advisors; and (v) as advised by our PRC Legal Advisors, the new judicial interpretation does not expand the scope of penalties nor repeal the existing laws, our PRC Legal Advisors are of the view that the likelihood that we be subject to the centralized collection of historical arrears and material administrative penalties is remote.

We maintain compliance with all applicable laws and regulations governing our operations. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any

material non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operation.

LEGAL PROCEEDINGS

During the Track Record Period and up to the Latest Practicable Date, we have not been involved in any material legal or administrative proceedings that could significantly impact our operations, financial position, growth prospects, or reputation. Although we are not currently a party to any material legal proceedings, we may be subject to claims and litigation arising in the ordinary course of business. See "Risk Factors — Risks Relating to Our General Operations — We may be involved in lawsuits, claims, administrative proceedings or other legal proceedings against us."

RISK MANAGEMENT AND INTERNAL CONTROLS

Risk management is critical to our operations. We have established and continuously maintained a risk management and internal control framework, supported by comprehensive policies and procedures tailored to our business. We are committed to the ongoing enhancement of this framework.

In preparation for the **[REDACTED]**, we have engaged an independent third-party consultant (the "**Internal Control Consultant**") to perform a review of selected areas of our internal controls. The Internal Control Consultant performed procedures and put forward suggestions for improvement. We have further strengthened our internal control process based upon the Internal Control Consultant's suggestions.

Financial Reporting Risk Management

To mitigate financial reporting risks, we have established a comprehensive internal control system for financial management. This system includes detailed procedures for managing internal processes, among others. Additionally, we conduct monthly cash and bank reconciliations to ensure the accuracy and integrity of our financial data.

Product Quality Risk Management

To manage risks in relation to product quality, we have implemented a comprehensive quality control system that spans the entire product lifecycle. We have a formal process to establish detailed product quality standards during the R&D and design phase, focusing on safety, functionality, reliability for our products. Our quality control extends to our supply chain, where we enforce strict procedures for incoming material inspection and multi-dimensional compliance verification to ensure the controllability of raw material quality. During production, we conduct in-process inspections and final inspection for all finished products. To address issues that may arise, we have also established systematic processes for defect analysis and supplier claims, ensuring a closed-loop approach to quality assurance.

Compliance Risk Management

Compliance risk management is the core of our risk management activities, the foundation for effective internal controls and an important aspect of our corporate culture. Our general manager's office is responsible for establishing our internal control system and reviewing its effectiveness. We have implemented a series of internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. Our material decision-making is undertaken by our senior management, the Board of Directors, and Shareholders' Meeting, as the case may be. We have established internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operations, and monitor the status and effectiveness of those licenses and approvals. Additionally, we have adopted various measures in connection with our data protection.

Human Resources Risk Management

We provide different training to our employees in different departments. Through these training, we ensure that our staff's skills remain up-to-date and enable them to discover and meet customers' needs. We have in place an employee handbook, which contains internal rules and guidelines regarding topics such as best commercial practice, work ethics, and negligence. We make our internal reporting channel open and available to our staff for any reporting of wrongdoing or misconduct. Reported incidents and persons will be investigated and appropriate measures will be taken in response to the findings.

Data Privacy Protection

We have taken measures to protect the confidentiality of patients' data, including during clinical trials, and protect the security and confidentiality of their personal information to ensure compliance with all applicable laws and regulations on data protection and privacy. We collect various types of data across our business operations, primarily including: (i) clinical trial data, such as patients' basic personal information, medical history, and examination results, for regulatory filings; (ii) supplier and customer data, such as contact and corporate information, for procurement and sales management; and (iii) user and healthcare data such as identity and certain health conditions, for our DTx.

To prevent unauthorized access and safeguard data security, we have established a comprehensive internal control framework covering the following aspects:

- *Organizational governance*: We have established a Cybersecurity and Data Security Compliance Committee, appointed a Data Protection Officer, and formulated a series of internal security management policies.

- *Technical safeguards*: We utilize secure cloud servers located in the PRC and implement technical measures such as data classification, access control based on the principle of least privilege, data encryption, desensitization, and firewalls. For clinical trials, patient data in our electronic data capture systems is pseudonymized.

- *Personnel management*: Access is strictly limited to authorized personnel, including third-party SMOs, who are required to sign confidentiality agreements. We also provide regular data security training to our employees.

- *Incident response*: We have established emergency response mechanisms and conduct regular cybersecurity drills to handle potential data incidents.

Regarding cross-border data transmission, our activities are strictly limited to providing necessary registration filing materials, such as technical documentation and certificates of free sale, to overseas medical device registration agents or Notified Bodies to obtain overseas marketing authorizations. These materials do not contain any personal information or important data, and thus do not trigger cross-border data export regulatory procedures. Except for the above, we do not transfer any data collected or generated within the PRC to overseas jurisdictions.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any breach of confidential information or any other information-related incidents which could cause a material adverse effect on our business, financial condition or results of operations, and we had not been subject to any material penalty in relation to data privacy. Our PRC Legal Advisors have confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had been in compliance with the relevant PRC laws and regulations in all material aspects in this regard.

AWARDS AND RECOGNITIONS

During the Track Record Period, we received a number of awards and accolades in recognition of our brand and products. The following table sets out major awards and recognitions we received during the Track Record Period and up to the Latest Practicable Date:

Year	Award/Recognition	Issuing Authority/Organization
2026	Zhejiang Province Specialized, Refined, Distinctive and Innovative SME (浙江省專精特新中小企業)	Zhejiang Provincial Department of Economy and Information Technology
2026	Second Prize, 11th "Maker in China" Zhejiang Competition and "Zhejiang Good Projects" SME Innovation and Entrepreneurship Competition (第十一屆「創客中國」浙江省賽區暨「浙江省好項目」中小企業創新創業大賽)	Zhejiang Provincial SME Association
2025	National High-tech Enterprise (國家高新技術企業)	Zhejiang Provincial Department of Economy and Information Technology, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration
2025	Postdoctoral Workstation	Zhejiang Provincial Postdoctoral Work Office
2025	National Technology-based SME (Shanghai Tangji) (國家科技型中小企業)	Ministry of Science and Technology
2025	Hangzhou Industrial Design Center (杭州市工業設計中心)	Hangzhou Bureau of Economy and Information Technology
2025	2025 Hangzhou Innovative High-quality Pharmaceutical and Medical Device Catalog (2025年創新優質杭產藥械目錄)	Hangzhou Bureau of Economy and Information Technology, and Hangzhou Health Commission
2025	2025 Hangzhou High-quality Product Recommendation Catalog (2025年杭州市優質產品推薦目錄)	Hangzhou Bureau of Economy and Information Technology
2025	2025 International Medical Innovation Competition - Medical Innovation Award (2025國際醫療創新大賽 — 醫療創新獎)	CIIE Exhibition Union Medical Devices Committee
2025	2025 Yangtze River Delta Excellent Domestic Medical Equipment and Consumables - Recommended Products (2025年度長三角優秀國產醫療設備耗材醫用耗材類 — 推薦產品)	Shanghai Yangtze River Delta Medical Device Industry Development Promotion Association (上海長三角醫療器械產業發展促進會)
2024	National Technology-based SME (Tianjin Tangji) (國家科技型中小企業)	Ministry of Science and Technology

Year	Award/Recognition	Issuing Authority/Organization
2024	National Patent-Intensive Product — GBS (國家專利密集型產品 — 胃轉流支架系統)	National Intellectual Property Center
2024	Zhejiang Province Golden Seed Plan (Growth Level) (浙江省金種子計劃（成長級）)	Zhejiang Provincial Market Supervision Administration (Intellectual Property Office)

BOARD OF DIRECTORS

Our Board of Directors consists of six Directors, comprising one executive Director, two non-executive Directors and three independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive reappointment.

DIRECTORS

The following table sets forth key information about our Directors as of the Latest Practicable Date:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a Director	Roles and Responsibilities	Relationship with other Directors and senior management
Mr. Zuo Yuxing (左玉星)	56	Chairman of the Board, executive Director and chief executive officer	August 2016	August 2016	Responsible for the overall strategic planning, management and operations of our Group	None
Dr. Xu Tianhong (徐天宏)	50	Non-executive Director	August 2016	March 2018	Overseeing Board affairs and giving strategic advice and guidance on the business operations of our Group	None
Mr. Chen Yichao (陳毅超)	38	Non-executive Director	November 2025	November 2025	Overseeing Board affairs and giving strategic advice and guidance on the business operations of our Group	None
Ms. Liang Jihong (梁繼紅)	53	Independent non-executive Director	January 2026	January 2026	Responsible for providing independent advice and judgment to our Board	None
Ms. Sheng Ying (盛穎)	51	Independent non-executive Director	January 2026	January 2026	Responsible for providing independent advice and judgment to our Board	None
Mr. Leung Wai Yip (梁偉業)	50	Independent non-executive Director	January 2026	January 2026	Responsible for providing independent advice and judgment to our Board	None

Executive Director

Mr. Zuo Yuxing (左玉星), aged 56, is the chairman of our Board, executive Director and chief executive officer of our Company. Mr. Zuo has been serving as our Director and general manager of our Company since its establishment. He is primarily responsible for the overall strategic planning, management and operations of our Group.

Mr. Zuo is the inventor of the first-generation gastrointestinal bypass stent. His leadership combines deep clinical insight, gained from six years as a doctor in the PRC, with extensive commercial expertise from over 15 years in sales and management roles with medical device brands.

Prior to founding our Company, Mr. Zuo was a doctor at Baotou Jiuyuan District Hospital (包頭市九原區醫院) from 1995 to 2001 and a director of preventive healthcare department at the hospital from 1999 to 2001. Subsequently, Mr. Zuo spent multiple years engaged in sales of medical device and entrepreneurship. Between 2002 and 2005, Mr. Zuo worked as a sales manager at Olympus (Beijing) Sales and Service Co., Ltd. (奧林巴斯（北京）銷售服務有限公司), where he was engaged in sales of medical device. Since October 2006, he established Inner Mongolia Dekang Technology Co., Ltd. (內蒙古德康科技有限公司), a company engaged in sales of magnetic resonance imaging (MRI) equipment.

Mr. Zuo obtained his bachelor's degree in preventive medicine from Baotou Medical College (包頭醫學院) in the PRC in July 1995 and a postgraduate diploma in managerial psychology from the University of Hong Kong in October 2019.

Non-executive Directors

Dr. Xu Tianhong (徐天宏), aged 50, is a non-executive Director. He was appointed as our Director in March 2018 and is redesignated as a non-executive Director in January 2026. He is primarily responsible for overseeing Board affairs and giving strategic advice and guidance on the business operations of our Group.

Dr. Xu has extensive experience in biotechnology, genetics and healthcare innovation, with a professional background in clinical medicine. He has held senior positions in the life sciences and healthcare sectors, with experience spanning scientific research, technology development and corporate management. Dr. Xu has been involved in the establishment and development of biotechnology companies. From March 2008 to March 2011, Dr. Xu served as senior scientist and project manager at Applied StemCell Inc., a biotechnology company headquartered in California, where he was involved in dozens of stem cell and genome editing projects. Between August 2011 and May 2013, Dr. Xu was a partner at Vangoo (Beijing) Capital Limited, a private equity investment firm established in China, covering a range of investment in high-growth areas of medical, internet, consumer products, high-tech and new energy. Dr. Xu served as a partner at WI Harper Group (中經合集團) from June 2013 to June 2015. He has been a founding partner at Virtus Inspire Ventures since June 2015. He founded Base Therapeutics (HK), Limited in 2021 and has been the chairman and chief executive officer of the company since then.

Dr. Xu is also an independent non-executive director at Cordlife Group Limited, a company listed on the Singapore Stock Exchange (stock code: P8A) since May 2024.

He obtained a bachelor's degree in clinical medicine and a master's degree in genetics from Fudan University (復旦大學) in the PRC in July 1999 and July 2002 respectively. He also obtained a Ph.D. in molecular and human genetics from Baylor College of Medicine in the United States in March 2008.

Mr. Chen Yichao (陳毅超), aged 38, is a non-executive Director. He was appointed as our Director in November 2025 and is redesignated as a non-executive Director in January 2026. He is primarily responsible for overseeing Board affairs and giving strategic advice and guidance on the business operations of our Group.

Mr. Chen worked as a client manager at the Bank of Hangzhou Co., Ltd., Jiubao Branch (杭州銀行股份有限公司九堡支行) from July 2013 to June 2015. He then served as an investment manager at Hangzhou Houbang Investment Management Co., Ltd. (杭州厚邦投資管理有限公司) from June 2015 to February 2017, at Hangzhou Zhejiang Agricultural Industry Investment Management Co., Ltd. (杭州浙農科業投資管理有限公司) from March 2017 to April 2018 and at Zhejiang Agricultural Finance Investment Management Co., Ltd. (浙江浙農產融投資管理有限公司) from May 2018 to February 2020. Subsequently, Mr. Chen worked at Hangzhou Gaoxin Chuangye Investment Co., Ltd. (杭州高新創業投資有限公司) as an investment manager between May 2020 and October 2021.

Mr. Chen has been working at Hangzhou Hehe Chuangye Investment Co., Ltd. (杭州禾合創業投資有限公司) since November 2021 where he was responsible for investment work and was further appointed as deputy general manager in August 2025 and as a director in September 2025.

Mr. Chen obtained a bachelor's degree in bioengineering from the China Jiliang University (中國計量大學, formerly known as China Jiliang College (中國計量學院)) in the PRC in June 2010. He further earned a master's degree in biochemistry and molecular biology from China Jiliang University (中國計量大學, formerly known as China Jiliang College (中國計量學院)) in the PRC in June 2013.

Independent non-executive Directors

Ms. Liang Jihong (梁繼紅), aged 53, is our independent non-executive Director since January 2026. She is primarily responsible for providing independent advice and judgment to our Board.

Ms. Liang has extensive experience in finance, investment and capital operation. She began her career at China Quanjude Group (中國全聚德集團) in August 1995, where she worked as accounting supervisor until August 1998. From August 1998 to August 2003, Ms. Liang served as manager of the investment banking department at Zhongxingfa Enterprise Trusteeship Company (中興發企業托管公司). She then served as a deputy manager of the finance department of China Travel International Ltd. (港中旅國際旅行社有限公司) from August 2003 to February 2006.

From February 2006 to July 2011, Ms. Liang served as a financial manager at the Beijing branch of Mangocity.com (芒果網北京分公司), followed by working as a senior financial manager at the Beijing branch of Ctrip.com (攜程網) from July 2011 to September 2012. She then worked as financial director at Yeepay Inc. (易寶支付有限公司) between July 2013 and November 2014. In November 2014, she joined 36Kr Holdings Inc., a company listed on NASDAQ (ticker symbol: KRKR), where she held various positions including chief financial officer and executive director until March 2021.

Since June 2022, Ms. Liang has served as an independent non-executive director of Yonghe Medical Group Co., Ltd., a company listed on the Hong Kong Stock Exchange (stock code: 2279). From March 2023 to January 2025, Ms. Liang also served as a joint vice president of Hooplife Technology Group (合生活科技集團), a subsidiary of Hopson Development Holdings Limited, a company listed on the Hong Kong Stock Exchange (stock code: 754).

Ms. Liang received her bachelor's degree in economics from the Capital University of Economics and Business (首都經濟貿易大學) in the PRC in July 1995 and a master's degree in software engineering from Beihang University (北京航空航天大學) in the PRC in June 2016. She completed the MBA program at Cheung Kong Graduate School of Business (長江商學院) in the PRC in October 2022. She was admitted as a certified public accountant by the Chinese Institute of Certified Public Accountants in September 2010, and subsequently, obtained the title of senior accountant in October 2015.

Ms. Sheng Ying (盛穎), aged 51, is our independent non-executive Director since January 2026. She is primarily responsible for providing independent advice and judgment to our Board.

Ms. Sheng worked at Standard & Poor's in the United States from June 1998 to May 1999. From June 1999 to December 2004, she worked at ORIX Capital Markets LLC in the United States, where she served successively as analyst, senior analyst and associate director. She then joined Victoria Capital LLC in Hong Kong as vice president and director from September 2005 to May 2006. Between June 2006 and December 2008, Ms. Sheng worked at Beijing Xinqi Investment Consulting Co., Ltd., (北京新企投資諮詢有限公司). Since December 2008, Ms. Sheng has been working at Nanjing Xinqi Investment Consulting Co., Ltd., (南京新企投資諮詢有限公司), a company established in the PRC and engaged in provision of investment management consultancy services. Since September 2020, Ms. Sheng has also served as an independent director of Shanghai Aiyingshi Co., Ltd. (上海愛嬰室), a company listed on the Shanghai Stock Exchange (stock code: 603214).

Ms. Sheng obtained a bachelor's degree in economics from the Shanghai International Studies University (上海外國語大學) in the PRC in July 1997, and a master of business administration (MBA) from the Cox School of Business at Southern Methodist University in the United States in May 1999. She further obtained a bachelor's degree in pharmacy from the Shanghai Jiao Tong University School of Medicine (上海交通大學醫學院) in the PRC in March 2018. , and a master of public health (MPH) from the Bloomberg School of Public Health at Johns Hopkins University in August 2025.

Mr. Leung Wai Yip (梁偉業), aged 50, is our independent non-executive Director since January 2026. He is primarily responsible for providing independent advice and judgment to our Board.

Mr. Leung has more than 20 years of experience in audit and financial management. Mr. Leung acted consecutively as an auditor, senior auditor and manager in the audit services department of Ernst & Young from March 2000 to August 2005. Between September 2005 to April 2007, he served as an internal auditor at Swire Group. From May 2007 to December 2010, Mr. Leung served as a financial controller and company secretary of Tiangong International Company Limited, a company listed on the Hong Kong Stock Exchange (stock code: 826).

Mr. Leung has been the chief financial officer and company secretary of Chaowei Power Holdings Limited, a company listed on the Hong Kong Stock Exchange (stock code: 951) since December 2010, mainly responsible for the company's financial management, overseas acquisition and financing and investor relationships.

Mr. Leung also served as an independent non-executive director of various companies listed on the Hong Kong Stock Exchange, including HPC Holdings Limited (stock code: 1742) and Beijing Luzhu Biotechnology Co., Ltd. (stock code: 2480) since April 2018 and March 2023 respectively. He also served as an independent non-executive director of Miko International Holdings Limited, a company listed on the Hong Kong Stock Exchange (stock code: 1247), from December 2013 to February 2016.

Mr. Leung obtained a bachelor's degree in commerce from the University of Alberta in Canada in June 1998 and a master of business administration (MBA) from the Hong Kong University of Science and Technology in November 2010 respectively. He has been a member of the Washington State Board of Accountancy since June 2001, a member of the American Institute of Certified Public Accountants since December 2002 and an associate member of the Hong Kong Society of Accountants since May 2003.

SENIOR MANAGEMENT

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a senior manager	Roles and Responsibilities	Relationship with other Directors and senior management
Mr. Zuo Yuxing (左玉星)	56	Chairman of the Board, executive Director and chief executive officer	August 2016	August 2016	Responsible for the overall strategic planning, management and operations of our Group	None
Mr. Chen Jiahao (陳嘉灝)	49	Chief marketing officer	October 2021	September 2023	Responsible for overseeing the Company's marketing strategy and operations	None
Dr. Li Wenyu (李文宇)	38	Technical Director	June 2019	September 2021	Responsible for leading the Company's research and development activities and technological innovation, including the research and development of the Core Product	None
Mr. Wang Jingyu (王鏡宇)	36	Secretary to the Board	October 2024	November 2025	Responsible for capital operations, investor relations management, information disclosure of the Company and external communications	None
Ms. Chen Junfei (陳俊飛)	38	Director of finance	July 2024	January 2025	Responsible for the overall financial strategy, financial management and corporate finance of our Company	None
Mr. Zhong Gaofeng (鍾高峰)	44	Director of clinical and registration affairs	November 2018	October 2021	Responsible for clinical research and regulatory affairs	None

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a senior manager	Roles and Responsibilities	Relationship with other Directors and senior management
Ms. Yu Jiayan (俞佳燕)	41	Director of operation	February 2017	July 2021	Responsible for overseeing all operations, including production, quality, procurement and cost control	None

Mr. Zuo Yuxing (左玉星), for his biography, please see "— Executive Directors" in this section.

Mr. Chen Jiahao (陳嘉灝), formerly known as Xiang Anlin (項安林), aged 49, is the chief marketing officer of our Company since September 2023. He is primarily responsible for overseeing the Company's marketing strategy and operations. Mr. Chen joined our Group in October 2021.

Prior to joining our Group, Mr. Chen worked in pharmaceutical sales and management roles at several companies, including Bayer HealthCare Company Limited (拜耳醫藥保健有限公司) as a sales representative in May 2000 and subsequently at Servier (法國施維雅醫藥) in 2004. He then spent over a decade at Medtronic (Shanghai) Management Co., Ltd. (美敦力(上海)管理有限公司) from April 2004 to November 2015 starting from senior sales representative to Greater China senior SFE manager. He subsequently served as a general manager at G-Net Cloud Service Co., Ltd. (全時雲商務服務股份有限公司) from November 2015 to July 2018, sales manager at KINGYEE (Beijing) Co., Ltd. (金蝶天成（北京）科技有限公司) from July 2018 to April 2019 and worked at Touchstone International Medical Science Co., Ltd. (天臣國際醫療科技股份有限公司) from May 2019 to August 2021.

Mr. Chen obtained his bachelor's degree in clinical medicine from Guiyang College of Traditional Chinese Medicine (貴陽中醫學院) in the PRC in July 1998.

Dr. Li Wenyu (李文宇), aged 38, is our technical director. He is primarily responsible for leading the Company's research and development activities and technological innovation, including the research and development of the Core Product.

Dr. Li joined our Group in June 2019 and has successively served as our senior materials development engineer and R&D manager between July 2020 and September 2021. He has served as our technical director since September 2021.

Prior to joining our Group, Dr. Li was the founder of Wuhan Puyourui Technology Co., Ltd. (武漢普優瑞科技有限公司) from October 2014 to March 2018. He then served as the R&D director at Wuhan Ruifa Medical Devices Co., Ltd. (武漢瑞法醫療器械有限公司) from March 2018 to May 2019.

Dr. Li obtained a bachelor's degree in polymer materials science and engineering from Wuhan University of Technology (武漢理工大學) in July 2009. He then obtained a Ph.D. in materials science from Zhejiang University (浙江大學) in the PRC in September 2014. Dr. Li obtained the title of Senior Engineer granted by the Hangzhou Municipal Human Resources and Social Security Bureau in May 2024, and has been recognized multiple times as a high-level talent by the Hangzhou Municipal Government.

He also serves as a member of the Zhejiang Youth Science and Technology Association (浙江省青年科學技術協會), an expert in the Zhejiang Science and Technology Department's database (浙江省科技廳入庫). He has also won over 10 national and provincial competition championships or excellence awards in various contests. He also participated in the formulation of two national standards or group standards.

Mr. Wang Jingyu (王鏡宇), aged 36, is the secretary to the Board of our Company. Mr. Wang has been serving as the secretary to the Board since October 2024. He is responsible for capital operations, investor relations management, information disclosure of the Company and external communications.

Prior to joining our Group, Mr. Wang was an early founding employee and later secretary to the board of directors of 36Kr Holdings Inc., a company listed on NASDAQ (ticker symbol: KRKR) from June 2012 to September 2021, where he was responsible for the company's overall strategic planning and implementation, shareholder relations and long-term capital operations. Mr. Wang then served as a listing management director at Hooplife Network Technology Co., Ltd. (合生活網路科技有限公司), a subsidiary of Hopson Development Holdings Limited, whose shares are listed on the Hong Kong Stock Exchange (stock code: 754), from March 2023 to August 2024.

Furthermore, Mr. Wang is also a director of Embrace Change Acquisition Corp., a special purpose acquisition company listed on NASDAQ (ticker symbol: EMCG) since December 2022.

Mr. Wang obtained a bachelor's degree in law from China University of Political Science and Law (中國政法大學) in the PRC in July 2012. He also obtained the fund practitioner certification from the Asset Management Association of China (中國證券投資基金業協會) (AMAC) in March 2017.

Ms. Chen Junfei (陳俊飛), aged 38, is the director of finance of our Company. She joined our Group in July 2024 and is responsible for the overall financial strategy, financial management and corporate finance of our Company.

Ms. Chen has approximately 15 years of experience in finance management and accounting. Prior to joining our Group, Ms. Chen served as head of finance at Hangzhou ArteryFlow Technology Co., Ltd. (杭州脈流科技有限公司) from December 2020 to March 2024, where she was responsible for formulating financial strategies, financing coordination, accounting, and internal control system establishment. She worked at Shulan (Hangzhou) Hospital Co., Ltd. (樹蘭（杭州）醫院有限公司) as a finance staff from December 2016 to September 2017, at Hangzhou Quanke Health Management Consulting Co., Ltd.* (杭州全科健康管理諮詢有限公司) as a finance director from September 2017 to March 2018, at Shulan Health Management Co., Ltd. (樹蘭醫療管理股份有限公司) as an accounting supervisor from April 2018 to November 2020. Prior to that, she worked as finance staff and accountant in various businesses across the import-export and manufacturing sector.

Ms. Chen obtained a bachelor's degree in accounting from Changchun University of Science and Technology (長春理工大學) in the PRC in July 2009. She is a tax advisor accredited by the China Certified Tax Agents Association in the PRC since November 2023 and obtained the title of intermediate accountant granted by the Hangzhou Municipal Human Resources and Social Security Bureau in September 2016.

Mr. Zhong Gaofeng (鍾高峰), aged 44, is our director of clinical and registration affairs since October 2021. He is primarily responsible for clinical research and regulatory affairs. He joined our Group in November 2018 and served as our clinical registration manager between November 2018 to October 2021, overseeing product registration and clinical affairs.

He began his career at Hangzhou Shengshi Technology Co., Ltd. (杭州聖石科技有限公司) in July 2007, where he served as quality manager and management representative until April 2014. From April 2014 to July 2016, Mr. Zhong worked at Chemical Inspection and Regulation Service Limited (CIRS Group) (杭州瑞旭科技集團有限公司) as regulatory technical lead for medical device, focusing on regulatory technical consulting. He then joined Weiling (Hangzhou) Information Technology Co., Ltd. (維靈（杭州）信息技術有限公司) in August 2016 as senior quality manager and management representative, a role he held until October 2018.

Mr. Zhong obtained his bachelor's degree in medical laboratory science from Zhejiang University (浙江大學) in the PRC in April 2009. He holds multiple certifications, including as an NMPA-certified Medical Device Registered Specialist and an ISO 13485 internal auditor.

Ms. Yu Jiayan (俞佳燕), formerly Yu Jiayan (俞加燕), aged 41, is the director of operation of the Company since July 2021. She is primarily responsible for overseeing all operations, including production, quality, procurement and cost control.

Prior to joining our Group, Ms. Yu served at Hangzhou Singclean Medical Technology Co., Ltd. (杭州協合醫療科技有限公司) as quality assurance (QA) and production supervisor from March 2009 to May 2016. She was subsequently the management representative at TianLu Health Technology (Hangzhou) Co., Ltd. (天陸醫藥科技(杭州)有限公司) from June 2016 to February 2017. Ms. Yu then joined our Group in March 2017 as manager of the quality control department.

Ms. Yu obtained her bachelor's degree in bioengineering from Ningbo Institute of Technology, Zhejiang University (浙江大學寧波理工學院) in the PRC in June 2008.

INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed above, none of our Directors and senior management had been a director of any public company the securities of which were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this document. Save as disclosed above, to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there are no other matters with respect to the appointment of our Directors that need to be brought to the attention of the Shareholders, nor is there any information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

JOINT COMPANY SECRETARIES

Mr. Wang Jingyu (王鏡宇) was appointed as one of our joint company secretaries with effect from the **[REDACTED]**. Please refer to "— Senior Management" in this section for the biographical details of Mr. Wang.

Ms. Wong Mei Fung Carrie (黃美鳳) was appointed as one of our joint company secretaries with effect from the **[REDACTED]**. Ms. Wong serves as Manager of Entity Solutions of Computershare Hong Kong Investor Services Limited. Ms. Wong has over 20 years of work experience in the field of corporate secretarial and regulatory compliance services.

Before joining Computershare, Ms. Wong was senior manager of corporate services at a professional services firm in providing company secretarial services to clients globally inclusive of companies with shares listed in Hong Kong.

