

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 [REDACTED] in the H Shares.

There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the H Shares are set out in “Risk Factors” of this document. In particular, we are a biotechnology company seeking to [REDACTED] on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules as we do not meet the requirements under Rules 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with [REDACTED] in companies like ours. Our Core Product is the product for the purpose of satisfying the eligibility requirements under Chapter 18A of the Rule and Chapter 2.3 of the Guide for New Listing Applicants. We may continue to incur substantial costs and expenses in relation to R&D activities for the Core Product and our Core Product may not be successfully marketed. Your [REDACTED] decision should be made in light of these considerations.

OVERVIEW

Incorporated in 2018, we operate in the gas-based cardiopulmonary device market, with a focus on the development and commercialization of inhaled nitric oxide (iNO) therapy. As of the Latest Practicable Date, we had five approved products (including one Core Product, iNOwill) and five product candidates under development, spanning three major product lines addressing cardiopulmonary care across critical care, inpatient, outpatient and home-based disease management — (i) iNO therapy, (ii) cardiopulmonary circulatory support, and (iii) respiratory diagnostics. All our products are independently developed in-house. Our Core Product, iNOwill, was approved by the NMPA in 2022 and received EU CE certification in 2025. It delivers iNO as a selective pulmonary vasodilator, which is not curative but provides support primarily in acute and critical care settings for patients with severe cardiopulmonary disease such as pulmonary hypertension, requiring ICU and bedside hospital care. While our Core Product currently targets a specific patient subgroup with a relatively limited addressable market, we are pursuing indication expansion for iNOwill to broaden its potential clinical applications and addressable patient population, subject to successful clinical development and regulatory approval.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND/OR MARKET OUR CORE PRODUCT AND OTHER PIPELINE CANDIDATES.

OUR TECHNOLOGY PLATFORM AND PRODUCT PIPELINE

Our gas-liquid precision control technology platform integrates NO generation, real-time gas sensing and monitoring, and software-enabled flowpath/fluidic control to support accurate and reliable handling of target molecules in both gas and liquid media across different clinical settings. Leveraging our technology platform, we have established a product pipeline spanning three main categories: (i) iNO therapy, (ii) cardiopulmonary circulatory support, and (iii) respiratory diagnostics.

The following chart summarizes the status of our products and product candidates as of the Latest Practicable Date.

SUMMARY

Segment	Product ⁽¹⁾	Concept/ Application Scenario	Competent Authority/ Registration Classification	Indications	Pre-Clinical	Pipeline Progress Clinical Trials	Registration & Commercialization	Time of Approval	Upcoming Milestone and Timeline
Inhaled NO	★ INOwill	iNO (ICU & Inpatient)	NMPA/III ⁽⁴⁾	PH ⁽⁵⁾	China		⁽³⁾	2022.4	2027Q2 New features upgrade
				COPD	China			-	2027Q2 Registration trial initiation
				ARDS	China			-	2026Q4 Registration trial initiation
				CAP	China			-	2029 Registration trial initiation
	eNOaire	iNO (Inpatient & Transfer)	UDEMI/IIb	PH ⁽⁵⁾	China, EU			2025.9	2026Q3 PMCF study initiation
				ARDS	Multi-center (under evaluation)			-	2026Q4 Registration trial initiation
				PH	the United States			-	2026 Pre-submission review
				ARDS	the United States			-	2028Q1 Registration trial initiation
	VQfit	Portable iNO (Outpatient & At-Home)	NMPA/III	PH	China		⁽³⁾	2024.2	Post-approval study
				PH	China			-	2026Q4 Application review
Cardio- pulmonary Circulatory support	NovaPulse ▲ IABP	IABP (ICU & Inpatient)	NMPA/III	COPD	China			-	2026Q4 Innovative Medical Device Application review
				IABP therapy	China		⁽³⁾	2025.9	2026Q4 New features upgrade
	NovaVent	Ventilator (ICU & Inpatient)	NMPA/III	Respiratory support+PH				-	2027Q1 Type test
				High-precision airway inflammation assessment	China		⁽³⁾	2024.6	Post-approval study
Respiratory Diagnosis	eNOglow	FeNO detection (ICU, Inpatient & Outpatient)	GMPPA/II ⁽⁶⁾	Pulmonary function, airway diseases	China			-	2026Q3 Application review
	PElink	FeNO detection & Spirometer (Outpatient & At-Home)	GMPPA/II ⁽⁶⁾		China			-	
★ Among our product candidates, these class III devices completed the clinical evaluation through comparison of the same variety of medical devices, and the class II devices are exempted from clinical trial requirements									
★ Core Product ▲ Key Product Key Product									

SUMMARY

Abbreviations: FeNO=Fractional Exhaled Nitric Oxide. PH=Pulmonary Hypertension. COPD=Chronic Obstructive Pulmonary Disease. ARDS=Acute Respiratory Distress Syndrome. CAP=Community-Acquired Pneumonia.

