

EDGE MEDICAL
精鋒医疗

深圳市精鋒醫療科技股份有限公司
Shenzhen Edge Medical Co., Ltd.

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

Stock Code : 2675

GLOBAL OFFERING

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Morgan Stanley

广发证券
GF SECURITIES

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

中金公司
CICC

CITIC SECURITIES

Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

民銀資本
CMB CAPITAL HOLDINGS LIMITED

IMPORTANT

IMPORTANT: If you are in any doubt about any of the contents of this document, you should obtain professional independent advice.



Shenzhen Edge Medical Co., Ltd. 深圳市精鋒醫療科技股份有限公司

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

Global Offering

Number of Offer Shares under the Global Offering	: 27,722,200 H Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	: 2,772,300 H Shares (subject to reallocation)
Number of International Offer Shares	: 24,949,900 H Shares (subject to reallocation and the Over-allotment Option)
Offer Price	: HK\$43.24 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	: RMB1.00 per H share
Stock code	: 2675

*Joint Sponsors, Overall Coordinators, Joint Global Coordinators,
Joint Bookrunners and Joint Lead Managers*

Morgan Stanley



*Overall Coordinators, Joint Global Coordinators, Joint Bookrunners
and Joint Lead Managers*



Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of this Prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in Appendix VII to this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this Prospectus or any other documents referred to above.

The Offer Price per Offer Share will be HK\$43.24 per Offer Share, unless otherwise announced. Applicants for the Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the Offer Price of HK\$43.24 for each Hong Kong Offer Share together with brokerage fee of 1.0%, SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%.

The Overall Coordinators, on behalf of the Underwriters, may, where considered appropriate and with our consent, reduce the number of Hong Kong Offer Shares and/or the Offer Price below that is stated in this Prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, notices of the reduction in the number of Hong Kong Offer Shares will be published on the website of our Company at <https://www.edgemed.cn> and on the website of the Hong Kong Stock Exchange at www.hkexnews.hk as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. Further details are set forth in the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this Prospectus.

We are incorporated, and a majority part of our businesses are located, in the PRC. Potential investors should be aware of the differences in the legal, economic and financial systems between the PRC and Hong Kong and that there are different risk factors relating to investment in PRC-incorporated businesses. Potential investors should also be aware that the regulatory framework in the PRC is different from the regulatory framework in Hong Kong and should take into consideration the different market nature of the H Shares. Such differences and risk factors are set out in the sections headed "Risk Factors," "Regulatory Overview" and "Appendix V—Summary of Articles of Association" in this Prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (on behalf of the Underwriters) if certain events occur prior to 8:00 a.m. on the Listing Date. Please refer to the section headed "Underwriting" in this Prospectus.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may be offered and sold only (a) in the United States to "Qualified Institutional Buyer" in reliance on Rule 144A or another exemption from, or in a transaction not subject to, registration under the U.S. Securities Act and (b) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

December 30, 2025

IMPORTANT

IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under “HKEXnews > New Listings > New Listing Information” section and our website at <https://www.edgemed.cn>. You may download and print from these website addresses if you want a printed copy of this prospectus.

To apply for the Hong Kong Offer Shares, you may use one of the following application channels:

Application channel	Platform	Target investors	Application time
HK eIPO White Form service	www.hkeipo.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Tuesday, December 30, 2025 to 11:30 a.m. on Monday, January 5, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Monday, January 5, 2026, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC’s FINI system in accordance with your instruction.	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant’s stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian .

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

IMPORTANT

If you are an **intermediary, broker or agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

Please refer to “How to Apply for Hong Kong Offer Shares” for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application must be for a minimum of 100 Hong Kong Offer Shares and in one of the numbers set out in the table below. If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares. If you are applying through the **HKSCC EIPO channel**, you are required to pre-fund your application based on the amount specified by your **broker or custodian**, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment
	HK\$		HK\$		HK\$		HK\$
100	4,367.61	2,000	87,352.15	10,000	436,760.75	300,000	13,102,822.62
200	8,735.21	2,500	109,190.19	20,000	873,521.51	400,000	17,470,430.15
300	13,102.82	3,000	131,028.22	30,000	1,310,282.26	500,000	21,838,037.70
400	17,470.44	3,500	152,866.27	40,000	1,747,043.01	600,000	26,205,645.25
500	21,838.03	4,000	174,704.30	50,000	2,183,803.76	700,000	30,573,252.78
600	26,205.65	4,500	196,542.33	60,000	2,620,564.52	800,000	34,940,860.32
700	30,573.26	5,000	218,380.38	70,000	3,057,325.27	900,000	39,308,467.85
800	34,940.85	6,000	262,056.45	80,000	3,494,086.03	1,000,000	43,676,075.40
900	39,308.47	7,000	305,732.52	90,000	3,930,846.79	1,386,100 ⁽¹⁾	60,539,408.11
1,000	43,676.07	8,000	349,408.60	100,000	4,367,607.55		
1,500	65,514.11	9,000	393,084.68	200,000	8,735,215.08		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

EXPECTED TIMETABLE⁽¹⁾

If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the Company's website at <https://www.edgemed.cn> and the website of the Stock Exchange at www.hkexnews.hk.

Hong Kong Public Offering commences 9:00 a.m. on Tuesday,
December 30, 2025

Latest time for completing electronic applications
under the **HK eIPO White Form** service through
the designated website at www.hkeipo.hk⁽²⁾ 11:30 a.m. on Monday,
January 5, 2026

Application lists open⁽³⁾ 11:45 a.m. on Monday,
January 5, 2026

Latest time for (a) completing payment of
HK eIPO White Form applications by effecting
internet banking transfer(s) or PPS payment
transfer(s) and (b) giving **electronic application**
instructions to HKSCC⁽⁴⁾ 12:00 noon on Monday,
January 5, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to submit an **electronic application instruction** on your behalf through HKSCC's FINI system, you are advised to contact your **broker** or **custodian** for the earliest and latest time for giving such instructions, as this may vary by **broker** or **custodian**.

Application lists close⁽³⁾ 12:00 noon on Monday,
January 5, 2026

Announcement of the level of indications of
interest in the International Offering, the level
of applications in the Hong Kong Public Offering
and the basis of allocation of the Hong Kong
Offer Shares to be published on the website of
the Stock Exchange at www.hkexnews.hk and
on the Company's website at <https://www.edgemed.cn>⁽⁵⁾
at or before 11:00 p.m. on Wednesday,
January 7, 2026

EXPECTED TIMETABLE⁽¹⁾

Announcement of results of allocations in the Hong Kong Public Offering (including successful applicants' identification document numbers, where appropriate) to be available through a variety of channels (as described in the section headed "How to Apply for Hong Kong Offer Shares — B. Publication of Results" in this prospectus, including:

- in the announcement to be posted on our website and the website of the Stock Exchange at <https://www.edgemed.cn>⁽⁵⁾ and www.hkexnews.hk, respectively 11:00 p.m. on Wednesday, January 7, 2026
- from the "Allotment Results" page at the designated results of allocations website at www.hkeipo.hk/IPOResult or www.tricor.com.hk/ipo/result with a "search by ID" function on a 24-hour basis from 11:00 p.m. on Wednesday, January 7, 2026 to 12:00 midnight on Tuesday, January 13, 2026
- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Thursday, January 8, 2026 to Tuesday, January 13, 2026 (excluding Saturday, Sunday and public holiday in Hong Kong)

H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before⁽⁷⁾⁽⁹⁾ Wednesday, January 7, 2026

Dispatch of **HK eIPO White Form** e-Auto Refund payment instructions/refund checks (if applicable) on or before Thursday, January 8, 2026

Dealings in H Shares on the Stock Exchange expected to commence at 9:00 a.m. on Thursday, January 8, 2026

EXPECTED TIMETABLE⁽¹⁾

Notes:

- (1) All times and dates refer to Hong Kong local times and dates.
- (2) You will not be permitted to submit your application under the **HK eIPO White Form** service through the designated website at www.hkeipo.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of the application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is/are a tropical cyclone warning signal number 8 or above, Extreme Conditions and/or a “black” rainstorm warning at any time between 9:00 a.m. and 12:00 noon on Monday, January 5, 2026, the application lists will not open or close on that day. For further details, please see “How to Apply for Hong Kong Offer Shares – E. Severe Weather Arrangements” of this prospectus.
- (4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC or instructing your broker or custodian to apply on your behalf via HKSCC’s FINI system should refer to “How to Apply for Hong Kong Offer Shares – A. Application for Hong Kong Offer Shares – 2. Application Channels” of this prospectus.
- (5) None of the website or any of the information contained on the websites forms part of this prospectus.
- (6) The H Share certificates are expected to be issued on Wednesday, January 7, 2026 but will only become valid provided that the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms, which is scheduled to be at around 8:00 a.m. on Thursday, January 8, 2026. Investors who trade H Shares on the basis of publicly available allocation details before the receipt of the H Share certificates and before they become valid do so entirely of their own risk.
- (7) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation’s chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel should refer to “How to Apply for Hong Kong Offer Shares – D. Despatch/Collection of H Share Certificates and Refund of Application Monies” for details.

Applicants who have applied through the **HK eIPO White Form** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of **HK eIPO White Form** e-Auto Refund payment instructions. Applicants who have applied through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund checks in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

Any uncollected H Share certificates will be dispatched by ordinary post, at the applicants’ risk, to the addresses specified in the relevant applications.

Further information is set out in “How to Apply for Hong Kong Offer Shares – D. Despatch/Collection of H Share Certificates and Refund of Application Monies.”

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This Prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this Prospectus pursuant to the Hong Kong Public Offering. This Prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this Prospectus in any jurisdiction other than Hong Kong. The distribution of this Prospectus for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this Prospectus to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this Prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this Prospectus. Any information or representation not contained nor made in this Prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, any of the Underwriters, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the Global Offering.

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SUMMARY

*This summary aims to give you an overview of the information contained in this Prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the entire Prospectus before you decide to invest in the Offer Shares. In particular, we are a biotechnology company seeking to list on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with investing in companies such as ours. We have incurred significant operating losses since our inception, and our losses may fluctuate in the near term. We had negative net cash flow from operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and do not intend to pay any dividends in the near future. **In addition, the Core Products, Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot, are the products for the purpose of satisfying the eligibility requirements under Chapter 18A of the Rules and Chapter 2.3 of the Guide for New Listing Applicants. The expansions of certain surgical applications of the Core Products (e.g., urologic, gynecologic, general and thoracic telesurgeries, as well as pediatric, cardiac and otorhinolaryngology (ENT), head and neck surgeries) are in the early stage of clinical development in which the Group may continue to incur substantial costs and expenses in relation to further research and development activities for the Core Products, and the expansions of surgical applications of the Core Products may not be successfully developed or marketed in China or in overseas markets (e.g., Japan and Korea). Your investment decision should be made in light of these considerations.***

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors”. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

Founded in 2017, we are an advanced surgical robot company in the medical device industry, dedicated to designing, developing and manufacturing surgical robots. We have a pipeline of three products and product candidates covering various models at different development stages to capture the market potential in surgical robots, including multi-port endoscopic surgical robots and single-port endoscopic surgical robots for minimally invasive surgery (“MIS”), as well as natural orifice surgical robots for non invasive surgery. Currently, our product portfolio comprises two self-developed Core Products: Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot. Our product portfolio also includes Edge Bronchoscope Robot, which is not a Core Product. Edge Multi-Port Endoscopic Surgical Robot is a robot-assisted device that is applied to perform MIS, using robotic, imaging and digital technologies, covering applications in urologic,

SUMMARY

gynecologic, general and thoracic surgery. Edge Single-Port Endoscopic Surgical Robot is a robot assisted device that is applied to perform MIS through a single small incision or natural orifice, covering applications in urologic, gynecologic and general surgery.

