SUMMARY

***This summary aims to give you an overview of the information contained in this document and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this document. As this is a summary, it does not contain all the information that may be important to you, and we urge you to read this document in its entirety before making your investment decision. 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* [REDACTED] *in the* [REDACTED].**

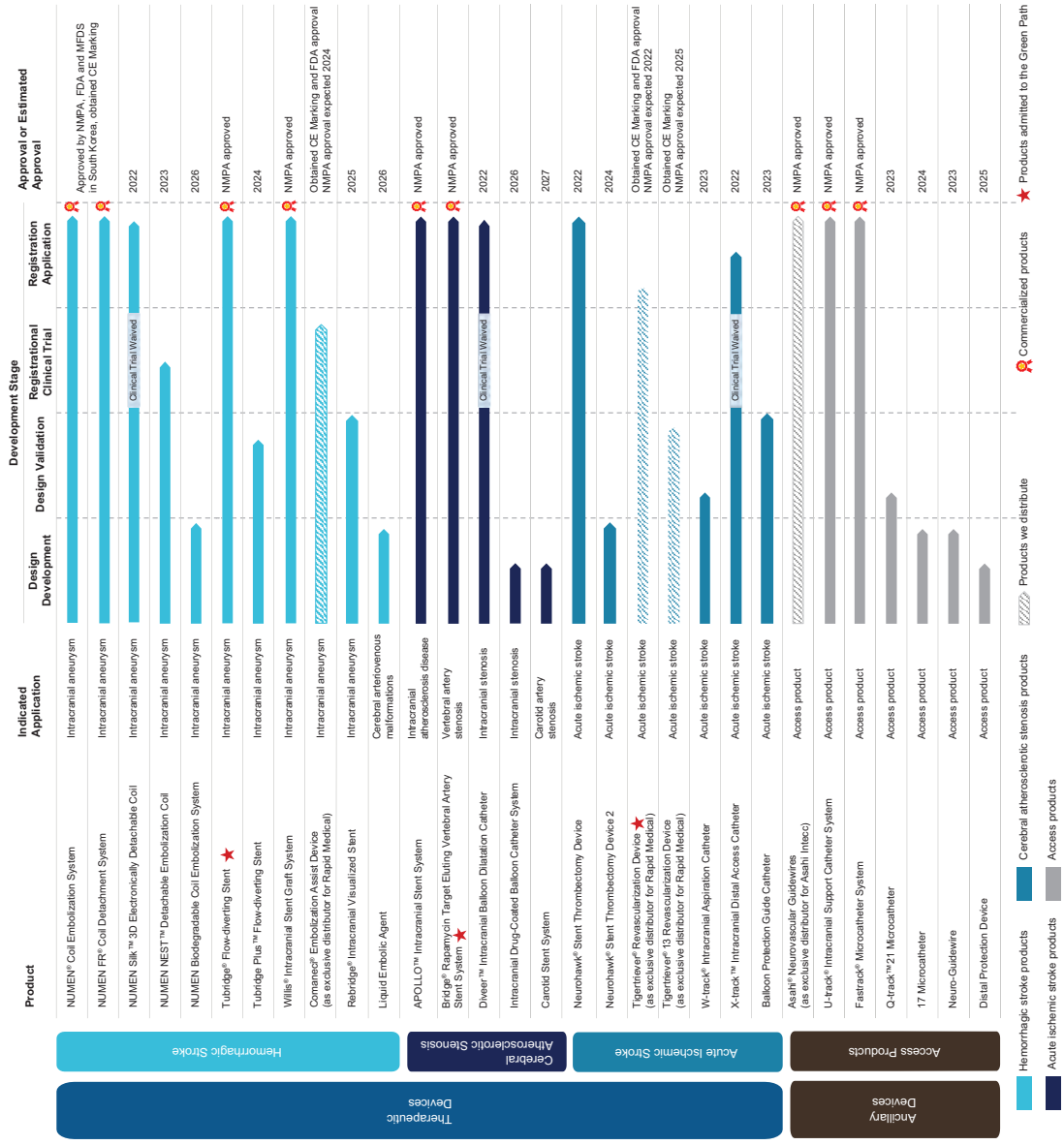
OVERVIEW

We are the pioneer and largest Chinese company in the neuro-interventional medical device industry in China, dedicated to providing innovative solutions for physicians and patients. Since our first product approval in 2004, we have amassed a total of 30 commercialized products and product candidates in our portfolio. As of the Latest Practicable Date, we had six therapeutic products approved in China, the most among Chinese companies in the industry, according to CIC, in addition to three approved access products. We boast a comprehensive product portfolio covering all of the three major areas of neurovascular disease, namely hemorrhagic stroke, cerebral atherosclerotic stenosis and acute ischemic stroke (AIS). In the field of hemorrhagic stroke, the largest segment of the neuro-interventional medical device industry in China by product sales, we are the only company that has a full portfolio of commercialized products in all key therapeutic categories, including embolization coils, flow-diverting stents and stent grafts, according to CIC. In addition to approvals in China, *NUMEN* and *NUMEN FR*, two of our flagship embolization coil products, have been approved in the United States, the European Union and South Korea. We plan to establish a R&D and production center in the United States to supply the global market and to move forward with our global expansion. According to CIC, we are the only Chinese company among the top five players in China's neuro-interventional medical device market in terms of revenue in 2020.

Stroke is the leading cause of death in China, accounting for over 20% of total mortalities in 2020, with high incidence rates. According to CIC, China had an incidence of 0.8 million hemorrhagic stroke patients, 0.5 million transient ischemic attack (a condition commonly related with cerebral atherosclerotic stenosis) patients and 1.7 million AIS patients in 2020. The penetration rate of neuro-interventional procedures in the fields of hemorrhagic stroke, cerebral atherosclerotic stenosis and AIS in China remained relatively low at 9.1%, 1.0% and 2.7%, respectively, in 2020, suggesting significant potential for development. According to CIC, the size of the neuro-interventional medical device industry in China is expected to expand from RMB5.8 billion in 2020 to RMB17.5 billion in 2026, at a CAGR of 20.1%.

SUMMARY