Ms. Wong obtained a bachelor of arts degree in management and finance from Edinburgh Napier University. She is a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

We [have] established three Board Committees in accordance with the relevant laws and regulations in Chinese Mainland, the Articles and the code of corporate governance practices under the Listing Rules,

namely the Audit Committee, the Remuneration Committee and the Nomination Committee. The functions of the three committees are summarized as follows:

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of our Group, review and approve connected transactions and to advise the Board. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Leung Wai Yip, Ms. Liang Jihong and Ms. Sheng Ying. Mr. Leung Wai Yip, being the chairperson of the Audit Committee, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration Committee

We [have] established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management. The Remuneration Committee comprises three members, namely Ms. Liang Jihong, Mr. Leung Wai Yip and Ms. Sheng Ying, with Ms. Liang Jihong as the chairperson of the Remuneration Committee.

Nomination Committee

We [have] established a Nomination Committee with written terms of reference in compliance with the Code on Corporate Governance in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to our Board regarding the appointment of Directors and Board succession. The Nomination Committee comprises three members, namely Mr. Zuo Yuxing, Mr. Leung Wai Yip and Ms. Liang Jihong, with Mr. Zuo Yuxing as the chairperson of the Nomination Committee.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive their remuneration in the form of basic annual payments and performance-related annual payments, including fees, salaries, share-based compensation, pension schemes contribution and other benefits in kind.

For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, the total remuneration paid to our Directors and Supervisors amounted to RMB2.88 million, RMB5.08 million and RMB1.72 million, respectively, the total emoluments paid to the five highest paid individuals (excluding Directors) by us amounted to RMB3.56 million, RMB4.24 million and RMB8.90 million, respectively. None of the Directors waived or agreed to waive any emolument during the Track Record Period.

Under the arrangements in force as of the date of this document, our Company estimates the total remuneration payable to, and benefits in kind receivable by, the Directors by our Group for the year ending December 31, 2026 to be approximately RMB2.5 million.

During the Track Record Period, no remuneration was paid to, or received by, our Directors or the five highest paid individuals as an inducement to join or upon joining the Group. No compensation was paid to, or received by, our Directors, former Directors or the five highest paid individuals for the loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

Save as disclosed above and in "Financial Information," "Accountants' Report" and "Statutory and General Information," no other payments have been made or are payable by our Group to our Directors in respect of the Track Record Period.

CORPORATE GOVERNANCE

We recognize the importance of incorporating elements of good corporate governance in our management structure and internal control procedures as to achieve effective accountability. We have adopted the code provisions stated in the Corporate Governance Code. We are committed to the view that the Board should include a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors so that there is a strong independent element on the Board that can effectively exercise independent judgment.

To accomplish the high standards of corporate governance, we will comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules and the associated Listing Rules after the **[REDACTED]**, save that Mr. Zuo Yuxing will serve as both our chairman and chief executive officer as discussed below.

Pursuant to Code Provision C.2.1 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, companies listed on the Hong Kong Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive officer, and Mr. Zuo currently performs both roles. The Board has considered the reasons for this deviation carefully and believes it is appropriate and in the best interests of the Company and its shareholders as a whole.

Mr. Zuo is the founder of our Group and has been serving as Director and general manager of our Company since its establishment. He is primarily responsible for the overall strategic planning, management and operations of our Group. Mr. Zuo possesses a combination of deep clinical insight and commercial expertise that is directly relevant to the Group's business and that is unique in the Board. Given the specialised and technologically complex nature of the Group's business in the field of innovative gastroenterological medical devices, and the fact that the Group is at a critical stage of development, the Board considers that vesting the roles of chairman and chief executive officer in Mr. Zuo ensures that the Board has the benefit of a chairman who possesses a thorough, first-hand understanding of the Group's technology and operations and who is well-positioned to identify strategic and operational issues for the Board's attention and to ensure that the Board is provided with adequate, complete and reliable information in a timely manner. The Board further considers that the unification of the two roles in Mr. Zuo enables the Group to formulate and execute its business strategies in a more prompt, coherent and effective manner. In particular, Mr. Zuo's dual clinical and commercial background allows him to bridge the gap between the Group's research and development efforts and its commercial objectives — an alignment that is particularly important for an innovative medical device company at the current stage of the Group's development, during which timely and well-coordinated decision-making across both the scientific and business dimensions of the Group's operations is essential.

The Board is satisfied that there are adequate corporate governance measures in place to ensure a balance of power and authority within the Group, such that no single individual has unfettered decision-making power, and that the interests of the Company and its shareholders as a whole are adequately safeguarded. The Board will continue to review the corporate governance structure of the Group from time to time. In particular, the Board will consider splitting the roles of chairman and chief executive officer if and when it is appropriate, taking into account the circumstances of the Group as a whole, including the growth and development of the Group's business, changes in the composition of the Board and the evolution of the Group's corporate governance needs.

BOARD DIVERSITY POLICY

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company's competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a director of our Company, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. In particular, our Company currently has two female Directors in the Board and will continue to work towards enhancing the gender diversity of the Board. Our Directors have a balanced mix of knowledge and skills, and we have five non-executive Directors, including three independent non-executive Directors, with different industry backgrounds. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy. Pursuant to the board diversity policy, the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

COMPLIANCE ADVISER

We have appointed Somerley Capital Limited as the Compliance Adviser pursuant to Rule 3A.19 of the Listing Rules. The Compliance Adviser will provide the Company with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws.

The compliance adviser will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise our Company, among others, in the following circumstances:

(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, sales or transfers of treasury shares 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 Group deviate from any forecast, estimate or other information in this document; and

(d) where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of appointment of the compliance adviser 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]** and such appointment may be subject to extension by mutual agreement.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that, as of the Latest Practicable Date, he or she did not have any interest in any 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.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (1) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on January 21, 2026; and (2) understands his or her obligations as a director of a listed company under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (1) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (2) that he/she has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and (3) that there are no other factors that may affect his/her independence at the time of his/her appointment.

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDER

OUR SINGLE LARGEST SHAREHOLDER

Immediately prior to the **[REDACTED]**, our Company is owned as to 25.57% by Mr. Zuo and 6.16% by Zhoushan Aizhong. Zhoushan Aizhong is our employee stock ownership platform, which is controlled by Mr. Zuo, being the general partner of Zhoushan Aizhong. Therefore, Mr. Zuo, directly and through Zhoushan Aizhong, controlled approximately 31.73% of our total issued share capital as of the Latest Practicable Date and constitute our Controlling Shareholders (as defined under the Listing Rules) before **[REDACTED]**.

Immediately following the completion of the **[REDACTED]** and assuming the **[REDACTED]** is not exercised, Mr. Zuo, directly and through Zhoushan Aizhong, will control approximately **[REDACTED]** of our total issued share capital of our Company. Therefore, Mr. Zuo and Zhoushan Aizhong will be regarded as our group of single largest shareholder upon **[REDACTED]**. For details of Zhoushan Aizhong, an employee stock ownership platform, see "History, Development and Corporate Structure."

INDEPENDNECE FROM SINGLE LARGEST SHAREHOLDER

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our single largest shareholder and his close associates after the **[REDACTED]**.

Management Independence

Our business is managed and conducted by our Board and senior management. Upon the **[REDACTED]**, our Board will consist of six Directors, comprising one executive Director, two non-executive Directors and three independent non-executive Directors. For more information, please see section headed "Directors and Senior Management".

Our Directors consider that our Board and senior management are capable of operating our business from a management perspective for the following reasons:

(a) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(b) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, see "Directors and Senior Management";

(c) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;

(d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and.

(e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Single Largest Shareholder which would support our independent management. For details, see "—Corporate Governance."

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from the single largest shareholder and his close associates after the **[REDACTED]**.

Operational Independence

Our Group is not operationally dependent on the single largest shareholder. We have obtained relevant qualifications and licenses, independent operating premises, domain names and electronic information systems needed for our businesses.

We have our own organizational structure, with each department having specific areas of responsibilities. We also maintain a set of comprehensive internal control procedures to facilitate the effective operation of our business. We have adopted a set of corporate governance manuals, including but not limited to the terms of reference for general meetings and terms of reference for Board meetings, both of which are based on relevant applicable laws, rules and regulations.

Based on the above, our Directors are of the view that our Group operates independently from our single largest shareholder.

Financial Independence

We have established our own finance department with a team of independent financial staff responsible for discharging treasury, accounting, reporting, group credit and internal control functions independently from our single largest shareholder and his close associates, as well as a sound and independent financial system, and makes independent financial decisions according to our own business needs. Our Company maintains bank accounts independently and does not share any bank account with our single largest shareholder. Our Company makes tax registration and pays tax independently with its own funds. As such, our Company's financial functions, such as cash and accounting management, invoices and bills, operate independently of our single largest shareholder and his associates.

As of the Latest Practicable Date, there was no outstanding loan, advance, balance of non-trade nature due to or from, or pledge or guarantee provided by our single largest shareholder or his close associates. We do not expect to rely on our single largest shareholder and his associates for financing after the **[REDACTED]** as we expect that our working capital will be funded by cash flows generated from operating activities, equity financing, bank loans as well as the **[REDACTED]** from the **[REDACTED]**.

Based on the above, our Directors believe that we do not place undue reliance on our single largest shareholder and his close associates.

CORPORATE GOVERNANCE

Upon the **[REDACTED]**, we will comply with the provisions of the Corporate Governance Code set forth in Appendix C1 to the Listing Rules, which sets out the principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and the single largest shareholder:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which the single largest shareholder or any of their respective associates has a material interest, the single largest shareholder will not vote on the resolutions and shall not be counted in the quorum in the voting;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon the **[REDACTED]**, if our Company enters into connected transactions with a substantial shareholder or any of his/its associates, our Company will comply with the applicable Listing Rules;

(c) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between the Group and the single largest shareholder (the "**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) the single largest shareholder will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;

(e) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements;

(f) 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

(g) we have appointed Somerley Capital Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and the single largest shareholder, and to protect minority Shareholders' interests after the **[REDACTED]**.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares, 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

		Shares interested in as of the Latest Practicable Date		Shares interested in immediately following the completion of the [REDACTED]		
Name	**Nature of interest**	**Number and description**	**% of shareholding in the total issued share capital[1]**	**Number and description**	**% of shareholding in the H shares[2]**	**% of shareholding in the total issued share capital**
Mr. Zuo	Beneficial owner	4,529,346 Unlisted Shares	25.57%	45,293,460 H Shares	**[REDACTED]**	**[REDACTED]**
	Interest in controlled corporation[3]	1,091,591 Unlisted Shares	6.16%	10,915,910 H Shares	**[REDACTED]**	**[REDACTED]**
Zhoushan Aizhong . .	Beneficial Owner	1,091,591 Unlisted Shares	6.16%	10,915,910 H Shares	**[REDACTED]**	**[REDACTED]**

Notes:

(1) The calculation is based on the total number of 17,715,951 Shares as of the Latest Practicable Date.

(2) The calculation is based on the total number of **[REDACTED]** H Shares in issue immediately upon completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares. Unlisted Shares and H Shares are both ordinary Shares of our Company.

(3) As of the Latest Practicable Date, Zhoushan Aizhong was a limited partnership established under the laws of the PRC, the general partner of which was Mr. Zuo. The limited partnership interests in Zhoushan Aizhong were held as to 12.64% by Mr. Zuo who is the largest limited partner of Zhoushan Aizhong. For the purpose of the SFO, Mr. Zuo is deemed to be interested in the Shares held by Zhoushan Aizhong.

Save as otherwise disclosed herein, our Directors are not aware of any persons who will, immediately following the **[REDACTED]** and the Conversion of our 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.

This section presents certain information regarding our share capital prior to and following the completion of the **[REDACTED]**.

IMMEDIATELY BEFORE THE [REDACTED]

As of the Latest Practicable Date, our registered capital was RMB17,715,951, comprising 17,715,951 Unlisted Shares with a nominal value of RMB1.00 each. Pursuant to the Shareholders' resolutions dated January 19, 2026, each share of our Company with a nominal value of RMB1.00 was sub-divided into 10 Shares with a nominal value of RMB0.10 each, which will take effect immediately before the **[REDACTED]**. Upon completion of such Share Subdivision, the registered capital of our Company will be RMB17,715,951, which will be divided into 177,159,510 Shares with a nominal value of RMB0.10 each.

UPON COMPLETION OF THE [REDACTED]

Immediately following completion of the **[REDACTED]** and the conversion of Unlisted Shares into H Shares, assuming that the **[REDACTED]** is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	% to total issued share capital
H Shares converted from Unlisted Shares[(1)]	**[REDACTED]**	**[REDACTED]**%
H Shares to be issued under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.0%**

Note:

(1) Following the completion of the **[REDACTED]**, **[REDACTED]** Unlisted Shares held by our existing Shareholders will be converted into H Shares on a one-for-one basis and listed on the Stock Exchange for trading. Filing of such conversion of Unlisted Shares into H shares has been completed with the CSRC on February 11, 2026.

Immediately following the **[REDACTED]**, assuming the **[REDACTED]** is exercised in full, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	% to total issued share capital
H Shares converted from Unlisted Shares[(1)]	**[REDACTED]**	**[REDACTED]**%
H Shares to be issued under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.0%**

Note:

(1) Following the completion of the **[REDACTED]**, **[REDACTED]** Unlisted Shares held by our existing Shareholders will be converted into H Shares on a one-for-one basis and listed on the Stock Exchange for trading. Filing of such conversion of Unlisted Shares into H shares has been completed with the CSRC on February 11, 2026.

OUR SHARES

Upon completion of the **[REDACTED]**, depending on whether Shares are listed on the Stock Exchange, our Company will consist of H Shares. 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

investors in the PRC, the qualified PRC investors 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

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 H Shares are to be declared in RMB and paid by our Company in Hong Kong dollars or 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

According to the regulations issued by the securities regulatory authorities of the State Council and the Articles of Association, the Unlisted Shares may be converted into H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the conversion, listing and trading of such converted Shares have been filed with the CSRC. Additionally, such conversion, trading and listing shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

Pursuant to the filing notice of the CSRC dated [●], **[REDACTED]** Unlisted Shares will be converted to H Shares on a one-for-one basis and be listed for trading on the Stock Exchange upon completion of the **[REDACTED]**.

Listing Review and Filing with the CSRC

In accordance with 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》)" announced by the CSRC, H-share listed companies which apply for the conversion of shares into H shares for listing and circulation on the Stock Exchange shall file the application with the CSRC. An unlisted domestic joint stock company may apply for "full circulation" when applying for an overseas listing.

Our Company has applied for a "full circulation" filing when applying for an overseas listing with the CSRC on February 11, 2026, and submitted the application reports, authorization documents of the shareholders of unlisted shares for which an H-share "full-circulation" was applied, undertaking about the compliance of share acquisition and other documents in accordance with the requirements of CSRC.

Our Company has received the filing notice from the CSRC dated [●] in relation to the filing of the overseas listing and "Full Circulation," pursuant to which:

(i) our Company was approved to issue no more than **[REDACTED]** H Shares with a nominal value of RMB0.10 each, which are all ordinary Shares, and upon this issuance our Company may be listed on the Main Board of the Stock Exchange; and

(ii) our Company was approved to convert a total of **[REDACTED]** Unlisted Shares (with a nominal value of RMB0.10 each) held by the Shareholders of our Company (the "**Full Circulation Participating Shareholders**") into H Shares, and the relevant Shares may be listed on the Stock Exchange upon completion of the conversion.

Where the **[REDACTED]** cannot be completed within one year upon receipt of the filing notice, and our Company will continue to conduct overseas listing and **[REDACTED]** after that, it shall update the filing materials, and the CSRC will update the public filing information accordingly.

Listing Approval by the Stock Exchange

We have applied to the Listing Committee for the granting of **[REDACTED]** of, and permission to deal in, our H Shares to be issued pursuant to the **[REDACTED]** and the H Shares to be converted from **[REDACTED]** Unlisted Shares on the Stock Exchange.

We will perform the following procedures for the Conversion of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (i) giving instructions to our H Share Registrar regarding relevant share certificates of the converted H Shares; and (ii) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS. The Full Circulation Participating Shareholders may only deal in the Shares upon completion of following domestic procedures. Any application for listing of the converted Shares on the Stock Exchange after our initial listing is subject to prior notification by way of announcement to inform the Shareholders and the public of any proposed conversion.

Domestic Procedures

The Full Circulation Participating Shareholders may only deal in the Shares upon completion of the below arrangement procedures for the registration, deposit and transaction settlement in relation to the conversion and **[REDACTED]**:

(i) we will appoint China Securities Depository and Clearing Corporation Limited ("**CSDC**") as the nominal holder to deposit the relevant securities at CSDC (Hong Kong), which will then deposit the securities at HKSCC in its own name. CSDC, as the nominal holder of the Full Circulation Participating Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the converted H Shares for the Full Circulation Participating Shareholders;

(ii) we will engage a domestic securities company (the "**Domestic Securities Company**") to provide services such as sending orders for trading of the converted H Shares and receipt of transaction returns. The Domestic Securities Company will engage a Hong Kong securities company (the "**Hong Kong Securities Company**") for settlement of share transactions. We will make an application to CSDC, Shenzhen Branch for the maintenance of a detailed record of the initial holding of the converted H Shares held by our Shareholders. Meanwhile, we will submit applications for a domestic transaction commission code and abbreviation, which shall be confirmed by CSDC, Shenzhen Branch as authorized by Shenzhen Stock Exchange;

(iii) the Shenzhen Stock Exchange shall authorize Shenzhen Securities Communication Co., Ltd. to provide services relating to transmission of trading orders and transaction returns in respect of the converted H Shares between the Domestic Securities Company and the Hong Kong Securities Company, and the real-time market forwarding services of the H Shares;

(iv) according to the Notice of SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the Full Circulation Participating Shareholders shall complete the overseas shareholding registration with the local foreign exchange administration bureau before the Shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of overseas shares by domestic investors at a domestic bank with relevant qualifications and open a fund account for the H Share "Full Circulation" at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for the H Share "Full Circulation" at the Hong Kong Securities Company; and

(v) the Full Circulation Participating Shareholders shall submit trading orders of the converted H Shares through the Domestic Securities Company. Trading orders of the Full Circulation Participating Shareholders for the relevant Shares will be submitted to the Stock Exchange through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. Upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the Full Circulation Participating Shareholders, will all be conducted separately.

As a result of the conversion, the shareholding of the relevant Full Circulation Participating Shareholders in our Unlisted Shares shall be reduced by the number of the Unlisted Shares converted and the number of H Shares shall be increased by the number of converted H Shares.

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 **[REDACTED]**. 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]**.

Our Company will work with the Domestic Securities Company to be engaged by our Company to restrict the trading of the H Shares converted from Unlisted Shares technically within one year after 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 our Company cannot be transferred within one year from the date on which the H Shares are listed and traded, 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 and members of senior management, a summary of which is set out in "Appendix III — Summary of the Articles of Association." of the Document.

SHAREHOLDER'S GENERAL MEETINGS

For details of circumstances under which our general Shareholders' meeting required, see "Appendix III — Summary of the Articles of Association."

You should read the following discussion and analysis together with our consolidated financial statements included in the Accountants' Report in Appendix I to this document, together with the accompanying notes. Our consolidated financial statements were prepared in accordance with HKFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties. Our actual performance and results may differ materially from our expectations and predictions as a result of certain factors, including those set out in the sections entitled "Forward-Looking Statements," "Risk Factors," and elsewhere in this document. In addition, certain industry issues also affect our financial condition and results of operations, as described in "Industry Overview."

OVERVIEW

We are a China-based medical device company focused on providing novel solutions for the treatment and integrated management of metabolic diseases. Founded in Hangzhou in 2016 and by developing the first medical device approved for the digestive endoscopic treatment of obesity in China, we have established ourselves as an early entrant advancing clinical applications in the metabolic disease field, providing novel solutions that offer therapeutic features distinct from pharmacotherapy and invasive bariatric surgery in metabolic diseases treatment. We envision a future where our minimally invasive technologies deliver clinical benefits for metabolic diseases, benefiting patients worldwide.

We have strategically focused our product portfolio on metabolic diseases, a therapeutic area characterized by vast, growing patient populations and significant unmet medical needs. Driven by global lifestyle changes, urbanization, and aging populations, metabolic diseases, including obesity, MASH and T2DM, have become a pervasive global health challenge, creating one of the largest and fastest-growing opportunities in the medical device sector.

To seize these market opportunities and address the unmet medical needs associated with metabolic diseases, we initiated the development of our Core Product, the GBS in 2017, led by a senior management team with extensive experience and deep insights in the medical device industry. We have strategically built a product pipeline that spans from the treatment devices for obesity and metabolic diseases, to compatible devices and integrated management products, all of which focusing on the treatment and management of metabolic diseases, addressing indications including overweight, obesity, MASH complicated with obesity, and T2DM complicated with obesity. As of the Latest Practicable Date, we have successfully developed and commercially launched one EBMT treatment device product, being our Core Product, and obtained registration approval on two compatible products that are designed to facilitate the operations of treatment devices and one digital health management platform for integrated management. In addition, we are expanding the approved indications for the GBS for a lower BMI and independently developing various other pipeline product candidates at different stages, targeting mainstream viable EBMT options for metabolic diseases, enabling us to penetrate this vast but underserved market.

BASIS OF PREPARATION

Our consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. All HKFRS Accounting Standards effective for the accounting period commencing from January 1, 2026, together with the relevant transitional provisions, have been early adopted by our Group in the preparation of our historical financial information throughout years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the consolidated financial statements are disclosed in note 2.1 of Appendix I to this document.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial condition have been, and are expected to continue to be, affected by a number of factors, many of which may be beyond our control. A discussion of the key factors is set out below:

Development and Commercialization of Our Products and Product Candidates

Our business and results of operations depend on our ability to successfully execute our product development and commercialization strategy, including sustaining the commercial growth of our Core Product, extension of indications and specifications for our Core Product, and advancing our pipeline candidates towards commercialization.

As we commenced commercial sales of our Core Product in 2024, our financial performance is directly linked to our ability to drive continual market penetration and revenue growth. This depends on effectively managing our commercial operations, securing adequate production capacity, and collaborating with competent distributors to ensure our Core Product is accessible to and accepted by hospitals and physicians.

To extend our reach to broader, currently underserved patient populations, we are actively exploring opportunities to expand approved indications and target patient populations, as well as introducing new specifications of our Core Product. Our future results of operations will benefit from our ability to successfully validate these extended indications, thereby generating revenue streams from broader demographic groups.

As of the Latest Practicable Date, we had cultivated a competitive portfolio of products and product candidates to capture the market potential in obesity, MASH, T2DM, and other prevalent and high-burden metabolic diseases we target. Our long-term growth is dependent on the successful development of our pipeline candidates, especially our Key Products, the GBS-SH, the GBS-DM, the DIGB and RIGB. It is crucial that we demonstrate their safety and efficacy in ongoing clinical trials, such as the pivotal trial for DIGB in China, obtain requisite regulatory approvals, including but not limited to CE marking and NMPA registration, and successfully launch these products in both domestic and international markets.

Our Cost Structure

Our cost structure during the Track Record Period primarily consisted of research and development expenses, selling and marketing expenses and administrative expenses.

During the Track Record Period, we incurred research and development expenses of RMB41.1 million, RMB48.7 million, RMB22.0 million and RMB38.7 million in the year ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. These expenses represented a significant component of our cost structure during the relevant periods, accounting for 54.5%, 43.6%, 47.7% and 40.8% of our total operating expenses for the same periods, the largest component of our cost structure during each of the relevant periods. In the year ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, research and development expenses incurred for our Core Product were RMB10.7 million, RMB19.3 million, RMB7.5 million and RMB11.4 million respectively, accounting for 25.9%, 39.7%, 34.0% and 29.6% of our total research and development expenses for the corresponding periods. Going forward, we expect to continue to incur significant research and development expenses as we advance our pipeline product candidates towards clinical completion and global registration.

We also incurred selling and marketing expenses during the Track Record Period, which was mainly related to the commercialization efforts of our Core Product, and primarily consisted of employee benefit expenses, and business development expenses. These expenses amounted to RMB16.6 million, RMB26.3 million, RMB10.5 million and RMB22.8 million, accounting for 22.0%, 23.6%, 22.7% and 24.0% of our total operating expenses, in the year ended December 31, 2024 and 2025, and the six months ended June 30, 2025 and 2026, respectively.

Our administrative expenses, which primarily consisted of employee benefit expenses, equity-settled share award expenses, and professional service fees, amounted to RMB17.7 million, RMB36.7 million, RMB13.7 million and RMB33.4 million, accounting for 23.5%, 32.9%, 29.6% and 35.2% of our total operating expenses, in the year ended December 31, 2024 and 2025, and the six months ended June 30, 2025 and 2026, respectively.

Going forward, our cost structure will evolve as we scale the commercialization of our Core Product and further develop our pipeline. We expect our selling and marketing expenses to increase in absolute amounts as we expand our marketing efforts to drive market penetration. Simultaneously, as our pipeline product candidates progress through clinical trials and advance towards commercialization, we expect to incur continued expenses related to research and development. Additionally, we may also incur increased legal, compliance, accounting, insurance, and investor and public relations expenses associated with being a public company in Hong Kong.

Funding for Our Operations

During the Track Record Period, we funded our operations mainly through equity financing, primarily comprising capital injection from our Shareholders, and bank borrowings. Going forward, in the event of the successful commercialization of one or more of our product candidates in addition to our GBS, 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 and product pipelines, we may require further funding through public or private equity offerings, borrowings or other sources. Any changes in our ability to fund our operations will affect our cash flow and results of operations. For additional details, see "— Liquidity and Capital Resources."

MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of our historical financial information requires our management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Such judgments, estimates and assumptions are continually evaluated and are based on historical experience and various other factors, including expectations of future events, that are believed to be reasonable under the circumstances, from which our actual results may differ. See note 2.3 and 3 and other notes to the relevant financial line items or transactions to the Accountants' Report set out in Appendix I to this document for a detailed description of our material accounting policies, judgments and estimates.

PRINCIPAL COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of profit or loss for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Revenue	12,709	32,210	12,379	23,690
Cost of sales	(2,427)	(6,787)	(2,745)	(3,580)
Gross profit	**10,282**	**25,423**	**9,634**	**20,110**
Other income and gains	1,813	608	137	7,762
Selling and marketing expenses	(16,596)	(26,314)	(10,490)	(22,782)
Administrative expenses	(17,733)	(36,690)	(13,674)	(33,360)
Research and development expenses	(41,126)	(48,674)	(22,029)	(38,685)
Impairment losses on financial and contract assets, net	(89)	97	51	(17)
Other expenses	(776)	(231)	(102)	(179)
Finance costs	(1,732)	(2,549)	(1,196)	(1,176)
Loss before tax	**(65,957)**	**(88,330)**	**(37,669)**	**(68,327)**
Income tax expense	–	–	–	–
Loss for the year/period	**(65,957)**	**(88,330)**	**(37,669)**	**(68,327)**

For details on the accounting treatment of special rights in relation to pre-**[REDACTED]** investments, see "— Pre-**[REDACTED]** Investments", and note 25 of the Accountants' Report set out in Appendix I to this document.

Non-HKFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with HKFRS Accounting Standards, we also use adjusted net loss as additional financial measures, which is not required by, or presented in accordance with HKFRS Accounting Standards. We believe this non-HKFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, such non-HKFRS financial measure we presented may not be directly comparable to similar measures presented by other companies. The use of this non-HKFRS measure should not be considered as a substitute for analysis of our results of operations or financial condition as reported under HKFRS.

We define adjusted net loss for the year/period (non-HKFRS measure) as loss for the year/period adjusted by adding back equity-settled share award expenses and **[REDACTED]** expenses. The following table reconciles our adjusted net loss for the year/period (non-HKFRS measure) presented to the most directly comparable financial measures calculated and presented in accordance with HKFRS, which is loss for the year/period:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Loss for the year/period	(65,957)	(88,330)	(37,669)	(68,327)
Add:				
Equity-settled share award expenses	1,244	5,819	365	14,844
[REDACTED] expenses	—	5,425	—	7,902
Adjusted net loss for the year/period (non-HKFRS measure)	**(64,713)**	**(77,086)**	**(37,304)**	**(45,581)**

Notes:

(1) Equity-settled share award expenses mainly represent the non-cash employee benefit expenses incurred in connection with our award to management and key employees. Such expenses in any specific period are not expected to result in future cash payments.