Notes:

- (1) All of our products and product candidates are self-developed.
- (2) Following our Pre-Submission and subsequent communications with the FDA, the FDA confirmed that iNOWill would be regulated as a Class III device.
- (3) The product has undergone clinical trials that are not required for regulatory registration, in order to generate medical evidence for further product improvement or more effective commercialization.
- (4) Based on our consultations with the relevant Competent Authorities, clinical trials are required for our PRC Indication Expansion and U.S. Registration. On May 28, 2026, we consulted with the Yangtze River Delta Center for Medical Device Evaluation and Inspection of the NMPA (“YDCDEI”) regarding the clinical trial requirements for the proposed expansion of iNOWill into COPD, ARDS and CAP. During the consultation, a Clinical Review Officer of the Review Department advised that registration clinical trials would be required for such indication expansion under the current regulatory framework, primarily because there are no approved equivalent products for these indications. Our PRC legal advisers are of the view that the YDCDEI is the appropriate channel through which we may obtain pre-application communication and guidance from the Center for Medical Device Evaluation of the NMPA (the “CMDE”), and that the review staff member of the clinical group of its Evaluation Department that we consulted with, is competent to address our enquiries in this regard and to provide the relevant confirmation. In late May 2026, we submitted a Pre-Submission to the FDA in relation to our proposed U.S. registration of iNOWill for PH, ARDS and COPD. The FDA provided written feedback in July 2026 and held a formal meeting with us in August 2026. Based on these communications, the FDA indicated that iNOWill would be regulated as a Class III medical device requiring premarket approval (“PMA”) and advised that PH, ARDS and COPD would require new clinical evidence through clinical trials. For the neonatal PPHN indication, the FDA considered it reasonable for a PMA application to rely on comparative evidence consisting of existing published literature, the precedent of the comparable FDA-approved device, non-U.S. real-world evidence, post-market registry data and device nonclinical testing, and based on such feedback we currently expect that a new U.S. clinical trial under an IDE will not be required before submission of a PMA application for that indication. Based on their review of the FDA’s organizational structure and the respective roles of the participating FDA officials, our U.S. legal advisers as to U.S. medical device regulatory matters are of the view that such officials possessed the requisite regulatory authority, technical expertise and institutional competence to provide official guidance regarding the applicable clinical and regulatory requirements for iNOWill.
- (5) iNOWill is registered as a Class III medical device with the NMPA in the PRC and classified as Class IIb in the EU under the EU MDR. At the component level, the NO generation reactor of iNOWill is registered as a Class III medical device with the NMPA and is, in the EU, an accessory to iNOWill N200 classified as Class IIb under the EU MDR, while the tube accessories of iNOWill are applied for registration as a Class II medical device with the Guangxi MPA and are, in the EU, accessories to iNOWill N200 classified as Class IIa under the EU MDR.
- (6) The Class II device is subject to approval and regulatory oversight by the provincial medical products authority, which in this instance is the Guangxi Medical Products Administration.

SUMMARY

iNOWill — Our Core Product

iNOWill is a portable iNO therapy device that generates medically usable NO on demand at the point of care and integrates NO generation, delivery and real-time monitoring into a single system. iNOWill has been registered as a Class III medical device in China for PH since 2022 and certified as a Class IIb medical device under the EU MDR since 2025. From 2022 to 2023, we conducted two clinical trials for postoperative PH in pediatric and adult patient populations that support EU CE certification (collectively, the “**Clinical Trials**”) in collaboration with collaborative hospitals, where we undertook sponsor equivalent obligations and were treated as the sponsor of the Clinical Trials by the UDEM for the purpose of EU CE certification. For details of the Clinical Trials and other key trials of iNOWill, see “Business — Our Product Pipeline.”