Through 17 years of development, we have gained technological expertise and R&D achievements that stand out in China. As of the Latest Practicable Date, we had three products that had been admitted to the NMPA's innovative medical device special review and approval procedure (known as the "Green Path") and four self-developed products that had obtained 16 national or regional awards. The following chart summarizes our product portfolio as of the Latest Practicable Date:



OUR PRODUCT PORTFOLIO

Hemorrhagic Stroke Products

NUMEN® Coil Embolization System ("NUMEN") and NUMEN FR® Coil Detachment System ("NUMEN FR")

NUMEN is a coil embolization system used to treat intracranial aneurysm. In a procedure with *NUMEN*, several embolic coils are placed densely within the target aneurysm to close off blood inflow, preventing it from further expanding and bursting. *NUMEN FR* is the detachment system used together with *NUMEN*. Both *NUMEN* and *NUMEN FR* are classified as Class III medical devices under NMPA regulations and were approved and commercialized in China in September 2020 and July 2020, respectively. *NUMEN* and *NUMEN FR* also obtained CE Marking, FDA approval and MFDS approval in South Korea in May 2021, September 2021 and September 2021, respectively.

We have been continuously developing upgraded versions of *NUMEN*. We submitted a registration application to the NMPA for *NUMEN Silk* in June 2021 and expect to obtain NMPA approval in the first quarter of 2022. We plan to submit the registration application for *NUMEN NEST* in the first quarter of 2023 and obtain NMPA approval in the fourth quarter of 2023. *NUMEN Biodegradable* is currently in the design validation stage, and we expect to obtain NMPA approval in 2026.

Tubridge® Flow-diverting Stent ("Tubridge")

Tubridge is a flow-diverting stent that treats intracranial aneurysm as an endovascular scaffold to alter the flow between the parent artery and the aneurysm. *Tubridge* is specifically indicated for large aneurysms (between 10 and 25 mm in diameter) or giant aneurysms (greater than 25 mm in diameter). *Tubridge* is classified as a Class III medical device under NMPA regulations. It was recognized as an innovative medical device by the NMPA in 2016 and was approved by the NMPA in March 2018. According to CIC, *Tubridge* was the first neuro-interventional medical device that entered the Green Path, and was also the first and remains the only Chinese-developed flow-diverting stent approved by the NMPA. The next-generation product, *Tubridge Plus*, is in the design validation stage and is expected to obtain NMPA approval in 2024.

Willis® Intracranial Stent Graft System ("Willis")

Willis is a stent graft indicated for treating intracranial aneurysm. It is made of a thin metal mesh (the stent) covered by a thin polytetrafluoroethylene (ePTFE) membrane (the graft). According to CIC, *Willis* was the first and remains the only intracranial stent graft for treating cerebral vessel diseases in the world. It is classified as a Class III medical device under NMPA regulations and was approved by the NMPA in 2013.