Revenue

During the Track Record Period, substantially all of our revenue was generated from sales of our Core Product with a minor portion derived from sales of other products such as CNT product, all of which were generated in China. We recorded revenue of RMB12.7 million, RMB32.2 million, RMB12.4 million and RMB23.7 million in the year ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

We generate revenue through sales to distributors and direct sales. The table below sets forth a breakdown of our revenue by sales channel for the periods indicated:

	Year ended December 31,				Six months ended June 30,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)							
					(unaudited)			
Sales to distributors	12,600	99.1	32,086	99.6	12,326	99.6	23,628	99.7
Direct sales	109	0.9	124	0.4	53	0.4	62	0.3
Total	**12,709**	**100.0**	**32,210**	**100.0**	**12,379**	**100.0**	**23,690**	**100.0**

Cost of Sales

During the Track Record Period, our cost of sales was costs incurred for sales of our products. In the year ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our cost of sales was RMB2.4 million, RMB6.8 million, RMB2.7 million and RMB3.6 million, respectively.

Other Income and Gains

Our other income primarily consists of income from export activities, and government grants. Income from export activities is primarily derived from trading of consumables to explore business opportunities and gain better understanding of overseas markets. Government grants we received during the Track Record Period had no conditions or contingencies attached or were recognized upon compliance with the attached conditions.

The following table sets forth a breakdown of our other income for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
		(RMB in thousands)		
			(unaudited)	
Government grants	345	314	38	7,665
Interest income	22	132	61	55
Income from export activities (net basis)	1,387	41	32	41
Foreign exchange gains, net	54	–	–	–
Others	5	121	6	1
Total	**1,813**	**608**	**137**	**7,762**

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of: (i) employee benefit expenses, (ii) business development expenses, (iii) depreciation and amortization, and (iv) equity-settled share award expenses.

The following table sets forth a breakdown of our selling and marketing expenses for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
		(RMB in thousands)		
			(unaudited)	
Employee benefit expenses	9,178	12,202	5,403	9,345
Business development expenses	5,930	11,217	4,159	7,136
Equity-settled share award expense	93	1,375	183	5,490
Depreciation and amortization	1,395	1,520	745	811
Total	**16,596**	**26,314**	**10,490**	**22,782**

Administrative Expenses

Our administrative expenses primarily consist of: (i) employee benefit expenses, (ii) professional service fees, primarily including legal consulting, other service fees and auditors fees, (iii) depreciation and amortization, (iv) office expenses, (v) equity-settled share award expenses, and (vi) others, primarily including hospitality and travel expenses, and utilities.

The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Employee benefit expenses	10,585	16,823	8,232	9,787
Professional service fees	1,925	6,407	3,708	4,547
Office expenses	2,004	2,031	786	1,857
Depreciation and amortization	1,960	1,895	808	1,153
Equity-settled share award expense	89	2,822	(343)	6,654
[REDACTED] expenses	–	5,425	–	7,902
Others	1,170	1,287	483	1,460
Total	**17,733**	**36,690**	**13,674**	**33,360**

Research and Development Expenses

Our research and development expenses primarily consist of (i) employee benefit expenses, (ii) testing and clinical expenses, (iii) raw materials and consumables used, (iv) equity-settled share award expenses, (v) depreciation and amortization, and (vi) others, primarily including intellectual property application and maintenance expenses, expert consultation fees, and transportation expenses.

The following table sets forth a breakdown of our research and development expenses for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Employee benefit expenses	16,364	18,616	9,009	14,359
Testing and clinical expenses	8,447	9,130	2,878	8,930
Raw materials and consumables used	5,570	6,248	4,973	2,953
Depreciation and amortization	4,887	5,469	2,548	2,503
Equity-settled share award expense	945	1,402	467	2,254
Others	4,913	7,809	2,154	7,686
	41,126	**48,674**	**22,029**	**38,685**

The following table sets forth a breakdown of research and development expenses attributable to our Core Product for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Employee benefit expenses	5,540	6,622	2,797	4,471
Testing and clinical expenses	1,391	2,827	1,519	851
Raw materials and consumables used	918	2,972	1,422	1,238
Depreciation and amortization	641	577	243	1,188
Equity-settled share award expense	529	2,310	233	661
Others	1,632	4,033	1,271	3,024
Total	**10,651**	**19,341**	**7,485**	**11,433**

In the year ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, research and development expenses incurred for our Core Product were RMB10.7 million, RMB19.3 million, RMB7.5 million and RMB11.4 million, respectively, accounting for 25.9%, 39.7%, 34.0% and 29.6% of our total research and development expenses for the corresponding periods. Our research and development expenses incurred for our Core Product increased in 2025, primarily as we focused on the commercialization for our GBS in 2024 following its NMPA registration approval in January, and invested more resources in 2025 to concurrently preparing for the pivotal clinical study for extension of indication of our GBS to cover a lower BMI and introducing more specifications.

Other Expenses

Our other expenses, primarily consist of charitable donation expenses and foreign exchange loss, net. The following table sets forth a breakdown of our other expenses, for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Charitable donation expenses	750	207	100	145
Foreign exchange loss, net	–	24	2	30
Others	26	–	–	4
Total	**776**	**231**	**102**	**179**

Finance Costs

During the Track Record Period, our finance costs mainly comprised interest expenses on bank borrowings and interest expenses on lease liabilities.

The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Interest expenses on bank borrowings	1,347	2,242	1,037	1,004
Interest expenses on lease liabilities	385	307	159	172
Total	**1,732**	**2,549**	**1,196**	**1,176**

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2026 Compared with Six Months Ended June 30, 2025

Revenue

Our revenue increased by 91.4% from RMB12.4 million in the six months ended June 30, 2025 to RMB23.7 million in the same period in 2026, primarily driven by the continued sales expansion of our Core Product as it gained further market adoption.

Cost of Sales

Our cost of sales increased by 30.4% from RMB2.7 million in the six months ended June 30, 2025 to RMB3.6 million in the same period in 2026, primarily attributable to the increase in our sales volume.

Gross Profit and Gross Profit Margin

Our gross profit increased by approximately 108.7% from RMB9.6 million in the six months ended June 30, 2025 to RMB20.1 million in the same period in 2026, primarily driven by our revenue growth. Our gross profit margin increased from 77.8% in the six months ended June 30, 2025 to 84.9% in the same period in 2026, primarily due to the decrease in the average unit production costs of our GBS as we benefited from economies of scale.

Other Income and Gains

Our other income and gains increased from RMB0.1 million in the six months ended June 30, 2025 to RMB7.8 million in the same period in 2026, primarily due to an increase in certain one-off government grants received during the period.

Selling and Marketing Expenses

Our selling and marketing expenses increased by approximately 117.2% from RMB10.5 million in the six months ended June 30, 2025 to RMB22.8 million in the same period in 2026, primarily due to (i) an increase in equity-settled share award expense; (ii) an increase in employee benefit expenses as a result of the expansion of our sales team; and (iii) an increase in business development expenses in connection with our intensified marketing and promotional activities.

Administrative Expenses

Our administrative expenses increased by approximately 144.0% from RMB13.7 million in the six months ended June 30, 2025 to RMB33.4 million in the same period in 2026, primarily due to (i) the

recognition of **[REDACTED]** expenses in connection with the **[REDACTED]**; (ii) a charge of equity-settled share award expense in the six months ended June 30, 2026, as compared with a reversal of in same period of 2025; and (iii) an increase in office expenses.

Research and Development Expenses

Our research and development expenses increased by approximately 75.6% from RMB22.0 million in the six months ended June 30, 2025 to RMB38.7 million in the same period in 2026, primarily due to (i) an increase in employee benefit expenses as a result of the expansion of our R&D team; (ii) an increase in testing and clinical expenses in connection with the advancement of our product pipeline; (iii) an increase in equity-settled share award expense; and (iv) an increase in patent and registration fee, partially offset by a decrease in raw materials and consumables used.

Other Expenses

Our other expenses remained relatively stable at RMB0.1 million and RMB0.2 million in the six months ended June 30, 2025 and 2026, respectively.

Finance Costs

Our finance costs remained relatively stable at RMB1.2 million and RMB1.2 million in the six months ended June 30, 2025 and 2026, respectively.

Loss for the Period

As a result of the foregoing, we recorded loss for the period of RMB37.7 million and RMB68.3 million in the six months ended June 30, 2025 and 2026, respectively.

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our revenue increased significantly by 153.4% from RMB12.7 million for 2024 to RMB32.2 million for 2025, primarily due to rapid sales ramp-up of our Core Product, the GBS, as the number of listing provinces and hospitals adopting the product increased, accelerating sales growth.

Cost of Sales

Our cost of sales increased by 179.6% from RMB2.4 million for 2024 to RMB6.8 million for 2025, in line with the growth in our revenue.

Gross Profit and Gross Profit Margin

Our gross profit increased by 147.3% from RMB10.3 million for 2024 to RMB25.4 million for 2025, primarily due to the substantial sales growth of our Core Product. Our gross profit margin remained relatively stable at 80.9% and 78.9% in 2024 and 2025, respectively.

Other Income and Gains

Our other income and gains decreased by 66.5% from RMB1.8 million for 2024 to RMB0.6 million for 2025, primarily due to suspension of certain ancillary export sales in 2025 that had contributed a substantial portion of our other income and gains in the prior year.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 58.6% from RMB16.6 million for 2024 to RMB26.3 million for 2025, primarily due to (i) an increase in staff costs driven by the expansion of our sales force to support the commercialization of our Core Product; and (ii) an increase in business development expenses incurred for academic promotion and technical training activities for our Core Product.

Administrative Expenses

Our administrative expenses increased by 106.9% from RMB17.7 million for 2024 to RMB36.7 million for 2025, primarily due to (i) an increase in employee benefit expenses resulting from the expansion of our management personnel to support our operation; and (ii) an increase in professional service fees, which mainly in relation to our financing activities.

Research and Development Expenses

Our research and development expenses increased by 18.4% from RMB41.1 million for 2024 to RMB48.7 million for 2025, primarily due to (i) an increase in raw materials and consumables used, attributable to the advancement of R&D projects, and (ii) an increase in employee benefit expenses, resulting from the expansion of R&D personnel.

Other Expenses

Our other expenses decreased by 70.2% from RMB0.8 million for 2024 to RMB0.2 million for 2025, primarily due to higher charitable donations made in 2024.

Finance Costs

Our finance costs increased by 47.2% from RMB1.7 million for 2024 to RMB2.5 million for 2025, primarily because an increase in interest expenses on bank borrowings resulting from a higher amount of borrowings, partially offset by a decrease in interest expenses on lease liabilities.

Loss for the Year

As a result of the foregoing, we recorded loss for the year of RMB66.0 million and RMB88.3 million for 2024 and 2025, respectively.

DISCUSSION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our consolidated financial statements included in Appendix I to this document.

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Total non-current assets	23,119	34,634	43,322
Total current assets	26,402	65,523	180,047
Total assets	**49,521**	**100,157**	**223,369**
Total non-current liabilities	1,315	1,786	7,199
Total current liabilities	93,075	105,751	102,033
Total liabilities	**94,390**	**107,537**	**109,232**
Net current (liabilities)/assets	**(66,673)**	**(40,228)**	**78,014**
Paid-in capital	14,220	15,642	17,716
Reserves/(Deficits)	(59,089)	(23,022)	96,421
Total equity/(deficits)	**(44,869)**	**(7,380)**	**114,137**

For details on the accounting treatment of special rights in relation to pre-**[REDACTED]** investments, see "— Pre-**[REDACTED]** Investments", and note 25 of the Accountants' Report set out in Appendix I to this document.

Current Assets and Current Liabilities

	As of December 31,		As of June 30,	As of July 31,
	2024	2025	2026	2026
	(RMB in thousands)			*(unaudited)*
Current assets				
Inventories	5,871	5,486	7,280	7,892
Trade receivables	2,030	193	310	515
Prepayments, other receivables and other assets	5,768	6,728	12,469	16,476
Cash and cash equivalents	12,733	53,116	159,988	139,383
Total current assets	**26,402**	**65,523**	**180,047**	**164,266**
Current liabilities				
Trade payables	1,272	1,174	1,309	3,345
Other payables and accruals	23,819	24,619	19,296	19,343
Interest-bearing bank borrowings	58,048	75,053	75,051	60,173
Lease liabilities	8,613	3,822	5,514	4,987
Contract liabilities	1,323	363	119	134

	As of December 31,		As of June 30,	As of July 31,
	2024	2025	2026	2026
	(RMB in thousands)			*(unaudited)*
Provision	–	720	744	744
Total current liabilities	**93,075**	**105,751**	**102,033**	**88,726**
Net current (liabilities)/assets	**(66,673)**	**(40,228)**	**78,014**	**75,540**

Inventories

Our inventories primarily consist of: (i) raw materials; (ii) work in progress; and (iii) 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,
	2024	2025	2026
	(RMB in thousands)		
Inventories			
Raw materials	4,463	3,655	5,041
Work in progress	531	1,634	1,878
Finished goods	917	546	655
Provision for inventory impairment	(40)	(349)	(294)
Total	**5,871**	**5,486**	**7,280**

Our inventories remained relatively stable at RMB5.9 million, RMB5.5 million as of December 31, 2024 and 2025, respectively. Our inventories increased to RMB7.3 million as of June 30, 2026, primarily due to the increase in raw materials, work-in-progress and finished goods for GBS in line with the continued growth in sales volume and expanded production scale. As of July 31, 2026, RMB1.4 million, or 18.7%, of our inventories as of June 30, 2026, had been used, consumed or sold.

The table below sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Inventories			
Within one year	5,753	4,924	6,360
One to two years	89	529	902
Over two years	29	33	18
Total	**5,871**	**5,486**	**7,280**

The table below sets forth the average inventory turnover days for the periods indicated:

	Year ended December 31,		Six months ended June 30,
	2024	2025	2026
Average inventory turnover days*	634	305	325

* Average inventory turnover days equal the average of the opening and closing inventory balances of the indicated period divided by the cost of sales for the same period and multiplied by 365 days or 182 days.

We had relatively high level of inventory turnover days in 2024 as we started commercialization of our Core Product in the same year and built up inventory in anticipation of upcoming sales. Our inventory turnover days decreased from 634 days in 2024 to 305 days in 2025, primarily due to the rapid scale-up of our commercial sales, which significantly accelerated our inventory consumption. Our inventory turnover days remained relatively stable at 325 days for the six months ended June 30, 2026.

Trade Receivables

The following table sets forth a breakdown of our trade receivables as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Trade Receivables			
Receivables	2,137	203	337
Less: Provision for expected credit losses	(107)	(10)	(27)
Total	**2,030**	**193**	**310**

Our trade receivables decreased from RMB2.0 million as of December 31, 2024 to RMB0.2 million as of December 31, 2025, and remained at relatively low level of RMB0.3 million as of June 30, 2026, primarily due to the subsequent settlement of outstanding receivables from certain distributors to whom we had granted temporary credit extensions in late 2024 in light of their liquidity constraints. As of July 31, 2026, RMB74,000, or 22.0%, of our trade receivables as of June 30, 2026, had been subsequently settled.

The table below sets forth an aging analysis of out trade receivables as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Within one year	2,030	3	130
One to two years	–	190	–
Two to three years	–	–	180
Total	**2,030**	**193**	**310**

The table below sets forth the average trade receivables turnover days for the periods indicated:

	For the year ended December 31,		Six months ended June 30,
	2024	2025	2026
Average trade receivables turnover days*	34	13	2

* Average trade receivables turnover days equal the average of the opening and closing trade receivables balances of the indicated period divided by the revenue for the same period and multiplied by 365 days or 182 days.

Our trade receivables turnover days decreased from 34 days in 2024 to 13 days in 2025, primarily due to the settlement of the aforementioned temporary credit extensions granted in 2024. Our trade receivables turnover days remained at a relatively low level of two days in the six months ended June 30, 2026, as we mainly require our distributors to make prepayments.

Prepayments, Other Receivables and Other Assets, Current Portion

Our current prepayments, other receivables and other assets primarily consist of: (i) prepayments for purchases of raw material, (ii) prepayments for other purpose, (iii) tax recoverable, and (iv) deposits and guarantees. The following table sets forth a breakdown of current portion of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Prepayments for purchases of raw materials	746	719	2,120
Other prepayments	670	2,691	5,375
Tax recoverable	3,934	2,135	1,920
Deferred **[REDACTED]** expense	–	1,110	2,773
Deposits and guarantees	62	73	105
Others	356	–	176
Total	**5,768**	**6,728**	**12,469**

Our current prepayments, other receivables and other assets increased from RMB5.8 million as of December 31, 2024 to RMB6.7 million as of December 31, 2025 and further increased to RMB12.5 million as of June 30, 2026, primarily because of an increase in prepayments driven by our expanded production scale and marketing activities to meet the growing sales of our GBS.

Trade Payables

Our trade payables primarily consist of payables for raw materials and processing, and other payables.

Our trade payables remained relatively stable at RMB1.3 million, RMB1.2 million and RMB1.3 million as of December 31, 2024 and 2025 and June 30, 2026, respectively. As of July 31, 2026, RMB0.3 million, or 23.8%, of our trade payables as of June 30, 2026, had been subsequently settled.

The table below sets forth an aging analysis of out trade payables as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Within one year	1,150	976	1,167
Over one year	122	198	142
Total	**1,272**	**1,174**	**1,309**

The table below sets forth the average trade payables turnover days for the periods indicated:

	Year ended December 31,		Six months ended June 30,
	2024	2025	2026
Average trade payables turnover days*	133	66	59

* Average trade payables turnover days equal the average of the opening and closing trade payables balances of the indicated period divided by the cost of sales for the same period and multiplied by 365 days or 182 days.

Our trade payables turnover days decreased from 133 days in 2024 to 66 days in 2025, and further to 59 days in the six months ended June 30, 2026, primarily due to the significant increase in our cost of sales driven by rapid sales growth, while our trade payables balance remained relatively stable.

Other Payables and Accruals

Our accruals and other payables primarily consist of: (i) payroll payables; (ii) deposits received; and (iii) payables for clinical studies. The following table sets forth a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Payroll payables	12,407	8,588	10,851
Deposits received	5,570	6,475	4,520
Payables for clinical studies	4,369	1,414	1,198
Accrued **[REDACTED]** expense	–	3,669	623
Others	1,473	4,473	2,104
Total	**23,819**	**24,619**	**19,296**

Our other payables and accruals increased from RMB23.8 million as of December 31, 2024 to RMB24.6 million as of December 31, 2025, primarily due to the accrued final payment following the partial acceptance of our Quzhou facility, as well as the accrual of **[REDACTED]** expenses. Our other payables and accruals decreased to RMB19.3 million as of June 30, 2026, primarily due to (i) the settlement of accrued **[REDACTED]** expenses in the first half of 2026; and (ii) a decrease in deposits received due to termination of cooperation with certain distributors and refund of the corresponding deposits, partially offset by an increase in payroll payables as our headcount continued to grow.

Non-Current Assets and Non-Current Liabilities

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Non-current assets			
Property, plant and equipment	10,675	20,284	20,094
Right-of-use assets	9,029	6,870	14,131
Prepayments, other receivables and other assets	1,544	5,023	5,932

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Intangible assets	1,871	2,457	3,165
Total non-current assets	**23,119**	**34,634**	**43,322**
Non-current liabilities			
Lease liabilities	1,315	1,786	7,199
Total non-current liabilities	**1,315**	**1,786**	**7,199**

Property, Plant and Equipment

Our property, plant and equipment primarily include our machinery and equipment, leasehold improvements, and construction in progress of our Quzhou production facility. The carrying amount of our property, plant and equipment was RMB10.7 million and RMB20.3 million as of December 31, 2024 and 2025, respectively. The increase in the carrying amount of our property, plant and equipment was primarily due to the capitalization of a portion of our Quzhou facility upon its partial acceptance in December 2025, as well as procurement of new machinery and equipment to support our production and R&D activities, including key additions such as activation instruments. Our property, plant and equipment remained relatively stable at RMB20.1 million as of June 30, 2026.

Right-of-Use Assets

Our right-of-use assets primarily include our land use rights and property leases in Hangzhou, Shanghai, Tianjin and Quzhou. Our right-of-use assets decreased from RMB9.0 million as of December 31, 2024 to RMB6.9 million as of December 31, 2025, primarily due to depreciation. Our right-of-use assets increased to RMB14.1 million as of June 30, 2026, primarily due to addition of new leases.

Prepayments, Other Receivables and Other Assets, Non-current Portion

Our non-current prepayments, other receivables and other assets primarily include prepayments for property, plant and equipment. Our prepayments, other receivables and other assets increased from RMB1.5 million as of December 31, 2024 to RMB5.0 million as of December 31, 2025, primarily due to an increase in prepayments for property, plant and equipment related to our production facility under construction in Quzhou, as well as an increase in input VAT recoverable classified as non-current assets. Our prepayments, other receivables and other assets further increased to RMB5.9 million as of June 30, 2026, primarily due to increased rental deposits paid in connection with additional leases.

Intangible Assets

Our intangible assets primarily include rights related to our software, including our Dtx. Our intangible assets increased from RMB1.9 million as of December 31, 2024 to RMB2.5 million as of December 31, 2025, and further increased to RMB3.2 million as of June 30, 2026, primarily due to (i) the acceptance and capitalization of our chronic disease management platform and its upgraded iterations, and (ii) the acquisition of general-purpose software to support our office operations and research and development activities, partially offset by the amortization charges incurred during the period.

SHARE CAPITAL

Pursuant to the shareholders agreement we entered into with our shareholders from December 15, 2016 to November 18, 2025 (collectively, the "**Agreements**"), we issued 9,216,000 ordinary shares to certain shareholders for a total net cash proceeds approximately RMB341.1 million (collectively the "**Pre-[REDACTED] Investments**"). Pursuant to the Agreements, we granted such shareholders certain special rights included redemption rights.

There was no exercise of redemption rights granted by us throughout the Track Record Period.

On December 30, 2025, we and such shareholders subsequently entered into supplemental agreements, agreeing that the redemption rights granted by us to such shareholders, have been irrecoverably terminated on the day before the first filing of the Listing application, and shall be void ab initio. Taking into account the legal and regulatory framework of our 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 Track Record Period.

Had the redemption rights granted by us to such shareholders been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements,

(i) the redemption financial liabilities, total current liabilities, net current liabilities, and net deficits would have been:

	As of December 31,	
	2024	2025
	(RMB in thousands)	
Redemption financial liabilities	287,048	443,706
Total current liabilities	380,123	549,457
Net current liabilities	(353,721)	(483,934)
Net deficits	(331,917)	(451,086)

(ii) the finance costs associated with the redemption financial liabilities, the net loss, basic and dilutive loss per share would have been:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Finance costs associated with the redemption financial liabilities	20,276	26,843	12,783	3,379
Total net loss	(86,233)	(115,173)	(50,452)	(71,706)
Basic and dilutive loss per share (RMB per share)	(0.61)	(0.77)	(0.34)	(0.43)

For further details of the financial impacts, see note 25 to the Accountants' Report set out in Appendix I to this document.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our primary sources of liquidity consist of cash and cash equivalents, which we have historically generated primarily through equity financing and bank borrowings. In the year ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, we incurred net cash flows used in operating activities of RMB43.6 million, RMB72.9 million, RMB34.7 million and RMB56.0 million, respectively. As of July 31, 2026, we had cash and cash equivalents of RMB139.4 million. We expect that our cash needs in the near future will primarily relate to progressing the development of Core Product for indication extension and development of our product candidates towards receiving regulatory approval and commencing commercialization. Our management closely monitors the uses of cash and cash equivalents and strives to maintain a healthy liquidity for our operations.

Going forward, we believe that our liquidity requirements will be satisfied by a combination of existing cash and cash equivalents, borrowings, **[REDACTED]** from the **[REDACTED]**, as well as revenue generated

from sales of our Core Product. With the continuing expansion of our business, we may require further funding through public or private offerings, debt financing, collaboration arrangements, licensing arrangements or other sources.

Working Capital Confirmation

Our Directors are of the opinion that, taking into account the financial resources available to us, including cash and cash equivalents and the estimated **[REDACTED]** from the **[REDACTED]**, and considering our cash burn rate, we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, administrative expenses, and selling and marketing expenses, for at least the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly amount of net cash used in research and development and other operating activities, capital expenditures and lease payments including related interests. **[REDACTED]** of approximately HK$**[REDACTED]** (or RMB**[REDACTED]**) in the **[REDACTED]**, at an **[REDACTED]** of HK$**[REDACTED]** per Share, being the low end of the indicative **[REDACTED]** range. Assuming an average cash burn rate going forward of **[REDACTED]** times the level in 2025, we estimate we will be able to maintain our financial viability for approximately **[REDACTED]** months from June 30, 2026, if we take into account our cash and cash equivalents as of June 30, 2026, and **[REDACTED]** months from June 30, 2026, if we also take into account all of the estimated **[REDACTED]** from the **[REDACTED]**. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing.

Cash Flows

The following table sets forth selected cash flow statement information for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Net cash flows used in operating activities	(43,568)	(72,938)	(34,672)	(55,970)
Net cash flows used in investing activities	(5,816)	(13,740)	(3,253)	(5,420)
Net cash flows generated from financing activities	41,288	127,085	72,101	168,292
Net (decrease)/increase in cash and cash equivalents	**(8,096)**	**40,407**	**34,176**	**106,902**
Effect of foreign exchange rate changes, net	54	(24)	(2)	(30)
Cash and cash equivalents at beginning of year/period	20,775	12,733	12,733	53,116
Cash and cash equivalents at end of year/period	**12,733**	**53,116**	**46,907**	**159,988**

Net Cash Flows Used in Operating Activities

During the Track Record Period, we incurred negative cash flows from our operations. Substantially all of our operating cash outflows resulted from our research and development expenses, selling and marketing expenses, and administrative expenses.

In the six months ended June 30, 2026, we had net cash used in operating activities of RMB56.0 million. This amount represented our loss before income tax of RMB68.3 million, adjusted for

non-cash and non-operating items, primarily including (i) equity-settled share award expenses of RMB14.8 million, (ii) depreciation of property, plant and equipment of RMB3.1 million, and (iii) depreciation of right-of-use assets of RMB2.6 million. The amount was further offset changes in working capital, primarily including (i) an increase in prepayments, other receivables and other assets of RMB4.3 million, and (ii) a decrease in other payables and accruals of RMB3.3 million.

In the year ended December 31, 2025, we had net cash used in operating activities of RMB72.9 million. This amount represented our loss before income tax of RMB88.3 million, adjusted for non-cash and non-operating items, primarily including (i) equity-settled share award expenses of RMB5.8 million, (ii) depreciation of right-of-use assets of RMB4.8 million, and (iii) depreciation of property, plant and equipment of RMB4.4 million. The amount was further adjusted by changes in working capital, primarily including a decrease in trade receivables of RMB1.9 million, partially offset by an increase in prepayments, other receivables and other assets of RMB2.8 million.

In the year ended December 31, 2024, we had net cash used in operating activities of RMB43.6 million. This amount represented our loss before income tax of RMB66.0 million, adjusted for non-cash and non-operating items, primarily including (i) depreciation of right-of-use assets of RMB4.7 million, and (ii) depreciation of property, plant and equipment of RMB3.6 million. The amount was further adjusted by changes in working capital, primarily including an increase in other payables and accruals of RMB14.6 million, partially offset by an increase in inventories of RMB3.3 million.

Net Cash Flows Used in Investing Activities

In the six months ended June 30, 2026, we had net cash used in investing activities of RMB5.4 million, mainly attributable to purchases of items of property, plant and equipment of RMB4.8 million.

In the year ended December 31, 2025, we had net cash used in investing activities of RMB13.7 million, mainly attributable to purchases of items of property, plant and equipment of RMB12.3 million.

In the year ended December 31, 2024, we had net cash used in investing activities of RMB5.8 million, mainly attributable to purchases of items of property, plant and equipment of RMB5.2 million.

Net Cash Flows Generated from Financing Activities

In the six months ended June 30, 2026, we had net cash generated from financing activities of RMB168.3 million, mainly attributable to (i) proceeds from issue of shares of RMB175.0 million, and (ii) new bank borrowings of RMB50.0 million, partially offset by repayment of bank borrowings of RMB50.0 million.

In the year ended December 31, 2025, we had net cash generated from financing activities of RMB127.1 million, mainly attributable to (i) proceeds from issue of shares of RMB120.0 million, and (ii) new bank borrowings of RMB105.0 million, partially offset by repayment of bank borrowings of RMB88.0 million.