Market opportunity and competitive landscape. The global iNO therapy market remains largely cylinder-based but is projected to shift toward instant-generation delivery. In 2025, cylinder-based iNO systems held 89.3% market share in the global iNO therapy market, in terms of wholesale sale. Globally, instant-generation iNO systems accounted for about US\$0.11 billion in 2025 and are forecast to reach approximately US\$0.49 billion by 2030 at a CAGR of 34.2%, far outpacing the low single-digit growth expected for cylinder-based workflows.

Competitive advantages. Building on our electrochemical instant-generation NO technologies, the iNOWill series replace the traditional “gas factory + cylinder logistics” paradigm with a “device + reactant” model. Compared with cylinder-based systems and other instant-generation technologies such as plasma- or N₂O₄-decomposition-based systems, iNOWill is designed to provide precise dosing, high gas purity and a favorable safety and usability profile.

NovaPulse IABP — Our Key Product

NovaPulse is an in-house developed IABP designed for cardiovascular and perioperative care in operating rooms, ICUs and catheter laboratories where temporary mechanical circulatory support is required. It provides temporary circulatory support through counter-pulsation, principally by augmenting coronary perfusion and reducing left ventricular afterload, for indications including heart failure, cardiogenic shock and perioperative support for high-risk interventional and surgical procedures. NovaPulse has been registered as a Class III medical device with the NMPA since September 2025.

Market opportunity and competitive landscape. In China, the IABP market has expanded rapidly from a relatively low base, increasing from RMB313.1 million in 2020 to RMB790.1 million in 2025, a CAGR of 20.3%, and is expected to reach RMB1,381.6 million in 2030 and RMB2,101.1 million in 2035, with CAGRs of 11.8% from 2025 to 2030 and 8.7% from 2030 to 2035. The market has historically been dominated by imported systems that set the benchmark for technical specifications and clinical use. In 2025, we were one of the two domestic pneumatic-pump IABP manufacturers which obtained NMPA registration.

Competitive advantages. NovaPulse is designed to provide reliable, easily deployed counter-pulsation support in complex cardiovascular and perioperative settings, enhancing hemodynamic safety, monitoring precision and workflow efficiency across operating rooms, catheter laboratories and critical-care units.

RESEARCH AND DEVELOPMENT

Our R&D team is led by our chief executive officer, Dr. Mao, and our chief technology officer, Mr. Zhang Yuyan. As of the Latest Practicable Date, our R&D team comprised 47 employees, representing approximately 27.5% of our total headcount. In 2024, 2025 and the six months ended June 30, 2025 and 2026, our R&D expenses were approximately RMB33.0 million, RMB34.7 million, RMB13.7 million and RMB20.3 million. Of these amounts, RMB12.3 million, RMB14.5 million, RMB5.1 million and RMB8.7 million were attributable to our Core Product, respectively, representing 37.4%, 41.8%, 37.2% and 42.9% of our total research and development costs in the corresponding years.

MANUFACTURING

During the Track Record Period, our commercialized products mainly included iNOWill, eNOaire, NovaPulse IABP, Reslink and eNOglow. As of June 30, 2026, we had two principal manufacturing facilities, which were separately located in Yangzhou, Jiangsu Province and Fangchenggang, Guangxi Zhuang Autonomous Region with aggregate areas of approximately 2,200.0 sq.m. and 1,400.0 sq.m., respectively.

SUMMARY

SALES AND MARKETING

We sell our products primarily to distributors under a buyer and seller relationship, who then sell the products to hospitals and medical institutions. Our sales and marketing team engages physicians through frequent visits, on site product demonstrations and free educational sessions. Save for one of our former distributors, who was our connected person during the Track Record Period, to the best of our knowledge, our distributors were Independent Third Parties and they did not have any past or present relationships (business, trust, family, financing or otherwise) with us or our subsidiaries, shareholders, directors or senior management, or any of their respective associates.

OUR CUSTOMERS AND SUPPLIERS

Our customers were primarily distributors in the Chinese mainland who purchase our products and sell them directly or indirectly to hospitals or medical institutions. In 2024, 2025 and for the six months ended June 30, 2026, the aggregate sales to our five largest customers represented 25.6%, 29.6% and 39.0% of our revenue, respectively, and sales to our largest customer represented 7.4%, 12.9% and 17.1% of our revenue, respectively.