Comaneci® Embolization Assist Device ("Comaneci")

Comaneci is a temporary coil embolization assisting stent developed by Rapid Medical and is particularly useful for the coil embolization of wide-neck or unusually shaped aneurysms. The stent serves as a scaffold to prevent the coils from falling out of the aneurysm sac and inadvertently blocking the artery. *Comaneci* received CE Marking in 2014 and was approved by the FDA in 2019.

We were engaged as the exclusive distributor in Greater China for *Comaneci* and are assisting Rapid Medical to conduct preparatory work for registering *Comaneci* with the NMPA. *Comaneci* is expected to be approved by the NMPA in 2024.

Rebridge® Intracranial Visualized Stent ("*Rebridge*")

Rebridge is a coil embolization assisting stent in the design validation stage. *Rebridge* features full radiopacity and densely braided mesh. Compared with other stents that only have several radiopaque wires serving as marker wires, all wires of *Rebridge* are radiopaque, allowing physicians to visualize the stent deployment to achieve optimal placement. *Rebridge* is potentially the first Chinese-developed coil embolization assisting stent with full visualization that will enter clinical trials, according to CIC. We expect to obtain NMPA approval in 2025.

Cerebral Atherosclerotic Stenosis Products

APOLLO™ Intracranial Stent System ("*APOLLO*")

APOLLO is designed to treat patients suffering from intracranial atherosclerotic disease (ICAD). *APOLLO* consists of a balloon-expandable stent and a delivery catheter, with the stent being delivered to the lesion to push plaque back against the artery walls and keep the artery open. *APOLLO* is classified as a Class III medical device and was approved by the NMPA in 2004. According to CIC, *APOLLO* was the world's first approved stent system to treat ICAD.

Bridge® Rapamycin Target Eluting Vertebral Artery Stent System ("*Bridge*")

Bridge is designed to treat patients suffering from symptomatic vertebral artery stenosis and is a balloon-expandable stent with rapamycin coated on its surface facing the vessel wall to reduce the chances that the vessel becomes blocked or obstructed again after stent placement. *Bridge* is classified as a Class III medical device under NMPA regulations. It was recognized as an innovative medical device in 2018 and was approved by the NMPA in December 2020. According to CIC, *Bridge* was the first vertebral artery drug-eluting stent (DES) admitted to the Green Path. We are conducting preclinical design development for a large-size *Bridge* (*Bridge 4.5/5.0*) and plan to commence a clinical trial in 2023. We expect to obtain NMPA approval in 2025.

Acute Ischemic Stroke Products

Neurohawk® Stent Thrombectomy Device ("*Neurohawk*")

Neurohawk is a stent retriever used to remove clots in blood vessels. By placing the expandable stent into the target blood vessel, physicians can capture the clot and remove it by retrieving the stent. *Neurohawk* is our self-developed stent retriever system with full visualization. *Neurohawk* is classified as a Class III medical device by the NMPA. We commenced a clinical trial for *Neurohawk* in March 2018 and completed it in February 2021. We submitted a registration application to NMPA in March 2021 and expect to receive approval in the first quarter of 2022.

Tigertriever® Revascularization Device ("Tigertriever")

Tigertriever is the world's first adjustable stent retriever with full visualization, according to CIC. The *Tigertriever* series of products are developed by Rapid Medical and compatible with

procedures performed in blood vessels of varying diameters. We were engaged by Rapid Medical as the exclusive distributor in Greater China for *Tigertriever*, *Tigertriever 13* and all follow-up products of *Tigertriever*. According to CIC, *Tigertriever 13*, designed for distal vessel occlusion, is to date the world's smallest stent retriever.

We are currently assisting Rapid Medical to register *Tigertriever* with the NMPA. *Tigertriever*, a Class III medical device classified by the NMPA, was admitted to the Green Path in May 2020. We expect to receive approval in the fourth quarter of 2022. *Tigertriever* received FDA approval in March 2021 and CE Marking in the European Union in May 2018.

W-track® Intracranial Aspiration Catheter ("W-track")

W-track is indicated for the introduction of neuro-interventional therapeutic devices into target vessels or the removal of clot from target blood vessels. The main part of *W-track* is composed of an inner tube, a reinforcement layer and an outer tube. The proximal end of the single-lumen catheter is connected to a connector and a strain relief. We commenced R&D for *W-track* in May 2021. We expect to submit its NMPA registration application in the third quarter of 2022 and receive approval in 2023.

Access Products

Asahi® Neurovascular Guidewires ("Asahi guidewires")

Asahi Intecc is an industry leader in guidewire manufacturing, with Asahi guidewires being one of the global leading neurovascular guidewires, according to CIC. Asahi guidewires are designed to selectively guide and carry catheters as well as other interventional devices within the neurovascular blood vessels. Asahi guidewires were approved by the NMPA in August 2013 and we have been engaged by Asahi Intecc as the exclusive distributor in mainland China for Asahi guidewires since November 2016.