In the year ended December 31, 2024, we had net cash generated from financing activities of RMB41.3 million, mainly attributable to new bank borrowings of RMB61.0 million, partially offset by repayment of bank borrowings of RMB15.0 million.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Research and development costs				
Research and development costs for our Core Product				
Employee benefit costs	5,241	8,253	4,572	4,232
Testing and clinical costs	661	2,705	984	2,709
Raw materials and consumables costs	437	208	98	272
Contracting costs	1,597	2,165	591	1,128
Others	918	2,249	914	708
Research and development costs for other products and product candidates				
Employee benefit costs	10,288	8,009	4,437	8,985
Testing and clinical costs	5,910	11,488	7,191	6,810
Raw materials and consumables costs	5,317	10,443	4,311	3,680
Contracting costs	895	984	421	4,841
Others	3,757	2,919	1,920	2,568
Total	**35,021**	**49,423**	**25,439**	**35,933**

INDEBTEDNESS

During the Track Record Period, our indebtedness included interest-bearing bank borrowings and lease liabilities. As of July 31, 2026, being the indebtedness date for the purpose of the indebtedness statement, we had a total indebtedness of RMB87.9 million. 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 July 31,
	2024	2025	2026	2026
	(RMB in thousands)			
				(unaudited)
Current				
Interest-bearing bank borrowings	58,048	75,053	75,051	75,167
Lease liabilities	8,613	3,822	5,514	4,987
Non-current				
Lease liabilities	1,315	1,786	7,199	7,762
Total	**67,976**	**80,661**	**87,764**	**87,916**

Interest-Bearing Bank Borrowings

Our current interest-bearing bank borrowings increased from RMB58.0 million as of December 31, 2024 to RMB75.1 million as of December 31, 2025, primarily due to increased borrowings to support the expansion of production and commercialization for the GBS in 2025. Our current interest-bearing bank borrowings remained relatively stable at RMB75.1 million as of June 30, 2026. Our current interest-bearing

bank borrowings remained relatively stable at RMB75.2 million as of July 31, 2026. As of July 31, 2026, we had committed unutilized banking facilities amounting to RMB100.0 million.

Lease Liabilities

Our current and non-current lease liabilities were in relation to our leases of properties and land use rights in our operations. Our lease liabilities were measured at net present value of the lease payments during the lease terms that are not yet paid. The decrease in our current lease liabilities from RMB8.6 million as of December 31, 2024 to RMB3.8 million as of December 31, 2025 was primarily due to our payment of rent for our leased properties and the termination of certain rental. The increase in our current lease liabilities to RMB5.5 million as of June 30, 2026 was primarily due to addition of new leases.

The increase in our non-current lease liabilities from RMB1.3 million as of December 31, 2024 to RMB1.8 million as of December 31, 2025 was primarily due to a new leased property. The increases in our non-current lease liabilities to RMB7.2 million as of June 30, 2026 was primarily due to several new leased properties.

Except as disclosed above, as of the Latest Practicable Date, we did not have any material mortgages, charges, debentures, loan capital issued and outstanding or agreed to be issued, debt securities, loans, unutilized bank facilities, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees.

Our Directors confirm that there has not been any material change in our indebtedness since July 31, 2026 and up to the Latest Practicable Date. Our Directors confirm that as of the Latest Practicable Date, there was no covenant on any of our outstanding debt that would have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors confirm that we had no defaults on our borrowings, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in obtaining credit facilities, or withdrawal of facilities or requests for early repayment. Our Directors confirm that there has not been any material change in our indebtedness since the Latest Practicable Date and as of the date of this document.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any material contingent liabilities.

CAPITAL EXPENDITURES

Our capital expenditures include: (i) payments for property, plant and equipment, including construction of production facilities and purchases of equipment; and (ii) payments for intangible assets. The following table sets forth our capital expenditures for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Payments for property, plant and equipment	5,244	12,336	1,946	4,777
Payments for intangible assets	572	1,404	1,307	643
Total	**5,816**	**13,740**	**3,253**	**5,420**

CAPITAL COMMITMENTS

As of December 31, 2024 and 2025 and June 30, 2026, we had capital commitments of nil, RMB0.7 million and RMB1.3 million, respectively, in relation to purchase of property, plant and equipment.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
Current ratio[(1)]	0.3	0.6	1.8

(1) Current ratio equals total current assets divided by total current liabilities as of the end of the period indicated.

Our current ratio was 0.3 times, 0.6 times as of December 31, 2024 and 2025, respectively. Our current ratio was lower than one time as we recorded net current liabilities as of such dates. Our current ratio increased to 1.8 times as of June 30, 2026, primarily due to the significant increase in our current assets as a result of the receipt of proceeds of from equity investment in the six months ended June 30, 2026.

RELATED PARTY TRANSACTIONS

See note 30 in the Accountants' Report set out in Appendix I of this document for details on our transactions with related parties during the Track Record Period. Our Directors are of the view that each of the related party transactions set out in note 30 to the Accountants' Report in Appendix I was conducted in the ordinary course of business on an arm's-length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, aside from our capital commitments as disclosed above, we had not entered into any off-balance sheet arrangements.

FINANCIAL RISK DISCLOSURE

The risks associated with our financial instruments primarily include credit risk and liquidity risk. Our management manages these exposures to ensure appropriate measure are implemented on a timely and effective manner. See note 33 to the Accountants' Report set out in Appendix I to this document for further details.

Credit risk

We are exposed to credit risk in relation to its cash and cash equivalents, amounts due from related parties, trade receivables and financial assets included in prepayments, other receivables and other assets. The carrying amounts of each class of the above financial assets represent our maximum exposure to credit risk in relation to financial assets. We trade with recognized and creditworthy third parties. We enforce credit verification procedures for any customers requesting credit terms and ensure that receivable balances are monitored on a continuous basis.

Liquidity risk

To manage liquidity risk, we monitor and maintain a level of cash and cash equivalents that our management deems adequate to finance our operations and mitigate the impact of cash flow fluctuations.

DIVIDENDS

We did not declare or pay any dividends during the Track Record Period. We currently do not have any dividend policy or fixed dividend pay-out ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. As advised by our PRC Legal Advisors, according to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital.

DISTRIBUTABLE RESERVES

As of June 30, 2026, we did not have any distributable reserves.

[REDACTED] EXPENSES

Our **[REDACTED]** expenses represent professional fees, **[REDACTED]** and other fees incurred in connection with the **[REDACTED]** and the **[REDACTED]**. Assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range, and no exercise of the **[REDACTED]**, we estimate that our **[REDACTED]** expenses will be approximately RMB**[REDACTED]** million, accounting for approximately **[REDACTED]**% of our **[REDACTED]**, of which RMB**[REDACTED]** million is directly attributable to the issue of our **[REDACTED]** and will be deducted from equity, RMB**[REDACTED]** million was charged to our consolidated statements of profit or loss during the Track Record Period, and approximately RMB**[REDACTED]** million is expected to be charged to our consolidated statements of profit or loss subsequent to the Track Record Period. Our estimated **[REDACTED]** expenses include (i) **[REDACTED]**-related expenses of approximately RMB**[REDACTED]** million, (ii) **[REDACTED]** fee of approximately RMB**[REDACTED]** million, and (iii) non-**[REDACTED]** related expenses of approximately RMB**[REDACTED]** million, comprising professional fees to the legal advisors, Reporting Accountant, and other professionals. The **[REDACTED]** expenses above are the best estimate as of the Latest Practicable Date and for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See "Appendix II — Unaudited **[REDACTED]** Financial Information" to this document.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our financial or trading position prospects since June 30, 2026 and up to the date of this document and there is no event since June 30, 2026 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report set out in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

For a detailed description of our future plans, see "Business — Our Strategies."

[REDACTED]

We estimate that the **[REDACTED]** from the **[REDACTED]** will be approximately HK$**[REDACTED]** million, assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the **[REDACTED]** range of HK$**[REDACTED]** per Share to HK$**[REDACTED]** per Share, after deducting **[REDACTED]** and estimated **[REDACTED]** expenses paid and payable by us in the **[REDACTED]**, taking into account any additional discretionary incentive fee.

We intend to use the **[REDACTED]** from the **[REDACTED]** for the following purposes:

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be allocated to the research, development, and commercialization of our Core Product, the GBS. These funds will be primarily allocated to:

  a) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be dedicated to the continued research and development of the GBS. We plan to invest in the continual iteration and enhancement of the product. Specifically, we intend to use these funds to: (i) conduct necessary type-testing and biological evaluations for product iterations, as well as conducting small-scale exploratory clinical studies to support registration amendments and product upgrades with estimated expenditures totalling approximately RMB**[REDACTED]** million over the next three to five years; (ii) advance the clinical trial aimed for indication extension of the GBS to broader patient populations. This includes costs for patient enrollment, clinical operations, and subsequent registration filings and technical dossier updates, as required by the NMPA with estimated expenditures totalling approximately RMB**[REDACTED]** million over the next three to five years; and (iii) pursue and maintain overseas regulatory approvals to support our international expansion strategy, particularly CE marking in Europe. We submitted our application for CE marking under the Medical Device Regulation (MDR) in July 2024 and expect to obtain the approval in the third quarter of 2026. Key expenditures will cover regulatory and compliance costs, such as technical file preparation and testings, notified body audit fees, and engagement of authorized representatives, with estimated expenditures totalling approximately RMB**[REDACTED]** million over the next three to five years. We believe the allocated budget is fully adequate to support our CE marking process. Based on our conformity analysis and communications with our notified body, the clinical data obtained from our pivotal clinical trials in China is accepted for the purpose of CE marking. Therefore, no separate local clinical trials or additional substantial R&D work are required within the EU, significantly reducing the capital required for this regulatory pathway. We also plan to allocate the remaining **[REDACTED]** in this aspect to cover salaries and benefits for our R&D staff, as well as other R&D-related expenses in support of the continued research and development of the GBS.

  b) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used to accelerate the commercialization and marketing efforts for our Core Product. We plan to enhance brand visibility through comprehensive advertising and promotional campaigns. Specifically, we will: (i) engage in comprehensive academic marketing strategies, including sponsoring established industry conferences in digestive and bariatric surgery, and hosting academic seminars and forums of our own. We aim to expand our academic outreach to also include endocrinology and nutrition departments, thereby raising awareness of the GBS. We estimate expenditures in relation to these activities to be approximately RMB**[REDACTED]** million over the next three to five years; (ii) recruit and retain talent for our in-house sales and marketing team to support growing operational scale and sales targets. We plan to rapidly expand hospital coverage of our Core Product, targeting to reach a cumulative coverage of over 1,000 hospitals, mainly Tier-2 and above hospitals, over the next three to five years. We estimate expenditures in relation to our efforts of expanding hospital coverage to be approximately RMB**[REDACTED]** million over the next three to five years. To support this, we aim to expand our sales team to approximately 60 members by 2029. These new hires are

generally required to hold a bachelor's degree or above with two to four years of relevant experience and a proven track record in sales. We estimate expenditures in relation to our efforts of expanding hospital coverage and talent recruiting to be approximately RMB**[REDACTED]** million over the next three to five years; and (iii) continue to invest in professional training programs covering implantation of GBS and integrated management for physicians. Our goal is to expand the base of qualified practitioners to ensure the safe and standardized application of our therapy, thereby driving widespread clinical adoption and accelerating market penetration. We estimate expenditures in relation to these training programs to be approximately RMB**[REDACTED]** million over the next three to five years. We also plan to allocate the remaining **[REDACTED]** in this aspect to cover other related operational expenses.

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be allocated to the research, development, and commercialization of our Key Products, including the GBS-SH, GBS-DM, and our intragastric balloon portfolio of DIGB and RIGB. These funds are primarily designated for:

  a) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be allocated to the research and development of our pipeline products. We plan to advance the clinical development and global regulatory approvals for our diversified product portfolio: (i) for GBS-SH, we plan to fund exploratory clinical studies, pilot studies and pivotal clinical trials in Europe to validate preliminary safety and efficacy. Funds will also cover other testing, such as type testing and biological evaluation and testing with estimated expenditures totalling approximately RMB**[REDACTED]** million over the next three to five years; (ii) for GBS-DM, we plan to fund small-scale feasibility studies to accumulate core clinical data, followed by pivotal registration clinical trials. The allocated funds will support the entire trial execution, necessary bio-compatibility and performance testing, and the preparation of regulatory filings with estimated expenditures totalling approximately RMB**[REDACTED]** million over the next three to five years; (iii) for our intragastric balloon products, we plan to fund the regulatory path of: (A) the DIGB in Europe, in relation to the requisite compliance testing and technical dossier preparation to support its CE marking application; (B) the RIGB in Europe, in relation to necessary preclinical verifications and regulatory submission process for CE marking application; and (C) both intragastric balloon products in the domestic market. The expenditures in relation to our intragastric balloon products is expected to be approximately RMB**[REDACTED]** million over the next three to five years. We also plan to allocate the remaining **[REDACTED]** in this aspect to cover salaries and benefits for our R&D staff, as well as other R&D-related expenses in support of the research and development of our pipeline products;

  b) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for the initial commercialization activities for our intragastric balloon products. We plan to allocate these funds to pre-launch market readiness initiatives, such as conducting health economics and outcomes research, while simultaneously laying the groundwork for market access pathways and conducting early-stage academic education to build clinical awareness, with estimated expenditures totalling approximately RMB**[REDACTED]** million over the next three to five years.

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be allocated to the research, development, and commercialization of our other product and product candidates. These funds are primarily designated for:

  a) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be allocated to the research and development of other pipeline products and product candidates. We aim to continuously enrich our portfolio of compatible devices for metabolic disease treatment: (i) for SOC, we plan to validate core technologies. Funds will support design verification and animal studies to validate performance and safety, among others, with estimated expenditures totalling approximately RMB**[REDACTED]** million over the next three to five years; (ii) for RAC, we intend to advance this candidate through early feasibility clinical studies and type testing, with estimated expenditures totalling approximately RMB**[REDACTED]** million over the next three to five years; (iii) for other candidates, we aim to allocate resources to the continual iteration, type testing, and preparation of molds and tooling for our broad pipeline to ensure they meet technical and regulatory standards.

b) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for the commercialization of our other products, such as GA, and our digital health management platform, Dtx, to create integrated management for metabolic disease treatment: (i) for GA, we plan to (A) leverage the strong synergies with our existing sales infrastructure. We intend to invest resources to launch product trials and market promotion, thereby driving the installed base of our capital equipment efficiently; (B) establish production capabilities domestically; and (C) pursue CE marking to access the European market. Funds will cover fees related to audits, and compliance; (ii) for Dtx, we will invest in its continual optimization, specifically focusing on function enhancements and version upgrades to improve user experience; and (iii) for CNT, we plan to advance both foods for special medical purpose products, and general nutritional food products. Funds will be primarily invested in the continued development and clinical trial for our special medical purpose products, as well as the commercial launch of our nutritional product portfolio.

To support the comprehensive research and development activities across our Core Product, Key Products, and other pipeline products as detailed above, we plan to expand our research and development, quality control, and other R&D supporting teams by recruiting approximately **[REDACTED]** additional personnel over the next three to five years. These new hires will primarily consist of senior and mid-level professionals, including but not limited to R&D directors, project managers, structural and process engineers, software managers, and quality engineers. We generally require these candidates to hold a bachelor's degree or above, with certain key positions requiring a master's degree, along with three to over twelve years of relevant industry experience. We estimate the total annual salary expenditure for these new personnel to be approximately RMB**[REDACTED]** million. The related recruitment and payroll expenses will be funded by the **[REDACTED]** allocated to the research and development of our respective products and product candidates as described above.

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for working capital and general corporate purposes.

If the **[REDACTED]** is exercised in full, the **[REDACTED]** of the **[REDACTED]** would increase to approximately HK$**[REDACTED]** million (based on the mid-point **[REDACTED]** of HK$**[REDACTED]** per Share). We intend to apply the additional **[REDACTED]** to the above uses in the proportions stated above.

The allocation of the **[REDACTED]** used for the above will be adjusted in the event that the **[REDACTED]** is fixed at a higher or lower level compared to the mid-point of the estimated **[REDACTED]** range. If the **[REDACTED]** is fixed at HK$**[REDACTED]** per Share, being the high end of the stated **[REDACTED]** range, our **[REDACTED]** will (i) assuming the **[REDACTED]** is not exercised, be increased by approximately HK$**[REDACTED]** million, or (ii) assuming the **[REDACTED]** is exercised in full, be increased by approximately HK$**[REDACTED]** million. In such circumstances, we currently intend to use such additional **[REDACTED]** to increase the **[REDACTED]** applied for the same purposes as set out above on a pro rata basis.

If the **[REDACTED]** is fixed at HK$**[REDACTED]** per Share, being the low end of the stated **[REDACTED]** range, our **[REDACTED]** will (i) assuming the **[REDACTED]** is not exercised, be decreased by approximately HK$**[REDACTED]** million, or (ii) assuming the **[REDACTED]** is exercised in full, be decreased by approximately HK$**[REDACTED]** million. In such circumstances, we currently intend to reduce the **[REDACTED]** applied for the same purposes as set out above on a pro rata basis.

To the extent that our **[REDACTED]** are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans.

To the extent that the **[REDACTED]** from the **[REDACTED]** are not immediately used for the above purposes, we will only deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

The following is the text of a report received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this Document.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HANGZHOU TANGJI MEDICAL TECHNOLOGY CO., LTD., ICBC INTERNATIONAL CAPITAL LIMITED AND CAITONG INTERNATIONAL CAPITAL CO., LIMITED

Introduction

We report on the historical financial information of Hangzhou Tangji Medical Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages [I-3 to I-57], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the years ended 31 December 2024 and 2025 and the six months ended 30 June 2026 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2024, 2025 and 30 June 2026 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages [I-3 to I-57] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the "Document") in connection with the initial **[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 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 Group and the Company as at 31 December 2024, 2025 and 30 June 2026 and of the financial performance and cash flows of the Group 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 Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the six months ended 30 June 2025 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation 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* 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.

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 [I-3] have been made.

Dividends

We refer to note 11 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
[Date]

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 Group 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 HKICPA (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.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		Six months ended 30 June	
		2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
REVENUE	5	12,709	32,210	12,379	23,690
Cost of sales		(2,427)	(6,787)	(2,745)	(3,580)
Gross profit		10,282	25,423	9,634	20,110
Other income and gains	5	1,813	608	137	7,762
Selling and marketing expenses		(16,596)	(26,314)	(10,490)	(22,782)
Administrative expenses		(17,733)	(36,690)	(13,674)	(33,360)
Research and development costs		(41,126)	(48,674)	(22,029)	(38,685)
(Impairment loss)/reversal of impairment loss on financial assets, net		(89)	97	51	(17)
Other expenses		(776)	(231)	(102)	(179)
Finance costs	7	(1,732)	(2,549)	(1,196)	(1,176)
LOSS BEFORE TAX	6	(65,957)	(88,330)	(37,669)	(68,327)
Income tax expense	10	–	–	–	–
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		(65,957)	(88,330)	(37,669)	(68,327)
Attributable to:					
Owners of the parent		(65,957)	(88,330)	(37,669)	(68,327)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
Basic and diluted (RMB per share)	12	(0.46)	(0.59)	(0.25)	(0.41)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2024	As at 31 December 2025	As at 30 June 2026
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	10,675	20,284	20,094
Right-of-use assets	*14(a)*	9,029	6,870	14,131
Intangible assets	*15*	1,871	2,457	3,165
Prepayments, other receivables and other assets	*18*	1,544	5,023	5,932
Total non-current assets		23,119	34,634	43,322
CURRENT ASSETS				
Inventories	*16*	5,871	5,486	7,280
Trade receivables	*17*	2,030	193	310
Prepayments, other receivables and other assets	*18*	5,768	6,728	12,469
Cash and cash equivalents	*19*	12,733	53,116	159,988
Total current assets		26,402	65,523	180,047
CURRENT LIABILITIES				
Trade payables	*20*	1,272	1,174	1,309
Other payables and accruals	*21*	23,819	24,619	19,296
Contract liabilities	*22*	1,323	363	119
Lease liabilities	*14(b)*	8,613	3,822	5,514
Interest-bearing bank borrowings	*23*	58,048	75,053	75,051
Provision	*24*	–	720	744
Total current liabilities		93,075	105,751	102,033
NET CURRENT (LIABILITIES)/ASSETS		(66,673)	(40,228)	78,014
TOTAL ASSETS LESS CURRENT LIABILITIES		(43,554)	(5,594)	121,336
NON-CURRENT LIABILITIES				
Lease liabilities	*14(b)*	1,315	1,786	7,199
Total non-current liabilities		1,315	1,786	7,199
Net (liabilities)/assets		(44,869)	(7,380)	114,137
(DEFICITS)/EQUITY				
Equity attributable to owners of the parent				
Paid-in capital	*25*	14,220	15,642	–
Share capital	*25*	–	–	17,716
(Deficits)/reserves	*26*	(59,089)	(23,022)	96,421
Total (deficits)/ equity		(44,869)	(7,380)	114,137

For the details of pre-**[REDACTED]** investments, please refer to note 25 to this report.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to owners of the parent				
	Paid-in capital	Capital reserve	Share award reserve	Accumulated losses	Total deficits
	RMB'000 (note 25)	*RMB'000* (note 26)	*RMB'000* (note 26)	*RMB'000*	*RMB'000*
At 1 January 2024	14,220	208,290	19,584	(222,250)	19,844
Loss for the year	–	–	–	(65,957)	(65,957)
Total comprehensive loss for the year	–	–	–	(65,957)	(65,957)
Equity-settled share award arrangements (note 27)	–	–	1,244	–	1,244
At 31 December 2024	14,220	208,290*	20,828*	(288,207)*	(44,869)

Year ended 31 December 2025

	Attributable to owners of the parent				
	Paid-in capital	Capital reserve	Share award reserve	Accumulated losses	Total deficits
	RMB'000 (note 25)	*RMB'000* (note 26)	*RMB'000* (note 26)	*RMB'000*	*RMB'000*
At 1 January 2025	14,220	208,290	20,828	(288,207)	(44,869)
Loss for the year	–	–	–	(88,330)	(88,330)
Total comprehensive loss for the year	–	–	–	(88,330)	(88,330)
Capital contribution by shareholders	1,422	118,578	–	–	120,000
Equity-settled share award arrangements (note 27)	–	–	5,819	–	5,819
At 31 December 2025	15,642	326,868*	26,647*	(376,537)*	(7,380)

Six months ended 30 June 2026

	Attributable to owners of the parent					
	Paid-in capital	Share capital	Capital reserve	Share award reserve	Accumulated losses	Total equity
	RMB'000 (note 25)	*RMB'000 (note 25)*	*RMB'000 (note 26)*	*RMB'000 (note 26)*	*RMB'000*	*RMB'000*
At 1 January 2026	15,642	–	326,868	26,647	(376,537)	(7,380)
Loss for the period	–		–	–	(68,327)	(68,327)
Total comprehensive loss for the period	–	–	–	–	(68,327)	(68,327)
Conversion into a joint stock company	(15,642)	15,642	(287,678)	–	287,678	–
Issue of shares	–	2,074	172,926	–	–	175,000
Equity-settled share award arrangements (note 27)	–		–	14,844	–	14,844
At 30 June 2026	–	17,716	212,116*	41,491*	(157,186)*	114,137

* These reserve accounts comprise the consolidated reserves/(deficits) of RMB(59,089,000) and RMB(23,022,000), and RMB96,421,000 in the consolidated statements of financial position as at 31 December 2024 and 2025 and 30 June 2026, respectively.

Six months ended 30 June 2025 (unaudited)

	Attributable to owners of the parent				
	Paid-in capital	Capital reserve	Share award reserve	Accumulated losses	Total deficits
	RMB'000 (note 25)	*RMB'000 (note 26)*	*RMB'000 (note 26)*	*RMB'000*	*RMB'000*
At 1 January 2025	14,220	208,290	20,828	(288,207)	(44,869)
Loss for the period	–	–	–	(37,669)	(37,669)
Total comprehensive loss for the period	–	–	–	(37,669)	(37,669)
Capital contribution by shareholders	830	69,170	–	–	70,000
Equity-settled share award arrangements (note 27)	–	–	365	–	365
At 30 June 2025 (unaudited)	15,050	277,460*	21,193*	(325,876)*	(12,173)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		Six months ended 30 June	
		2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		(65,957)	(88,330)	(37,669)	(68,327)
Adjustments for:					
Finance costs	7	1,732	2,549	1,196	1,176
Interest income	5	(22)	(132)	(61)	(55)
Loss on disposal of items of property, plant and equipment	6	38	–	–	3
Loss on lease terminations, net	6	2	–	–	–
Equity-settled share award expense	26	1,244	5,819	365	14,844
Depreciation of property, plant and equipment	13	3,583	4,430	2,102	3,102
Depreciation of right-of-use assets	14(a)	4,653	4,813	2,255	2,616
Amortization of intangible assets	15	309	469	199	270
Impairment losses/(reversal of impairment losses) on trade receivables	6	89	(97)	(51)	17
Write-down/(reversal of write-down) of inventories to net realizable value	6	40	349	75	(55)
Warranty expenses	24	–	732	192	165
Foreign exchange differences, net	6	(54)	24	2	30
		(54,343)	(69,374)	(31,395)	(46,214)
(Increase)/decrease in inventories		(3,348)	36	(220)	(1,739)
(Increase)/decrease in trade receivables		(1,777)	1,934	1,012	(134)
Increase in prepayments, other receivables and other assets		(52)	(2,773)	(1,154)	(4,341)
Increase/(decrease) in trade payables		770	(98)	(216)	135
Increase/(decrease) in other payables and accruals		14,562	(1,823)	(2,771)	(3,347)
Increase/(decrease) in contract liabilities		598	(960)	61	(244)
Decrease in provision		–	(12)	(50)	(141)
Cash used in operations		(43,590)	(73,070)	(34,733)	(56,025)
Interest received		22	132	61	55
Net cash flows used in operating activities		(43,568)	(72,938)	(34,672)	(55,970)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of items of property, plant and equipment		(5,244)	(12,336)	(1,946)	(4,777)
Purchases of intangible assets		(572)	(1,404)	(1,307)	(643)
Net cash flows used in investing activities		(5,816)	(13,740)	(3,253)	(5,420)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from capital contribution by shareholders		–	120,000	70,000	–
Proceeds from issue of shares		–	–	–	175,000
Deferred **[REDACTED]** expenses paid		–	(397)	–	(2,257)
New bank borrowings		61,000	105,000	35,000	50,000
Repayment of bank borrowings		(15,000)	(88,000)	(28,000)	(50,000)
Lease payments		(3,400)	(7,281)	(3,858)	(3,445)
Interest paid		(1,312)	(2,237)	(1,041)	(1,006)
Net cash flows from financing activities		41,288	127,085	72,101	168,292

	Notes	Year ended 31 December		Six months ended 30 June	
		2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(8,096)	40,407	34,176	106,902
Cash and cash equivalents at beginning of year/ period		20,775	12,733	12,733	53,116
Effect of foreign exchange rate changes, net		54	(24)	(2)	(30)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		12,733	53,116	46,907	159,988
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and cash equivalents as stated in the consolidated statements of financial position	*19*	12,733	53,116	46,907	159,988
Cash and cash equivalents as stated in the consolidated statements of cash flows		12,733	53,116	46,907	159,988

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December		As at 30 June
		2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	8,227	7,114	6,530
Investments in subsidiaries	*34*	31,000	29,479	51,779
Right-of-use assets	*14(a)*	6,936	3,585	2,019
Intangible assets	*15*	679	391	810
Prepayments, other receivables and other assets	*18*	1,107	1,314	1,530
Total non-current assets		47,949	41,883	62,668
CURRENT ASSETS				
Inventories	*16*	5,567	5,192	6,326
Trade receivables	*17*	5,724	9,858	9,966
Prepayments, other receivables and other assets	*18*	39,018	69,657	94,022
Cash and cash equivalents	*19*	12,536	50,874	135,923
Total current assets		62,845	135,581	246,237
CURRENT LIABILITIES				
Trade payables	*20*	1,196	1,008	1,153
Other payables and accruals	*21*	46,520	44,552	41,397
Contract liabilities	*22*	1,323	363	119
Lease liabilities	*14(b)*	6,455	2,918	1,205
Interest-bearing bank borrowings	*23*	58,048	75,053	75,051
Provision	*24*	–	720	744
Total current liabilities		113,542	124,614	119,669
NET CURRENT (LIABILITIES)/ASSETS		(50,697)	10,967	126,568
TOTAL ASSETS LESS CURRENT LIABILITIES		(2,748)	52,850	189,236
NON-CURRENT LIABILITIES				
Lease liabilities	*14(b)*	985	–	-
Total non-current liabilities		985	–	-
Net (liabilities)/assets		(3,733)	52,850	189,236
(DEFICITS)/EQUITY				
Paid-in capital	*25*	14,220	15,642	–
Share capital	*25*	–	–	17,716
(Deficits)/reserves	*26*	(17,953)	37,208	171,520
Total (deficits)/ equity		(3,733)	52,850	189,236

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited company established in the People's Republic of China ("PRC") on 11 August 2016. The registered office of the Company is located at Room 302, Building 6, No.688, Bin An Road, Binjiang District, Hangzhou, PRC. On 12 January 2026, the Company was converted into a joint stock limited liability company and the registered capital of the Company was RMB15,642,000, which was divided into 15,642,000 shares, with a nominal value of RMB1.00 each.

