OVERVIEW

Our Company was incorporated in the Cayman Islands on November 1, 2017 as an exempted company with limited liability. We were founded in August 1998 by our Controlling Shareholder and executive Director, Gao Tieta with his family when Global Vision Corporation was established, through which we commenced our business operations focusing on ophthalmic medical devices in China.

During the past two decades, we underwent various acquisitions and we have also introduced high-quality investors into our shareholding structure, and developed into the largest among domestic players and the fourth largest among all players in China's ophthalmic medical device market in terms of revenue in 2021, according to Frost & Sullivan.

MILESTONES

The following table sets forth certain key milestones of our development:

Year	Event
1998	Global Vision Corporation was founded, through which we began the sale and distribution of our Distribution Products.
1998	We began our relationship with our brand partner Heidelberg in 1998 as the exclusive distributor in respect of Ophthalmic Imaging Systems.
2002	We began our relationship with our brand partner Optos in 2002 as the sole distributor of the Scanning Laser Ophthalmoscope of Optos.
2009	We established Mingwang Medical through which we expanded our business to distributing large ophthalmic devices.
	We established Gaush Online platform, through which we provide the ophthalmology practitioners with free training sessions, academic lectures, industry and conferences information.
2009	We began our relationship with our brand partner SCHWIND eye-tech-solutions in 2009 as the exclusive distributor of the Refractive Surgery Laser System in China.
2017	We acquired Gaush Raymond, through which we began manufacturing our Gaush-branded Proprietary Products and built up our R&D team to develop our Gaush-branded Proprietary Products.
2018	We completed the Series A Financing and raised approximately US$50 million.

Year	Event
2020	We acquired Roland, a manufacturer of electrophysiological products, who was previously our brand partner and with whom we have cooperated for over 20 years prior to our acquisition. Through Roland, we expanded our portfolio of Proprietary Products to high-tech ophthalmic diagnostic systems.
	We acquired and became the controlling shareholder of Suzhou Gaush Precision, through which we further expanded our portfolio of self-manufactured Gaush-branded ophthalmic consumables.
2021	We acquired Teleon, who was previously our brand partner and with whom we have entered into an exclusive distributorship agreement in 2017 prior to our acquisition. Through Teleon, we expanded our portfolio of Proprietary Products to include premium implants products. Following completion of the acquisition of Teleon, we also further expanded our footprint into the overseas markets, as well as enhancing our R&D capabilities.
	We established Suzhou Gaush Clear and Gaush Teleon, with a view to enhance our research and development projects developing consumables under our Gaush brand.
	We completed the Series B Financing and raised approximately US$100.5 million.

CORPORATE DEVELOPMENT

Our Company

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on November 1, 2017. It is the holding company of our subsidiaries and its principal business activity is investment holding.

As of the Latest Practicable Date, assuming all Preferred Shares have been converted into Shares, our substantial shareholders comprised Gao Tieta (indirectly through GT HoldCo), OrbiMed Asia, and Cuprite Gem, which held 45.01%, 12.83%, 12.14%, of our issued Shares, respectively. 11.70% of our issued Shares (assuming all Preferred Shares have been converted into Shares) were held by certain directors, supervisors and/or management of our Group, through the Management HoldCos.

For detailed information of shareholding changes of our Company and subsidiaries, see "— [**REDACTED**] Investments" and "— Reorganization" in this section and "Appendix IV — Statutory and General Information — A. Further Information about Our Company and Our Subsidiaries — 2. Changes in Share Capital of Our Company" and "— 3. Changes in Share Capital of Our Subsidiaries."

Our Major Subsidiaries

We currently operate and manage our business through our subsidiaries in the PRC, Hong Kong, Germany and the Netherlands. The following table sets out the details of our subsidiaries which made a material contribution to our results of operations during the Track Record Period:

Name of Subsidiary	Date of Incorporation/ Date of Acquisition	Place of Incorporation	Shareholding held by our Company	Principal business activities
Global Vision Corporation	Incorporated on August 27, 1998	PRC	100%	Sale and distribution of ophthalmic medical devices
Mingwang Medical	Incorporated on November 10, 2009	PRC	100%	Sale and distribution of ophthalmic medical devices
Global Vision HK	Incorporated on December 19, 2013	Hong Kong	100%	Sale of ophthalmic medical devices and agency procurement
Gaush Raymond	Incorporated on May 31, 2006, acquired by us on October 20, 2017	PRC	52%	R&D and production and sale of ophthalmic medical devices
Gaush Jingpin	Incorporated on February 15, 2016	PRC	100%	Sale and distribution of intraocular lens and iris retractors
Gaush Medical Service	Incorporated on May 13, 2019	PRC	100%	Provision of ophthalmic medical device technical services
Roland	Founded on November 29, 1995, acquired by us on November 4, 2020	Germany	80%	Manufacturing and development of electrophysiological products
Teleon Surgical Vertriebs GmbH	Incorporated on November 21, 2016, acquired by us on January 4, 2021	Germany	100%	Sales of intraocular lenses (IOLs) and other ophthalmic products

Name of Subsidiary	Date of Incorporation/ Date of Acquisition	Place of Incorporation	Shareholding held by our Company	Principal business activities
Teleon Surgical GmbH	Incorporated on June 23, 2015, acquired by us on January 4, 2021	Germany	100%	Sales and distribution of ophthalmic medical devices
Teleon Surgical B.V.	Incorporated on October 22, 2014, acquired by us on January 4, 2021	The Netherlands	100%	Manufacturing of intraocular lenses (IOLs) and other ophthalmic products

Further details of our Group's major subsidiaries are provided below. For the list of all subsidiaries of our Company, see Note 1 to the Accountants' Report in Appendix I to this Document.

Our Major Subsidiaries in the PRC

Global Vision Corporation

We established Global Vision Corporation in the PRC on August 27, 1998 as a limited liability company with a registered capital of RMB5 million. As of the Latest Practicable Date, Global Vision Corporation was an indirect wholly owned subsidiary of the Company. It is principally engaged in the sale and distribution of devices for fundus surgeries and diagnosis and other ophthalmic medical devices.

Mingwang Medical

We established Mingwang Medical in the PRC on November 10, 2009 as a limited liability company with a registered capital of RMB10 million. As of the Latest Practicable Date, Mingwang Medical was an indirect wholly owned subsidiary of the Company. It is principally engaged in the sale and distribution of fundus cameras, refractive surgery lasers, femtosecond cataract equipment and other ophthalmic medical devices.

Gaush Raymond

Gaush Raymond was incorporated in the PRC on May 31, 2006 as a limited liability company with a registered capital of RMB3.5 million. Gaush Raymond is principally engaged in R&D and the production and sale of fundus cameras, corneal topographs, slit lamp microscopes, contrast sensitivity meters and other ophthalmic medical devices. We completed the acquisition of Gaush Raymond on November 27, 2017 through a series of transactions as further detailed below.

On September 20, 2017, Gaush Medical Corporation, our wholly owned subsidiary, entered into a share subscription agreement to subscribe for 52% of the registered capital (on a fully enlarged basis) of Gaush Medica for a consideration of RMB34.2 million (the "**Share Subscription**"). The Share Subscription was properly and legally completed on September 22, 2017 and the consideration was settled by instalments with the last instalment settled on June 27, 2019. The other shareholders of Gaush Medica were Jin Nihai and Jin Chengpeng respectively, who would hold 28% and 20% of Gaush Medica on an enlarged basis following completion of the Share Subscription and a subsequent share transfer between Jin Nihai and Jin Chengpeng. Shortly thereafter, on October 20, 2017, Gaush Medica entered into a share transfer agreement to acquire 100% of the equity interests in Gaush Raymond from Jin Nihai for a consideration of RMB19.2 million ("**Gaush Raymond Acquisition**"). The proceeds received by Gaush Medica from the Share Subscription was used to pay the consideration for the Gaush Raymond Acquisition. The Gaush Raymond Acquisition was properly and legally completed on October 20, 2017 and the consideration was settled by instalments with the last instalment settled on July 2, 2019. Immediately following completion of the Gaush Raymond Acquisition, Gaush Raymond became our 52% indirect owned subsidiary. Other than its interest in Gaush Raymond, Gaush Medica did not hold any other asset as of the Latest Practicable Date.

Upon completion of the Share Subscription, Jin Nihai is a connected person at the subsidiary level of our Company by virtue of his interests and directorship in Gaush Medica. The Directors are of the view that the consideration for the Share Subscription and the Gaush Raymond Acquisition were determined after arm's length negotiations among the parties having regard to the product portfolio, research and development capabilities, business overview and prospects of Gaush Raymond.