U-track® Intracranial Support Catheter System ("U-track")

U-track is designed for distal navigation and supporting precise delivery of a variety of neurovascular interventional devices during a neurovascular surgery. We obtained NMPA approval for *U-track* in December 2020.

Our other product and product candidates include a liquid embolic agent, an intracranial balloon dilatation catheter (*Diveer*), an intracranial drug-coated balloon catheter system, a carotid stent system, two thrombectomy catheter products and five access products. For details, see "Business—Our Product Portfolio."

COMPETITIVE STRENGTHS

We believe the following strengths contribute to our success:

- Pioneer and largest Chinese neuro-interventional medical device company with comprehensive product portfolio;
- Strong R&D capability and effective R&D model creating multiple technological breakthroughs in China and worldwide;

- Proven commercialization capabilities with the highest revenue among Chinese neuro-interventional medical device companies;
- Visible global presence with strategic partnerships for further expansion;
- Efficient management of supply chain to ensure top quality and large-scale production; and
- Visionary and experienced management team and strong synergy with controlling shareholder MicroPort.

OUR STRATEGIES

Our mission is to provide accessible, top-quality and comprehensive solutions for stroke patients. We plan to implement the following strategies to achieve this mission:

- Promote universal and affordable neuro-interventional solutions to patients;
- Continue to enhance our innovation capability, expand product portfolio and achieve full solution for neurovascular disease;
- Comprehensive global strategy to expand our international layout;
- Continue to improve our operating efficiency, enlarge production scale and enhance economies of scale; and
- Continue to cooperate with enterprises in the neuro-intervention industry worldwide.

COLLABORATIONS

As part of our business strategy, we evaluate opportunities to strategically collaborate with other neurovascular device companies through distributorships and investments. We have entered into distribution agreements with Asahi Intecc since November 2016 to exclusively distribute Asahi guidewires in mainland China. We have also entered into an exclusive distribution agreement with Rapid Medical since October 2019 to distribute *Comaneci*, *Tigertriever*, *Tigertriever 13* and all follow-up products in Greater China, which collaboration is further strengthened through our strategic investment in Rapid Medical as we prepare for further global expansion of our products.

RESEARCH AND DEVELOPMENT

We are engaged in ongoing R&D activities to expand the application of our products and to deliver clinically advanced new products with enhanced features, such as improved efficacy, safety, reliability and ease of use.

As of the Latest Practicable Date, our in-house R&D team consisted of 138 members. Over 50% of our team members have a master's degree or a doctoral degree and approximately 40% had previously worked at multinational pharmaceutical and medical device companies. Our R&D team is primarily responsible for the initiation and proposal of new R&D projects, specifically including design planning, prototyping and verification. Our R&D team also provides technical support for all subsequent steps in product development and commercialization, including clinical trials, product registration and quality management. In addition, we have designed and built various technology platforms to meet our R&D, manufacturing and quality control needs. For details, see "Business—Research and Development—Our Technology Platforms."

MANUFACTURING

As of the Latest Practicable Date, we conducted manufacturing activities primarily at our manufacturing facility located in our leased properties in Zhoupu, Shanghai, with an aggregate GFA of approximately 2,300 sq.m. We manufacture our commercialized stent, coil and catheter products at this facility. As of August 31, 2021, our Zhoupu manufacturing facility had an annual production capacity of approximately 110,000 units.

SALES, DISTRIBUTION AND MARKETING

In line with the medical device industry norm in China, we adopt a distributorship model, which we believe allows us to leverage the distributors' customer bases and expertise in local markets. During the Track Record Period, all of our products were sold through distributors. We primarily operate a multi-layer distribution system, where a majority of our products are sold from distributors to sub-distributors, and such sub-distributors on-sell our products to hospitals through their own sales and distribution networks; and a relatively small proportion of our products are sold from our distributors directly to hospitals. We believe that the multi-layer distribution system allows us to reach a broader group of end-customers leveraging the sub-distributors' local networks and expertise. We had penetrated into approximately 2,200 hospitals as of the Latest Practicable Date, among which over 1,300 are Class III hospitals.

Pricing

We take into account a number of factors in determining the prices of our products sold to distributors, such as prices of competing products, our manufacturing costs, patient affordability and the differences in features between our products and competing products. We from time to time consider adjusting the prices sold to distributors according to the market conditions and competition.

As of the Latest Practicable Date, there was no price guidance set by the PRC government on neuro-interventional medical devices. If the PRC government sets such a price guidance, the prices of our products may be negatively affected. See "Risk Factors—Downward change in pricing of our products may have a material adverse effect on our business and results of operations."