During the Relevant Periods the Company and its subsidiaries were principally engaged in the research and development, manufacture and commercialisation of medical devices.

In the opinion of the directors, Mr. Zuo Yuxing is considered as the chairman and founder of the Company.

As at the date of this report, the Company had direct interests in its subsidiaries, all of which are private limited liability companies. The particulars of the principal subsidiaries are set out below:

Name	Notes	Place and date of registration and place of operations	Nominal value of registered share capital	Percentage of equity attributable to the Company Direct	Principal activities
Shanghai Tangji Shuchuang Technology Co., Ltd.* 上海糖吉術創科技有限公司	*(a)*	PRC/Chinese mainland 8 November 2021	RMB1,000,000	100%	Technical services and promotion of medical devices
Quzhou Jikang Medical Technology Co., Ltd.*衢州吉康醫療科技有限公司	*(b)*	PRC/Chinese mainland 30 December 2024	RMB5,000,000	100%	Technology development and production of medical devices
Tianjin Tangji Shuxiang Health Technology Co., Ltd.*天津糖吉數享健康科技有限公司	*(b)*	PRC/Chinese mainland 29 August 2023	RMB1,000,000	100%	Research, development, and commercialisation of clinical nutrition foods

Notes:

(a) The statutory financial statements of Shanghai Tangji Shuchuang Technology Co., Ltd. for the years ended 31 December 2024 and 2025, and Quzhou Jikang Medical Technology Co., Ltd. for the year ended 31 December 2025 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by Zhejiang Tianping Certified Public Accountants LLP (浙江天平會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

(b) No audited financial statements have been prepared for these subsidiaries for the years ended 31 December 2024 and 2025, as these subsidiaries were not subject to any statutory audit requirements under the relevant rules and regulations in its jurisdiction of registration.

* The English names of the subsidiaries registered in the PRC represents the best efforts made by management of the Company to directly translate its Chinese name as it did not register any official English name.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the Relevant Periods or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

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 redemption rights granted by the Company, which are *void ab initio* as described in note 25 to this report, 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 the details of financial impacts, see note 25 of this report.

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 2026, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information.

The Historical Financial Information have been prepared under the historical cost convention.

Basis of consolidation

The Historical Financial Information include the financial information of the Company and its subsidiaries (collectively referred to as the "Group") for the Relevant Periods, respectively. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial information of the subsidiaries is prepared for the same reporting period as the Company, using consistent accounting policies. The results of the subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities and any non-controlling interest; and recognizes the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognized in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Going concern basis

The directors of the Company have reviewed the Group's cash flows projections prepared by the management of the Company, which cover a period of not less than twelve months from 30 June 2026 and have considered the capital investments subsequently received, the additional financial resources available to the Group, the internally generated funds from operations and the ability in adjusting the pace of the research and development projects and are of the opinion that the Group 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 twelve months from the date of this report. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the Historical Financial Information on a going concern basis.

2.2 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group 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 Group intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[1]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]

1 Effective for annual/reporting periods beginning on or after 1 January 2027

2 No mandatory effective date yet determined but available for adoption

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 is not expected to have any impact on the Group's results of operations and financial position but is expected to have impact on the presentation and disclosure of the Group's financial statements.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognized 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 recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill 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/amortization) had no impairment loss been recognized 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.

Related parties

A party is considered to be related to the Group 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 Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group 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 Group 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 Group or an entity related to the Group;

  (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 Group or to the parent of the Group.

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 capitalized 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 Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the 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 of property, plant and equipment are as follows:

Categories	Estimated useful lives	Residual rate
Machinery	5 to 10 years	5%
Electronic and office equipment	3 years	5%
Motor vehicles	4 years	5%
Leasehold improvements	3 to 5 years	5%

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 methods 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 recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress 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 amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and is amortized on the straight-line basis over its estimated useful life of 2 to 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 capitalized and deferred only when the Group 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 Group 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes 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 recognized 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 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 recognized, 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 over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Categories	Estimated useful lives
Warehouses and office premises	2 to 5 years

If ownership of the leased asset transfers to the Group 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 recognized 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 Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognized 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 Group 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 the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of warehouses and office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost and 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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group 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 Group 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 amortized 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 Group'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 amortized 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 recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, 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 derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group 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 Group could be required to repay.

Impairment of financial assets

The Group recognizes 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 Group 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 recognized 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 Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group 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 Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortized 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 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 Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at the end of the reporting period. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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 unfavorable 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 recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, interest-bearing bank borrowings, and financial liabilities included in other payables and accruals.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortized cost (trade and other payables, loans and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortized 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 recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized 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 amortization is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or canceled, 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average basis. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks.

Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of each reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of products during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognized based on sales volume and past experience of the level of replacement and returns. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized 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 reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized 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; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, 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; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized 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 realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group 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 or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognized 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 recognized 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 installments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

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 the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery and acceptance of the goods by the customers.

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognized when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods to the customer).

Share-based payments

The Company operates a share award plan. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange 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 the discounted cash flow method, further details of which are given in note 27 to the Historical Financial Information.

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 the Group'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 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 Group'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 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. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the canceled award, and is designated as a replacement award on the date that it is granted, the canceled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits

Pension scheme

The employees of the Group which operates in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The Group 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 and practices of the central pension scheme.

Termination benefits

Termination benefits are recognized at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

Housing fund and other social insurances - Chinese mainland

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the Chinese mainland. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in each reporting period.

Borrowing costs

All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognizes in its financial statements. The Group will adjust the amounts recognized in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognized in its Historical Financial Information but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Foreign currencies

The Historical Financial Information is presented in Renminbi, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their 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 reporting period. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgments, 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.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the Historical Financial Information:

Research and development costs

All research costs are charged to profit or loss as incurred. Expenses incurred on each pipeline to develop new products are capitalized and deferred in accordance with the accounting policy for research and development costs in note 2.3 to the Historical Financial Information. Determining the amounts to be capitalized or expensed requires management to make assumptions and judgments regarding the technical feasibility of completing the intangible asset, future economic benefits and so forth. In the opinion of management, during the Relevant Periods the criteria for capitalization of development costs were not met and development expenditure were expensed.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each 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.

Net realizable value of inventories

The net realizable value of inventories is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. These estimates, based on the current market conditions and the historical experience in selling goods of a similar nature, include but are not limited to economic outlook, sales forecasts and the forecast market value of the inventory items. They could change significantly as a result of changes in market conditions. The Group reassesses these estimation at the end of each reporting period. The carrying amount of inventories is given in note 16 to the Historical Financial Information.

Impairment of non-financial assets

The Group 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.

Fair value measurement of share-based payments

The Group has set up a share award scheme and granted restricted shares to the Group's employees. The fair values of the restricted shares are determined using the discounted cash flow method at the grant dates. Significant estimates on assumptions, including the underlying equity value and discount rate are made by management. Further details are included in note 27 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group 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 Group 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 Group "would have to pay", which requires estimation when no observable rates are available or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group 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 subsidiaries' stand-alone credit rating).

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgement on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation.

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 judgement 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.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organized into business units based on their products and has only one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from external customers

During the Relevant Periods and six months ended 30 June 2025, all revenue from external customers is sourced from Chinese mainland.

(b) Non-current assets

The Group's non-current assets are all located in Chinese mainland.

Information about major customers

Revenue from the major customers (aggregated if under common control) which amounted to 10% or more of the Group's revenue is set out below:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Customer A	2,496	3,858	N/A*	N/A*
Customer B	1,904	5,732	1,484	N/A*
Customer C**	1,858	5,162	1,726	5,310
Customer D	N/A*	N/A*	1,327	N/A*

* Less than 10% of the Group's revenue.

** Including sales to a group of entities which are known to be under common control with that customer.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Revenue from contracts with customers	12,709	32,210	12,379	23,690

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Type				
Sale of goods	12,709	32,210	12,379	23,690
Geographical market				
Chinese mainland	12,709	32,210	12,379	23,690
Timing of revenue recognition				
Transferred at a point in time	12,709	32,210	12,379	23,690

The following table shows the amounts of revenue recognized during the Relevant Periods and six months ended 30 June 2025 that were included in the contract liabilities at the beginning of the reporting periods and recognized from performance obligations satisfied in previous periods:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Revenue recognized that was included in contract liabilities at the beginning of the reporting period:				
Sale of goods	–	1,186	951	270

(b) Performance obligations

Information about the Group's performance obligations is summarized below:

(i) Sale of goods

The performance obligation is satisfied upon delivery of the goods and acceptance by the customers. Advance payment is normally required.

As the contracts with customers are rendered in a short period of time, which is generally less than one year, the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

An analysis of other income and gains is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Other income				
Government grants*	345	314	38	7,665
Bank interest income	22	132	61	55
Agency fees in goods trading business**	1,387	41	32	–
Others	5	121	6	42
Total other income	1,759	608	137	7,762
Gains				
Foreign exchange gains, net	54	–	–	–
Total other income and gains	1,813	608	137	7,762

* Government grants have been received from the PRC local government authorities to support the subsidiaries' research and development activities. There are no unfulfilled conditions related to these government grants.

** The Group acts as an agent in the goods trading business and its performance obligation is to arrange for the sales of the specified goods by the seller to the purchasers. The Group recognize agency fees on net basis when the amount is received.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

		Year ended 31 December		Six months ended 30 June	
	Notes	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Cost of inventories sold***		2,427	6,787	2,745	3,580
Research and development costs		41,126	48,674	22,029	38,685
Depreciation of property, plant and equipment*	*13*	3,583	4,430	2,102	3,102
Depreciation of right-of-use assets	*14(a)*	4,653	4,813	2,255	2,616
Amortization of intangible assets**	*15*	309	469	199	270
Write-down/(reversal of write-down) of inventories to net realizable value***		40	349	75	(55)
Warranty expenses***	*24*	–	732	192	165
Foreign exchange differences, net****		(54)	24	2	30
Auditor's remuneration		65	56	56	60
[REDACTED] expenses		–	5,425	–	7,902
Bank interest income	*5*	(22)	(132)	(61)	(55)
Government grants	*5*	(345)	(314)	(38)	(7,665)
Lease payments in respect of short-term leases and low-value leases	*14(c)*	60	101	55	273
Impairment losses/(reversal of impairment losses) on trade receivables, net	*17*	89	(97)	(51)	17
Loss on disposal of items of property, plant and equipment****		38	–	–	3
Loss on lease terminations, net****		2	–	–	–
Employee benefit expense (excluding directors', chief executive's and supervisors' remuneration as set out in note 8):					
Salaries and other benefits		27,157	32,926	15,364	21,440
Performance related bonuses		2,640	4,346	1,645	4,190
Pension scheme contributions		1,490	1,867	840	1,264
Equity-settled share award expense		946	4,805	709	14,474
		32,233	43,944	18,558	41,368

* The depreciation of property, plant and equipment and right-of-use assets is included in "Cost of sales", "Administrative expenses", "Research and development costs" and "Selling and marketing expenses" in the consolidated statements of profit or loss and other comprehensive income.

** The amortization of intangible assets is included in "Administrative expenses" in the consolidated statements of profit or loss and other comprehensive income.

*** The amounts disclosed for cost of inventories sold included write-down of inventories to net realizable value and warranty expenses.

****The amounts are included in "Other expenses" or "Other income and gains" in profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Interest on bank borrowings	1,347	2,242	1,037	1,004
Interest on lease liabilities (note 14(c))	385	307	159	172
Total	1,732	2,549	1,196	1,176

8. DIRECTORS', SUPERVISOR'S AND CHIEF EXECUTIVE'S REMUNERATION

The remuneration of the directors, supervisor and chief executive as recorded is set out below:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Fees	–	–	-	132
Other emoluments:				
Salaries, allowances and benefits in kind	2,075	3,082	1,663	965
Performance related bonuses	369	820	348	225
Equity-settled share award expense	298	1,014	(344)	370
Pension scheme contributions	138	161	84	31
Subtotal	2,880	5,077	1,751	1,591
Total	2,880	5,077	1,751	1,723

(a) Independent non-executive directors

Ms. Liang Jihong, Mr. Leung Wai Yip and Ms.Sheng Ying were appointed as independent non-executive directors of the Company on 19 January 2026.

The fees paid to independent non-executive directors during the six months ended 30 June 2026 were as follows:

	RMB'000
Ms. Liang Jihong	44
Mr. Leung Wai Yip	44
Ms. Sheng Ying	44
Total	132

(b) Directors, supervisors and the chief executive

Year ended 31 December 2024

	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share award expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors:					
Mr. Zuo Yuxing *(i)*	832	283	–	43	1,158
Ms. Shen Qiongfang *(ii)*	760	–	188	43	991
Ms. Yan Jie *(iii)*	118	–	–	11	129
Mr. Xu Tianhong *(iv)*	–	–	–	–	–
Mr. Sun Xiaolu *(v)*	–	–	–	–	–
Ms. Li Yange *(vi)*	–	–	–	–	–
Mr. An Feng *(vii)*	–	–	–	–	–
Subtotal	1,710	283	188	97	2,278
Supervisor:					
Ms. Yu Jiayan *(viii)*	365	86	110	41	602
Total	2,075	369	298	138	2,880

Year months ended 31 December 2025

	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share award expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors:					
Mr. Zuo Yuxing *(i)*	1,382	300	–	48	1,730
Ms. Shen Qiongfang *(ii)*	456	–	(398)	29	87
Ms. Chen Junfei *(ix)*	425	258	636	27	1,346
Mr. Hu Guohua *(x)*	111	102	98	6	317
Mr. Wang Jingyu *(xi)*	85	38	470	7	600
Ms. Yan Jie *(iii)*	–	–	–	–	–
Mr. Xu Tianhong *(iv)*	–	–	–	–	–
Mr. Sun Xiaolu *(v)*	–	–	–	–	–
Ms. Li Yange *(vi)*	–	–	–	–	–
Mr. An Feng *(vii)*	–	–	–	–	–
Ms. Zhao Xiaoyu *(xii)*	–	–	–	–	–
Mr. Chen Yichao *(xiii)*	–	–	–	–	–
Subtotal	2,459	698	806	117	4,080
Supervisor:					
Ms. Yu Jiayan *(viii)*	623	122	208	44	997
Total	3,082	820	1,014	161	5,077

Six months ended 30 June 2026

	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share award expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors:					
Mr. Zuo Yuxing *(i)*	852	204	-	24	1,080
Ms. Chen Junfei *(ix)*	38	6	113	2	159
Mr. Wang Jingyu *(xi)*	60	11	241	4	316
Mr. Xu Tianhong *(iv)*	-	-	-	-	-
Mr. Sun Xiaolu *(v)*	-	-	-	-	-
Ms. Zhao Xiaoyu *(xii)*	-	-	-	-	-
Mr. Chen Yichao *(xiii)*	-	-	-	-	-
Subtotal	950	221	354	30	1,555
Supervisor:					
Ms. Yu Jiayan *(viii)*	15	4	16	1	36
Total	965	225	370	31	1,591

Six months ended 30 June 2025 (unaudited)

	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share award expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors:					
Mr. Zuo Yuxing *(i)*	674	149	-	24	847
Ms. Shen Qiongfang *(ii)*	446	-	(398)	24	72
Ms. Chen Junfei *(ix)*	222	137	-	14	373
Mr. Hu Guohua *(x)*	2	2	-	-	4
Mr. Wang Jingyu *(xi)*	-	-	-	-	-
Ms. Yan Jie *(iii)*	-	-	-	-	-
Mr. Xu Tianhong *(iv)*	-	-	-	-	-
Mr. Sun Xiaolu *(v)*	-	-	-	-	-
Ms. Li Yange *(vi)*	-	-	-	-	-
Mr. An Feng *(vii)*	-	-	-	-	-
Ms. Zhao Xiaoyu *(xii)*	-	-	-	-	-
Subtotal	1,344	288	(398)	62	1,296
Supervisor:					
Ms. Yu Jiayan *(viii)*	319	60	54	22	455
Total	1,663	348	(344)	84	1,751

(i) Mr. Zuo Yuxing was appointed as the chairman of the board of directors and the chief executive officer of the Company in July 2016.

(ii) Ms. Shen Qiongfang was appointed as a director of the Company in June 2022 and resigned in June 2025.

(iii) Ms. Yan Jie was appointed as a director of the Company in May 2021 and resigned in January 2025.

(iv) Mr. Xu Tianhong was appointed as a director of the Company in March 2018.

(v) Mr. Sun Xiaolu was appointed as a director of the Company in March 2018 and resigned in January 2026.

(vi) Ms. Li Yange was appointed as a director of the Company in March 2023 and resigned in November 2025.

(vii) Mr. An Feng was appointed as a director of the Company in May 2021 and resigned in June 2025.

(viii) Ms. Yu Jiayan was appointed as a supervisor of the Company from January 2018 to January 2026.

(ix) Ms. Chen Junfei was appointed as a director of the Company from January 2025 to January 2026.

(x) Mr. Hu Guohua was appointed as a director of the Company from June 2025 to November 2025.

(xi) Mr. Wang Jingyu was appointed as a director of the Company from November 2025 to January 2026.

(xii) Ms. Zhao Xiaoyu was appointed as a director of the Company in June 2025 and resigned in January 2026.

(xiii) Mr. Chen Yichao was appointed as a director of the Company in November 2025.

During the Relevant Periods and six months ended 30 June 2025, share awards were granted to certain directors, further details of which are included in the disclosures in note 27 to the Historical Financial Information. The fair value of such awarded shares, which has been recognized in profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods and six months ended 30 June 2025 is included in the above directors' remuneration disclosures.

No emoluments were paid by the Company to the directors and supervisors as an inducement to join or upon joining the Company or as compensation for loss of office during the Relevant Periods and six months ended 30 June 2025.

The Company has dissolved the supervisory committee from 12 January 2026.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and six months ended 30 June 2025 included two directors, three directors, two directors and two directors (unaudited), respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining three, two, three and three (unaudited) highest paid employees who are not a director or chief executive of the Company during the Relevant Periods and six months ended 30 June 2025 are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	2,153	2,326	1,436	1,754
Performance related bonuses	763	821	459	405
Equity-settled share award expense	515	972	255	6,661
Pension scheme contributions	128	118	69	82
Total	3,559	4,237	2,219	8,902

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Number of employees			
	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
			(unaudited)	
Nil to HK$500,000	-	-	1	-
HK$500,001 to HK$1,000,000	1	-	2	-
HK$1,000,001 to HK$1,500,000	2	-	-	-
HK$2,000,001 to HK$2,500,000	-	2	-	1
HK$2,500,001 to HK$3,000,000	-	-	-	1
HK$5,000,001 to HK$5,500,000	-	-	-	1
Total	3	2	3	3

During the Relevant Periods and six months ended 30 June 2025, share awards were granted to one non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 27 to the Historical Financial Information. The fair value of such shares, which has been recognized in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods and six months ended 30 June 2025 is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

The provision for PRC enterprise income tax ("EIT") is based on the statutory rate of 25% of the assessable profits of certain PRC subsidiaries of the Group as determined in accordance with the PRC Enterprise Income Tax Law.

The Company is qualified as a High and New Technology Enterprise and was entitled to a preferential income tax rate of 15% during the Relevant Period and six months ended 30 June 2025, which will expire on 19 December 2028.

The subsidiaries of the Company were qualified as small and micro enterprises during the Relevant Periods and six months ended 30 June 2025, where the preferential income tax rate was 2.5% for the assessable profits below RMB1,000,000 and 5% for the assessable profits between RMB1,000,000 and RMB3,000,000.

A reconciliation of the tax charge/(credit) applicable to loss before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss before tax	(65,957)	(88,330)	(37,669)	(68,327)
Tax at the statutory tax rate of 25%	(16,489)	(22,082)	(9,417)	(17,081)
Lower tax rate for specific provinces or enacted by local authority	5,557	7,652	3,331	6,096
Expenses not deductible for tax	518	1,385	202	2,564
Additional deductible allowance for research and development costs*	(5,537)	(6,701)	(2,868)	(5,021)
Tax losses and deductible temporary differences not recognized	15,951	19,746	8,752	13,442
Tax charge at the Group's effective tax rate	–	–	–	–

* The amounts mainly represent an additional 100% tax deduction on eligible research and development expenses incurred by Hangzhou Tangji Medical Technology Co., Ltd. during the Relevant Periods and six months ended 30 June 2025.

Deferred tax assets have not been recognized in respect of the following items:

	Year ended 31 December		Six months ended 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Deductible temporary difference	147	359	321
Tax losses	394,046	513,976	592,053

The Group has accumulated tax losses in Chinese mainland, that will expire in one to ten years for offsetting against future taxable profits of the companies located in Chinese mainland in which the tax losses arose. Deferred tax assets have not been recognized in respect of these losses as they have arisen in the Company and its subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilized.

11. DIVIDEND

No dividend has been declared or paid by the Company in respect of the Relevant Periods and six months ended 30 June 2025.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

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 in issue during the Relevant Periods and six months ended 30 June 2025. The weighted average numbers of ordinary shares in issue for the Relevant Periods and six months ended 30 June 2025 before the conversion of the Company into a joint stock company were determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:1 as upon conversion of the Company into a joint stock company on 12 January 2026.

The weighted average number of ordinary shares in issue used in the basic loss per share calculation have been adjusted retrospectively to reflect the subdivision of shares on a one-for-ten basis, which shall take effect immediately before the **[REDACTED]**.

No adjustment has been made to the basic loss per share amounts presented for the Relevant Periods and six months ended 30 June 2025 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue.

The calculation of basic loss per share is based on:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
			(unaudited)	
Loss				
Loss attributable to ordinary equity holders of the parent (RMB'000)	(65,957)	(88,330)	(37,669)	(68,327)
Shares				
Weighted average number of ordinary shares in issue during the year/period used in the basic loss per share calculation ('000)	142,202	150,386	148,867	166,550

13. PROPERTY, PLANT AND EQUIPMENT

The Group

31 December 2024	Machinery	Electronic and office equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024:						
Cost	9,806	1,076	871	2,631	1,648	16,032
Accumulated depreciation	(4,756)	(770)	(793)	(719)	–	(7,038)
Net carrying amount	5,050	306	78	1,912	1,648	8,994
At 1 January 2024, net of accumulated depreciation	5,050	306	78	1,912	1,648	8,994
Additions	2,955	177	–	–	2,170	5,302
Disposals	(25)	(13)	–	–	–	(38)
Depreciation provided during the year (note 6)	(1,414)	(178)	(35)	(1,956)	–	(3,583)
Transfers	–	–	–	3,818	(3,818)	–
At 31 December 2024, net of accumulated depreciation	6,566	292	43	3,774	–	10,675
At 31 December 2024:						
Cost	12,402	1,238	871	6,449	–	20,960
Accumulated depreciation	(5,836)	(946)	(828)	(2,675)	–	(10,285)
Net carrying amount	6,566	292	43	3,774	–	10,675

31 December 2025	Machinery	Electronic and office equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025:						
Cost	12,402	1,238	871	6,449	–	20,960
Accumulated depreciation	(5,836)	(946)	(828)	(2,675)	–	(10,285)
Net carrying amount	6,566	292	43	3,774	–	10,675
At 1 January 2025, net of accumulated depreciation	6,566	292	43	3,774	–	10,675
Additions	3,288	593	–	–	10,158	14,039
Depreciation provided during the year (note 6)	(1,969)	(144)	–	(2,317)	–	(4,430)
Transfers	2,433	–	–	7,725	(10,158)	–
At 31 December 2025, net of accumulated depreciation	10,318	741	43	9,182	–	20,284
At 31 December 2025:						
Cost	18,118	1,831	871	14,174	–	34,994
Accumulated depreciation	(7,800)	(1,090)	(828)	(4,992)	–	(14,710)
Net carrying amount	10,318	741	43	9,182	–	20,284

30 June 2026	Machinery	Electronic and office equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026:						
Cost	18,118	1,831	871	14,174	–	34,994
Accumulated depreciation	(7,800)	(1,090)	(828)	(4,992)	–	(14,710)
Net carrying amount	10,318	741	43	9,182	–	20,284
At 1 January 2026, net of accumulated depreciation	10,318	741	43	9,182	–	20,284
Additions	947	390	–	325	1,253	2,915
Disposals	(3)	–	–	–	–	(3)
Depreciation provided during the period (note 6)	(1,284)	(128)	–	(1,690)	–	(3,102)
Transfers	–	–	–	212	(212)	–
At 30 June 2026, net of accumulated depreciation	9,978	1,003	43	8,029	1,041	20,094
At 30 June 2026:						
Cost	19,007	2,221	871	14,711	1,041	37,851
Accumulated depreciation	(9,029)	(1,218)	(828)	(6,682)	–	(17,757)
Net carrying amount	9,978	1,003	43	8,029	1,041	20,094

The Company

31 December 2024	Machinery	Electronic and office equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024:						
Cost	9,749	1,077	871	2,631	–	14,328
Accumulated depreciation	(4,750)	(770)	(793)	(719)	–	(7,032)
Net carrying amount	4,999	307	78	1,912	–	7,296
At 1 January 2024, net of accumulated depreciation	4,999	307	78	1,912	–	7,296
Additions	2,952	109	–	–	478	3,539
Disposals	(25)	(13)	–	–	–	(38)
Depreciation provided during the year	(1,403)	(163)	(34)	(970)	–	(2,570)
Transfers	–	–	–	478	(478)	–
At 31 December 2024, net of accumulated depreciation	6,523	240	44	1,420	–	8,227
At 31 December 2024:						
Cost	12,342	1,171	871	3,109	–	17,493
Accumulated depreciation	(5,819)	(931)	(827)	(1,689)	–	(9,266)
Net carrying amount	6,523	240	44	1,420	–	8,227

31 December 2025	Machinery	Electronic and office equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025:					
Cost	12,342	1,171	871	3,109	17,493
Accumulated depreciation	(5,819)	(931)	(827)	(1,689)	(9,266)
Net carrying amount	6,523	240	44	1,420	8,227
At 1 January 2025, net of accumulated depreciation	6,523	240	44	1,420	8,227
Additions	1,870	104	–	–	1,974
Depreciation provided during the year	(1,930)	(121)	–	(1,036)	(3,087)
At 31 December 2025, net of accumulated depreciation	6,463	223	44	384	7,114
At 31 December 2025:					
Cost	14,207	1,275	871	3,109	19,462
Accumulated depreciation	(7,744)	(1,052)	(827)	(2,725)	(12,348)
Net carrying amount	6,463	223	44	384	7,114

30 June 2026	Machinery	Electronic and office equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026:					
Cost	14,207	1,275	871	3,109	19,462
Accumulated depreciation	(7,744)	(1,052)	(827)	(2,725)	(12,348)
Net carrying amount	6,463	223	44	384	7,114
At 1 January 2026, net of accumulated depreciation	6,463	223	44	384	7,114
Additions	393	246	-	148	787
Disposals	(17)	-	-	-	(17)
Depreciation provided during the period	(1,016)	(63)	-	(275)	(1,354)
At 30 June 2026, net of accumulated depreciation	5,823	406	44	257	6,530
At 30 June 2026:					
Cost	14,525	1,521	871	3,257	20,174
Accumulated depreciation	(8,702)	(1,115)	(827)	(3,000)	(13,644)
Net carrying amount	5,823	406	44	257	6,530

Impairment testing of non-financial assets

The entities within the Group are highly inter-related and cannot be considered to generate cash inflows that are largely independent of each other. Therefore, non-current assets, other than financial assets located in different entities, are all allocated to the whole Group which is defined as the cash-generating unit ("CGU") that generates cash flows that are largely independent for impairment testing.

The recoverable amount of the CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering the remaining useful life of non-financial assets approved by senior management. The values assigned to the key assumptions are consistent with management's past experience and external information sources. As at 31 December 2024, 2025 and 30 June 2026, the recoverable amount of the CGU has exceeded its carrying amount and no impairment provision was made for the non-financial assets of the CGU.