During the Track Record Period, we procured raw materials and fixed assets to be used in the manufacture of our medical devices. In 2024, 2025 and the six months ended June 30, 2026, the aggregate purchases from our five largest suppliers represented 30.4%, 40.7% and 36.3% of our total purchases, respectively, and our purchases from our largest supplier represented 9.2%, 10.0% and 10.4% of our total purchases, respectively. We generally have a credit term up to 30 days for certain suppliers.

In each year/period during the Track Record Period, all of our five largest customers and suppliers were Independent Third Parties, and none of our five largest suppliers was also our customer, vice versa.

INTELLECTUAL PROPERTY RIGHTS

As of the Latest Practicable Date, we had 85 patents and 196 registered trademarks, as well as 73 patent applications in the Chinese mainland and 13 jurisdictions overseas, such as Canada, United States, Indonesia, Israel, Brazil and South Korea. Our patents, patent applications, registered trademarks and pending trademark applications cover key technology areas including instant NO generation, electrochemical catalytic reduction, plasma discharge, gas sensing and gas- and fluid-path control. We believe there is no material legal impediment for us to obtain the approvals for these pending patents and trademarks. As of the Latest Practicable Date, all of our 158 patents and patent applications (including those relating to our product candidates, including the Core Product and the key components thereof) were developed in-house and owned by us. Among these patents and patent applications, 42 of them (including 16 patents and 26 patent applications) were related to our Core Product, and six of them were related to our Key Product. Besides the patents and patent applications we owned, as of the Latest Practicable Date, we also in-licensed a total of six patents and patent applications relating to NO-releasing polymers and gas-delivery devices capable of generating and delivering NO containing gas streams from the Regents of the University of Michigan. We entered into the Michigan License Agreement at an early stage of our development to support our chosen technical route. Our Core Product has been independently developed by us and does not rely on, nor is directly based on, the Licensed Michigan IP. For details, see “Business — Major Research Collaborations and Licensing Arrangements — University of Michigan Licensing Arrangement.”

During the Track Record Period and up to the Latest Practicable Date, we were not subject to, nor were we a party to, any intellectual property rights infringement claims or litigations and were not aware of any material infringement of our intellectual property rights that had or could have a material adverse effect on our business. We had complied with all applicable intellectual property

SUMMARY

laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date. Based on the freedom-to-operate analysis, there is no substantial risk of infringement of valid and enforceable issued patents of any third party in the Chinese mainland, Europe and the U.S. that may impact the development and commercialization of our Core Product in the Chinese mainland, Europe and the U.S. and there is no substantial risk of infringement of valid and enforceable issued patents of any third party in the Chinese mainland that may impact the development and commercialization of our Key Product in the Chinese mainland.

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors: (i) capabilities in product development and market adoption of instant-generation iNO therapy; (ii) proprietary technology platform and differentiated products; (iii) broad applications across the cardiopulmonary care continuum; (iv) capabilities across the product lifecycle; and (v) experienced global leadership team empowered by strategic investors.

OUR GROWTH STRATEGIES

We plan to execute the following strategies to achieve our mission and drive our future growth: (i) building a comprehensive iNO-centric ecosystem covering multiple indications and care scenarios; (ii) leveraging our ICU presence and technology synergies to broaden the cardiopulmonary diagnostic and therapeutic pipeline; (iii) expanding into home-based chronic respiratory disease management; (iv) expanding our global business footprint through targeted overseas commercialization; (v) strengthening commercial execution to solidify regional leadership; and (vi) enhancing our R&D infrastructure and manufacturing capabilities to support sustainable growth.

OUR SHAREHOLDING STRUCTURE

Our Single Largest Group of Shareholders

Our Single Largest Group of Shareholders comprises Dr. Mao, Jingning Noring, Mr. Cao Guiping and Lingxing Hainan. As of the Latest Practicable Date, each of Dr. Mao, Jingning Noring, Mr. Cao Guiping and Lingxing Hainan directly held approximately 7.14%, 21.41%, 5.35% and 0.71% of our issued Shares, respectively, totaling approximately 34.61% in aggregate. Pursuant to a concert party agreement dated October 10, 2021 entered into among Dr. Mao, Mr. Cao Guiping, Jingning Noring and Lingxing Hainan, each of parties therein agreed to act in concert with respect to their voting rights as shareholders in our Company, with Dr. Mao’s opinion prevailing in case of disagreement. Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), our Single Largest Group of Shareholders will control approximately [REDACTED]% of our issued Shares.