OUR CUSTOMERS

Our direct customers include distributors in China and overseas. In 2018, 2019 and 2020 and the eight months ended August 31, 2021, the aggregate sales to our five largest customers were RMB106.9 million, RMB155.2 million, RMB218.5 million and RMB228.7 million, representing 86.2%, 84.5%, 98.4% and 96.3% of our revenue, respectively. Sales to our largest customer for the same periods were RMB79.3 million, RMB122.4 million, RMB129.9 million and RMB80.4 million, representing 63.9%, 66.6%, 58.5% and 33.8% of our revenue, respectively. Our largest customer is an Independent Third Party and a distributor of our various products, such as *APOLLO*, *Tubridge*, *NUMEN*, *NUMEN FR*, *Bridge* and *Fastrack*. None of our Directors or their associates, and none of our existing Shareholders who (to the knowledge of our Directors) own more than five percent of our issued share capital, have any interest in any of our five largest customers.

OUR SUPPLIERS

To ensure the quality of our raw materials, we only procure them from selected suppliers that can satisfy our stringent raw material requirements and quality standards. In 2018, 2019 and 2020 and

the eight months ended August 31, 2021, purchases from our five largest suppliers amounted to RMB21.6 million, RMB45.8 million, RMB57.0 million and RMB57.2 million, respectively, accounting for 68.0%, 61.0%, 54.7% and 56.3%, respectively, of our total purchases for the same periods. Purchases from our largest supplier for the same periods totaled RMB9.9 million, RMB24.1 million, RMB38.2 million and RMB27.2 million, representing 31.2%, 32.1%, 36.7% and 26.7% of our cost of sales, respectively. Our largest supplier during the Track Record Period was Asahi Intecc, which has engaged us as its exclusive distributor for its neurovascular guidewires in mainland China since November 2016. Except for MicroPort Group, all of our five largest suppliers during the Track Record Period were Independent Third Parties. Save as disclosed above, none of our Directors or their associates, and none of our existing Shareholders who (to the knowledge of our Directors) own more than five percent of our issued share capital, have any interest in any of our five largest suppliers.

INTELLECTUAL PROPERTY RIGHTS

As of the Latest Practicable Date, we had 89 patents and 93 trademarks in China. As of the same date, we had also obtained 28 patents and 40 trademarks overseas. In addition, we had 155 patent and 35 trademark applications pending in and outside China as of the Latest Practicable Date. All of the patents that we owned or applied for are related to self-developed technologies by our R&D teams.

SUMMARY OF KEY FINANCIAL INFORMATION

The summary of historical financial information set forth below has been derived from, and should be read in conjunction with, our consolidated audited 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 HKFRSs.

Summary of Consolidated Statements of Profit or Loss

	For the year ended December 31,			For the eight months ended August 31,	
	2018	2019	2020	2020	2021
			RMB'000		
				Unaudited	
Revenue	124,097	183,720	221,923	122,205	237,657
Cost of sales	(18,396)	(37,266)	(57,140)	(34,450)	(52,667)
Gross profit	105,701	146,454	164,783	87,755	184,990
Other net income	467	6,452	11,463	4,692	16,010
Research and development costs	(28,276)	(38,166)	(53,037)	(30,239)	(52,940)
Selling and marketing expenses	(34,732)	(45,150)	(48,215)	(23,295)	(40,327)
Administrative expenses	(9,810)	(15,286)	(18,130)	(8,009)	(21,122)
Other operating costs	(30)	(200)	(1,000)	–	(982)
Profit from operations	**33,320**	**54,104**	**55,864**	**30,904**	**85,629**
Finance costs	(522)	(1,693)	(4,467)	(1,951)	(18,373)
Share of losses of an associate	–	–	–	–	(4,155)
Profit before tax	**32,798**	**52,411**	**51,397**	**28,953**	**63,101**
Income tax expense	(3,531)	(5,436)	(6,110)	(3,623)	(7,918)
Profit for the year/period and attributable to equity shareholders of the Company	**29,267**	**46,975**	**45,287**	**25,330**	**55,183**

We generated substantially all of our revenue from sales of medical devices during the Track Record Period, which amounted to RMB123.2 million, RMB182.7 million, RMB220.5 million,

RMB121.4 million and RMB237.3 million in 2018, 2019 and 2020 and the eight months ended August 31, 2020 and 2021, respectively. For details, see "Financial Information—Description of Certain Items in the Consolidated Statements of Profit or Loss."