Gaush Jingpin

We established Gaush Jingpin in the PRC on February 15, 2016 as a limited liability company with a registered capital of RMB7 million. As of the Latest Practicable Date, Gaush Jingpin was an indirect wholly owned subsidiary of the Company. It is principally engaged in the sale and distribution of intraocular lens and iris retractors and other ophthalmic medical devices.

Gaush Medical Service

We established Gaush Medical Service in the PRC on May 13, 2019 as a limited liability company with a registered capital of RMB10 million. As of the Latest Practicable Date, Gaush Medical Service was an indirect wholly owned subsidiary of the Company. It is principally engaged in the provision of ophthalmic medical device technical services.

Our Major Subsidiary in Hong Kong

Global Vision HK

We established Global Vision HK on December 19, 2013 as a limited liability company with an initial share capital of HK$10,000. As of the Latest Practicable Date, Global Vision HK was an indirect wholly-owned subsidiary of the Company. It is principally engaged in sale of ophthalmic medical devices in Hong Kong and Macau and the agency procurement business for our PRC operating subsidiaries.

Our Major Subsidiaries in Germany and the Netherlands

Acquisition of Roland

On September 23, 2020, our wholly owned subsidiary Gaush Germany and the then shareholders of Roland, Manfred Stasche and Joachim Finger, both of whom were then Independent Third Parties, entered into a share purchase agreement pursuant to which Gaush Germany agreed to acquire 80% of the equity interests in Roland at a consideration of EUR3.5 million. The consideration was determined after arm's length negotiations among the parties having regard to, amongst others, the financial performance of Roland for the year ended December 31, 2019. The acquisition of Roland was properly and legally completed and settled on November 4, 2020. Upon completion, Roland became a non-wholly owned subsidiary of our Company.

Roland is a limited liability company founded in Germany on November 29, 1995. It is principally engaged in manufacturing and development of electrophysiological products. Prior to our acquisition of Roland, Roland was our brand partner supplying electrophysiological products to our Group. With over 20 years of cooperation with Roland, we were familiar with the products and management team of Roland. The acquisition of Roland enabled us to expand our portfolio of Proprietary Products to high-tech ophthalmological diagnostic systems and increase the revenue contribution of our Proprietary Products. The Directors expect that the acquisition of Roland would help expand our footprint into overseas markets and to enable us to leverage Roland's R&D capabilities to develop our R&D and technology platform in Europe. We also believe that we could leverage the established distribution network of Roland to help sell and distribute our domestic products into the overseas markets.

Acquisition of Teleon

On December 9, 2020, our wholly owned subsidiary Gaush Netherlands entered into a share purchase agreement with Teleon Holding B.V. with the then shareholder of Teleon Holding B.V., Stichting Administratiekantoor OPM, which was then an Independent Third Party, pursuant to which Gaush Netherlands agreed to acquire 100% of the equity interests in Teleon Holding B.V. at a consideration of EUR171,539,000 (subject to adjustments provided in the share purchase agreement). The consideration was determined after arm's length negotiations among the parties having regard to the EBITDA of Teleon Holding B.V. for the financial year ended December 31, 2019. We also engaged a third party consultant to provide valuation analysis based on the forecast revenue and free cash flow of Teleon up to the year ended December 31, 2024 and the consideration paid also took into account such capability of Teleon to generate revenue and cash. The acquisition of Teleon was properly and legally completed and settled on January 4, 2021. For the years ended December 31, 2019, 2020 and 2021, the gross profit margin of Teleon on a standalone basis was 62.8%, 50.3% and 56.4%, respectively.

The consideration for the acquisition of Teleon was settled as follows:

- approximately EUR47.45 million (representing approximately 27.6% of the total consideration) using our internal cash resources,

- approximately EUR124.25 million (representing approximately 72.4% of the total consideration) financed by external borrowings which consisted of (i) the Bridge Facility Loan of EUR100 million (representing approximately 58.2% of the total consideration) and (ii) the Vendor Loan of EUR24.25 million (representing approximately 14.1% of the total consideration).

The Bridge Facility Loan was subsequently fully refinanced on April 22, 2021 by the Senior Facility Loan and the Mezzanine Loan Facility, both of which will mature in 2024. The Vendor Loan will mature on June 30, 2025. See "Financial Information — Indebtedness — Bank Borrowings."

The Vendor Loan shall be repaid in six instalments, the first four of which will each represent 12.5% of the total principal amount of the Vendor Loan and the last two of which will each represent 25.0%. Details of the repayment schedule are set out as follow:

Repayment date	Percentage of the total principal amount
March 31, 2024	12.5%
June 30, 2024	12.5%
September 30, 2024	12.5%
December 31, 2024	12.5%
March 31, 2025	25.0%
June 30, 2025	25.0%

The Senior Facility Loan shall be repaid in five instalments, the first four of which will each represent 7.5% of the total principal amount of the Senior Facility Loan and the last of which will represent 70.0%. Details of the repayment schedule are set out as follow:

Repayment date	Percentage of the total principal amount
12 months after the utilisation date[1]	7.5%
18 months after the utilisation date[1]	7.5%
24 months after the utilisation date[1]	7.5%
30 months after the utilisation date[1]	7.5%
36 months after the utilisation date[1]	70.0%

Note 1: The utilisation date of the Senior Facility Loan was April 22, 2021.

The Mezzanine Loan Facility carries an interest rate of 5% per annum and shall be repaid in full on the date falling 36 months after April 22, 2021 (being the utilisation date of the Mezzanine Loan Facility).

The Directors confirm that up to the Latest Practicable Date, the Company has not been in breach of any major covenant of the Vendor Loan, the Senior Facility Loan or the Mezzanine Loan Facility.

Upon completion, each of Teleon Holding B.V. and its wholly-owned subsidiaries (being Teleon Surgical B.V., Teleon IP B.V., Teleon Surgical Vertriebs GmbH and Teleon Surgical GmbH) became a wholly owned subsidiary of our Company.

Teleon is primarily engaged in the manufacturing of intraocular lenses (IOLs) and other ophthalmic products. Prior to our acquisition of Teleon, Teleon was one of our brand partners supplying IOLs to our Group. Our cooperation with Teleon began in 2017 and we had been the exclusive distributor of Teleon's IOLs in China thereafter until our acquisition of Telecon. IOLs is a surgical implant and an artificial replacement for the lens of human eye removed during cataract surgery, and they are essential for cataract surgeries. IOLs has been an important part of our product portfolio and the R&D involved in developing IOLs requires extensive costs and sophisticated technology. According to Frost & Sullivan, as the number of cataract patients in China increases and the medical insurance coverage in China expands, the cataract surgical rate in China has maintained steady growth in recent years, which in turn means steadily increasing demand for IOLs. By acquiring Teleon, we believe we will have access to the core intellectual properties relating to sectoral refractive and EDoF IOLs, enabling us to develop our R&D capability relating to IOLs, enlarging our business scope to cover the full value chain of IOLs and reducing our reliance on the upstream brand partners. The strong R&D capabilities of Teleon with respect to IOLs will allow us to develop our proprietary domestically produced IOLs, which we believe would be important to manage any exposure to the evolving centralized procurement policies regarding IOLs and domestic substitutions. In addition, the acquisition of Teleon increased the contribution of consumables in our total revenue which would ensure a more balanced and stable revenue structure, with a view to increasing our gross profit margin. The acquisition of Teleon is in line with our long-term business strategy of increasing our portfolio of Proprietary Products. As Teleon has maintained considerable presence in Germany, Japan, China and South Korea, we believe that the acquisition of Teleon will also help us expand our global footprints and enlarged our global distribution network.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and until the Latest Practicable Date, except as otherwise disclosed in this section, we did not conduct any acquisitions, disposals or mergers that we consider to be material to us.