Pre-[REDACTED] Investments

We received five rounds of Pre-[REDACTED] Investments totalling RMB418 million from our Pre-[REDACTED] Investors which include established funds and venture capitals. Suzhou Lirun, Jichuang Xinyuan and Jichuang Fengyuan are our sophisticated investors which made meaningful investment to us, holding 12.08%, 8.16% and 3.27% in our Company respectively as of the Latest Practicable Date and will respectively hold approximately [REDACTED]%, [REDACTED]% and [REDACTED]% of our total issued share capital upon the completion of the [REDACTED]. Pursuant to the PRC Company Law, Shares issued by our Company prior to the [REDACTED] (including those held by the Pre-[REDACTED] Investors) will be subject to a lock-up period of one year from the [REDACTED]. For further details of the Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, see “History, Development and Corporate Structure — Pre-[REDACTED] Investments.”

SUMMARY

SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss

The table below sets forth our consolidated statements of profit or loss for the years indicated derived from the Accountants’ Report included in Appendix I to this document:

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)							
	(unaudited)							
Revenue	45,547	100.0	63,207	100.0	22,413	100.0	58,132	100.0
Cost of sales	(18,535)	(40.7)	(27,847)	(44.1)	(11,237)	(50.1)	(23,382)	(40.2)
Gross profit	27,012	59.3	35,360	55.9	11,176	49.9	34,750	59.8
Selling expenses	(31,197)	(68.5)	(30,479)	(48.2)	(12,530)	(55.9)	(23,216)	(40.0)
Administrative expenses	(26,067)	(57.2)	(24,832)	(39.3)	(11,824)	(52.8)	(14,562)	(25.0)
Research and development expenses	(32,982)	(72.4)	(34,678)	(54.9)	(13,741)	(61.3)	(20,251)	(34.8)
Other income	7,748	17.0	9,194	14.5	2,302	10.3	5,020	8.6
Other gains and losses	(867)	(1.9)	159	0.3	44	0.2	(247)	(0.4)
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Share of results of an associate	(93)	(0.2)	(243)	(0.4)	(33)	(0.1)	(44)	(0.1)
Impairment losses under expected credit loss model, net of reversal	(129)	(0.3)	(77)	(0.1)	(17)	(0.1)	6	0.0
Finance costs	(29,671)	(65.1)	(40,284)	(63.7)	(19,155)	(85.5)	(21,698)	(37.3)
Loss before tax	(86,246)	(189.4)	(95,271)	(150.7)	(43,778)	(195.3)	(51,864)	(89.2)
Income tax expenses	—	—	—	—	—	—	—	—
Loss for the year/period	(86,246)	(189.4)	(95,271)	(150.7)	(43,778)	(195.3)	(51,864)	(89.2)
Other comprehensive income								
<i>Items that may be reclassified subsequently to profit or loss:</i>								
Exchange differences on translation from functional currency to presentation currency	13	0.0	(19)	(0.0)	(1)	0.0	(62)	(0.1)
Loss and total comprehensive expense for the year/period	(86,233)	(189.3)	(95,290)	(150.8)	(43,779)	(195.3)	(51,926)	(89.3)

Non-IFRS Measures

To supplement our consolidated statements of profit or loss which are presented in accordance with IFRS, we use adjusted net loss margin (Non-IFRS measure) as non-IFRS measures, which are not required by, or presented in accordance with, IFRS.