OUR CORE PRODUCTS ARE EDGE MULTI-PORT ENDOSCOPIC SURGICAL ROBOT AND SINGLE-PORT ENDOSCOPIC SURGICAL ROBOT. WE MAY NOT BE ABLE TO SUCCESSFULLY MARKET OUR CORE PRODUCTS IN OVERSEAS MARKETS AS PLANNED, OR SUCCESSFULLY DEVELOP OR MARKET THE EXPANSION OF SURGICAL APPLICATIONS (E.G., UROLOGIC, GYNECOLOGIC, GENERAL AND THORACIC TELESURGERIES, AS WELL AS PEDIATRIC, CARDIAC AND OTORHINOLARYNGOLOGY (ENT), HEAD AND NECK SURGERIES) OF OUR CORE PRODUCTS AND OTHER PRODUCT CANDIDATES IN CHINA OR IN OVERSEAS MARKETS (E.G., JAPAN AND KOREA). EXPANSIONS OF CERTAIN SURGICAL APPLICATIONS ARE IN THE EARLY STAGE OF CLINICAL DEVELOPMENT IN WHICH WE MAY CONTINUE TO INCUR SUBSTANTIAL COSTS AND EXPENSES IN RELATION TO FURTHER RESEARCH AND DEVELOPMENT ACTIVITIES FOR OUR CORE PRODUCTS.

We are the first in China and the second in the world that had received registration approvals of all of multi-port endoscopic surgical robots, single-port endoscopic surgical robots and natural orifice surgical robots, according to Frost & Sullivan. We received the initial registration approval from the NMPA for our Edge Multi-Port Endoscopic Surgical Robot, Edge Single-Port Endoscopic Surgical Robot and Edge Bronchoscope Robot in December 2022, November 2023 and January 2025, respectively.

MIS has become an increasingly prevalent and preferred surgical approach mainly due to its clinical benefits such as less invasiveness, minimized surgical wounds, faster recovery and fewer postoperative complications. As new technologies in surgical robotics are emerging, robot-assisted MIS has become the trend given its superior treatment results compared with open surgery and conventional MIS. Robot-assisted MIS not only brings patients all the benefits of conventional MIS, but also significantly extends a surgeon's capabilities by providing three-dimensional high-definition ("3DHD") visualization of the anatomy, optimizing instrument movements, filtering out tremors inherent in human hands and reducing surgeons' fatigue. We have witnessed market opportunities and unmet clinical needs in China's surgical robot market and are positioned to capture these opportunities.

Edge Multi-Port Endoscopic Surgical Robot, our Core Product, is a robot-assisted device that is applied to perform MIS using robotic, imaging and digital technologies. With its assistance, trained surgeons can easily manipulate the robotic arms that are positioned inside the patient through small incisions to perform surgery while seated comfortably at a console viewing a high resolution 3D image of the surgical field. In December 2022, we received the registration approval from the NMPA for MP1000, its first model, for application in urologic surgery. In August 2023, we received the registration approval from the NMPA for expansion of MP1000's clinical application in gynecology, general surgery and thoracic surgery. MP1000 is the first domestically-developed endoscopic surgical robot approved by the NMPA for

SUMMARY

applications in multiple surgical specialties, according to Frost & Sullivan. In October 2023 and July 2024, the NMPA approved our registration modification for an updated version of MP1000, also known as MP1000 Plus, and MP2000 series, the second generation of our MP1000, respectively. We have been expanding our overseas registration and sales since 2025. In March 2025, we obtained the CE Marking of MP1000 in the EU. We started to commercialize Edge Multi-Port Endoscopic Surgical Robot in China in December 2022. We sold 20 units of Edge Multi-Port Endoscopic Surgical Robot in China in 2024, ranking first among domestic surgical robot manufacturers, according to Frost & Sullivan. In terms of contractual sales volume, we have entered into agreements for sales of 31 units of Edge Multi-Port Endoscopic Surgical Robot in the six months ended June 30, 2025.