The pre-tax discount rate applied to the cash flow projections, the revenue growth rate and the gross profit margin used to extrapolate the cash flows of the CGU are as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
Average revenue growth rate	42%	32%	30%
Average gross profit margin	87%	87%	87%
Pre-tax discount rate	17%	17%	17%

14. LEASES

The Group as a lessee

The Group has lease contracts for warehouses and office premises used in its operations. Leases of warehouses and office premises generally have lease terms between 2 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are no lease contracts that include extension or termination options and variable lease payments.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Warehouses and office premises
	RMB'000
As at 1 January 2024	8,006
Additions	7,173
Lease modification	(1,255)
Lease termination	(242)
Depreciation charge (note 6)	(4,653)
As at 31 December 2024 and 1 January 2025	9,029
Additions	3,011
Lease modification	(357)
Depreciation charge (note 6)	(4,813)
As at 31 December 2025 and 1 January 2026	6,870
Additions	10,378
Depreciation charge (note 6)	(3,117)
As at 30 June 2026	14,131

(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
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January	7,265	9,928	5,608
New leases	7,173	3,011	10,378
Accretion of interest recognized during the year/period	385	307	172
Lease modification	(1,255)	(357)	–
Lease termination	(240)	–	–
Payments	(3,400)	(7,281)	(3,445)
Carrying amount at end of the year/period	9,928	5,608	12,713
Analyzed into:			
Current portion	8,613	3,822	5,514
Non-current portion	1,315	1,786	7,199

(b) Lease liabilities

The maturity analysis of lease liabilities is disclosed in note 33 to the Historical Financial Information.

(c) The amounts recognized in profit or loss in relation to leases are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Interest on lease liabilities (note 7)	385	307	159	172
Depreciation charge of right-of-use assets	4,653	4,813	2,255	2,616
Loss on terminations of leases, net (note 6)	2	–	–	–
Expense relating to short-term leases of low-value assets (included in administrative expenses and research and development costs)	60	101	55	273
Total amount recognized in profit or loss	5,100	5,221	2,469	3,061

(d) The total cash outflow for leases is disclosed in note 29(c) to the Historical Financial Information.

The Company as a lessee

(a) Right-of-use assets

	Warehouses and office premises
	RMB'000
As at 1 January 2024	7,345
Additions	4,393
Lease modification	(1,255)
Lease termination	(242)
Depreciation charge	(3,305)
As at 31 December 2024 and 1 January 2025	6,936
Lease modification	(179)
Depreciation charge	(3,172)
As at 31 December 2025 and 1 January 2026	3,585
Depreciation charge	(1,566)
As at 30 June 2026	2,019

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January	6,866	7,440	2,918
New leases	4,393	–	–
Accretion of interest recognized during the year/period	328	221	50
Lease modification	(1,255)	(179)	–
Lease termination	(240)	–	–
Payments	(2,652)	(4,564)	(1,763)
Carrying amount at end of the year/period	7,440	2,918	1,205
Analyzed into:			
Current portion	6,455	2,918	1,205
Non-current portion	985	–	–

15. INTANGIBLE ASSETS

The Group

31 December 2024	**Software**
	RMB'000
At 1 January 2024:	
Cost	1,819
Accumulated amortization	(211)
Net carrying amount	1,608
At 1 January 2024, net of accumulated amortization	1,608
Additions	572
Amortization provided during the year (note 6)	(309)
At 31 December 2024, net of accumulated amortization	1,871
At 31 December 2024:	
Cost	2,370
Accumulated amortization	(499)
Net carrying amount	1,871

31 December 2025	**Software**
	RMB'000
At 1 January 2025:	
Cost	2,370
Accumulated amortization	(499)
Net carrying amount	1,871
At 1 January 2025, net of accumulated amortization	1,871
Additions	1,055
Amortization provided during the year (note 6)	(469)
At 31 December 2025, net of accumulated amortization	2,457
At 31 December 2025:	
Cost	3,425
Accumulated amortization	(968)
Net carrying amount	2,457

30 June 2026	**Software**
	RMB'000
At 1 January 2026:	
Cost	3,425
Accumulated amortisation	(968)
Net carrying amount	2,457
At 1 January 2026, net of accumulated amortisation	2,457
Additions	978
Amortisation provided during the period (note 6)	(270)
At 30 June 2026, net of accumulated amortisation	3,165
At 30 June 2026:	
Cost	4,403
Accumulated amortisation	(1,238)
Net carrying amount	3,165

The Company

31 December 2024	**Software**
	RMB'000
At 1 January 2024:	
Cost	690
Accumulated amortization	(148)
Net carrying amount	542
At 1 January 2024, net of accumulated amortization	542
Additions	331
Amortization provided during the year	(194)
At 31 December 2024, net of accumulated amortization	679
At 31 December 2024:	
Cost	1,000
Accumulated amortization	(321)
Net carrying amount	679

31 December 2025	**Software**
	RMB'000
At 1 January 2025:	
Cost	1,000
Accumulated amortization	(321)
Net carrying amount	679
At 1 January 2025, net of accumulated amortization	679
Amortization provided during the year	(288)
At 31 December 2025, net of accumulated amortization	391
At 31 December 2025:	
Cost	1,000
Accumulated amortization	(609)
Net carrying amount	391

30 June 2026	**Software**
	RMB'000
At 1 January 2026:	
Cost	1,000
Accumulated amortisation	(609)
Net carrying amount	391
At 1 January 2026, net of accumulated amortisation	391
Additions	564
Amortisation provided during the period	(145)
At 30 June 2026, net of accumulated amortisation	810
At 30 June 2026:	
Cost	1,564
Accumulated amortisation	(754)
Net carrying amount	810

16. INVENTORIES

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Raw materials and consumables	4,423	3,470	4,754
Work in progress	531	1,634	1,878
Finished goods	917	382	648
Total	5,871	5,486	7,280

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Raw materials and consumables	4,402	3,202	4,005
Work in progress	531	1,634	1,878
Finished goods	634	356	443
Total	5,567	5,192	6,326

17. TRADE RECEIVABLES

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	2,137	203	337
Impairment	(107)	(10)	(27)
Net carrying amount	2,030	193	310

The Group usually requires advance payment from distributors for the sales of goods. For a limited number of customers, the Group grants credit period of one month to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

An aging analysis of the trade receivables of the Group as at 31 December 2024, 2025 and 30 June 2026, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	2,030	3	130
1 to 2 years	–	190	–
2 to 3 years	–	–	180
Total	2,030	193	310

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year/period	18	107	10
Impairment losses, net (note 6)	89	(97)	17
At end of year/period	107	10	27

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on aging for groupings of various customer segments with similar loss patterns. The calculation reflects, as appropriate, the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each reporting period about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Gross carrying amount	2,137	203	337
Expected credit loss rate	5%	5%	8%
Expected credit losses	107	10	27

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables from third parties	2,137	200	324
Trade receivables from subsidiaries	3,694	9,668	9,668
Impairment	(107)	(10)	(26)
Net carrying amount	5,724	9,858	9,966

An aging analysis of the trade receivables of the Company as at 31 December 2024, 2025 and 30 June 2026, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	5,724	5,974	6,092
1 to 2 years	–	3,884	394
2 to 3 years	–	–	3,480
Total	5,724	9,858	9,966

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year/period	18	107	10
Impairment losses, net	89	(97)	16
At end of year/period	107	10	26

The Company assessed the estimated credit losses for its trade receivables due from subsidiaries are minimal. Set out below is the information about the credit risk exposure on the Company's trade receivables due from third parties using a provision matrix:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Gross carrying amount	2,137	200	324
Expected credit loss rate	5%	5%	8%
Expected credit losses	107	10	26

18. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Other receivables	1,467	1,617	2,264
Prepayment for property, plant and equipment	77	1,347	1,399
Tax recoverable	–	2,059	2,269
	1,544	5,023	5,932
Impairment	–	–	–
Total	1,544	5,023	5,932
Current			
Prepayments	1,416	3,410	7,495
Tax recoverable	3,934	2,135	1,920
Deferred **[REDACTED]** expense	–	1,110	2,773
Other receivables	418	73	281
	5,768	6,728	12,469
Impairment	–	–	–
Total	5,768	6,728	12,469

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Other receivables	1,045	1,045	1,040
Prepayment for property, plant and equipment	62	269	490
Impairment	–	–	–
Total	1,107	1,314	1,530
Current			
Due from subsidiaries	35,495	65,105	87,095
Prepayments	1,041	2,460	3,787
Tax recoverable	2,470	932	182
Deferred **[REDACTED]** expense	–	1,110	2,773
Other receivables	12	50	185
	39,018	69,657	94,022
Impairment	–	–	–
Total	39,018	69,657	94,022

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2024, 2025 and 30 June 2026, the loss allowance was assessed to be minimal.

19. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	12,733	53,116	159,988
Less: Restricted bank deposits	–	–	–
Cash and cash equivalents	12,733	53,116	159,988
Denominated in:			
RMB	11,201	52,237	159,040
United States Dollar ("US$")	1,503	847	896
Euro ("EUR")	25	27	26
Ruble("RUB")	4	5	5
Hong Kong Dollar ("HK$")			21
	12,733	53,116	159,988

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	12,536	50,874	135,923
Less: Restricted bank deposits	–	–	–
Cash and cash equivalents	12,536	50,874	135,923
Denominated in:			
RMB	11,004	49,995	134,996
US$	1,503	847	896
EUR	25	27	26
RUB	4	5	5
	12,536	50,874	135,923

20. TRADE PAYABLES

The Group

An ageing analysis of the trade payables as at 31 December 2024, 2025 and 30 June 2026, based on the invoice date, is as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,150	976	1,167
Over 1 year	122	198	142
Total	1,272	1,174	1,309

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,074	811	1,033
Over 1 year	122	197	120
Total	1,196	1,008	1,153

The trade payables are non-interest-bearing and are normally settled within 180 days.

21. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Deposits received from distributors (note(a))	5,570	6,475	4,520
Payables for property, plant and equipment	262	2,885	909
Accrued **[REDACTED]** expense	–	3,669	623
Other payables (note(b))	5,253	2,600	2,000
Payroll payable	12,407	8,588	10,851
Other tax payables	157	355	377
Output value added tax to be transferred	170	47	16
Total	23,819	24,619	19,296

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Due to subsidiaries	26,150	25,080	25,134
Deposits received from distributors (note(a))	5,570	6,475	4,520
Payables for property, plant and equipment	262	110	248
Accrued **[REDACTED]** expense	-	3,669	623
Other payables (note(b))	4,748	2,285	1,796
Payroll payable	9,465	6,643	8,790
Other tax payables	155	243	270
Output value added tax to be transferred	170	47	16
Total	46,520	44,552	41,397

Notes:

(a) It represented the deposits received from the distributors that will be refunded at the end of the contract period.

(b) Other payables are non-interest-bearing and have no fixed terms of settlement.

22. CONTRACT LIABILITIES

The Group and the Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	1,323	363	119

(a) Contract liabilities mainly include advances received from distributors for the sales of goods at the end of each of the reporting period. Contract liabilities are recognized as revenue upon the Group satisfying its obligations under the sales contracts.

23. INTEREST-BEARING BANK BORROWINGS

The Group and the Company

	As at 31 December 2024		
	Effective interest rate	*Maturity*	*RMB'000*
Current			
Bank loans – secured	3.30%-5.00%	2025	58,048
Analyzed into:			
Within one year			58,048

	As at 31 December 2025		
	Effective interest rate	*Maturity*	*RMB'000*
Current			
Bank loans – unsecured	2.60%-3.20%	2026	55,035
Bank loans – secured	2.75%-3.70%	2026	20,018
			75,053
Analyzed into:			
Within one year			75,053

	As at 30 June 2026		
	Effective interest rate	*Maturity*	*RMB'000*
Current			
Bank loans – unsecured	2.58%-3.00%	2026/2027	55,035
Bank loans – secured	2.85%-3.00%	2026	20,016
			75,051
Analysed into:			
Within one year			75,051

The Group's bank loans as at 31 December 2024, 2025 and 30 June 2026 were denominated in RMB and the carrying amounts approximate to their fair values.

As at 31 December 2024 and 2025, the Company's director, Mr. Zuo Yuxing, has guaranteed certain of the Group's bank loans up to RMB61,000,000 and RMB22,000,000, respectively (note 30).

As at 31 December 2024, 2025 and 30 June 2026, the Group's bank loans in the amount of RMB38,000,000, RMB20,000,000 and RMB20,000,000, respectively, were secured by the mortgages over the Group's patents.

24. PROVISOIN

	Warranties
	RMB'000
At 1 January 2024, 31 December 2024 and 1 January 2025	–
Additional provision	732
Amounts utilised during the year	(12)
At 31 December 2025 and 1 January 2026	720
Additional provision	165
Amounts utilised during the period	(141)
At 30 June 2026	744

25. PAID-IN CAPITAL/SHARE CAPITAL

The Group and the Company

Share capital

A summary of movements in the share capital is as follows:

	Share capital
	RMB'000
As at 1 January 2026	–
Issue of ordinary shares upon conversion into a joint stock company of RMB1.00 each	15,642
Issue of shares	2,074
As at 30 June 2026	17,716

On 12 January 2026, the Company converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as of the conversion base date, including the paid-in capital, capital reserves and accumulated losses, were converted into 15,642,000 ordinary shares of RMB1.00 each.

On 19 January 2026, resolution was passed by the shareholders approving, among others, the share subdivision, whereby each of the shares with a nominal value of RMB1.00 each shall be sub-divided into 10 shares with a nominal value of RMB0.10 each, and such share subdivision shall take effect immediately before the **[REDACTED]**, upon which the registered capital of the Company shall be divided into 156,422,000 shares with a nominal value of RMB0.10 per share.

During the six months ended 30 June 2026, the Company issued 2,074,000 shares for cash consideration of RMB175,000,000, which has increased the share capital and capital reserve by RMB2,074,000 and RMB172,926,000, respectively.

Paid-in capital

A summary of movements in the paid-in capital is as follows:

	Paid-in capital
	RMB'000
As at 1 January 2024, 31 December 2024 and 1 January 2025	14,220
Capital contribution by shareholders	1,422
As at 31 December 2025 and 1 January 2026	15,642
Conversion into a joint stock company	(15,642)
As at 30 June 2026	–

During the year ended 31 December 2025, the Company received capital contribution for cash consideration of RMB120,000,000, which has increased the paid-in capital and capital reserve by RMB1,422,000 and RMB118,578,000, respectively.

Pursuant to the shareholders agreement entered into between the Company and its shareholders on 15 December 2016 to 18 November 2025 (collectively, the "Agreements"), the Company issued 9,216,000 ordinary shares to certain shareholders (collectively the "Pre-**[REDACTED]** Investors") for a total net cash proceed approximately RMB341,105,000 (collectively the "Pre-**[REDACTED]** Investments"). Pursuant to the Agreements, the Pre-**[REDACTED]** Investors were granted by the Company with certain special rights included redemption rights.

There was no exercise of redemption rights granted by the Company throughout the Relevant Periods.

On 30 December 2025, the Company and the Pre-**[REDACTED]** Investors subsequently entered into supplemental agreements, agreeing that the redemption rights granted by the Company to Pre-**[REDACTED]** investors, have been irrecoverably terminated on the day before the first filing of the **[REDACTED]** application 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 redemption rights granted by the Company to the Pre-**[REDACTED]** Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements.

(i) the redemption financial liabilities, total current liabilities, net current liabilities, and net deficits would have been:

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Redemption financial liabilities	287,048	443,706
Total current liabilities	380,123	549,457
Net current liabilities	(353,721)	(483,934)
Net deficits	(331,917)	(451,086)

(ii) the finance costs associated with the redemption financial liabilities, the net loss, basic and dilutive loss per share would have been:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Finance costs associated with the redemption financial liabilities	20,276	26,843	12,783	3,379
Total net loss	(86,233)	(115,173)	(50,452)	(71,706)
Basic and dilutive loss per share (RMB per share)	(0.61)	(0.77)	(0.34)	(0.43)

26. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods and six months ended 30 June 2025 are presented in the consolidated statements of changes in equity.

Capital reserve

Capital reserve comprises the difference between the par value of paid-in capital/the shares issued and the consideration received.

Share award reserve

The share award reserve of the Group represents the fair value of equity-settled share-based payments as detailed in note 27 to the Historical Financial Information.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods and six months ended 30 June 2025 are as follows:

	Capital reserve	Share award reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	208,290	19,584	(201,897)	25,977
Loss for the year	–	–	(45,174)	(45,174)
Total comprehensive loss for the year	–	–	(45,174)	(45,174)
Equity-settled share award arrangements	–	1,244	–	1,244
As at 31 December 2024 and 1 January 2025	208,290	20,828	(247,071)	(17,953)
Loss for the year	–	–	(69,236)	(69,236)
Total comprehensive loss for the year	–	–	(69,236)	(69,236)
Capital contribution by shareholders	118,578	–	–	118,578
Equity-settled share award arrangements	–	5,819	–	5,819
As at 31 December 2025 and 1 January 2026	326,868	26,647	(316,307)	37,208
Loss for the period	–	–	(53,458)	(53,458)
Total comprehensive loss for the period	–	–	(53,458)	(53,458)
Conversion into a joint stock company	(287,678)	–	287,678	–
Issue of shares	172,926	–	–	172,926
Equity-settled share award arrangements	–	14,844	–	14,844
At 30 June 2026	212,116	41,491	(82,087)	171,520

	Capital reserve	Share award reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024 and 1 January 2025	208,290	20,828	(247,071)	(17,953)
Loss for the period	–	–	(33,037)	(33,037)
Total comprehensive loss for the period	–	–	(33,037)	(33,037)
Capital contribution by shareholders	69,170	–	–	69,170
Equity-settled share award arrangements	–	365	–	365
At 30 June 2025 (unaudited)	277,460	21,193	(280,108)	18,545

27. SHARE-BASED PAYMENTS

The Company operates share-based payment scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees of the Group indirectly hold shares of the Company through Zhoushan Aizhong Management Consulting Partnership Enterprise (Limited Partnership) (hereinafter referred to as "Employee Stock Ownership Platform") to achieve employee incentive purposes.

In April 2019, the Employee Stock Ownership Platform subscribed for 15,400 shares (equivalent to 92,797 shares after the capitalization of capital reserve in June 2020) of the Company at a nominal value and acquired 101,100 shares (equivalent to 609,203 shares after the capitalization of capital reserve in June 2020) of the Company from a shareholder at a nominal value. In August 2021, the Employee Stock Ownership Platform subscribed for 389,591 shares of the Company at a nominal value. The shares held by the Employee Stock Ownership Platform were used for share-based payment scheme.

Share Option

On 4 September 2019, 8 January 2021, 18 February 2021, 11 July 2021, 17 December 2021, 17 April 2022, 15 July 2022, 12 June 2023, 2 July 2023 and 28 November 2023, the Group granted share options of the Company through the Employee Stock Ownership Platform to eligible employees.

All of the share options granted shall be subject to both a **[REDACTED]**-based condition (the "**[REDACTED]** Condition") as well as service and performance conditions. The **[REDACTED]** Condition would be satisfied when the ordinary shares of the Company are successfully listed on a recognized stock exchange.

The options were exercised for restricted shares prior to the Relevant Periods and there were 349,552, 344,023 and 344,023 restricted shares outstanding as at 31 December 2024, 2025 and 30 June 2026.

Restricted shares

On 29 December 2020, 7 September 2021, 28 September 2021, 26 March 2024, 1 January 2025, 15 September 2025, 1 November 2025 and 26 December 2025, the Group granted restricted shares of the Company through the Employee Stock Ownership Platform to eligible employees.

All of the restricted shares granted shall be subject to both a **[REDACTED]**-based condition (the "**[REDACTED]** Condition") as well as service and performance conditions. The **[REDACTED]** Condition would be satisfied when the ordinary shares of the Company are successfully listed on a recognized stock exchange.

In January 2026, the Group cancelled the performance conditions for the restricted shares granted on 26 March 2024 which will be vested as long as the **[REDACTED]** Condition and service conditions are met.

The fair values of the restricted shares granted on 1 January 2025, 15 September 2025, 1 November 2025 and 26 December 2025 were based on recent transaction prices. The fair values of the restricted shares granted on 26 March 2024, were estimated as at the grant date by using discount cash flow method and backsolve method, taking into account the terms and conditions upon which the restricted shares were granted. The key assumptions used in the valuation on 26 March 2024 are as follows:

	2024
The pre-tax discount rate	16.00%
Terminal growth rate	2.30%
Discount for Lack Of Marketability	15.00%

The restricted shares granted and outstanding during the Relevant Periods are as follows:

	Number of shares
As at 1 January 2024	139,682
Granted during the year	163,436
Forfeited during the year	(67,808)
As at 31 December 2024 and 1 January 2025	235,310
Granted during the year	455,042
Forfeited during the year	(138,926)
As at 31 December 2025 and 1 January 2026	551,426
Addition during the period	47,993
As at 30 June 2026	599,419

The aforesaid transactions have been accounted for as share-based payment transactions. During the years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, the Group has recognized RMB1,244,000, RMB5,819,000, RMB365,000 (unaudited) and RMB14,844,000 as share-based payment expenses.

28. COMMITMENTS

The Group had the following contracted commitments at the end of the Relevant Periods:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	–	730	1,304

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB7,173,000, RMB3,011,000, RMB3,011,000 (unaudited) and RMB10,378,000, respectively, in respect of lease arrangements for office premises and warehouses.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2024	12,013	7,265	19,278
Changes from financing cash flows	44,688	(3,400)	41,288
New leases	–	7,173	7,173
Lease modification	–	(1,255)	(1,255)
Lease termination	–	(240)	(240)
Interest expense	1,347	385	1,732
As at 31 December 2024 and 1 January 2025	58,048	9,928	67,976
Changes from financing cash flows	14,763	(7,281)	7,482
New leases	–	3,011	3,011
Lease modification	–	(357)	(357)
Interest expense	2,242	307	2,549
As at 31 December 2025 and 1 January 2026	75,053	5,608	80,661
Changes from financing cash flows	(1,006)	(3,445)	(4,451)
New leases	–	10,378	10,378
Interest expense	1,004	172	1,176
As at 30 June 2026	75,051	12,713	87,764
At 1 January 2025	58,048	9,928	67,976
Changes from financing cash flows	5,959	(3,858)	2,101
New leases	–	3,011	3,011
Lease modification	–	(358)	(358)
Interest expense	1,037	159	1,196
As at 30 June 2025 (unaudited)	65,044	8,882	73,926

(c) Total cash outflows for leases

The total cash outflows for leases included in the statements of cash flows is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Within operating activities	60	101	55	273
Within financing activities	3,400	7,281	3,858	3,445
	3,460	7,382	3,913	3,718

30. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel of the Group:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	4,558	7,093	3,689	4,130
Performance related bonuses	1,240	2,230	1,106	896
Pension scheme contributions	312	395	207	197
Equity-settled share award expense	632	3,053	(179)	9,168
Total compensation paid to key management personnel	6,742	12,771	4,823	14,391

Further details of directors', supervisor's and the chief executive's remuneration are included in note 8 to the Historical Financial Information.

(b) Other transactions with related parties:

As at 31 December 2024 and 2025, the Company's director, Mr. Zuo Yuxing, has guaranteed certain of the Group's bank loans up to RMB61,000,000 and RMB22,000,000, respectively. The guarantee period is from 10 November 2024 to 29 September 2028. The guarantee has been released on 5 January 2026.

(c) Redemption rights of the Pre-**[REDACTED]** Investors granted by Mr. Zuo Yuxing

Pursuant to the shareholders agreement entered into between the Company and its shareholders on 15 December 2016 to 18 November 2025, certain Pre-**[REDACTED]** Investors had been granted the special rights including redemption right by Mr. Zuo Yuxing. Pursuant to another supplemental agreement entered into by the Company and the shareholders in December 2025, the redemption rights granted by Mr. Zuo Yuxing was terminated the day before the initial submission to The Stock Exchange of Hong Kong Limited.

The Company has not provided any form of guarantee in connection with any potential failure of Mr. Zuo Yuxing to fulfill their obligations relating to the redemption rights granted by Mr. Zuo Yuxing. Accordingly, as the redemption rights by Mr. Zuo Yuxing do not constitute any obligation of the Company, no financial liability regarding such rights was recorded by the Company during Relevant Periods.

31. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 December 2024 and 2025 and 30 June 2026 are as follows:

Financial assets

As at 31 December 2024

	Financial assets at amortized cost
	RMB'000
Trade receivables	2,030
Financial assets included in prepayments, other receivables and other assets	1,885
Cash and cash equivalents	12,733
	16,648

As at 31 December 2025

	Financial assets at amortized cost
	RMB'000
Trade receivables	193
Financial assets included in prepayments, other receivables and other assets	1,690
Cash and cash equivalents	53,116
	54,999

As at 30 June 2026

	Financial assets at amortized cost
	RMB'000
Trade receivables	310
Financial assets included in prepayments, other receivables and other assets	2,545
Cash and cash equivalents	159,988
	162,843

Financial liabilities

As at 31 December 2024

	Financial liabilities at amortized cost
	RMB'000
Trade payables	1,272
Financial liabilities included in other payables and accruals	11,085
Interest-bearing bank borrowings	58,048
	70,405

As at 31 December 2025

	Financial liabilities at amortized cost
	RMB'000
Trade payables	1,174
Financial liabilities included in other payables and accruals	15,629
Interest-bearing bank borrowings	75,053
	91,856

As at 30 June 2026

	Financial liabilities at amortised cost
	RMB'000
Trade payables	1,309
Financial liabilities included in other payables and accruals	8,052
Interest-bearing bank borrowings	75,051
	84,412

32. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, financial assets included in prepayments, other receivables and other assets, trade receivables, trade payables, interest-bearing bank borrowings, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the financial controller. At each reporting date, the finance department analyzes the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the financial controller. The valuation process and results are discussed with the directors of the Company periodically for financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. During the Relevant Periods, the Group has no financial assets or financial liabilities measured at fair values.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, other receivables, trade payables and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. To keep the Group's exposure to these risks at a minimum, the Group has not used any derivatives or other instruments for hedging purposes. The directors of the Company review and agree policies for managing each of these risks and they are summarized below.

Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, trade receivables and financial assets included in prepayments, other receivables and other assets. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group trades mainly with recognized and creditworthy third parties. It is the Group'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 on-going basis.

Maximum exposure and year/period-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on aging information unless other information is available without undue cost or effort, and year/period-end staging classification. The amounts presented are gross carrying amounts for financial assets.

31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	2,137	2,137
Prepayments, other receivables and other assets – Normal**	1,885	–	–	–	1,885
Cash and cash equivalents	12,733	–	–	–	12,733
	14,618	–	–	2,137	16,755

31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	203	203
Prepayments, other receivables and other assets – Normal**	1,690	–	–	–	1,690
Cash and cash equivalents	53,116	–	–	–	53,116
	54,806	–	–	203	55,009

30 June 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	337	337
Prepayments, other receivables and other assets – Normal**	2,545	–	–	–	2,545
Cash and cash equivalents	159,988	–	–	–	159,988
	162,533	–	–	337	162,870

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 17 to the Historical Financial Information.

** The credit quality of 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".

Liquidity risk

In managing liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at 31 December 2024 and 2025 and 30 June 2026, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2024			
	On demand	Within 1 year	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	–	1,272	–	1,272
Financial liabilities included in other payables and accruals	11,085	–	–	11,085
Lease liabilities	–	6,871	3,382	10,253
Interest-bearing bank borrowings	–	59,124	–	59,124
	11,085	67,267	3,382	81,734

	As at 31 December 2025			
	On demand	Within 1 year	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	–	1,174	–	1,174
Financial liabilities included in other payables and accruals	15,629	–	–	15,629
Lease liabilities	–	4,279	1,873	6,152
Interest-bearing bank borrowings	–	75,898	–	75,898
	15,629	81,351	1,873	98,853

	As at 30 June 2026			
	On demand	Within 1 year	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	–	1,309	–	1,309
Financial liabilities included in other payables and accruals	8,052	–	–	8,052
Lease liabilities	–	6,070	7,483	13,553
Interest-bearing bank borrowings	–	76,670	–	76,670
	8,052	84,049	7,483	99,584

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

The Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a gearing ratio, which is total liabilities divided by total assets. The gearing ratios as at 31 December 2024 and 2025 and 30 June 2026 were as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Total liabilities	94,390	107,537	109,232
Total assets	49,521	100,157	223,369
Gearing ratio	191%	107%	49%

34. INVESTMENT IN SUBSIDIARIES

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Investments, at cost	32,000	35,000	57,300
Accumulated impairment	(1,000)	(5,521)	(5,521)
	31,000	29,479	51,779

Some subsidiaries incurred losses or only carried out limited operational activities. The management has performed impairment testing for investment in subsidiaries which has impairment indicators as at each of the Relevant Periods. Accumulated impairment of RMB1,000,000, RMB5,521,000 and RMB5,521,000 was recognized for the investment in Shanghai Tangji Shuchuang Technology Co., Ltd. and Qingdao Tangji Shukang Technology Co., Ltd. as at 31 December 2024 and 2025 and 30 June 2026, respectively.