We define adjusted net loss (Non-IFRS measure) as loss for the years/periods adjusted by adding back share-based payment expenses, interest expense on redemption liabilities and [REDACTED] expenses. Share-based payment expenses relate to our share incentive plan and are non-cash in nature. Interest expense on redemption liabilities is a non-cash accounting charge arising from the accretion of redemption amounts over time. The redemption right of our Shareholders shall be automatically terminated and the redemption liabilities shall be re-designated from liabilities to equity immediately upon the completion of the [REDACTED] as a result of the automatic conversion of the relevant shares into ordinary shares. [REDACTED] expense primarily

SUMMARY

relates to the expense incurred in relation to this [REDACTED]. We define adjusted net loss margin (Non-IFRS measure) as adjusted net loss (Non-IFRS measure) divided by corresponding revenue of the year/period. We believe that Non-IFRS measures facilitate the comparisons of operating performance and provide useful information to [REDACTED] in understanding and evaluating our operating performance in the same manner as it helps our management. However, our presentation of Non-IFRS measures for the years/periods may not be comparable to similarly titled measures presented by other companies. The use of Non-IFRS measures has limitations as an analytical tool, and [REDACTED] should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

The following tables reconcile Non-IFRS measures for the years presented with the nearest measures prepared in accordance with IFRS Accounting Standards.

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands, except for percentages) (unaudited)			
Loss for the year/period	(86,246)	(95,271)	(43,778)	(51,864)
<i>add back:</i>				
Share-based payment expenses	1,493	1,423	730	1,443
Interest expense on redemption liabilities	28,679	39,543	18,750	21,302
[REDACTED] expenses . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net loss (Non-IFRS measure)	(56,074)	(44,914)	(24,298)	(17,497)
Adjusted net loss margin (Non-IFRS measure)	(123.1%)	(71.1%)	(108.4%)	(30.1%)

For more details, see “Financial Information — Summary of Our Consolidated Statements of Profit or Loss.”

The following table sets forth a breakdown of our revenue by segment, in absolute amounts and as percentages of total revenue, for the years/periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages) (unaudited)							
Medical devices								
iNO therapy devices	38,070	83.6	47,328	74.9	19,109	85.3	34,375	59.1
iNOWill	27,140	59.6	33,573	53.1	13,319	59.4	23,767	40.9
Cardiopulmonary circulatory support devices	—	—	6,536	10.3	—	—	19,047	32.8
Respiratory diagnosis devices . . .	2,992	6.6	4,660	7.4	2,430	10.8	3,026	5.2
Subtotal	41,062	90.2	58,524	92.6	21,539	96.1	56,448	97.1
Others⁽¹⁾	4,485	9.8	4,683	7.4	874	3.9	1,684	2.9
Total	45,547	100	63,207	100.0	22,413	100.0	58,132	100.0

SUMMARY

Note:

- (1) Consist of (i) contract development services where we conduct product development for customers based on our R&D capabilities, (ii) others, primarily including maintenance services provided to customers after the sales of our medical devices. Our maintenance services primarily cover the following with no additional charge: (i) after-sales services, including replacement of defective components, system upgrades, periodic equipment inspections, preventive maintenance and servicing; and (ii) post-sales technical training for our distributor engineers. Upon expiration of the warranty period, we may continue to provide maintenance services and replacement components at RMB150 to RMB41,000 for replacement components, RMB10,000 to RMB120,000 for maintenance services and RMB2,000 to RMB3,000 per distributor engineers trained. From time to time, we provide contract development services to customers when their demands align with our available R&D resources and overall development plans. Therefore, the contract development services we provided and revenue derived from it may subject to periodic changes.

We recorded net loss of RMB86.2 million, RMB95.3 million, RMB43.8 million and RMB51.9 million in 2024, 2025 and for the six months ended June 30, 2025 and 2026, respectively, primarily attributable to (i) research and development expenses incurred to support the development of various pipelines, (ii) selling expenses incurred to support our commercialization activities, (iii) administrative expenses incurred to support our ordinary course of business and (iv) finance costs incurred in connection with redemption right granted to our investors.

Summary of Consolidated Statements of Financial Position

The following table sets forth our consolidated statements of financial position as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Total non-current assets	103,641	95,929	75,102
Total current assets	119,432	126,745	129,670
Total assets	223,073	222,674	204,772
Total non-current liabilities	434,112	522,458	542,157
Total current liabilities	44,192	48,973	61,855
Total liabilities	478,304	571,431	604,012
Net liabilities	(255,231)	(348,757)	(399,240)
Net current assets	75,240	77,772	67,815

For more details, see “Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position.”