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statement of financial position as of the date indicated:

	As of December 31,			As of August 31,
	2018	2019	2020	2021
	RMB'000			
Non-current assets	125,509	213,000	245,705	536,833
Current assets	62,275	121,728	539,905	586,249
Current liabilities	(50,591)	(151,626)	(94,754)	(161,916)
Net current assets/(liabilities)	11,684	(29,898)	445,151	424,333
Non-current liabilities	(16,868)	(14,944)	(317,974)	(527,021)
Net assets	120,325	168,158	372,882	434,145

We recorded net current assets of RMB11.7 million as of December 31, 2018 and net current liabilities of RMB29.9 million as of December 31, 2019, mainly due to an increase of RMB68.6 million in trade and other payables, including RMB38.4 million of amounts due to a related party in connection with an investment in Rapid Medical that was subsequently settled in 2020. The significant increase in net current assets to RMB445.2 million as of December 31, 2020 was primarily due to an increase of RMB403.3 million in cash and cash equivalents resulting from the issuance of certain convertible bonds in November 2020. Our net current assets decreased to RMB424.3 million as of August 31, 2021 primarily due to an increase of RMB35.3 million of trade and other payables. See "Financial Information—Description of Certain Key Consolidated Statements of Financial Position Items."

Summary Consolidated Statements of Cash Flows

	For the year ended December 31,			For the eight months ended August 31,	
	2018	2019	2020	2020	2021
			RMB'000	*Unaudited*	
Operating cash flows before movements in working capital	41,730	64,160	68,185	37,916	90,783
Changes in working capital	(17,855)	(190)	(18,697)	(23,876)	40,785
Income tax refund	1,396	1,222	2,881	2,881	562
Income tax paid	(4,197)	(8,542)	(5,135)	(2,971)	(11,012)
Net cash flows from operating activities	21,074	56,650	47,234	13,950	121,118
Net cash flows used in investing activities	(29,123)	(49,799)	(73,037)	(60,560)	(191,201)
Net cash flows from financing activities	3,313	9,665	431,884	104,257	16,390
Net (decrease)/increase in cash and cash equivalents	(4,736)	16,516	406,081	57,647	(53,693)
Cash and cash equivalents at the beginning of year/period	10,431	5,695	22,211	22,211	425,493
Effect of foreign exchange rate changes, net	–	–	(2,799)	–	(2,070)
Cash and cash equivalents at the end of year/period	5,695	22,211	425,493	79,858	369,730

KEY FINANCIAL RATIOS

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

	As of/for the year ended December 31,			As of/for the eight months ended August 31,
	2018	2019	2020	2021
Gross profit margin	85.2%	79.7%	74.3%	77.8%
Net profit margin	23.6%	25.6%	20.4%	23.2%
Return on average equity	25.6%	32.6%	16.7%	13.7%
Current ratio	1.2x	0.8x	5.7x	3.6x
Quick ratio	1.0x	0.6x	5.1x	3.1x

For further details, see "Financial Information—Key Financial Ratios."

MATERIAL RISK FACTORS

We believe there are certain risks and uncertainties involved in investing in our Shares, some of which are beyond our control. See the section headed "Risk Factors" for details of our risk factors. Some of the major risks we face include:

- we are largely dependent on the sales of our commercialized products. Our business, financial condition and results of operation would be materially and adversely affected if sales of these products were to decline;

- we face substantial competition. Our competitors may have substantially greater resources than we do and may be able to develop more effective products or offer their products at lower prices than we can, which could materially and adversely impact our business, financial condition and results of operation;
- failure to achieve broad market acceptance could have a material adverse impact on our business and results of operations;
- if we fail to maintain an effective distribution channel for our products, our business and sales of the relevant products could be adversely affected;
- the manufacture of our products is highly complex and subject to strict quality controls. If we or any of our suppliers or logistics partners encounters manufacturing, logistics, or quality problems, including as a result of natural disasters, our business could suffer;
- recently enacted and future legislation may increase the difficulty and cost for us to obtain regulatory approval of and commercialize our product candidates and affect the prices we may obtain;
- our historical operating results may not be representative of future performance. We may need to obtain additional financing to fund our operations. If we are unable to obtain that financing, we may be unable to complete the development and commercialization of our pipeline products; and
- we could be unsuccessful in obtaining or maintaining adequate patent protection for our products and pipeline products through intellectual property rights, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us.

RECENT DEVELOPMENTS

Registration Submission of *Tigertriever* to the NMPA

We submitted *Tigertriever*'s NMPA application in December 2021 and expect to receive approval in the fourth quarter of 2022.