Edge Single-Port Endoscopic Surgical Robot, our Core Product, is a robot-assisted device that is applied to perform MIS through a single small incision or natural orifice, and is complementary to our Edge Multi-Port Endoscopic Surgical Robot. All instruments are incorporated in a single robotic arm that operates through a cannula. In November 2023, we received the registration approval from the NMPA for SP1000, its first model, for application in gynecology. In October 2024, we received the registration approval from the NMPA for expansion of SP1000's clinical application in urologic surgery and general surgery. SP1000 is the first (but currently not the only) domestically-developed single-port endoscopic surgical robot approved by the NMPA covering three or more major surgical specialties, according to Frost & Sullivan. We started to commercialize Edge Single-Port Endoscopic Surgical Robot in China in 2024. In addition, in October 2025, we obtained the CE Marking of SP1000 in the EU.

Besides our Core Products, in January 2025, we also received the registration approval from the NMPA for Edge Bronchoscope Robot, a natural orifice surgical robot for natural orifice transluminal endoscopic surgery, or NOTES. It is designed for diagnostic and therapeutic bronchoscopic procedures by navigating the lung periphery with a flexible robotic endoscope. We started to commercialize our Edge Bronchoscope Robot in China in September 2025.

SUMMARY

As of the Latest Practicable Date, we had commercialized our Core Products, obtained the regulatory approval from the NMPA for Edge Bronchoscope Robot, and had a pipeline of three products and product candidates covering various models at different development stages. All of our commercialized products and product candidates have been developed by us independently. The following chart provides a summary of our major products and product candidates as of the Latest Practicable Date:

Product Name ^(a)	Model/Version	Region	Surgical Application	Classification	Design and Development	Type Testing	Clinical Trial/ Clinical Evaluation ^(b)	Registration	Upcoming Key Milestone (Expected)
★ Edge Multi-Port Endoscopic Surgical Robot	MP1000 (base product)	China	Urologic surgery	Class III	Registration approved by NMPA in December 2022				-
			Gynecologic, general and thoracic surgery		Registration modification approved by NMPA in August 2023				-
		Europe ^(c)	Urologic, gynecologic, general and thoracic surgery	Class II(b)	Obtained CE Marking from EMA in March 2025				-
		China	Urologic, gynecologic, general and thoracic telesurgery ^(d)	Class III	To apply for registration modification with NMPA				To be approved in 2026Q3
	MP1000 Plus ^(e)	China	Urologic, gynecologic, general and thoracic surgery	Class III	Registration modification approved by NMPA in October 2023				-
	MP2000 series ^(e)	China	Urologic, gynecologic, general and thoracic surgery	Class III	Registration modification approved by NMPA in July 2024				-
		China	Urologic, gynecologic, general and thoracic telesurgery ^(d)	Class III	To apply for registration modification with NMPA				To be approved in 2026Q3
		China	Pediatric and cardiac surgery	Class III	To apply for registration modification with NMPA				To initiate type testing in 2026Q1
		China	Urologic, gynecologic, general and thoracic surgery	Class III	To apply for registration modification with NMPA				To initiate type testing in 2026Q1
	Upgraded model ^{(f)(g)}	Europe	Urologic, gynecologic, general and thoracic surgery	Class II(b)	To obtain CE Marking from EMA				To initiate type testing in 2026Q3
★ Edge Single-Port Endoscopic Surgical Robot	SP1000 (base product)	China	Gynecologic surgery	Class III	Approved by NMPA in November 2023				-
			Urologic, general surgery	Class III	Approved by NMPA in October 2024				-
		China	Otorhinolaryngology (ENT), head and neck surgery	Class III	Submitted the NMPA application in August 2025				To be approved in 2026Q2
		China	Thoracic surgery	Class III	To apply for registration modification with NMPA				To submit NMPA application in 2026Q1
	Upgraded model ^{(f)(g)}	Europe	Urologic, gynecologic, general and thoracic surgery	Class II(b)	Obtained CE Marking from EMA in October 2025				-
		China	Pediatric surgery	Class III	To apply for registration modification with NMPA				To initiate type testing in 2026Q4
		China	Urologic, gynecologic and general surgery	Class III	To apply for registration modification with NMPA				To complete type testing by end of 2025 and submit NMPA application in 2026Q1
		Europe	Urologic, gynecologic, general, thoracic and pediatric surgery	Class II(b)	To obtain CE Marking from EMA				To initiate design and development in 2026Q3
	CP1000 (base product)	China	Diagnosis and treatment of bronchus and pulmonary lesions	Class III	Approved by NMPA in January 2025				-
	Upgraded model	China	Diagnosis and treatment of bronchus and pulmonary lesions	Class III	To apply for registration modification with NMPA				To initiate type testing in 2026Q3