During the Track Record Period, we had a net current assets position. The increase of net current assets from RMB75.2 million as of December 31, 2024 to RMB77.8 million as of December 31, 2025 was mainly attributable to (i) the increase of trade and other receivables by RMB12.7 million, as we started to commercialize certain medical device products and increased procurement of raw materials to support the production of commercialized medical devices, (ii) the increase of time deposits by RMB12.1 million, for the purpose of implementing our cash management measures and (iii) decrease in bank borrowings by RMB13.0 million, as we repaid certain portion with higher interest rates at the end of 2025, based on our need for operating cash; partially offset by (i) decrease of cash and cash equivalents by RMB20.7 million, in line with our use of cash for business operations and (ii) increase of trade and other payables by RMB12.8 million, primarily due to [REDACTED] expenses incurred for the [REDACTED] and an increase in trade payables in line with the expansion of our commercialization activities. Our net current asset decreased from RMB77.8 million as of December 31, 2025 to RMB67.8 million as of June 30, 2026, primarily due to (i) an increase in bank borrowings by RMB24.9 million and (ii) a decrease in time deposits by RMB12.2 million, as we ceased to make time deposits in light of the continued decline in prevailing interest rates for time deposits; partially offset by a decrease in trade and other payables by RMB12.9 million, as we recognized and paid for the accrued [REDACTED] expenses during the first half of 2026 and continued to negotiate for more favorable supplier payment terms.

SUMMARY

We recorded net liabilities of RMB255.2 million as of December 31, 2024, primarily attributable to net liabilities of RMB170.5 million as of December 31, 2023, adjusted by loss for the year of RMB86.2 million and redemption liabilities of RMB98.0 million, which are offset by issue of Series C shares of RMB98.0 million. We recorded net liabilities of RMB348.8 million as of December 31, 2025, primarily attributable to net liabilities of RMB255.2 million as of December 31, 2024, adjusted by loss for the year of RMB95.3 million and redemption liabilities of RMB50.0 million, which are offset by issue of Series C shares of RMB50.0 million. The redemption right of our Shareholders shall be automatically terminated and the redemption liabilities shall be re-designated from liabilities to equity immediately upon the completion of the [REDACTED], resulting in net assets position. We recorded net liabilities of RMB399.2 million as of June 30, 2026, primarily attributable to net liabilities of RMB348.8 million as of December 31, 2025, adjusted by loss for the period of RMB51.9 million.

Summary of Consolidated Cash Flow Statements

The following table presents our consolidated cash flow data for the years indicated.

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands) (unaudited)			
Net cash used in operating activities	(52,776)	(48,002)	(30,626)	(46,289)
Net cash (used in)/from investing activities	(9,329)	(8,150)	(31,631)	29,235
Net cash from financing activities	92,077	35,447	55,691	21,004
Net increase (decrease) in cash and cash equivalents .	29,972	(20,705)	(6,566)	3,950
Cash and cash equivalents at the beginning of the year/period	39,115	69,100	69,100	48,376
Cash and cash equivalents at the end of the year/period .	69,100	48,376	62,533	52,264

We incurred net operating cash outflow during each year of the Track Record Period, as we incurred large research and development expenses, selling expenses and administrative expenses to support our research and business activities, as well as paid finance costs in connection with redemption right granted to our investors.

For more details, see “Financial Information — Liquidity and Capital Resources.”

WORKING CAPITAL

The Directors are of the opinion that, taking into account of the following financial resources available to us, including our future operating cash flows and our cash and cash equivalents as of June 30, 2026, available equity and debt financing, and the estimated net [REDACTED] from the [REDACTED], we have sufficient working capital to cover at least 125% of our costs, including R&D expenses, selling and distribution expenses, administrative expenses, finance costs and other 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 operating activities and capital expenditures. We had cash and cash equivalents of RMB52.3 million and time deposits of RMB79.0 million as of June 30, 2026. We estimate that we will receive net [REDACTED] of approximately RMB[REDACTED] after deducting the [REDACTED] fees and expenses payable by us in the [REDACTED], at the [REDACTED] of HK\$[REDACTED] per [REDACTED], assuming the [REDACTED] is not exercised. Assuming an average cash burn rate going forward of [REDACTED] the level [in 2025], we estimate that our cash and cash equivalents and time deposits as of June 30, 2026, will be able to maintain our financial viability for [REDACTED] or, if we take into account the estimated net [REDACTED] from the [REDACTED], [REDACTED] months. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

SUMMARY

KEY FINANCIAL RATIO

In 2024, 2025 and for the six months ended June 30, 2025 and 2026, our gross profit margin was 59.3%, 55.9%, 49.9% and 59.8%, respectively.