Overseas Approval of *NUMEN*

We obtained FDA approval in the United States and MFDS approval in South Korea for *NUMEN* in September 2021. Such overseas approvals, in addition to our previous receipt of CE Marking in the European Union and completion of the first overseas coil embolization procedure using *NUMEN* in Chile, further signify *NUMEN*'s entrance to overseas markets.

Approval of Korean Good Manufacturing Practice ("KGMP") Certification Application in South Korea

We obtained the KGMP certification issued by the MFDS in South Korea in November 2021, which is required for foreign manufacturers of Class II, III and IV medical devices before registering such devices in South Korea. The KGMP certification, along with our existing ISO13485 certification

and the Brazilian Health Regulatory Agency (Anvisa) certification, demonstrates that our quality management system meets the international standards.

Impact of the COVID-19 Outbreak

We have not experienced any material disruption since the outbreak of the COVID-19 pandemic for our clinical activities, such as patient recruitment and clinical trials, and other research and development activities. As of the Latest Practicable Date, the outbreak of COVID-19 had not caused any early termination of our clinical trials or removal of any enrolled patients from our clinical trials. We were not be able to conduct in-person follow-up visits for certain patients of our registrational clinical trials due to travel restrictions. We arranged such patients to visit local qualified hospitals for follow-up visits and delivered relevant documentation to us by mail or email, and we also conducted follow-up phone calls as needed. As of the Latest Practicable Date, we had not experienced any material disruptions to our supply chain and manufacturing activities, neither had we experienced material disruptions to our marketing, distribution and sales activities. There have been multiple waves of the COVID-19 outbreak in several provinces in China in the second half of 2021, which had not caused any material disruption to our business activities.

As of the Latest Practicable Date, we had no suspected or confirmed COVID-19 cases on our premises or among our employees. To prevent any spread of COVID-19 in our offices and production facilities, we have implemented preventive measures such as making remote work arrangement, regularly sterilizing and ventilating our offices and manufacturing facility, checking the body temperature of our employees daily, keeping track of the travel history and health conditions of employees and providing face masks and disinfectant to employees attending our offices and facilities.

During the Track Record Period and up to the Latest Practicable Date, the COVID-19 pandemic did not have any material adverse effect on our results of operations and financial position. However, we cannot assure you that the COVID-19 pandemic will not further escalate or have material adverse effect on our performance in the future. Please see "Risk Factors—Risks Relating to Our Operations—Our operations and business plans may be adversely affected by the COVID-19 pandemic" for details.

No Material Adverse Change

Save as otherwise disclosed above, our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial or trading position or prospects since August 31, 2021, being the end of the period reported on in the Accountants' Report set out in Appendix I to this document, and there has been no event since August 31, 2021 that would materially affect the information as set out in the Accountants' Report in Appendix I of this document.

CONTROLLING SHAREHOLDERS

Immediately upon the completion of the **[REDACTED]** (without taking into account any Shares which may be issued pursuant to the exercise of the **[REDACTED]**), MicroPort will, through its wholly owned subsidiary, MP Scientific, be indirectly interested in approximately **[REDACTED]**% of the total share capital of our Company. MicroPort is a company listed on the Stock Exchange (stock code: 853). Accordingly, MicroPort and MP Scientific will be our Controlling Shareholders under the Listing Rules.

There is clear delineation between the businesses of the MicroPort Group and our business. The MicroPort Group focuses on different types of medical devices that are of different nature and have different applications from those of our principal business. Our Group provides neuro-interventional medical devices for neurovascular diseases including hemorrhagic stroke, cerebral atherosclerotic stenosis and acute ischemic stroke. The business of our Group is not related to the businesses of the MicroPort Group. The products of our Group and the MicroPort Group are not interchangeable, nor are they complementary. For details, see "Relationship with Our Controlling Shareholders."

CONTINUING CONNECTED TRANSACTIONS

We [have entered into] a number of agreements with our connected persons which will constitute continuing connected transactions under Chapter 14A of the Listing Rules upon the **[REDACTED]**. For details, see "Connected Transactions."

[REDACTED]

Our **[REDACTED]** will constitute a **[REDACTED]** from MicroPort, our Controlling Shareholder. The proposal in relation to the **[REDACTED]** was submitted by MicroPort to the Stock Exchange for approval pursuant to Practice Note 15 of the Listing Rules, and the Stock Exchange has confirmed that MicroPort may proceed with the **[REDACTED]**. Our Directors believe that the **[REDACTED]** and separate **[REDACTED]** of our Group will be commercially beneficial to MicroPort, our Company and our Shareholders as a whole. For details, see "History, Reorganization and Corporate Structure—**[REDACTED]** of Our Group from MicroPort."