[**REDACTED**] INVESTMENTS

Overview

The following table sets forth a summary of the details of the [**REDACTED**] Investments:

	Series A Financing	Series B Financing	CS Warrants *Note 1*
Date of relevant agreement(s)	December 26, 2017	March 30, 2021	December 31, 2020
Date of settlement	August 16, 2018	April 9, 2021	October 22, 2021
Names of [REDACTED] Investors	(1) OrbiMed Asia (2) Zhan Ye (3) HL Capital (4) GL Capital	(1) Cuprite Gem (2) OrbiMed Asia	Credit Suisse

	Series A Financing	Series B Financing	CS Warrants Note 1
Number of shares subscribed	28,260,160	18,145,770	1,335,252
Cost per Share	[**REDACTED**]	[**REDACTED**]	[**REDACTED**] Note 2
Total consideration	US$50,000,000 Note 3	US$100,500,000 Note 3	N/A Note 6
Corresponding post-money valuation of our Company Note 4 (approximation)	US$246,243,749	US$770,260,006	N/A
Discount to the [REDACTED] Note 5	[**REDACTED**]	[**REDACTED**]	[**REDACTED**] Note 2
Use of proceeds	We mainly utilized the proceeds from Series A Financing to pay part of the consideration for our acquisition of Teleon and the proceeds from Series B Financing to repurchase our Shares in 2021 Note 7 and to pay the expenses incurred in preparing for the [**REDACTED**]. As of the Latest Practicable Date, we had fully utilized the proceeds from Series A Financing and had utilized approximately 90.6% the proceeds from Series B Financing.		N/A Note 6
Lock-up period	[Within 6 months following the [**REDACTED**], the [**REDACTED**] Investors in respect of the Series A Financing and Series B Financing could not dispose of any of the Shares held by them.]		Credit Suisse is not subject to any lock-up.
Strategic benefits	At the time of the [**REDACTED**] Investments, our Directors were of the view that (i) our Company would benefit from the additional capital provided by the [**REDACTED**] Investors and their knowledge and experience; (ii) the [**REDACTED**] Investments would optimize the shareholding structure of our Company; and (iii) the [**REDACTED**] Investments demonstrated the [**REDACTED**] Investors' confidence in the operation and development of our Group.		

Notes:

1. On April 22, 2021, the Company issued the CS Warrants in connection with the Mezzanine Facility Loan which was to refinance the Bridge Facility Loan taken out to finance our acquisition of Teleon. For details, see "Financial Information — Indebtedness — Bank Borrowings" and the section headed "— CS Warrants" below. Credit Suisse exercised the CS Warrants in full on October 20, 2021 and settled the exercise price (being the par value of the Shares) on October 22, 2021.

2. The cost per share in respect of the 1,335,252 Shares issued upon exercise of the CS Warrants were determined with reference to the fair value of the CS Warrants as of September 30, 2021 as assessed by an independent third party valuer.

3. The considerations in respect of the Series A Financing and Series B Financing were determined based on arm's length negotiation between the parties taking into account the Company's R&D progress, pipeline candidates, business operations and future prospects and the valuation of comparable companies.

4. In respect of the Series A Financing and Series B Financing, the corresponding post-money valuation of our Company equals the valuation of our Company immediately following the respective investment. In respect of the CS Warrants, as the exercise price was par value of the Shares, the post-money valuation was not applicable.

5. The discount of cost per Share to the [**REDACTED**] is calculated based on the [**REDACTED**] of HK$[**REDACTED**] per Share.

6. As the exercise price of the CS Warrants was par value of the Shares, no meaningful consideration was received and no meaningful proceeds was raised from the exercise of the CS Warrants.

7. For details, please see "Appendix IV — A. Further information about our Company and Our Subsidiaries — 2. Changes in share capital of our Company."

Series A Financing

On December 26, 2017, our Company, Gaush BVI, Gaush HK, GMC BVI, GMC HK, Gaush Medical Corporation and the Series A Investors, amongst others, entered into a share subscription agreement, pursuant to which the Series A Investors agreed to invest in our Company by subscription of 16,956,096 Series A1 Preferred Shares and 11,304,064 Series A2 Preferred Shares at a total consideration of US$50,000,000.

Series A1 Financing

At the first stage of Series A Financing, OrbiMed Asia agreed to subscribe for 2,897,627 Series A1 Preferred Shares by transferring 100% of the equity interests in GMC BVI held by it to the Company, the value of which, as agreed by the Company and OrbiMed Asia, shall be US$5,126,700 in aggregate. Series A1 Financing was settled in December 2017.

Series A2 Financing

At the second stage of Series A Financing, the Series A Investors agreed to subscribed for 14,058,469 Series A1 Preferred Shares and 11,304,064 Series A2 Preferred Shares for a total consideration of US$44,873,300, detailed of which are set out below. Series A2 Financing was settled in August, 2018.

	Number of Series A1 Preferred Shares	Number of Series A2 Preferred Shares	Consideration	Date of settlement
			(US$)	
OrbiMed Asia	14,058,469	–	24,873,300	January 19, 2018
Zhan Ye	–	4,239,024	7,500,000	August 16, 2018
HL Capital	–	4,239,024	7,500,000	January 26, 2018
GL Capital	–	2,826,016	5,000,000	January 29, 2018
Total	**14,058,469**	**11,304,064**	**44,873,300**	

Series B Financing

On March 30, 2021, our Company, Gaush BVI, Gaush HK, GMC BVI, GMC HK, GV HK, Gaush Medical Corporation and the Series B Investors, among others, entered into a share subscription agreement, pursuant to which the Series B Investors agreed to invest in our Company by subscription of 18,145,770 Series B Preferred Shares at a total consideration of US$100,500,000, details of which are set out below. Series B Financial was fully settled in April, 2021.

	Number of Series B Preferred Shares	Total consideration	Date of settlement
		(US$)	
Cuprite Gem	17,062,440	94,500,000	April 1, 2021
OrbiMed Asia	1,083,330	6,000,000	April 9, 2021
Total	**18,145,770**	**100,500,000**	

CS Warrants

On April 22, 2021, the Company issued the CS Warrants in connection with the Mezzanine Facility Loan which was to refinance the Bridge Facility Loan taken out to finance our acquisition of Teleon. For details, see "Financial Information — Indebtedness — Bank Borrowings." Credit Suisse exercised the CS Warrants in full on October 20, 2021 and settled the exercise price (being the par value of the Shares) on October 22, 2021. On October 25, 2021, 1,335,252 Shares in our Company were issued and allotted to Credit Suisse in connection with the exercise in full of the CS Warrants.

Special Rights of the [REDACTED] Investors

Series A Financing and Series B Financing

Pursuant to the [**REDACTED**] Investment agreements, the [**REDACTED**] Investors in respect of the Series A Financing and Series B Financing were granted certain special rights, including but not limited to the information right, divestment right, pre-emptive right, director nomination right, veto right for certain corporate actions and anti-dilution right, and more specifically:

(1) each holder of the Preferred Shares shall have a right of first refusal to purchase the additional Shares that the Company may from time to time issue on *pro rata* basis;

(2) each of the Preferred Shares, at the option of the holder thereof shall have certain conversion rights to have the Preferred Shares converted into the Shares;

(3) upon the occurrence of certain events, each Preferred Share and any additional securities held by such [**REDACTED**] Investor shall be redeemable at its option;

(4) each holder of the Preferred Shares shall have the right to purchase up to the number of the Shares [**REDACTED**] in an [**REDACTED**] of the Company at the final [**REDACTED**] per Share that enables each holder of the Preferred Shares to maintain its ownership interest percentage in the Company immediately prior to the consummation of such [**REDACTED**].

Save for the special rights entered to in paragraph (3) above, each of the special rights shall terminate and cease to be effective upon [**REDACTED**]. The special rights referred to in paragraph (3) above shall cease to be exercisable immediately before the first filing of the [**REDACTED**] application by our Company with the Stock Exchange, and shall resume to be exercisable upon the failure by our Company to achieve a qualified [**REDACTED**] before specified dates.

CS Warrants

Pursuant to the warrant instrument in relation to the CS Warrants, Credit Suisse, as the holder of the CS Warrants before exercise of the CS Warrants and as a Shareholder of the Company upon exercise of the CS Warrants, was granted customary information rights. Credit Suisse had such information rights before its exercise of the CS Warrants, as it was not entitled to any shareholders' information right as a warrant holder under the applicable laws or the articles of association of the Company then, and the information rights under the warrant instrument would entitle Credit Suisse to similar rights as those of a Shareholder. The information rights of Credit Suisse after its exercise of the CS Warrants will be no different from those of other Shareholders under the applicable laws and regulations, and such information rights will survive upon [**REDACTED**]. The information to be provided to Credit Suisse after the [**REDACTED**] will be the same information having been published by the Company in the announcement or circular issued to other Shareholders, or the information which will be at the same time made available to the general public by the Company, including without limitation, information about annual and interim financial results, and material price sensitive information of the Company arising from major corporate changes and transactions or other major events published by the Company in accordance with the Listing Rules and other applicable laws and regulations. Such information rights will not be applicable to Credit Suisse when it ceases to be a Shareholder of the Company.