[REDACTED]

DIVIDEND

No dividend was paid or declared by us or any of our subsidiaries since our incorporation. After the Track Record Period and as of the date of this document, we did not declare any dividends to our Shareholders. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. PRC laws require that dividends be paid only out of our distributable profits. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial conditions, cash requirements and availability, and other factors as it may deem relevant at such time. Our ability to distribute dividends in the future also depends on whether we can receive dividends from our subsidiaries. As advised by the PRC Legal Advisor, we can not pay dividends in view of our accumulated loss position. For more details, see “Financial Information — Dividend.”

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED], after deducting [REDACTED], fees and other estimated expenses in connection with the [REDACTED] to be paid and payable by us, assuming that the [REDACTED] is not exercised and an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per H share.

We intend to use the net [REDACTED] from the [REDACTED] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) will be used for the further development and registration of our Core Product iNowill;
- approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) will be used for the development and registration of our other products and product candidates targeting different care settings;
- approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) will be used to strengthen our domestic and overseas commercialization capabilities;
- approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) will be used to upgrade our R&D infrastructure and product line automation;
- approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) will be used for working capital, business development and general corporate purposes.

For more details, see “Future Plans and Use of [REDACTED].”

SUMMARY

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. These risks are set out in “Risk Factors” in this document. Some of the major risks we face include: (i) We face substantial competition and rapid market changes, and our competitors may discover, develop or commercialize competing products before or more successfully than we do, or respond and adapt to the market changes more quickly and effectively; (ii) If we are unable to successfully develop our products for new indications or commercialize our products in new jurisdictions, develop and commercialize our product candidates, or experience significant delays in doing so, our business will be materially harmed; (iii) Our revenue during the Track Record Period substantially relied on our commercialized products; (iv) Product development involves a lengthy and expensive process with an uncertain outcome, and unsuccessful clinical trials or procedures relating to our products and product candidates could have a material adverse effect on our prospects; and (v) Guidelines, recommendations and studies published by various organizations could disfavor our product candidates.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration, or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition, or reputation and compliance. As confirmed by our PRC Legal Advisor, the business operations we engaged in had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date. As advised by our EU Legal Advisor, our business activities subject to applicable EU laws and regulations had been conducted in compliance with such laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date. Based on the due diligence conducted by our U.S. legal advisers as to U.S. medical device regulatory matters within the scope of their engagement, nothing has come to their attention that would cause them to believe that we were in material non-compliance with the applicable U.S. laws and regulations reviewed by them during the Track Record Period and up to the Latest Practicable Date.

[REDACTED] EXPENSES

Our [REDACTED] expenses mainly include (i) [REDACTED] expenses, such as [REDACTED] fees and [REDACTED], and (ii) [REDACTED] expenses, comprising professional fees paid to our legal advisors and reporting accountants for their services rendered in relation to the [REDACTED] and the [REDACTED], and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] expenses (based on the mid-point of the [REDACTED] and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately HK\$[REDACTED], accounting for approximately [REDACTED]% of our gross [REDACTED]. Among such estimated total [REDACTED] expenses, we expect to pay [REDACTED] of HK\$[REDACTED], professional fees for our legal advisors and reporting accountants of HK\$[REDACTED] and other fees and expenses of HK\$[REDACTED]. An estimated amount of HK\$[REDACTED] for our [REDACTED] expenses, accounting for approximately [REDACTED]% of our gross [REDACTED], is expected to be expensed through the statement of profit or loss and an estimated amount of HK\$[REDACTED] is expected to be recognized directly as a deduction from equity upon the [REDACTED]. We recognized [REDACTED] expenses of [REDACTED], RMB[REDACTED], and RMB[REDACTED] in 2024, 2025 and for the six months ended June 30, 2026, respectively.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, as of the date of the document, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since June 30, 2026, the end of the period reported on the Accountants’ Report included in Appendix I to this document; and there has been no event since June 30, 2026, which would materially affect the information presented in the Accountants’ Report set out in Appendix I to this document. We expect an increase in net loss in 2026, primarily due to (i) fluctuations in changes in the carrying amounts of redemption liabilities as a result of changes in our valuation; and (ii) our continuous investment in research and development of our product pipeline.