Core Product

Clinical Trials Required

Clinical Trials Exempted

Notes:

1. Pursuant to the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》), each model of Edge Multi-Port Endoscopic Surgical Robot, Edge Single-Port Endoscopic Surgical Robot and Edge Bronchoscope Robot in China is regulated as the same product under the same registration number on the medical device registration certificate.
2. The clinical evaluations are carried out through analysis and evaluation of clinical literature materials and clinical data of medical devices of the same kind to prove the safety and effectiveness of medical devices instead of clinical trials.
3. As of the Latest Practicable Date, MP1000 was approved by the EMA in March 2025 and we plan to submit applications to the EMA for our other models.
4. Telesurgery is an emerging mode of surgical care whereby surgeons can perform surgical procedures on remotely located patients.
5. MP1000 Plus refers to an updated version of MP1000 with fluorescence imaging function and dual console control. For details, see “Business—Our Products and Product Candidates—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product.”
6. MP2000 series, the next-generation of our MP1000, comprises three models with improved ergonomics, improved computer power, advanced algorithms, full-phase fluorescence imaging and a full-stack technological design. For details, see “Business—Our Products and Product Candidates—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product.”
7. Once the expansion of a surgical application is approved by the NMPA, it will apply to all of the then-existing models on the registration certificate.
8. The upgraded model of our Edge Multi-Port Endoscopic Surgical Robot will offer more comprehensive functions and features compared to the base product. It will incorporate higher-resolution fluorescence imaging to improve visual clarity and enhance ergonomics to facilitate operational handling. The upgraded model will also support new types of surgical instruments for pediatric surgery and cardiac surgery. Additionally, the upgraded model will integrate advanced safety algorithms, including collision alerts, and employ enhanced data transmission capacity that reduces latency. These product modifications constitute a substantial change in the design, raw materials, and/or manufacturing process of a medical device under the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》). Accordingly, we will be required to submit an application for registration modification for the upgraded model of the Edge Multi-Port Endoscopic Surgical Robot to the NMPA.
9. The upgraded model of our Edge Single-Port Endoscopic Surgical Robot will enhance performance of existing surgical instruments and introduce new types of instruments, which can improve instrument maneuverability for procedures using single-port endoscopic robots and enable surgical operations with delicate tissue handling required in pediatric surgery. These product modifications constitute a substantial change in the design, raw materials, and/or manufacturing process of a medical device under the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》). Accordingly, we will be required to submit an application for registration modification for the upgraded model of the Edge Single-Port Endoscopic Surgical Robot to the NMPA.

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For more details of each model or version of our major products and product candidates as of the Latest Practicable Date, see “Business—Our Products and Product Candidates.”

Our strong portfolio of surgical robot products and product candidates enables us to provide comprehensive solutions across a wide spectrum of MIS procedures. It is also noteworthy that the compatibility between Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot by sharing the same surgeon’s console and 3DHD vision system allows surgeons to easily switch between the two and facilitates the adoption of both by hospitals.

As we build up our product portfolio, we have developed a synergistic platform that integrates our strong R&D, clinical development, manufacturing and commercialization capabilities.