Credit Suisse was also granted the exit option rights upon exercise of the CS Warrants pursuant to the warrant instrument in relation to the CS Warrants. Such exit option rights shall be suspended and not exercisable immediately before the first filing of the [**REDACTED**] application by our Company with the Stock Exchange and shall only resume on the earlier of (A) the date on which such [**REDACTED**] ceases to be valid under the Listing Rules and (B) the date on which such [**REDACTED**] application is withdrawn or rejected, or otherwise expires. Since the first filing of the [**REDACTED**] application by our Company and as of the Latest Practicable Date, such exit option rights remain suspended and not exercisable. The exit option rights shall be immediately terminated and cease to have effect upon [**REDACTED**].

Information on the [REDACTED] Investors

To the best of the Company's knowledge, information and belief and having made all reasonable enquiries, all the [**REDACTED**] Investors (except OrbiMed Asia and Cuprite Gem) are Independent Third Parties. The background information of our [**REDACTED**] Investors who remained as a Shareholder of our Company as of the Latest Practicable Date is set out below.

OrbiMed Asia

OrbiMed Asia is an exempted limited partnership registered under the laws of Cayman Islands on September 14, 2016. The general partner of OrbiMed Asia is OrbiMed Asia GP III, L.P., with OrbiMed Advisors III Limited acting as its general partner. The shareholders of OrbiMed Advisors III Limited comprise of Alexander M. Cooper, Carl L. Gordon, Geoffrey C. Hsu,William Carter Neild, Sunny Sharma, David Guowei Wang, Sam Block III, Sven H. Borho, Ryan Loggie, Douglas W. Coon, C. Scotland Stevens and David Bonita. OrbiMed Asia invests in the healthcare sector with investments ranging from early stage private companies to large multinational corporations.

Cuprite Gem

Cuprite Gem is an exempt company incorporated under the laws of the Cayman Islands with limited liability on August 24, 2020. Cuprite Gem is wholly owned by certain investment funds managed by their fund manager, Warburg Pincus LLC, among which, approximately 52.10% of Cuprite Gem is owned by Warburg Pincus China-Southeast Asia II (Cayman), L.P. The general partner of Warburg Pincus China-Southeast Asia II (Cayman), L.P. is Warburg Pincus (Cayman) China-Southeast Asia II GP, L.P., the general partner of which is Warburg Pincus (Cayman) China-Southeast Asia II GP LLC ("**WPC-SEA II Cayman GP LLC**"). The managing member of WPC-SEA II Cayman GP LLC is Warburg Pincus Partners II (Cayman), L.P., the general partner of which is Warburg Pincus (Bermuda) Private Equity GP Ltd.

GL Capital

GL Capital is a limited partnership registered in Alberta, Canada on January 8, 2016,the general partner of which is GL Capital Management GP II B.C. 4 Ltd. GL Capital Management GP II B.C. 4 Ltd. is wholly owned by GL Capital Management Limited, which is in turn owned as to approximately 49% by Lion River I, N.V. (a wholly owned subsidiary of Assicurazioni Generali, S.p.A., a company with its shares listed on the Milan Stock Exchange) and 51% by GL Partners Capital Management Ltd (a company controlled by Li Zhenfu). GL Capital is an investment fund that specializes in China's healthcare industry.

HL Capital

HL Capital is a limited partnership formed under the laws of Cayman Islands on May 13, 2014. Its general partner is Highlight Capital GP I Company Limited, which is 70% owned by Seq Medical Limited. Seq Medical Limited is in turn ultimately controlled by Wang Stephen Hui. HL Capital is an investment fund which principally focuses on investment opportunities in medical and healthcare industries and other related industries.

Credit Suisse

Credit Suisse AG, Singapore Branch is the Singapore branch of Credit Suisse AG, which is an international financial services firm, incorporated in Switzerland. Credit Suisse AG, Singapore Branch is a licensed wholesale bank regulated by the Monetary Authority of Singapore (MAS) and provides banking and financial services, and it is an authorized institution as defined under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

Public Float

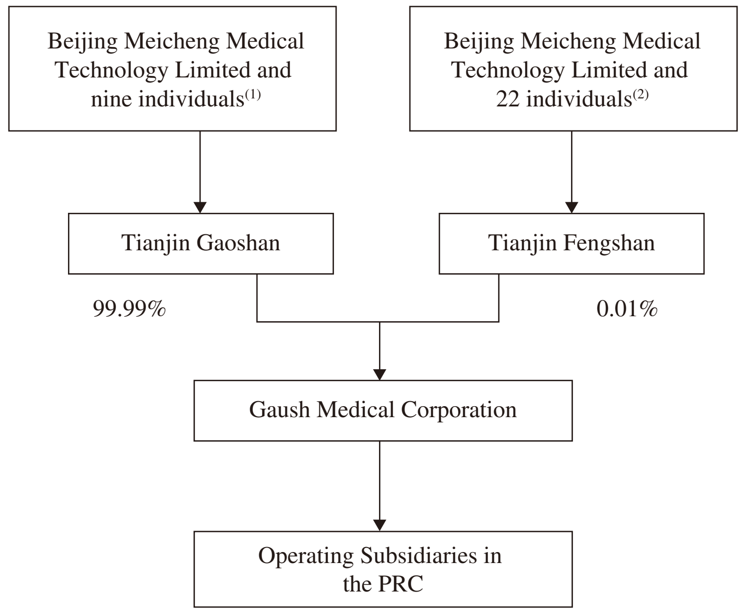
To the best of the Directors' knowledge, all [**REDACTED**] Investors (except OrbiMed Asia) are Independent Third Parties. Upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), the Shares held by certain of our Shareholders who are, or are indirectly controlled by, our core connected persons, will not be counted towards the public float. Such Shareholders include GT HoldCo, GMC IV, GMC V, GMC VI, GMC Teleon and OrbiMed Asia. As a result, upon completion of the [**REDACTED**], an aggregate of [**REDACTED**] Shares or approximately [**REDACTED**]% of the issued share capital of our Company (assuming the [**REDACTED**] is not exercised) held by our [**REDACTED**] Investors and Shareholders will be counted towards the public float. Hence, over [**REDACTED**] of our Company's total issued Shares will be held by the public upon completion of the [**REDACTED**] as required under Rule 8.08(1)(a) of the Listing Rules.

Compliance with Interim Guidance

The Joint Sponsors confirmed that the [**REDACTED**] Investments are in compliance with the Guidance Letter HKEX-GL29-12 issued by the Stock Exchange in January 2012 and as updated in 2017, the Guidance Letter HKEX-GL43-12 issued by the Stock Exchange in October 2012 and as updated in July 2013 and March 2017, and Guidance Letter HKEX-GL44-12 issued by the Stock Exchange in October 2012 and as updated in March 2017.

REORGANIZATION

The following chart sets forth our Group's corporate and shareholding structure immediately prior to the Reorganization:



Notes:

(1) Beijing Meicheng Medical Technology Limited (北京美程醫療技術有限公司), a company incorporated in the PRC, was the general partner of Tianjin Gaoshan and was then owned as to 41.5% by Gao Tieta, 41.5% by Gao Fan and 17% by Liu Xidong. The nine individual limited partners of Tianjin Gaoshan comprise of Gao Tieta, Gao Fan, Liu Xidong, Zhang Jianjun, Zhao Xinli and four other individuals, each of whom is a director, supervisor or management of certain subsidiaries of our Company.

(2) Beijing Meicheng Medical Technology Limited (北京美程醫療技術有限公司) was the general partner of Tianjin Fengshan. The twenty-two individual limited partners of Tianjin Fengshan comprise Zhang Jianjun, Zhao Xinli, Liu Xinwei, Li Wenqi and eighteen other individuals, each of whom is a director, supervisor or management of certain subsidiaries of our Company.

"→" Unless otherwise stated, indicates 100%.

(1) Incorporation of the Offshore Holding Vehicles

Incorporation of Our Company

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on November 1, 2017 and allotted and issued one Share to Sertus Nominees (Cayman) Limited at a par value of US$0.0001. On the date of incorporation, the initial subscriber of our Company, an Independent Third Party, transferred the one issued Share in our Company to GF HoldCo. On the same day, an additional 35,492,199, 35,492,200, 10,367,200, 5,550,500, 3,097,900, 5,320,000 and 4,680,000 Shares in our Company were allotted and issued to GF HoldCo, GT HoldCo, LXD HoldCo, GMC IV, GMC V, GMC VI and GMC VII, respectively. The aforesaid transfer and subscriptions were fully settled and paid on August 14, 2018.