Tianjin Tangji Shuxiang Health Technology Co., Ltd. will focus on the commercialization of the products and serve as the sales centres. Quzhou Jikang Medical Technology Co., Ltd. is the manufacturing platform and expected to begin mass production in 2026. Tongee Medical Global (Hong Kong) Limited, Jiangsu Tangji Jixiang Health Technology Co., Ltd and Sichuan Tangji Medical Technology Co., Ltd were newly established and had no impairment indicators. The management of the Company expects these subsidiaries will generate sufficient profits in the foreseeable future with the commercialization of new products and improvement in sales and business scale. Based on the assessment performed by the Company, no impairment for the investment in these subsidiaries was required during the Relevant Periods.

35. EVENTS AFTER THE REPORTING PERIOD

There are no significant subsequent events undertaken by the Company after 30 June 2026.

36. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or its subsidiaries in respect of any period subsequent to 30 June 2026.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

This Appendix sets out a summary of the main provisions of the Articles of Association adopted by us in January 2026, which will take effect on the date of the **[REDACTED]** of the H Shares on the Hong Kong Stock Exchange. This Appendix is primarily intended to provide potential investors with an overview of the Company's Articles of Association, and therefore may not include all information that may be material to potential investors.

1 Directors and the Board of Directors

(1) Power to Allot and Issue Shares

The Articles of Association do not contain any provisions empowering the Board of Directors to allot or issue shares. The Board of Directors shall prepare a proposal for the allotment or issuance of shares, which shall be adopted by the Shareholders in general meeting by way of a special resolution before it can be effected. Any such allotment or issuance shall be conducted in accordance with the procedures prescribed by applicable laws, administrative regulations and the regulatory requirements of the place where the shares are listed.

(2) Power to Dispose of Assets of the Company or Any Subsidiary

The Board of Directors shall determine the authority limits for matters including external investment, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions and external donations, and establish stringent review and decision-making procedures. Major investment projects shall be evaluated by relevant experts and professionals and submitted to the shareholders' general meeting for approval.

(3) External Guarantees

The following external guarantee activities of the Company shall be submitted to the shareholders' general meeting for approval:

(i) any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the net assets as calculated based on the most recent audited financial statements;

(ii) any guarantee provided after the total external guarantees of the Company exceed 30% of the total assets as calculated based on the most recent audited financial statements;

(iii) guarantees where the aggregate guarantee amount provided by the Company within one year exceeds 30% of the total assets of the Company as calculated based on the most recent audited financial statements;

(iv) guarantees provided to a guarantee object whose asset-liability ratio exceeds 70%;

(v) guarantees where the amount of a single guarantee exceeds 10% of the net assets as calculated based on the most recent audited financial statements;

(vi) guarantees provided to Shareholders, actual controllers and their connected parties;

(vii) other guarantee circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association to be adopted by the shareholders' general meeting.

(4) Financial Assistance for the Purchase of Shares of the Company or Any of Its Subsidiaries

Neither the Company nor its subsidiaries (including the Company's affiliated companies) shall provide financial assistance in the form of gift, advance of funds, guarantee, loan, etc. to others for the acquisition of shares of the Company or its parent company, except for the implementation of employee stock ownership plans or equity incentives by the Company.

(5) Remuneration

The appointment and removal of the members of the Board of Directors and their remuneration and method of payment shall be adopted by the shareholders' general meeting by way of an ordinary resolution.

(6) Appointment, Resignation and Removal

The Board of Directors shall be composed of six Directors, including three independent non-executive Directors. The Board of Directors shall have one Chairman. Directors shall be elected by the shareholders' general meeting.

The Chairman shall be elected or removed by a majority of all the Directors. The term of office of a Director is three years. Upon the expiration of the term of office of a Director, if Shareholders continue to nominate him/her as a Director or the shareholders' general meeting continues to elect him/her as a Director, he/she may be re-elected.

Under any of the following circumstances, a person cannot serve as a Director of the Company:

(i) without civil capacity or with limited civil capacity;

(ii) having been sentenced to criminal penalties for corruption, bribery, embezzlement of property, misappropriation of property or disruption of the socialist market economic order, or having been deprived of political rights due to a criminal offence, where less than five years have elapsed since the completion of the sentence; or, in the case of a probation, where less than two years have elapsed since the completion of the probation period;

(iii) having served as a Director, factory Director or manager of a company or enterprise that underwent bankruptcy liquidation, and being personally liable for the bankruptcy of such company or enterprise, where less than three 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 that had its business license revoked or was ordered to close down due to a violation of law, and being personally liable therefor, where less than three years have elapsed since the date of revocation of the business license or closure order of such company or enterprise;

(v) being listed by a People's Court as a dishonest person subject to enforcement due to failure to repay a relatively large amount of due debt;

(vi) being subject to securities market ban measures imposed by the China Securities Regulatory Commission prohibiting him/her from serving as a Director or senior management of a company, where the period has not yet expired;

(vii) being publicly determined by a stock exchange as unsuitable to serve as a Director or senior management officer of a listed company, where the specified period has not expired;

(viii) other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed.

Any election, nomination or appointment of a Director in violation of the provisions of this Article shall be invalid. Where a Director falls under any of the circumstances set out in this article during his or her term of office, the Company shall remove such Director from office and terminate his or her performance of duties.

(8) Liabilities

Directors shall comply with the provisions of laws, administrative regulations, the Articles of Association, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, and shall owe the following duties of fidelity to the Company:

(i) shall not misappropriate the property of the Company or misappropriate the funds of the Company;

(ii) shall not deposit the funds of the Company in an account opened in his/her own name or in the name of any other individual;

(iii) shall not take bribes or other illegal income by abusing his/her powers;

(iv) no Director may, directly or indirectly, enter into a contract or transaction with the Company without prior reporting to the Board of Directors or the shareholders' general meeting and obtaining approval by a resolution of the Board of Directors or the shareholders' general meeting in accordance with the provisions of the Articles of Association;

(v) shall not seek commercial opportunities belonging to the Company for himself/herself or others by taking advantage of his/her position, unless he/she has reported to the Board of Directors or the shareholders' general meeting and the same has been adopted by a resolution of the shareholders' general meeting, or the Company cannot utilize such commercial opportunity according to the provisions of laws, administrative regulations or the Articles of Association;

(vi) shall not operate, either for himself/herself or for others, any business similar to that of the Company without reporting to the Board of Directors or the shareholders' general meeting and obtaining approval by a resolution of the shareholders' general meeting;

(vii) shall not take commissions from transactions between others and the Company into his/her own possession;

(viii) shall not disclose the secrets of the Company without authorization;

(ix) shall not use his/her connected relationship to harm the interests of the Company;

(x) other duties of fidelity stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The income derived by a Director in violation of the above provisions shall belong to the Company; if the Company suffers any loss, the Director shall be liable for compensation.

Directors shall comply with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and owe the duty of diligence to the Company, and when performing their duties, shall exercise the reasonable care that a manager should ordinarily possess for the maximum interests of the Company.

Directors owe the following duties of diligence to the Company:

(i) shall exercise the rights conferred by the Company with prudence, seriousness and diligence, so as to ensure that the commercial activities of the Company comply with the requirements of national laws, administrative regulations and various national economic policies, and that the business activities do not exceed the business scope specified in the business license;

(ii) shall treat all Shareholders fairly;

(iii) shall timely understand the status of the Company's business operations and management;

(iv) shall sign a written confirmation opinion on the periodic reports of the Company and guarantee that the information disclosed by the Company is true, accurate and complete;

(v) shall truthfully provide relevant circumstances and materials to the Audit Committee and shall not hinder the Audit Committee from exercising its powers and functions;

(vi) other duties of diligence prescribed by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Without the provision in the Articles of Association or the lawful authorization of the Board of Directors, no Director may act in the name of the Company or the Board of Directors in his/her personal name. When a Director acts in his/her personal name, if a third party would reasonably consider that the Director is acting on behalf of the Company or the Board of Directors, the Director shall declare his/her position and identity in advance.

Where a Director or senior management member violates any provision of laws, administrative regulations or the Articles of Association when performing the duties of the Company and causes loss to the Company, a Shareholder or Shareholders who have held 1% or more of the shares of the Company individually or jointly for a consecutive period of 180 days or more may request the Audit Committee in writing to file a lawsuit with the People's Court. Where the Audit Committee violates the provisions of laws, administrative regulations or the Articles of Association when performing its duties and causes loss to the Company, Shareholders may request the Board of Directors in writing to file a lawsuit with the People's Court.

Where the Audit Committee or the Board of Directors refuses to file a lawsuit after receiving the written request from the Shareholders mentioned in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receipt of the request, or in case of emergency where immediate failure to file a lawsuit would cause irreparable damage to the interests of the Company, the Shareholders mentioned in the preceding paragraph may file a lawsuit directly with the court in their own names for the benefit of the Company.

Where any other person infringes upon the legitimate rights and interests of the Company and causes loss to the Company, the Shareholders specified in the Articles of Association may file a lawsuit with a court having jurisdiction in accordance with the provisions of the preceding two paragraphs.

2 Amendment of Articles of Association

The Company may amend the Articles of Association in accordance with the provisions of laws, administrative regulations and the Articles of Association.

Where the amendment to the Articles of Association passed by a resolution of the shareholders' general meeting is subject to approval by the competent authority, the relevant amendment shall be submitted to the competent authority for approval. Where the amendment to the Articles of Association involves registered matters, the registration change shall be handled in accordance with the procedures prescribed by laws.

3 Special Resolutions to be Passed by an Overwhelming Majority of Votes

Resolutions of the shareholders' general meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution of the shareholders' general meeting shall be passed by a majority of more than half of the voting rights held by the Shareholders (including Shareholders' proxies) present at the shareholders' general meeting.

A special resolution of the shareholders' general meeting shall be passed by a majority of more than two-thirds of the voting rights held by the Shareholders (including Shareholders' proxies) present at the shareholders' general meeting.

4 Voting Rights

All shares held by the Shareholders of the Company are ordinary shares and carry no special voting rights. Shareholders (including proxies) shall exercise voting rights based on the number of shares with voting rights they represent, and each share is entitled to one vote.

When voting at the shareholders' general meeting, Shareholders (including proxies) have the right to exercise voting rights based on the number of shares with voting rights they hold, and each share is entitled to one vote.

Shares held by the Company in itself carry no voting rights and shall not be counted in the total number of voting shares present at the shareholders' general meeting.

5 Provisions Relating to Shareholders' General meetings

Shareholders' general meetings shall be classified as shareholders' annual general meetings and Shareholders' extraordinary general meetings. The shareholders' annual general meeting shall be held once every year and shall be held within six months after the end of the preceding financial year.

When a shareholders' general meeting is held, all Shareholders registered in the register of members on the record date of shares or their proxies are entitled to attend the meeting and exercise voting rights in accordance with applicable laws, regulations and the Articles of Association, unless any individual Shareholder is required to abstain from voting on specific matters under the provisions of the Listing Rules.

6 Accounting and Audit

(1) Financial and Accounting Policies

The Company shall formulate its financial and accounting systems in accordance with applicable laws, administrative regulations and the provisions of relevant State departments.

The Company shall disclose the annual performance announcement within three months from the date of the end of each accounting year, and shall complete the preparation and disclosure of the annual report within four months from the date of the end of each accounting year and at least 21 days before the date of the shareholders' annual general meeting. The Company shall disclose the interim performance announcement within two months from the date of the end of the first six months of each accounting year, and shall complete the preparation and disclosure of the interim report within three months from the date of the end of the first six months of each accounting year, subject to review and verification in accordance with applicable laws.

The Company shall not establish any accounting books except the statutory accounting books. The Company's assets shall not be deposited in any account opened in the name of an individual.

(2) Appointment and Dismissal of Auditors

The Company shall engage an accounting firm that complies with the Securities Law, the Listing Rules and other securities regulatory rules of the place where the Company's shares are listed to conduct the auditing of accounting statements, verification of net assets and other related advisory services. The engagement term shall be one year and shall be renewed.

The Company's appointment and dismissal of an accounting firm must be decided by the shareholders' general meeting. The Board of Directors shall not appoint an accounting firm prior to a decision by the shareholders' general meeting. The audit fees of the accounting firm shall be determined by the shareholders' general meeting.

The Company undertakes to provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial and accounting statements and other accounting materials, and shall not refuse, conceal or make false reports.

When the Company dismisses or does not renew the engagement of an accounting firm, it shall provide the accounting firm with 15 days' prior notice. When the shareholders' general meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to present its views. Where an accounting firm resigns, it shall explain to the shareholders' general meeting whether there are any improper circumstances involving the Company.

7 Notices and Agenda of Shareholders' General meetings

The shareholders' general meeting is the organ of power of the Company and may perform its duties and exercise its powers in accordance with the law. Under any of the following circumstances, the Company shall convene a shareholders' extraordinary general meeting within two months:

(i) when the number of Directors falls below the number required by the Company Law or two-thirds of the number stipulated in the Articles of Association;

(ii) when the Company's uncovered losses reach one-third of the total share capital;

(iii) upon the written request of Shareholder(s) holding 10% or more of the Company's shares individually or collectively;

(iv) when the Board of Directors deems it necessary;

(v) when the Audit Committee proposes to convene a meeting;

(vi) other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Where the Board of Directors agrees to convene a shareholders' extraordinary general meeting, it shall issue a notice of convening such meeting within five days after the Board of Directors resolution is made. For a proposal by the Audit Committee to convene a shareholders' extraordinary general meeting, if the Board of Directors disagrees to convene the meeting or fails to provide feedback within 10 days after receiving the proposal, the Board of Directors shall be deemed unable or failing to perform the duty of convening a shareholders' general meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders holding 10% or more of the shares individually or jointly may request in writing the convening of a shareholders' extraordinary general meeting. Where the Board of Directors fails to issue a notice of convening the meeting within 10 days after receiving the aforementioned written request, or refuses to convene the meeting, the Shareholders making the request may request in writing the Audit Committee to convene the meeting.

Where the Supervisory Board fails to issue a notice of convening the meeting within five days after receiving the aforementioned written request, Shareholders who individually or collectively hold 10% or more of the shares for a consecutive period of more than 90 days may convene and preside over the meeting on their own.

When the Company convenes a shareholders' general meeting, the Board of Directors and Shareholders holding more than 1% of the shares of the Company individually or jointly have the right to submit proposals 10 days prior to the convening of the meeting.

The Company shall issue a written notice 21 days prior to the convening of a shareholders' general meeting. The Company shall issue a written notice 15 days prior to the convening of a shareholders' extraordinary general meeting. When calculating the commencement period of the aforementioned "21 days" and "15 days", the Company shall exclude the day of the meeting.

The notice of a shareholders' general meeting shall be made in writing and shall include the following contents:

(i) the time, venue and duration of the meeting;

(ii) the matters and proposals to be considered at the meeting;

(iii) a clear statement in prominent characters: All Shareholders are entitled to attend shareholders' general meetings and may appoint proxies in writing to attend the meetings and vote on their behalf, and such proxies need not be Shareholders of the Company;

(iv) the record date for determining Shareholders entitled to attend the shareholders' general meeting;

(v) the name and telephone number and address of the standing contact person for the meeting;

(vi) the time and procedures for voting by means of online or other methods;

(vii) other requirements prescribed by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The notice and supplementary notice of a shareholders' general meeting shall disclose full and complete details of all proposals, as well as all information or explanations necessary to enable Shareholders to make informed judgments on the matters to be discussed. Where the matters to be discussed require the opinion of independent non-executive Directors, the notice or supplementary notice of the shareholders' general meeting shall simultaneously disclose the opinions and reasons of the independent non-executive Directors.

Resolutions of the shareholders' general meeting include ordinary resolutions and special resolutions. The following matters shall be adopted by the shareholders' general meeting by way of an ordinary resolution:

(i) the work report of the Board of Directors;

(ii) the profit distribution plan and loss recovery plan formulated by the Board of Directors;

(iii) the appointment and removal of members of the Board of Directors and their remuneration and method of payment;

(iv) the engagement and dismissal of the accounting firm that provides regular audit services to the Company, and the determination of its remuneration;

(v) the annual report of the Company;

(vi) other matters not required by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association to be adopted by a special resolution.

The following matters shall be adopted by the shareholders' general meeting by way of a special resolution:

(i) increase or decrease of the Company's registered capital;

(ii) merger, division, spin-off, dissolution, liquidation or change in the Company's form;

(iii) amendment of the Articles of Association;

(iv) purchase or disposal of major assets, or provision of guarantees to others, by the Company within one year, where the amount exceeds 30% of the total assets of the Company as calculated based on the most recent audited financial statements;

(v) equity incentive plans;

(vi) other matters required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association and those are determined by an ordinary resolution of the shareholders' general meeting as having a material impact on the Company and requiring adoption by a special resolution.

Where any resolution of the shareholders' general meeting or the Board of Directors violates laws or administrative regulations, Shareholders have the right to request a court to declare it invalid.

Where the convening procedures or voting methods of the meetings of the shareholders' general meeting or the Board of Directors violate any laws, administrative regulations or the Articles of Association, or if the content of the resolution violates the Articles of Association, any Shareholder has the right to request a court to revoke it within 60 days from the date of the resolution.

8 Transfer of Shares

Shares issued by the Company before its public **[REDACTED]** shall not be transferred within one year as of the date of listing and trading of the Company's shares on a stock exchange.

The Directors and senior management officer of the Company shall report to the Company the shares of the Company held by them and changes therein. During their term of office, the number of shares transferred each year shall not exceed 25% of the total shares of the Company held by them; the shares of the Company held by them shall not be transferred within one year from the date of listing and trading of the shares of the Company. The aforementioned persons shall not transfer the shares they hold in the Company within six months after leaving their positions.

9 Right of the Company to Purchase Its Outstanding Shares

The Company shall not repurchase its own shares. However, the exceptions are as follows:

(i) reduction of the Company's registered capital;

(ii) merger with another company holding shares of the Company;

(iii) use of shares for employee stock ownership scheme or equity incentives;

(iv) where Shareholders demand that the Company repurchase their shares due to objection to resolutions on the Company's merger or division adopted by the Shareholders' General meeting;

(v) use of shares for conversion of corporate bonds issued by the Company that are convertible into shares;

(vi) where it is necessary for the Company to preserve its value and Shareholders' rights;

(vii) other circumstances permitted by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, etc.

Where the Company repurchases its own shares, it shall be conducted in accordance with relevant laws and regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Company may repurchase its own shares through open centralized trading methods or through methods recognized by relevant laws, administrative regulations, the Hong Kong Listing Rules, the China Securities Regulatory Commission and other securities regulatory rules of the place where the Company's shares are listed.

After the Company repurchases shares, it shall fulfill the information disclosure obligations in accordance with relevant provisions such as laws, administrative regulations, rules, normative documents and the Listing Rules. Where the relevant regulatory rules of the place where the Company's shares are listed have other provisions on matters related to share repurchase, such provisions shall prevail.

10 Power of Any Subsidiary of the Company to Hold Shares in Its Parent Company

There are no relevant provisions in the Articles of Association regarding a subsidiary of the Company holding shares in its parent company.

11 Dividends and Other Forms of Distribution

The Company attaches importance to reasonable returns on investment for Shareholders, and profit distribution shall follow the principles of emphasizing reasonable investment returns for Shareholders and benefiting the long-term development of the Company. The Company's profit distribution policy shall maintain continuity and stability and comply with the relevant provisions of laws and regulations. The Company may distribute dividends in cash or in shares. Subject to the satisfaction of profit distribution conditions, the Company may distribute dividends in the form of cash, shares, or a combination of cash and shares, and cash dividends shall in principle take precedence over share dividends.

Subject to the satisfaction of profit distribution conditions, the Company may distribute dividends in the form of cash, shares, or a combination of cash and shares, and cash dividends shall in principle take precedence over share dividends.

12 Proxies for Shareholders

Any Shareholder who is entitled to attend and vote at a Shareholders' General meeting has the right to appoint one or more persons (who need not be Shareholders) as his/her proxy to attend the meeting and vote on his/her behalf.

Where a Shareholder is a legal entity, its legal representative or a person authorized by a resolution of the board of Directors or other decision-making bodies shall attend the Shareholders' General meeting as its representative.

Where a Shareholder is a recognized clearing house (or its proxy) as defined in the relevant regulations of Hong Kong from time to time, such Shareholder may authorize one or more persons it deems fit to act as its representative at any Shareholders' General meeting (such persons need not be Shareholders of the Company); provided that if more than one person is authorized, the instrument of authorization shall specify the number and class of shares involved in the authorization of each such person, and the instrument of authorization shall be signed by an authorized officer of the recognized clearing house. A person so authorized may attend the meeting on behalf of the recognized clearing house (or its proxy) (without the need to produce a share certificate, provided his/her formal authorization is proven by a notarized authorization and/or further evidence) and exercise rights (including the right to speak and vote) as if he/she were an individual Shareholder of the Company.

13 Inspection of Register of Members and Other Rights of Shareholders

The Company shall establish a register of members based on the evidence provided by the securities registration agency.

The register of members constitutes sufficient evidence of a Shareholder's holding of shares in the Company. Shareholders enjoy rights and assume obligations in accordance with the classes of shares they hold. Shareholders holding the same class of shares enjoy equal rights and assume the same obligations. The place where the original register of members for the overseas listed foreign shares listed in Hong Kong is kept is Hong Kong.

The Company shall keep a duplicate copy of the register of members for the foreign shares at the Company's address; the appointed overseas agent shall at all times ensure consistency between the original

and duplicate copies of the register of members for the foreign shares. In the event of any discrepancy between the original and duplicate copies of the register of members for the foreign shares, the original copy shall prevail. The register of members kept in Hong Kong shall be open for inspection by Shareholders, provided that the Company may also close the register of members in accordance with the same provisions of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

14 Restrictions on Rights of Controlling Shareholders

The Company's controlling Shareholders and actual controllers shall comply with the following provisions:

(i) exercise Shareholder rights in accordance with the law, and not abuse controlling power or use related relationships to harm the legitimate rights and interests of the Company or other Shareholders;

(ii) shall not misappropriate the Company's property or embezzle the Company's funds;

(iii) shall not coerce, instigate or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(iv) shall not harm the legitimate rights and interests of the Company and other Shareholders through unfair connected transactions, profit distribution, asset restructuring, external investment or any other means;

(v) other provisions stipulated by other applicable laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where a controlling Shareholder or de facto controller of the Company does not serve as a Director of the Company but actually executes the Company's affairs, the provisions of the Articles of Association regarding the duties of fidelity and diligence obligations of Directors shall apply.

Where a controlling Shareholder or de facto controller of the Company instructs a Director or senior management officer to engage in acts that harm the interests of the Company or Shareholders, they shall be jointly and severally liable with such Director or senior management .

The Company's controlling Shareholders, de facto controllers and other entities controlled by them shall not engage in businesses that are identical or similar to those of the Company. The Company's controlling Shareholders and actual controllers shall take effective measures to avoid horizontal competition.

15 Liquidation Procedures

Under any of the following circumstances, the Company shall be dissolved and liquidated in accordance with the law:

(i) expiration of the business term stipulated in the Articles of Association or occurrence of any other dissolution event specified herein;

(ii) the shareholders' meeting resolves to dissolve the Company;

(iii) the dissolution is necessary due to merger or division of the Company;

(iv) the Company has had its business license revoked or has been ordered to close down or canceled in accordance with the law;

(v) where the Company encounters serious difficulties in the operation and management of the Company arise, continued existence would cause significant harm to the interests of Shareholders, and no alternative solutions are available, Shareholders holding 10% or more of the total voting rights shall petition the People's Court to dissolve the Company.

Where the Company is dissolved under the circumstances set out in items (i), (ii), (iv) and (v) as mentioned above, the Company shall be liquidated. Directors shall be the liquidation obligors of the Company, and shall establish a liquidation group to commence liquidation within 15 days upon the occurrence of the reasons for dissolution. The liquidation group shall be composed of directors except as otherwise provided by the Articles of Association or by a resolution of the shareholders' meeting on the election of other persons.

The liquidation group shall notify creditors within 10 days from the date of its establishment, and publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System (NECIPS) within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the receipt of the written notice or, if no written notice is received, within 45 days from the announcement.

When declaring claims, creditors shall explain the relevant matters regarding the claims and provide supporting documents. The liquidation group shall register the claims. During the period of declaration of claims, the liquidation group shall not make any repayment to creditors.

During the liquidation period, the Company continues to exist but may not engage in business activities unrelated to the liquidation. The assets of the Company shall not be distributed to Shareholders until all relevant payments have been made in full in accordance with the aforementioned provisions.

In the event of liquidation due to the dissolution of the Company, if the liquidation group discovers after clearing the Company's assets, preparing the balance sheet and the inventory of property that the assets of the Company are insufficient to discharge its debts, it shall immediately apply to the People's Court for a declaration of bankruptcy.

16 Other Important Provisions Relating to the Company or Shareholders

(1) General Provisions

The Company is a joint stock limited company with perpetual succession.

Shareholders shall be liable to the Company to the extent of the shares subscribed by them, and the Company shall be liable for its debts with all its assets.

Upon effectiveness, the Articles of Association shall become a legally binding document regulating the organization and behavior of the Company and the relationship of rights and obligations between the Company and its Shareholders, and among Shareholders, and shall be legally binding on the Company, Shareholders, Directors and senior officers. Pursuant to the Articles of Association, any Shareholder may sue another Shareholder, a Director of the Company, the General Manager or any other senior officer. Any Shareholder may sue the Company, and the Company may sue any Shareholder, Director, manager or any other senior officer.

(2) Shares and Transfer

According to the needs of its operation and development, and in accordance with the provisions of laws and administrative regulations upon a resolution of the Shareholders' General meeting, the Company may increase its registered capital in the following manners:

(i) issuing shares to unspecified parties;

(ii) issuing shares to specified parties;

(iii) distributing bonus shares to existing Shareholders;

(iv) capitalizing reserve fund to increase share capital;

(v) other methods prescribed by laws, administrative regulations and the China Securities Regulatory Commission, and adopted by relevant regulatory authorities such as the supervisory authority of the place where the Company's shares are listed.

The Company may reduce its registered capital. The reduction of the registered capital of the Company shall be handled in accordance with the procedures prescribed by the Company Law and other relevant provisions of the PRC, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

(3) Shareholders

Shareholders of the Company are persons who legally hold shares of the Company and whose names (titles) are registered in the register of members. Shareholders enjoy rights and assume obligations in accordance with the class and proportion of shares they hold; Shareholders holding the same class of shares enjoy equal rights and assume the same obligations.

Shareholders of the Company are entitled to the following rights:

(i) to receive dividends and other forms of distribution in proportion to their shareholding;

(ii) to request, convene, preside over, attend, or appoint a proxy to attend Shareholders' General meetings and exercise corresponding voting rights in accordance with the law;

(iii) to supervise the Company's operations and make suggestions or inquiries;

(iv) to transfer, gift or pledge the shares held by them in accordance with the provisions of laws, administrative regulations and the Articles of Association;

(v) to access and copy the Articles of Association, register of members, minutes of shareholders' meetings, resolutions of Board meetings and financial accounting reports, and Shareholders in compliance with the requirements may access accounting books and accounting evidence of the Company;

(vi) to participate in the distribution of residual assets upon termination or liquidation of the Company in proportion to their shareholding;

(vii) to require the Company to purchase their shares in the event of their objection to the resolutions of the shareholders' meeting on merger or division of the Company;

(viii) other rights stipulated by laws, administrative regulations, departmental rules, normative documents, the regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Where a Shareholder requests to inspect and copy relevant information or obtain the aforementioned materials, he/she shall provide the Company with a written document proving the type and quantity of the shares he/she holds, and the Company shall provide such information or materials in accordance with the Shareholder's request after verifying the Shareholder's identity.

Shareholders shall fulfil the following obligations:

(i) to comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(ii) to pay capital contributions in accordance with the shares subscribed for and the method of participation;

(iii) not to withdraw their capital contribution, except in circumstances stipulated by laws, administrative regulations or the Articles of Association;

(iv) refrain from abusing Shareholder rights to harm the interests of the Company or other Shareholders, or from exploiting the Company's separate legal personality and Shareholders' limited liability to harm the interests of creditors; and

(v) other obligations stipulated under laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

A Shareholder who abuses Shareholder rights, causing the Company to suffer losses or other Shareholders, shall bear liability for compensation in accordance with the law. A Shareholder who abuses the Company's separate legal personality and the limited liability of Shareholders to evade debts, seriously damaging the interests of the Company's creditors, shall bear joint and several liability for the debts of the Company.