PRE-[REDACTED] INVESTMENTS

Since our inception, we have had several rounds of Pre-**[REDACTED]** Investments. Our broad and diverse base of Pre-**[REDACTED]** Investors includes CICC Healthcare, Nectar Neuro, BVF III, Biolink Healthcare, Always Enterprises, Biolink Limited and Biolink NT, investment funds that are focused on the biotech and/or healthcare industry. For further details of the identity and background of the Pre-**[REDACTED]** Investors, see "History, Reorganization and Corporate Structure—Pre-**[REDACTED]** Investments—Background Information of the Pre-**[REDACTED]** Investors."

DIVIDENDS

We declared and paid a dividend of RMB21 million in 2018.

We do not have a specific dividend policy or a predetermined dividend payout ratio. The decision to pay dividends in the future will be made at the direction of our Board and will be based on our profits, cash flows, financial condition, capital requirements and other conditions that our Board deems relevant. The payment of dividends may be limited by other legal restrictions and agreements that we may enter into in the future. See "Financial Information—Dividends."

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that: (i) the **[REDACTED]** is completed and **[REDACTED]** are issued in the **[REDACTED]**; (ii) **[REDACTED]** Shares are in issue upon completion of the Share Subdivision and the **[REDACTED]**; and (iii) the **[REDACTED]** is not exercised:

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]
Market capitalization of our Shares(1)	HK$**[REDACTED]** million	HK$**[REDACTED]** million
Unaudited *pro forma* adjusted net tangible assets per Share(2)	HK$**[REDACTED]**	HK$**[REDACTED]**

Notes:

(1) The calculation of the market capitalization of our Shares is based on the assumption that **[REDACTED]** Shares will be in issue and outstanding immediately following the completion of the Share Subdivision and the **[REDACTED]**, assuming the **[REDACTED]** is not exercised.

(2) The unaudited *pro forma* adjusted net tangible assets per Share is calculated on the basis that **[REDACTED]** Shares were in issue assuming that the **[REDACTED]** (and the Share Subdivision) had been completed on August 31, 2021 without taking into account of any trading result or other transactions of the Group entered into subsequent to August 31, 2021; or any Shares which may be issued upon exercise of the **[REDACTED]**.

FUTURE PLANS AND [REDACTED]

We estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** after deducting the **[REDACTED]** fees and expenses payable by us in the **[REDACTED]**, assuming no exercise of the **[REDACTED]** and assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range of HK$**[REDACTED]** to HK$**[REDACTED]** per **[REDACTED]** set forth in this document. We intend to use the net **[REDACTED]** from the **[REDACTED]** for the following purposes:

- Approximately HK$**[REDACTED]** (representing **[REDACTED]**% of the estimated net **[REDACTED]**) will be used for the research and development of therapeutic and access products for hemorrhagic stroke, cerebral atherosclerotic stenosis and AIS;

- Approximately HK$**[REDACTED]** (representing **[REDACTED]**% of the estimated net **[REDACTED]**) will be used for the commercialization of our products for hemorrhagic stroke, cerebral atherosclerotic stenosis and AIS;

- Approximately HK$**[REDACTED]** (representing **[REDACTED]**% of the estimated net **[REDACTED]**) will be used for the expansion of our manufacturing facility to increase the scale of our production;

- Approximately HK$**[REDACTED]** (representing **[REDACTED]**% of the estimated net **[REDACTED]**) will be used for expanding our global presence;

- Approximately HK$**[REDACTED]** (representing **[REDACTED]**% of the estimated net **[REDACTED]**) will be used for advancing our product portfolio through strategic acquisitions, investment, cooperation or a combination of these tactics; and

- Approximately HK$**[REDACTED]** (representing **[REDACTED]**% of the estimated net **[REDACTED]**) will be used for working capital and general corporate purposes.

For details, see "Future Plans and **[REDACTED]**."

[REDACTED] EXPENSES

[REDACTED] expenses to be borne by us are estimated to be approximately HK$**[REDACTED]** (including **[REDACTED]** commission and other expenses), assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, which is the mid-point of the indicative **[REDACTED]** range stated in this document. Approximately HK$**[REDACTED]** is expected to be charged to our consolidated statements of profit or loss and other comprehensive income, and approximately HK$**[REDACTED]** is expected to be accounted for as a deduction from equity upon the **[REDACTED]**. As of August 31, 2021, none of **[REDACTED]** expenses were incurred by the Group. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. Our Directors do not expect such **[REDACTED]** expenses to have a material adverse impact on our results of operations for the eight months ended August 31, 2021.