Incorporation of the Intermediate Holding Companies of Our Group

Incorporation of Gaush BVI

In preparing for the [**REDACTED**], Gaush BVI was a BVI business company incorporated under the laws of BVI with limited liability on November 8, 2017. One share with a par value of US$1.00 each was allotted and issued to our Company on the date of incorporation.

Incorporation of Gaush HK

In preparing for the [**REDACTED**], Gaush HK was incorporated under the laws of Hong Kong with limited liability on November 15, 2017. One share of HK$1.00 was subscribed by Gaush BVI on the date of incorporation.

(2) Capital Increase of Gaush Medical Corporation

On September 20, 2017, GMC HK, a wholly owned subsidiary of OrbiMed Asia at the time through GMC BVI, Gaush Medical Corporation and certain other parties entered into a capital increase agreement, pursuant to which GMC HK subscribed for 20.3051% of the equity interests in Gaush Medical Corporation at the subscription price of US$ equivalent of RMB33,855,940. Such subscription price was determined having regard to an independent valuation report issued on September 14, 2017 by reference to the net asset value of Gaush Medical Corporation as of August 31, 2017.

The subscription price was paid on October 30, 2017, of which RMB15,287,200 was contributed to the registered capital of Gaush Medical Corporation and RMB18,568,740 was contributed to the capital reserve of Gaush Medical Corporation. The capital increase was registered with the local SAIC on September 30, 2017.

Immediately following completion of the aforesaid capital increase, Gaush Medical Corporation was held as to 20.3051%, 79.6869% and 0.0080% by GMC HK, Tianjin Gaoshan and Tianjin Fengshan, respectively.

(3) Transfer of Equity Interests in Gaush Medical Corporation to Gaush HK

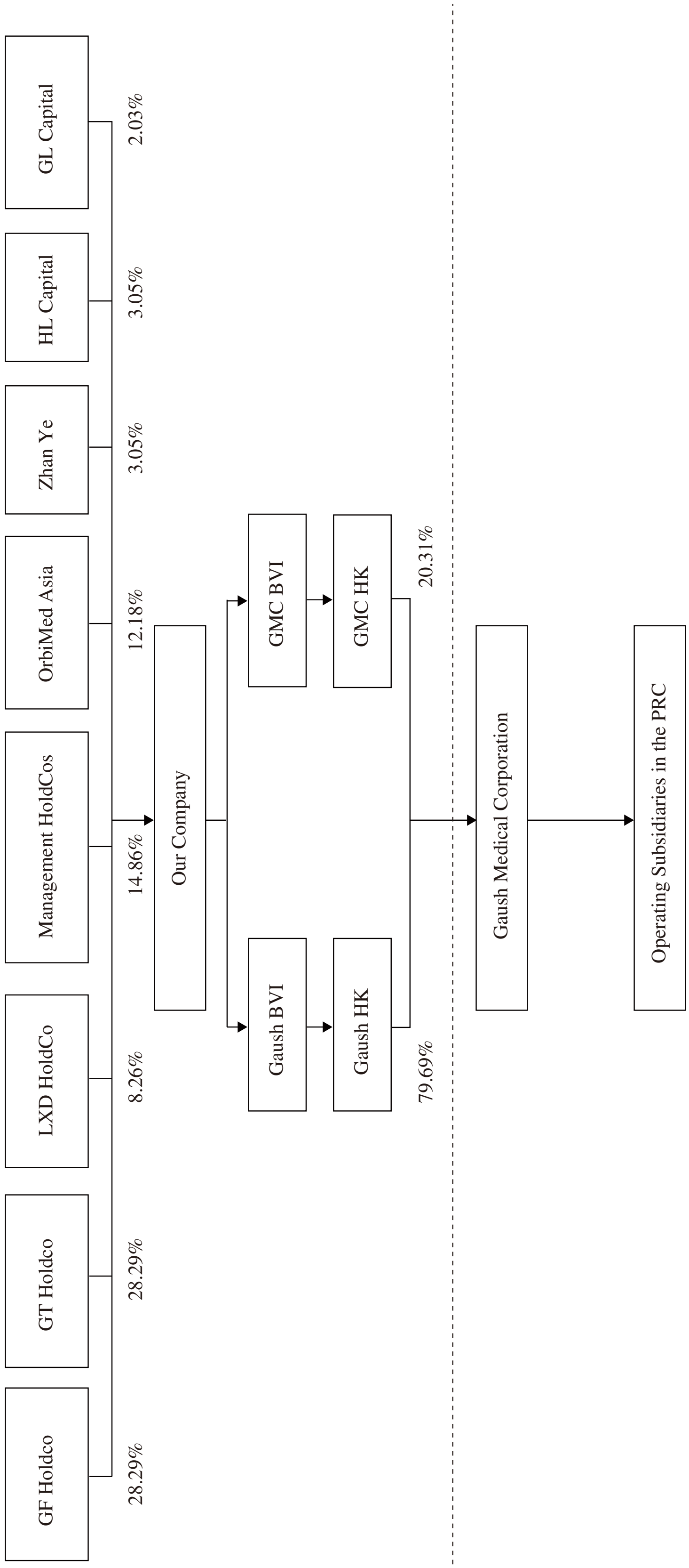
On November 24, 2017, Tianjin Gaoshan and Tianjin Fengshan as transferors entered into an equity transfer agreement with Gaush HK as transferee, pursuant to which the transferors transferred 79.6869% and 0.0080% (i.e., a total of 79.6949%) of the equity interests in Gaush Medical Corporation to Gaush HK at the consideration of RMB132,866,861 and RMB13,339, respectively. Such consideration was determined with reference to the same independent valuation issued on September 14, 2017 by reference to the net asset value of Gaush Medical Corporation as of August 31, 2017. The aforesaid transfer was registered with the local SAIC on December 25, 2017. Immediately following the registration of the aforesaid transfer, Gaush Medical Corporation was held as to 79.6949%by Gaush HK and 20.3051% by GMC HK.

(4) Series A of [REDACTED] Investment and Capital Increase in Our Company

On December 26, 2017, our Company, Gaush BVI, Gaush HK, GMC BVI, GMC HK, Gaush Medical Corporation and the Series A Investors, amongst others, entered into a share subscription agreement, pursuant to which the Series A Investors agreed to invest in our Company by subscription of 16,956,096 Series A1 Preferred Shares and 11,304,064 Series A2 Preferred Shares at a total consideration of US$50,000,000. As the consideration for subscribing the Series A1 Preferred Shares, OrbiMed Asia transferred 100% of the equity interests in GMC BVI held by it to the Company. For further details of the [**REDACTED**] Investment, see "— [**REDACTED**] Investments."

On January 19, 2018, an additional 3,874,894, 3,874,894, 1,131,849, 605,981, 338,216, 580,816 and 510,943 Shares in our Company were allotted and issued as fully-paid, to GF HoldCo, GT HoldCo, LXD HoldCo, GMC IV, GMC V, GMC VI and GMC VII, respectively.

Our shareholding structure immediately after the Reorganization was as follows:



"→" Unless otherwised stated, indicates 100%.

SUMMARY OF SHAREHOLDING CHANGES SINCE COMPLETION OF THE REORGANIZATION

Summary of Shareholding Changes

	Shareholding in our Company			
Shareholder	**As of December 31, 2018**	**As of January 2, 2020**	**As of December 31, 2020**	**As of Latest Practicable Date**
GT HoldCo	28.29%	50.35%	50.35%	45.01%
GF HoldCo(1)(2)	28.29%	9.34%	9.34%	4.70%
LXD HoldCo	8.26%	7.56%	7.56%	4.62%
GMC IV(3)	4.42%	4.61%	4.61%	4.38%
GMC V(4)	2.47%	2.57%	2.57%	2.44%
GMC VI(5)	4.24%	4.42%	4.42%	4.20%
GMC VII(6)	3.73%	–	–	–
OrbiMed Asia	12.18%	12.69%	12.69%	12.83%
Zhan Ye(7)	3.05%	3.17%	–	–
HL Capital	3.05%	3.17%	3.17%	3.02%
GL Capital(7)	2.03%	2.12%	5.29%	5.03%
Cuprite Gem	–	–	–	12.14%
GMC Teleon(8)	–	–	–	0.68%
Credit Suisse(9)	–	–	–	0.95%
Total	100%	100%	100%	100%

Notes:

(1) As part of our measures in response to the Incident, (a) on August 23, 2019, the Company repurchased 4,175,333 Shares from GF HoldCo, which were cancelled upon completion of such repurchase, at the consideration of US$7,387,200 which was determined with reference to the valuation of the Shares in Series A Financing and fully paid on August 15, 2019 in cash using the Company's internal resources, (b) on January 2, 2020, GT HoldCo acquired from GF HoldCo 22,713,810 Shares that were held by GF HoldCo at the consideration of US$42,195,113 which was determined with reference to the valuation of the Shares in Series A Financing with a 5% premium and fully paid on May 21, 2020 in cash. The consideration was wholly financed by a US dollar bank facility provided by an international commercial bank (the "**Acquisition Facility**") under a facility agreement entered into between GT HoldCo and such international commercial bank on March 19, 2020. The international commercial bank is an Independent Third Party and is not an associate of Gao Fan. On June 22, 2021, GT HoldCo was granted the CS Facility by Credit Suisse. The proceeds of the CS Facility was used to partially repay the Acquisition Facility whilst the remaining outstanding amount of the Acquisition Facility was repaid with the consideration money received by GT HoldCo from a share repurchase of 4,008,319 Shares by the Company from GT Holdco on March 30, 2021 at a total consideration of US$22,199,999, such consideration was determined with reference to valuation of the Shares in Series-B Financing and which was fully paid on April 8, 2021 in cash using the Company's internal resources. GT HoldCo charged 36,892,670 Shares to Credit Suisse as security pursuant to the CS Facility, and (c) on March 30, 2021, the Company repurchased 5,878,868 Shares from GF HoldCo, which were cancelled upon completion of such repurchase, at the consideration of US$32,559,999 which was determined with reference to valuation of the Shares in Series-B Financing and which was fully paid on April 8, 2021 in cash using the Company's internal resources.

(2) Following completion of the Series B Financing which further diluted GF Holdco's holding, as of the Latest Practicable Date, Gao Fan owned, through GF HoldCo, 4.70% of the equity interest of our Company. With respect to the Shares held by GF HoldCo, Gao Fan has unconditionally and irrevocably undertook to the Company and the Joint Sponsors that, amongst others, for as long as the Shares are [**REDACTED**] on the Stock Exchange, he will not exercise the voting rights of any Shares held by him directly or indirectly, or acquire any Shares or otherwise increase his shareholding in the Company. In addition, the Company has enhanced its internal control policies after the Incident to prevent bribery or corruption. For details on Gao Fan's undertakings and the internal control of the Company after the Incident, please see "Business — Legal Proceedings and Regulatory Compliance — The Incident."

(3) As of the Latest Practicable Date, GMC IV was owned as to by 74.42% by Zhang Jianjun, an executive Director of our Company, and 12.79% by Gao Feng, 7.67% by Wang Cheng, 5.12% by Wu Hui, each of whom was a director, supervisor or management of certain subsidiaries of our Company.

(4) As of the Latest Practicable Date, GMC V was owned as to by 66.67% by Gao Jinta, a supervisor of our Group and brother of Gao Tieta and brother-in-law of Zhang Jianjun, and 33.33% by Zhao Xinli, an executive Director of our Company.

(5) As of the Latest Practicable Date, GMC VI was owned as to 17.54% by Zhang Jianjun, 27.57% by Zhao Xinli, 12.78% by Wang Cheng, 12.72% by Gao Feng, 13.19% by Wu Hui and 16.20% by Lv Gechang, each of whom was a director, supervisor or management of our Group.

(6) On August 23, 2019, GMC VII which was then wholly owned by Gao Jinta, transferred 5,190,943 Shares to GT HoldCo.

(7) On September 18, 2020, Zhan Ye transferred 4,239,024 Series A2 Preferred Shares to Legend Medical Investment Ltd, an Independent Third Party, who then transferred such shares to GL Capital.

(8) On August 10, 2021, our Company issued and allotted 955,879 Shares to GMC Teleon at a subscription price of US$4,500,000, which was determined with reference to the valuation of the Shares in Series B Financing with a 15% discount and fully paid on August 16, 2021. As of the Latest Practicable Date, GMC Teleon was owned as to 62.22% by Liu Xinwei and 33.33% by Zhang Jianjun, two executive Directors of our Company, and 2.00% by Mark Lansu; 1.11% by Hendrik LIGT, 1.11% by Rik Renssen and 0.23% by Alexey Simonov, each of whom was a director or member of the management team of Teleon.

(9) On October 25, 2021, 1,335,252 Shares were issued and allotted to Credit Suisse upon exercise of the CS Warrants in full. For details, see "— [**REDACTED**] Investments — CS Warrants."

Share Charge Created by our Controlling Shareholders

In connection with GT HoldCo's acquisition of 22,713,810 Shares from GF HoldCo, GT HoldCo obtained the CS Facility from Credit Suisse (an authorised institution as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) which was later repaid and replaced by the Replacement Facility. To secure the Replacement Facility, GT HoldCo mortgaged 36,892,670 Shares in favor of Credit Suisse pursuant to the Share Charge. For details, see Note 1 to the section headed "—Summary of Shareholder Changes" above.

Pursuant to the terms of the Replacement Facility, GT HoldCo shall repay the principal amount of US$24 million in full on June 22, 2023 and shall pay interest at a rate of SOFR plus 3.75% per annum for every three months. The aggregate amount of interests payable under the Replacement Facility have been deposited into an account charged to Credit Suisse and timely payments of the interests of the Replacement Facility have been and will be deducted from such account in accordance with the terms of the Replacement Facility. Notwithstanding the above, upon the occurrence of an [**REDACTED**] of the Company, all outstanding Loan, together with accrued interest, and all other costs or amounts accrued under the Replacement Facility will become immediately due and payable within certain business days (the "**Mandatory Prepayment Upon** [**REDACTED**]").

In light of the Mandatory Prepayment Upon [**REDACTED**] of the Replacement Facility (such due date being the "[**REDACTED**] **Prepayment Due Date**"), Credit Suisse and GT HoldCo will, on or before the [**REDACTED**] Prepayment Due Date, enter into a senior secured term loan facility (the "**Refinancing Facility**") of up to an amount not less than US$24 million or its equivalent. The proceeds of the Refinancing Facility will be mainly used to, directly or indirectly, fully repay the Replacement Facility before or upon the [**REDACTED**] Prepayment Due Date. The Refinancing Facility will be secured by the Shares held by GT Holdco. [**REDACTED**] Shares (calculated based on HK$[**REDACTED**] per Share) and representing approximately [**REDACTED**]% and [**REDACTED**]% of the total issued Shares as of the Latest Practicable Date and immediately upon completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), respectively, will initially be charged to Credit Suisse to secure the Refinancing Facility. Additional number of Shares or cash may be deposited with Credit Suisse to satisfy the loan-to-value ratio stipulated under the terms of the Refinancing Facility. The term of the Refinancing Facility will be 364 days and its total principal amount shall be repaid in full upon the expiry of its term. The Refinancing Facility will include other terms and conditions substantially consistent with those of the Replacement Facility. After communicating with Credit Suisse, as of the Latest Practicable Date, the Company was not aware of anything material that would render the plan to enter into the Refinancing Facility before the [**REDACTED**] Prepayment Due Date not feasible.