(4) The Board of Directors

The Board of Directors is accountable to the Shareholders' General meeting and exercises the following powers and functions:

(i) to convene the shareholders' meetings, and report its work to the Shareholders;

(ii) to implement resolutions of the Shareholders' General meeting;

(iii) to determine the business plans and investment schemes of the Company;

(iv) to formulate proposals for profit distribution and loss recovery of the Company;

(v) to formulate plans for increase or reduction of registered capital, issuance of bonds or other securities, and listing of the Company;

(vi) to draft plans for major acquisitions, purchase of the Company's own shares, mergers, divisions, dissolution, or change of corporate form;

(vii) to deliberate and approve matters within the scope of authorization by the Shareholders' General meeting, including the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management business, connected transactions, and external donations;

(viii) to deliberate and approve the establishment of internal management bodies of the Company;

(ix) to decide on the appointment or removal of the Company's General Manager and Board Secretary and the determination of their remuneration, and, based on the nomination of the General Manager, to appoint or remove the Company's Deputy General Manager, Chief Financial Officer, Chief Technology Officer and other senior management officers and determine their remuneration;

(x) to formulate the basic management systems of the Company;

(xi) to prepare proposals for amendments to the Articles of Association;

(xii) to manage matters related to information disclosure of the Company;

(xiii) to propose to the shareholders meeting the engagement or change of accounting firms that provide audit services to the Company;

(xiv) to hear work reports from the Company's General Manager and inspect his/her work;

(xv) other powers granted by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Matters exceeding the authorization scope of the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

A meeting of the Board of Directors may be held only if a majority of the Directors (including proxies) are present.

(5) Independent Non-executive Directors

The members of the Board of Directors of the Company shall include not less than one-third, and not less than three, independent non-executive Directors. At least one of such independent non-executive Directors shall possess appropriate professional qualifications or appropriate expertise in accounting or related financial management.

(6) Board Secretary

The Company shall appoint a Board Secretary who shall be responsible for the preparation of shareholders' meeting and Board of Directors meetings, custody of documents, management of Shareholders' data and information disclosure and other matters.

(7) Audit Committee

The Board of Directors shall establish an Audit Committee exercising the powers of the board of supervisors as stipulated in the Company Law.

The Audit Committee shall consist of three members who are non-executive Directors not serving as senior management officers of the Company, among whom independent non-executive Directors constitute the majority, at least one independent non-executive Director is an accounting professional, and the convener shall be an independent non-executive Director.

A meeting of the Audit Committee may be held only if no less than two-thirds of its members are present. Resolutions of the Audit Committee shall be adopted by a majority of all the members of the Audit Committee.

The following matters shall be submitted to the Board of Directors for deliberation after being adopted by more than half of all the members of the Audit Committee:

(i) disclosure of financial and accounting statements and financial information in periodic reports, and internal control evaluation reports;

(ii) appointment or dismissal of the accounting firm engaged for the listed company's audit business;

(iii) the appointment or removal of the person in charge of finance of the listed company;

(iv) changes in accounting policies or accounting estimates, or correction of major accounting errors due to reasons other than changes in accounting standards;

(v) other matters stipulated by laws, administrative regulations, the Hong Kong Listing Rules, the China Securities Regulatory Commission, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

(8) General Manager

The Company has one General Manager, who shall be appointed or removed by the Board of Directors. The General Manager of the Company is accountable to the Board of Directors and exercises the following powers:

(i) to preside over the production and operation management of the Company, organize the implementation of Board of Directors resolutions, and report work to the Board of Directors;

(ii) to organize the implementation of the annual business plans and investment schemes of the Company;

(iii) to draft plans for the establishment of internal management bodies of the Company;

(iv) to draft the basic management systems of the Company;

(v) to formulate specific rules and regulations of the Company;

(vi) to propose to the Board of Directors the appointment or removal of the Company's Deputy General Manager, Chief Financial Officer, Chief Technology Officer and other senior management personnel;

(vii) to decide on the appointment or dismissal of management personnel except those whose appointment or dismissal shall be decided by the Board of Directors;

(viii) other powers conferred by the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the Board of Directors, or prescribed by the securities regulatory rules of the place where the Company's shares are listed.

(9) Reserve Fund

When distributing annual after-tax profits, the Company shall allocate 10% of the profits to the statutory reserve fund of the Company. Where the total amount of the statutory reserve fund of the Company reaches 50% or more of the registered capital of the Company, no further allocation is required.

Where the statutory reserve fund of the Company is insufficient to make up the losses of previous years, the losses shall be made up using the profits of the current year prior to the allocation of the statutory reserve fund in accordance with the aforementioned provisions.

After the Company extracts the statutory reserve fund from the after-tax profits, the Company may also extract discretionary reserve fund from the after-tax profits in accordance with the resolution adopted by the Shareholders' General meeting.

Subject to the approval of the Shareholders' General meeting and the Board of Directors, the remaining after-tax profits after the Company has made up losses and allocated reserve funds shall be distributed in proportion to the shares held by Shareholders.

Where the Shareholders' General meeting or the Board of Directors violates the aforementioned provisions and distributes profits to Shareholders before the Company has made up losses or allocated the statutory reserve fund, the Shareholders shall return the illegally distributed profits to the Company.

Shares held by the Company shall not participate in profit distribution.

The reserve funds of the Company shall be used to make up the losses of the Company, expand the scale of production and operation, or be converted into capital. When using the reserve fund to make up for Company losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses still cannot be made up, the capital reserve fund shall be used in accordance with relevant provisions.

When the statutory reserve fund is converted into capital, the remaining statutory reserve fund shall not be less than 25% of the registered capital of the Company before the conversion.

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of Our Company

Our Company was established as a limited liability company in the PRC on August 11, 2016, and was converted into a joint stock limited company on January 12, 2026 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company was RMB17,715,951.

Our Company's registered address is located at Room 302, Building 6, No.688, Bin An Road, Binjiang District, Hangzhou, China. Our Company's corporate structure and Articles of Association are governed by PRC laws and regulations. The relevant PRC laws and regulations and a summary of the Articles of Association are set out in "Appendix III — Summary of the Articles of Association" to this document, respectively.

Our principal place of business in Hong Kong is at 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Our Company has been registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on February 20, 2026. Ms. Wong Mei Fung Carrie has been appointed as the authorized representative of our Company 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.

2. Changes in the Share Capital of Our Company

Save as disclosed in "History, Development and Corporate Structure", there has been no alteration in our share capital within the two years immediately preceding the date of publication of this document.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants' Report as set out in Appendix I to this document.

Save as disclosed below, there has been no alteration in the share capital of our subsidiaries during the two years immediately preceding the date of this document.

(1) Quzhou Jikang Medical Technology Co., Ltd. 衢州吉康醫療科技有限公司("Jikang Medical")

On September 4, 2025, the share capital of Jikang Medical increased from RMB1,000,000 to RMB3,000,000.

On June 2, 2026, the share capital of Jikang Medical increased from RMB3,000,000 to RMB5,000,000.

4. Shareholders' Resolutions

At the general meeting of our Company held on January 19, 2026, the following resolutions, among others, were passed by the Shareholders:

(i) the issuance of H Shares with a nominal value of RMB0.10 each by our Company and such H Shares be **[REDACTED]** on the Stock Exchange;

(ii) the number of H Shares to be issued pursuant to the **[REDACTED]** shall be no more than 25% of total issued share capital of our Company immediately following completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), and the grant of the **[REDACTED]** in respect of no more than 15% of the number of H Shares issued pursuant to the **[REDACTED]**;

(iii) subject to the approval by the CSRC, upon completion of the **[REDACTED]**, **[REDACTED]** Unlisted Shares in aggregate held by our Shareholders will be converted into H Shares on a one-for-one basis;

(iv) subject to the completion of the **[REDACTED]**, the conditional adoption of the Articles of Association, which shall become effective on the **[REDACTED]**, and the Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and other relevant regulatory authorities; and

(v) authorization of the Board and its authorized person to handle relevant matters relating to, among other things, the **[REDACTED]**, the issue and listing of the H Shares.

5. Restrictions on Repurchase

See "Appendix III – Summary of the Articles of Association" for details.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contract entered into in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this document and are or may be material:

(i) the **[REDACTED]**

2. Intellectual Property Rights

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	Expiry Date
1	糖吉	PRC	The Company	1	60338051	April 27, 2032
2	糖吉	PRC	The Company	2	60350044	July 6, 2032
3	糖吉之家	PRC	The Company	3	22502229	February 13, 2028
4	糖吉	PRC	The Company	4	60346732	April 27, 2032
5	TANGEE	PRC	The Company	5	23291846	June 6, 2028

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Expiry Date
6	糖吉	PRC	The Company	5	23291668	September 20, 2028
7	TONGEE	PRC	The Company	5	42101497	February 27, 2031
8	糖吉之家	PRC	The Company	5	58433451	March 20, 2032
9	TONGEE	PRC	The Company	5	67060729	September 20, 2033
10	糖吉	PRC	The Company	5	67053252	March 27, 2033
11	Eshou	PRC	The Company	5	72847779	January 20, 2034
12	Endo-Gel	PRC	The Company	5	74295250	August 6, 2034
13	Endogel	PRC	The Company	5	74276783	August 27, 2034
14	Eshou	PRC	The Company	5	77857825	October 13, 2034
15	EShòu	PRC	The Company	5	78840712	November 13, 2034
16	Enjoy soul	PRC	The Company	5	80707190	March 13, 2035
17	JoyTrek	PRC	The Company	5	80711012	March 13, 2035
18	糖吉	PRC	The Company	6	60339888	April 27, 2032
19	糖吉	PRC	The Company	7	60348283	April 27, 2032
20	糖吉	PRC	The Company	8	60346790	April 27, 2032
21	康洛尼 KANG LUO NI	PRC	The Company	10	19256143	April 13, 2027
22	糖吉	PRC	The Company	10	23292145	March 13, 2028
23	TONGEE	PRC	The Company	10	23281130	October 13, 2028
24	糖吉之家	PRC	The Company	10	58440047	February 6, 2032

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Expiry Date
25		PRC	The Company	10	25224696	November 20, 2028
26		PRC	The Company	10	40013148	April 6, 2030
27	糖吉	PRC	The Company	10	67058005	March 6, 2033
28		PRC	The Company	10	70612095	September 27, 2033
29	糖吉	PRC	The Company	13	60337714	April 27, 2032
30	糖吉	PRC	The Company	15	60351229	April 27, 2032
31	糖吉	PRC	The Company	16	60347170	April 27, 2032
32	糖吉	PRC	The Company	18	60347180	April 27, 2032
33	糖吉	PRC	The Company	22	60339091	April 27, 2032
34	糖吉	PRC	The Company	23	60343644	April 27, 2032
35	糖吉	PRC	The Company	25	60337748	April 27, 2032
36	糖吉	PRC	The Company	26	60337758	April 27, 2032
37	糖吉	PRC	The Company	27	60338093	April 27, 2032
38	糖吉	PRC	The Company	28	60345784	April 27, 2032
39	匀美	PRC	The Company	29	52118535	November 27, 2031
40		PRC	The Company	30	68454629	July 27, 2033
41	糖吉	PRC	The Company	32	60343258	July 6, 2032
42		PRC	The Company	37	68462801	August 13, 2033
43	吉享健康	PRC	Shanghai Tangji	9	78315915	January 6, 2035

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Expiry Date
44		PRC	Shanghai Tangji	9	82509420	August 6, 2035
45	吉享健康	PRC	Shanghai Tangji	10	78325397	July 6, 2035
46		PRC	Shanghai Tangji	44	82508347	July 20, 2035
47	吉享健康	PRC	Shanghai Tangji	44	78343508	September 27, 2035

Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent number	Patent Name	Patent type	Holder	Jurisdiction	Patent Status	Date of Expiration
1	ZL201710499034.3	Gastric diverter and antibacterial digestive tract catheter thereof	Invention	Our Company	China	Granted	2037-06-27
2	EP3646827		Invention	Our Company	Europe	Granted	2037-10-13
3	IN478213		Invention	Our Company	India	Granted	2037-10-13
4	AU2017420550		Invention	Our Company	Australia	Granted	2037-10-13
5	JP6913825		Invention	Our Company	Japan	Granted	2037-10-13
6	RU2745080		Invention	Our Company	Russia	Granted	2037-10-13
7	ZL201810415050.4	Duodenum built-in jejunum cannula releasing system and a use method therefor	Invention	Our Company	China	Granted	2038-05-03
8	US12303466B2		Invention	Our Company	United States	Granted	2042-11-01
9	EP3789003		Invention	Our Company	Europe	Granted	2039-04-30
10	IN507039		Invention	Our Company	India	Granted	2039-04-30
11	CA3094114		Invention	Our Company	Canada	Granted	2039-04-30
12	RU2759594		Invention	Our Company	Russia	Granted	2039-04-30
13	MX422441		Invention	Our Company	Mexico	Granted	2039-04-30
14	BR112020019784-0		Invention	Our Company	Brazil	Granted	2039-04-30
15	ZL201810336514.2	Gastric diverter and release method thereof	Invention	Our Company	China	Granted	2038-04-12
16	ZL201810326731.3	Gastric diverter and digestive tract stent thereof	Invention	Our Company	China	Granted	2038-04-12
17	US11517461B2	Gastric diverter and digestive tract support and release method thereof	Invention	Our Company	United States	Granted	2039-03-21
18	EP3777784		Invention	Our Company	Europe	Granted	2038-10-24

No.	Patent number	Patent Name	Patent type	Holder	Jurisdiction	Patent Status	Date of Expiration
19	ZL201710293809.1	Intestinal barrier sleeve release system	Invention	Our Company	China	Granted	2037-04-28
20	US11622875B2		Invention	Our Company	United States	Granted	2038-10-29
21	EP3560463		Invention	Our Company	Europe	Granted	2037-06-28
22	IN485512		Invention	Our Company	India	Granted	2037-06-28
23	AU2017412054		Invention	Our Company	Australia	Granted	2037-06-28
24	JP6840270		Invention	Our Company	Japan	Granted	2037-06-28
25	RU2722311		Invention	Our Company	Russia	Granted	2037-06-28
26	ZL202311159684.5	Extendable digestive tract cannula and use thereof	Invention	Our Company	China	Granted	2043-09-08
27	TW1928771B	Digestive tract stent recovery device and endoscope cannula	Invention	Our Company	Taiwan Region	Granted	2045-05-14

As of the Latest Practicable Date, we had applied for the registration of the following patents which we consider to be or may be material to our business:

No.	Application number	Patent Name	Patent type	Holder	Jurisdiction	Patent Status	Date of Application
1	CN202410618308.6	Digestive tract stent recovery device and endoscope cannula	Invention	Our Company	China	Pending	2024-05-17
2	EP24938359.7		Invention	Our Company	Europe	Pending	2024-06-04
3	US19/528937		Invention	Our Company	United States	Pending	2024-06-04
4	PCT/CN2024/097364		Invention	Our Company	WIPO (PCT)	Pending	2024-06-04
5	CN202311152577.X	Release ball inner core for distal release of digestive tract cannula and preparation method and application thereof	Invention	Our Company	China	Pending	2023-09-07
6	US19/514389		Invention	Our Company	United States	Pending	2024-03-20
7	JP2026513734		Invention	Our Company	Japan	Pending	2024-03-20
8	CA3303552		Invention	Our Company	Canada	Pending	2024-03-20
9	EP24861465.3		Invention	Our Company	Europe	Pending	2024-03-20
10	KR1020267006672		Invention	Our Company	South Korea	Pending	2024-03-20
11	CN202410126018.X	Graded detachable digestive tract implant cannula and digestive tract implant kit	Invention	Our Company	China	Pending	2024-01-29
12	PCT/CN2024/083188		Invention	Our Company	WIPO (PCT)	Pending	2024-03-22
13	EP24921153.3		Invention	Our Company	Europe	Pending	2024-03-22
14	US19/528950		Invention	Our Company	United States	Pending	2024-03-22
15	CN202410125123.1	Automatic fracture type digestive tract cannula and kit	Invention	Our Company	China	Pending	2024-01-29
16	PCT/CN2024/082937		Invention	Our Company	WIPO (PCT)	Pending	2024-03-21
17	EP24921152.5		Invention	Our Company	Europe	Pending	2024-03-21
18	US19/528561		Invention	Our Company	United States	Pending	2024-03-21
19	US19/514787	Extendable digestive tract cannula and use thereof	Invention	Our Company	United States	Pending	2024-04-12
20	JP2026513949		Invention	Our Company	Japan	Pending	2024-04-12
21	EP24861493.5		Invention	Our Company	Europe	Pending	2024-04-12
22	KR1020267007507		Invention	Our Company	South Korea	Pending	2024-04-12

Save as disclosed above, as of the Latest Practicable Date, there were no other intellectual property rights that were material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests of Directors and Chief Executive

To the best knowledge of our Directors, save as disclosed below, immediately following the completion of the **[REDACTED]** (assuming (i) the **[REDACTED]** is not exercised and (ii) no other changes are made to the share capital of our Company between the Latest Practicable Date and the **[REDACTED]**), none of our Directors or chief executive 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.

Interest in Shares of our Company

Name	Position	Shares to be held after the [REDACTED]	Nature of Interest	Number of Shares	Approximate % of the issued Shares immediately after the [REDACTED][1]
Mr. Zuo	Chairman of the Board, executive Director and chief executive officer of our Company	H Shares	Beneficial owner; interest in controlled corporation	56,209,370[2]	**[REDACTED]**%
Dr. Xu Tianhong . .	Non-executive Director	H Shares	Beneficial owner	8,043,160	**[REDACTED]**%

Notes:

(1) The calculation is based on the total number of **[REDACTED]** H Shares to be converted from Unlisted Shares in issue and **[REDACTED]** H Shares to be issued pursuant to the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised).

(2) As of the Latest Practicable Date, Mr. Zuo's interest in our Company is composed of (i) 45,293,460 Shares directly held by Mr. Zuo; and (ii) 10,915,910 Shares held by Zhoushan Aizhong. Zhoushan Aizhong is a limited partnership established under the laws of the PRC, the general partner of which was Mr. Zuo. The partnership interests in Zhoushan Aizhong were held as to 12.64% by Mr. Zuo, who is the largest partner of Zhoushan Aizhong. For the purpose of the SFO, Mr. Zuo is deemed to be interested in the Shares held by Zhoushan Aizhong.

2. Interest of Substantial Shareholders

Interests in the Shares of our Company

Save as disclosed in the section headed "Substantial Shareholders" in this document, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the **[REDACTED]** (assuming (i) the **[REDACTED]** is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**), having or be deemed or taken to the beneficial interests or short position in our Shares or

underlying Shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the issued voting shares of our Company or had option in respect of such capital.

Interests in our Company's subsidiaries

As of the Latest Practicable Date, to the best knowledge of our Directors, other than members of our Group, none of the Directors or chief executive of our Company, or any other persons or entities was interested in 10% or more of the voting rights at general meetings of our subsidiaries.

3. Particulars of Service Contracts

Pursuant to Rules 19A.54 and 19A.55 of the Listing Rules, our Company [has entered into] a service agreement with each of the Directors which contains provisions in relation to, among other things, compliance of relevant laws and regulations, observations of Articles of Association and provisions on arbitration.

The principal particulars of these service agreements are: (a) each of the agreements is for a term of three years following his/her respective effective date of his/her appointment; and (b) each of the agreements is subject to termination in accordance with their respective terms. The service contracts can be renewed pursuant to our Articles of Association and applicable rules.

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)).

4. Directors' remuneration

For details of the Directors' remuneration, see "Directors and Senior Management — Remuneration of Directors and Senior Management" and Note 8 to the Accountants' Report as set out in Appendix I to this document.

5. Disclaimers

Save as disclosed in this document,

(a) none of our Directors or any of the parties listed in "Consents of Experts" of this Appendix is: has any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporation (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 or which will be required, pursuant to section 352 of the SFO, to be entered 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 Issuers once the H Shares are listed;

(b) none of our Directors or any of the parties listed in "— Other Information — 8. Consents of Experts" below:

  (i) has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(ii) is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;

(c) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(d) so far as is known to our Directors, no person (not being a Director of our Company or any member of our Group) will, immediately following the completion of the **[REDACTED]**, have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(e) none of our Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

6. Employee Incentive Scheme

In order to attract, retain and motivate key personnel, align the interests of the Company, its shareholders and employees, and support the Company's long-term development strategy, the Company has implemented an employee equity incentive program in August 2019 (the "**Employee Incentive Scheme**"). To align with PRC practices for employee shareholding arrangements and to facilitate indirect holding of equity, our Employee Incentive Scheme is implemented through a PRC limited partnership shareholding platform Zhoushan Aizhong.

Under the Employee Incentive Scheme, eligible participants may be granted (i) performance-based incentive awards through Zhoushan Aizhong (including milestone options, key-position retention options and flexible bonus options) or (ii) restricted share grants priced by reference to the Company's fair value (collectively, the "**Incentive Awards**").

The Employee Incentive Scheme does not involve any grant of share options or awards after the **[REDACTED]** and therefore is not subject to the provisions of Chapter 17 of the Listing Rules. Given the underlying Shares under the Employee Incentive Scheme have already been issued, there will not be any further dilution effect to the issued Shares arising from the Share Incentive Scheme.

Below is a summary of the principal terms and provisions of the Employee Incentive Scheme.

Purpose

The Employee Incentive Scheme is designed to further enhance our corporate governance, establish a long-term incentive and restraint mechanism, strengthen corporate cohesion, uphold the direction of our long-term development and align the interests of our Company, its shareholders and employees, so as to attract, motivate and retain key management and technical personnel and support the realization of our strategic and operational goals.

Participants

The participants of the Employee Incentive Scheme include Directors, senior management, key employees of our Group (including the R&D department and other departments) and external consultants.

Administration

The Employee Incentive Scheme is subject to the administration of the Board. The Board has authorized the Chairman of the Board, Mr. Zuo, to handle all matters related to the Employee Incentive Scheme, including but not limited to the formulation, revision and termination of the scheme.

Term

The Employee Incentive Scheme shall be valid and effective for 10 years from Board approval.

Lock-up and Vesting

The Shares underlying the interests granted to the participants are subject to lock-up and vesting conditions. The vesting conditions are categorized into three types:

(i) 50% of the award vests upon the achievement of the Company's annual performance targets;

(ii) Vesting upon continuous service for not less than two years from the grant date or the **[REDACTED]** (whichever is later); or

(iii) Vesting upon continuous service for not less than two years from the grant date and the successful **[REDACTED]** of the Company.

Repurchase and Clawback

The general partner of Zhoushan Aizhong (or a designated third party) has the right to repurchase the partnership interests from the participants under specific circumstances. If a participant engages in theft, fraud, violation of professional ethics, criminal behavior, breach of confidentiality/non-compete agreements, or actions detrimental to the Company's reputation, the Company may repurchase their interests at the original cost.

If a participant resigns (without misconduct) or passes away or becomes incapacitated within four years of the grant, the unvested portion are repurchased at cost and the vested portion are repurchased at cost plus interest.

If a participant resigns (without misconduct) or passes away or becomes incapacitated after four years from the grant, unvested portions are repurchased at cost and vested portions are repurchased at cost plus interest.

Details of the Awards Granted Under the Employee Incentive Plan

As of the Latest Practicable Date, all Incentive Awards have been granted to the participants. The subscription price has been fully paid by the participants and the participants have become partners of Zhoushan Aizhong. The participants are entitled to the right to receiving dividends.

As of the Latest Practicable Date, the total number of Shares underlying the Incentive Awards was approximately 1,091,824, representing approximately 6.16% of the total issued Shares of our Company as of the Latest Practicable Date and approximately **[REDACTED]**% of the total issued Shares of our Company immediately after the **[REDACTED]**.

The table below sets out the details of the Incentive Awards granted under the Employee Incentive Scheme as of the Latest Practicable Date:

Name of the Participant	Position(s) in our Group	Approximate number of Shares corresponding to the partnership interests held by the Participant as of the Latest Practicable Date	Approximate shareholding percentage underlying the Awards granted to the Participant in the total number of the Shares in issue as of the Latest Practicable Date	Approximate shareholding percentage underlying the Awards granted to the Participant in the total number of the Shares in issue immediately after the [REDACTED][(1)]
Directors				
Mr. Zuo	Chairman of the Board, executive Director and chief executive officer	138,008	0.78%	**[REDACTED]**%
Senior management				
Mr. Chen Jiahao	Chief marketing officer	108,740	0.61%	**[REDACTED]**%
Dr. Li Wenyu	Technical director	107,579	0.61%	**[REDACTED]**%
Mr. Wang Jingyu	Secretary to the Board	87,318	0.49%	**[REDACTED]**%
Ms. Yu Jiayan	Director of operation	74,904	0.42%	**[REDACTED]**%
Mr. Zhong Gaofeng	Director of clinical and registration affairs	68,014	0.38%	**[REDACTED]**%
Ms. Chen Junfei	Director of finance	55,652	0.31%	**[REDACTED]**%
Other participants				
37 employees and six external consultants	Employees and external consultants	451,609	2.55%	**[REDACTED]**%

Notes:

1. The calculation is based on the assumption that no new Shares are issued under the **[REDACTED]** and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and **[REDACTED]**.

D. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

As of the Latest Practicable Date, save as disclosed in this document, we were not aware of any litigation or arbitration proceedings of material importance pending or threatened against any member of our Group that could have a material adverse effect on our financial condition or results of operations.

3. Joint Sponsors' Independence

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee for the **[REDACTED]** of, and permission to deal in, our H Shares to be converted from Unlisted Shares and our H Shares to be issued pursuant to the **[REDACTED]**. All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

The Joint Sponsors satisfy the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The sponsors fee payable to the Joint Sponsors in connection with the **[REDACTED]** is approximately RMB4.4 million.

4. Compliance Adviser

Our Company has appointed Somerley Capital Limited as our Compliance Adviser in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

As of the Latest Practicable Date, we have not incurred any material preliminary expenses in relation to the incorporation of our Company.

6. Taxation of Holder of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is a 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see "Regulatory Overview".

7. Promoters

Within two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the **[REDACTED]** and the related transactions described in this document.

8. Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
ICBC International Capital Limited	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), and type 6 (advising on corporate finance) regulated activities as defined under the SFO
Caitong International Capital Co., Limited	Licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined 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)
Jingtian & Gongcheng	PRC Legal Advisors to our Company
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

As of the Latest Practicable Date, save in connection with the **[REDACTED]**, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

9. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

10. Binding Effect

This document shall have the effect, if an application is made in pursuance of this document, 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 in so far as applicable.

11. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our financial, business position or prospects since June 30, 2026, being the end date of the periods reported on our consolidated financial statements as set out in the Accountants' Report as set out in Appendix I to this document, and up to the date of this document.

Miscellaneous

Save as disclosed in this document:

(i) within the two years immediately preceding the date of this document, to the best of our knowledge,

  (a) neither our Company nor any of our subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash; and

  (b) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

(ii) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(iii) no share or loan capital or debenture of our Company or any of the subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid otherwise than in cash;

(iv) no share or loan capital or debenture of our Company or any of the subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(v) there are no arrangements under which future dividends are waived or agreed to be waived;

(vi) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the 12 months proceeding the date of this document; and

(vii) our Company has no outstanding convertible debt securities or debentures.

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in "Appendix IV — Statutory and General Information — B. Further Information about our Business — 1. Summary of Our Material Contracts"; and

(b) the written consents referred to in the section headed "Appendix IV — Statutory and General Information — D. Other Information — 8. Consents of Experts".

B. DOCUMENTS AVAILABLE ON DISPLAY

Electronic copies of the following documents will be available on display on the website of our Company at **www.tangjimed.com** and on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the accountants' report prepared by Ernst & Young, the text of which is set out in Appendix I to this document;

(c) the audited consolidated financial statements of our Group for the two years ended [December 31, 2025 and the six months ended June 30, 2026];

(d) the report from Ernst & Young on the unaudited **[REDACTED]** financial information of our Group, the text of which is set out in the section headed "Unaudited **[REDACTED]** Financial Information" in Appendix II to this document;

(e) the industry report issued by Frost & Sullivan referred to in "Industry Overview" in this document;

(f) the PRC legal opinions issued by Jingtian & Gongcheng, our PRC Legal Advisors, in respect of certain general corporate matters in the PRC of our Group;

(g) the material contracts referred to in "Appendix IV — Statutory and General Information — B. Further Information about our Business — 1. Summary of Our Material Contracts";

(h) the written consents referred to in "Appendix IV — Statutory and General Information — D. Other Information — 8. Consents of Experts";

(i) the service contracts referred to "Appendix IV — Statutory and General Information — C. Further Information About Our Directors, Chief Executive and Substantial Shareholder — 3. Particulars of Service Contracts"; and

(j) the PRC Company Law, Securities Law and the Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.