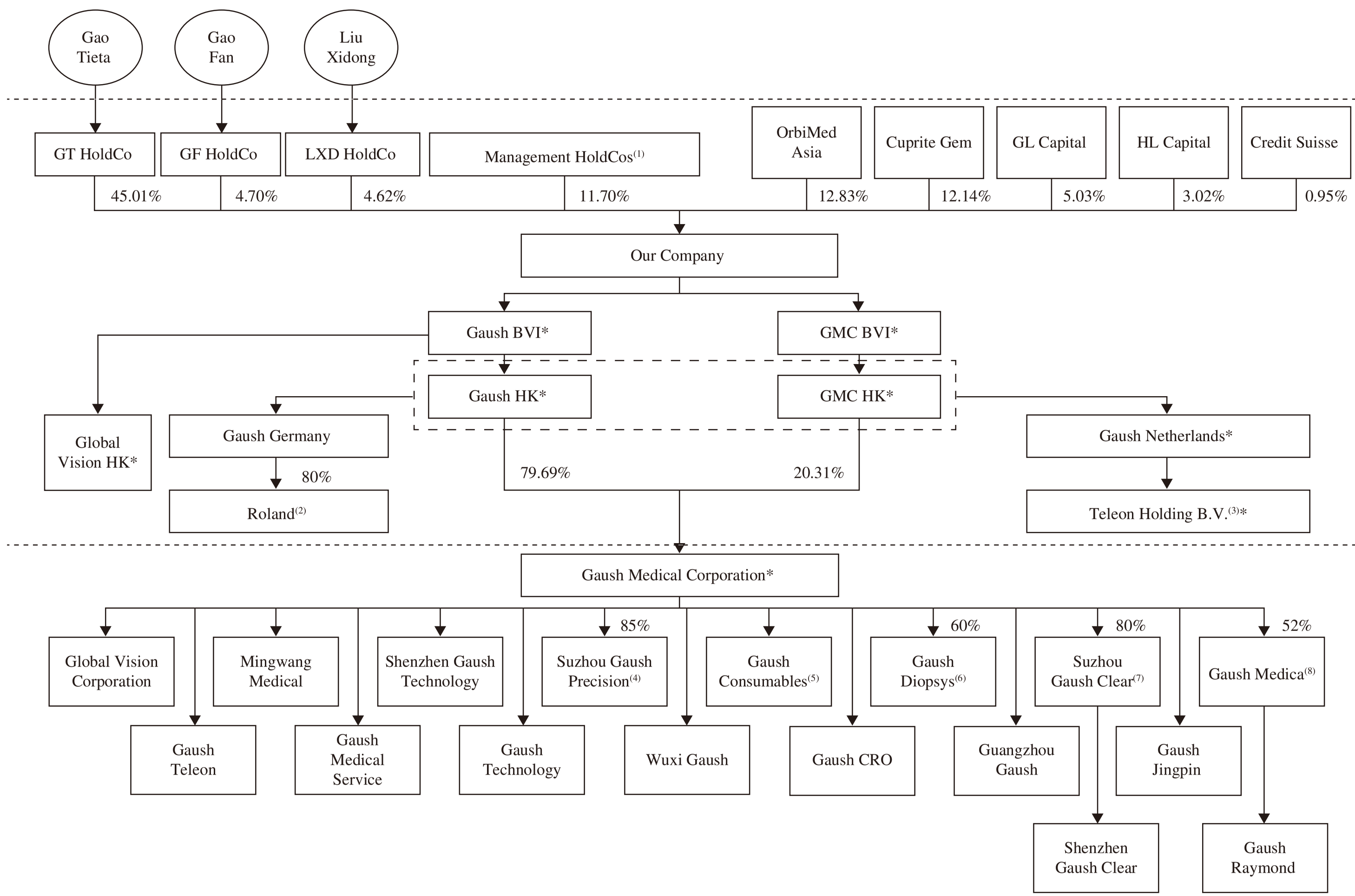
The Share Charge in connection with the Replacement Facility was, and the share charge in connection with the Refinancing Facility will be, taken as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan in accordance with the Listing Rules, including, without limitation Rule 10.07 in respect of restrictions of disposal of shares by controlling shareholders. [**REDACTED**] Gao Tieta has also undertaken to the Company that he will, and will procure GT HoldCo to (i) make timely payments in accordance with the Replacement Facility and the Refinancing Facility as and when it becomes due; and (ii) fulfill his and GT HoldCo's relevant obligations and comply with relevant terms of the Replacement Facility and the Refinancing Facility to avoid the enforcement of the share charges in connection with the relevant facility. [**REDACTED**]

For details of risks relating to potential enforcement of the Share Charge, see "Risk Factors — Risks Relating to Our Business and the Industry — Enforcement of certain share charges by our Controlling Shareholder in case of default under the relevant facilities could materially and adversely affect the prevailing market price of our Shares, and could have a negative impact on our business, operation and financial results."

CORPORATE STRUCTURE

Immediately Before Completion of the [REDACTED]

The chart below sets out the shareholding structure of our Company immediately before completion of the [**REDACTED**]:



Notes:

(1) The Management HoldCos means GMC IV, GMC V, GMC VI and GMC Teleon. As of the Latest Practicable Date, our Company was owned as to 4.22% by Zhang Jianjun (through GMC IV, GMC VI and GMC Teleon), 1.97% by Zhao Xinli (through GMC V and GMC VI), 1.63% by Gao Jinta (through GMC V), 1.09% by Gao Feng (through GMC IV and GMC VI), 0.87% by Wang Cheng (through GMC IV and GMC VI), 0.78% by Wu Hui (through GMC IV and GMC VI) and 0.68% Lv Gechang (through GMC VI), 0.42% by Liu Xinwei (through GMC Teleon), 0.01% by Mark Lansu (through GMC Teleon), 0.01% by Hendrik Ligt (through GMC Teleon), 0.01% by Rik Renssen (through GMC Teleon), 0.002% by Alexey Simonov (through GMC Teleon), each of whom was a director, supervisor or management of our Company and/or certain subsidiaries of our Company.

(2) As of the Latest Practicable Date, Roland Consult Stasche & Finger GmbH was owned as to 80% by Gaush EUROPE GmbH, 10% by Oscar Stasche and 10% by Simon Finger, each a substantial shareholder of Roland Consult Stasche & Finger GmbH therefore a connected person at the subsidiary level of the Company.

(3) Teleon Holding B.V. is the holding company of Teleon Surgical B.V., Teleon IP B.V., Teleon Surgical Vertriebs GmbH and Teleon Surgical GmbH.

(4) As of the Latest Practicable Date, Suzhou Gaush Precision was owned as to 85% by Gaush Medical Corporation and three individuals, each of whom was an Independent Third Party, namely 6.75% by Guo Zhonglong, 6.75% by Feng Bin and 1.5% by Yu Jie.

(5) As of the date of this Document, Gaush Consumables was wholly owned by Gaush Medical Corporation. As of the date of this Document, the legal proceedings between the Group and Yuan Shengyuan in respect of the equity disputes in Gaush Consumables were fully settled. For details of the legal proceedings, see "Business — Legal Proceedings and Regulatory Compliance — Legal Proceedings."

(6) As of the Latest Practicable Date, Gaush Diopsys was owned as to 60% by Gaush Medical Corporation and 40% by Diopsys International LLC which was a substantial shareholder of the Gaush Diopsys and therefore a connected person of the Company.

(7) As of the Latest Practicable Date, Suzhou Gaush Clear was owned as to 80% by Gaush Medical Corporation and 20% by Tianjin Taihang Corporate Management Consultancy L.P.* (天津高視太行企業管理諮詢合夥企業（有限合夥）).

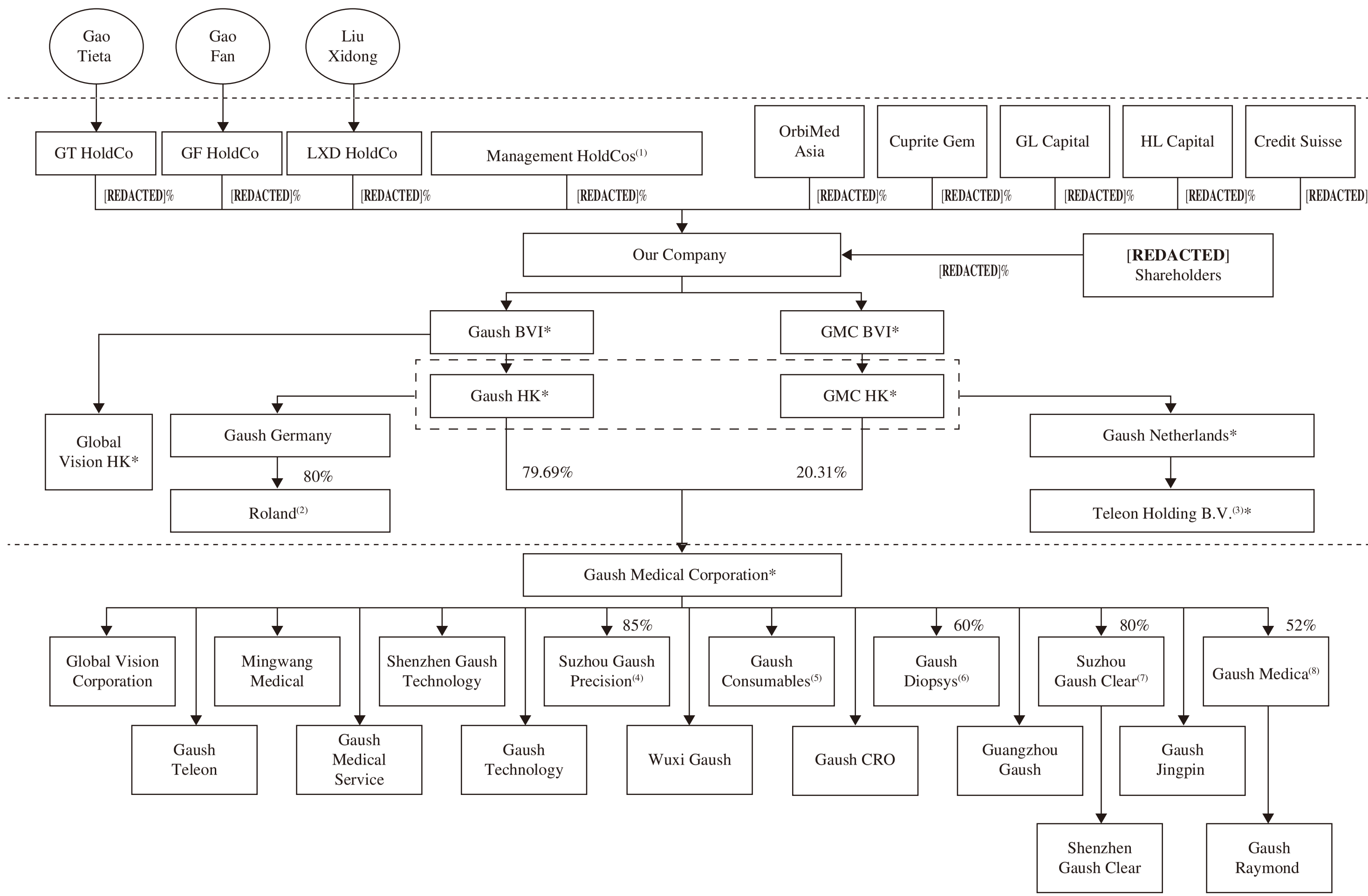
(8) As of the Latest Practicable Date, Gaush Medica was owned as to 52% by Gaush Medical Corporation and two individuals, namely 28% by Jin Nihai and 20% by Jin Chengpeng, each of whom was a substantial shareholder of Gaush Medica and therefore a connected person of the Company.

"→" Unless otherwised stated, indicates 100%.

"*" 100% equity interests of such subsidiary of the Company has been pledged to lenders. See "Financial Information — Indebtedness — Bank Borrowings" and "Financial Information — Indebtedness — Loan at Fair Value through Profit or Loss and Warrants" for the details of our bank borrowings.

Immediately After Completion of the [REDACTED]

The chart below sets out the shareholding structure of our Company immediately after completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):



Notes:

(1) The Management HoldCos means GMC IV, GMC V, GMC VI and GMC Teleon. As of the Latest Practicable Date, our Company was owned as to 4.22% by Zhang Jianjun (through GMC IV, GMC VI and GMC Teleon), 1.97% by Zhao Xinli (through GMC V and GMC VI), 1.63% by Gao Jinta (through GMC V), 1.09% by Gao Feng (through GMC IV and GMC VI), 0.87% by Wang Cheng (through GMC IV and GMC VI), 0.78% by Wu Hui (through GMC IV and GMC VI) and 0.68% Lv Gechang (through GMC VI), 0.42% by Liu Xinwei (through GMC Teleon), 0.01% by Mark Lansu (through GMC Teleon), 0.01% by Hendrik Ligt (through GMC Teleon), 0.01% by Rik Renssen (through GMC Teleon), 0.002% by Alexey Simonov (through GMC Teleon), each of whom was a director, supervisor or management of our Company and/or certain subsidiaries of our Company.

(2) As of the Latest Practicable Date, Roland Consult Stasche & Finger GmbH was owned as to 80% by Gaush EUROPE GmbH, 10% by Oscar Stasche and 10% by Simon Finger, each a substantial shareholder of Roland Consult Stasche & Finger GmbH therefore a connected person at the subsidiary level of the Company.

(3) Teleon Holding B.V. is the holding company of Teleon Surgical B.V., Teleon IP B.V., Teleon Surgical Vertriebs GmbH and Teleon Surgical GmbH.

(4) As of the Latest Practicable Date, Suzhou Gaush Precision was owned as to 85% by Gaush Medical Corporation and three individuals, each of whom was an Independent Third Party, namely 6.75% by Guo Zhonglong, 6.75% by Feng Bing and 1.5% by Yu Jie.

(5) As of the date of this Document, Gaush Consumables was wholly owned by Gaush Medical Corporation. As of the date of this Document, the legal proceedings between the Group and Yuan Shengyuan in respect of the equity disputes in Gaush Consumables were fully settled. For details of the legal proceedings, see "Business — Legal Proceedings and Regulatory Compliance — Legal Proceedings."

(6) As of the Latest Practicable Date, Gaush Diopsys was owned as to 60% by Gaush Medical Corporation and 40% by Diopsys International LLC which was a substantial shareholder of the Gaush Diopsys and therefore a connected person of the Company.

(7) As of the Latest Practicable Date, Suzhou Gaush Clear was owned as to 80% by Gaush Medical Corporation and 20% by Tianjin Taihang Corporate Management Consultancy L.P.* (天津高視太行企業管理諮詢合夥企業(有限合夥)).

(8) As of the Latest Practicable Date, Gaush Medica was owned as to 52% by Gaush Medical Corporation and two individuals, namely 28% by Jin Nihai and 20% by Jin Chengpeng, each of whom was a substantial shareholder of Gaush Medica and therefore a connected person at the subsidiary level of the Company.

"→" Unless otherwised stated, indicates 100%.

"*" 100% equity interests of such subsidiary of the Company has been pledged to lenders. See "Financial Information — Indebtedness — Bank Borrowings" and "Financial Information — Indebtedness — Loan at Fair Value through Profit or Loss and Warrants" for the details of our bank borrowings.

PRC REGULATORY REQUIREMENTS

M&A Rules

According to the Provisions Regarding Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "**M&A Rules**") jointly issued by the MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產管理監督委員會), the SAT, the CSRC, State Administration of Industry and Commerce and the SAFE on August 8, 2006 and effective as of September 8, 2008 and amended in June 2009, where a domestic company, enterprise or natural person intends to acquire its/his/her related domestic company in the name of an offshore company which it/he/she lawfully established or controls, the acquisition shall be subject to the examination and approval of the MOFCOM, and where a domestic company or natural person holds an equity interest in a domestic company through an offshore special purpose company, any overseas listing of that special purpose company shall be subject to approval by the CSRC. According to Article 11 of the M&A rules, if any domestic company, enterprise or natural person merges its affiliated domestic company in the name of a company legally established or controlled by the aforesaid domestic company, enterprise or natural person in foreign countries or regions, it shall be subject to the approval of MOFCOM.

As advised by our PRC Legal Adviser, the historical onshore acquisition and reorganization of our Group are not in violation with the M&A Rules and are not subject to a prior approval from the MOFCOM under the M&A Rules.

In relation to all the transfers of equity interests, investments and increases in registered capital in our subsidiaries established in China as described in this section, Our PRC Legal Adviser confirms that all necessary regulatory approvals from the Chinese authorities have been obtained and all relevant Chinese laws and regulations have been complied with.

SAFE Registration in the PRC

On July 4, 2014, the SAFE issued the Circular of the State Administration of Foreign Exchange on the Administration of Foreign Exchange Involved in Overseas Investment, Financing and Round-trip Investment Conducted by Chinese Mainland Residents via Special-purpose Companies (Hui Fa [2014] No. 37) (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the "**SAFE Circular 37**"). According to the SAFE Circular 37, with respect to a registered special purpose vehicle, any changes made to the Chinese residency of its individual shareholders, its name, term of operation or other basic information, or other material information, such as the increase or reduction of capital contribution or transfer, or swap of equity by any shareholder, or merger or de-merger of such registered special purpose vehicle, the shareholders shall promptly re-register such changes with the competent foreign exchange authority.

On February 13, 2015, SAFE released the Notice on Further Simplifying the Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (the "**SAFE Circular 13**"), which became effective from June 1, 2015. According to SAFE Circular 13, local banks shall examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration under SAFE Circular 37. However, there exists uncertainties with respect to its interpretation and implementation by governmental authorities and banks.

As confirmed by our PRC Legal Adviser, in relation to the incorporation of GT HoldCo, GF HoldCo, LXD HoldCo, GMC IV, GMC V, GMC VI and GMC VII, Gao Fan, Gao Tieta, Liu Xidong, Zhang Jianjun, Zhao Xinli, Gao Feng, Wang Cheng, Wu Hui, Gao Jinta and Lv Gechang, all of whom are Chinese citizens, completed the registration on December 8, 2017 according to SAFE Circular 37. In addition, as confirmed by our PRC Legal Adviser, in relation to the incorporation of Hima Holding Ltd and Huyang Group Ltd, both of which are shareholders of GMC Teleon Ltd, Liu Xinwei and Zhang Jianjun completed the registration on July 6, 2021 according to SAFE Circular 37.