- *R&D.* We possess strong R&D capabilities supported by our R&D team and proprietary robotics technology platform. Led by our founders, Dr. Wang Jianchen and Dr. Gao Yuanqian, we had an interdisciplinary R&D team of 265 members as of the Latest Practicable Date with extensive industry experience and multi-disciplinary expertise. We have established a comprehensive technology platform underpinned by our seven proprietary core technology modules. As a testimony of our robust R&D capabilities, we completed the design and major R&D work of both MP1000 and SP1000, in only four years. Our strong R&D capabilities are also proven by our comprehensive intellectual property portfolio. As of the Latest Practicable Date, we had 453 issued patents and 213 patent applications in China. According to Frost & Sullivan, as disclosed by China National Intellectual Property Administration, we ranked the first among Chinese surgical robotics companies in terms of both the number of issued patents and patent applications in China as of the same date. We continue to innovate by updating our Core Products with better visibility, precision, functionality and controllability, and developing our surgical robots that support telesurgery.
- *Clinical Development.* Our clinical development capability has been proven by the rapid clinical development progress and superior results of clinical studies. For example, in the registrational clinical trial of MP1000 in urologic surgery, it delivers satisfactory clinical performance, demonstrating non-inferiority in terms of efficacy and safety in the head-to-head comparison with da Vinci Surgical Systems, the globally leading surgical robots. As of the Latest Practicable Date, none of our clinical trials had failed or encountered any unexpected events including suspension or delay that had material adverse impact on our clinical trials or business operations.
- *Manufacturing.* We currently have manufacturing facilities with an aggregate gross floor area of approximately 10,000 sq.m. in Shenzhen, China. Over the years, we have accumulated expertise and know-how in the manufacturing of surgical robots. We uphold strict quality control and supply chain management, which improves our

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cost efficiency while ensuring high reliability and consistency in the quality of our surgical robots. We formulated our quality control system in accordance with the ISO13485 standard, which covers substantially every aspect of our operations, including product design, procurement and manufacturing. All of our existing manufacturing facilities comply with, and the planned manufacturing center is expected to comply with, the GMP standard of medical device manufacturing quality management norms in China.

- *Commercialization.* We have built an in-house commercialization team and formulated efficient strategies to support the commercialization of our products and product candidates. Our in-house commercialization team members have extensive experience in the sales of medical devices, and are led by Mr. Zongxi Chen, who has over 20 years of relevant sales and marketing experience at several globally leading companies. We have established a number of training centers in collaboration with top Class III Grade A hospitals in China and plan to continue to expand our training center network through partnership with the Chinese Urological Association and Class III Grade A hospitals.

Since the commercialization of our Edge Multi-Port Endoscopic Surgical Robot in December 2022 and Edge Single-Port Endoscopic Surgical Robot in December 2024, in terms of contractual sales volume, we have entered into agreements for sales of 61 units of our Core Products globally as of June 30, 2025. As of the Latest Practicable Date, over 12,000 and 2,000 cases of robot assisted clinical surgeries in China were completed using our Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot, respectively.

Additionally, we have been supported by a group of renowned investors that share our commitment to developing surgical robots. Our investors include leading institutional investors such as Boyu, Temasek, HongShan, 3H Health, LYFE Capital, China State-owned Enterprise Mixed Ownership Reform Fund and OrbiMed.

OUR PRODUCTS AND SELECTED PRODUCT CANDIDATES

Edge Multi-Port Endoscopic Surgical Robot—Our Core Product

As a fast-growing surgical robot company, we focus on surgical robots and instruments for minimally invasive surgery, or MIS, including multi-port endoscopic surgical robots and single-port endoscopic surgical robots. Beyond MIS, we also expand our product offering into non-invasive surgery by developing natural orifice surgical robots. Leveraging our proprietary core technology modules, we have built a comprehensive suite of surgical robot systems addressing a wide range of surgeons' and patients' clinical needs.

Edge Multi-Port Endoscopic Surgical Robot is a robot-assisted device that is applied to perform MIS using robotic, imaging and digital technologies. With its assistance, trained surgeons can easily manipulate the robotic arms that are positioned inside the patient through small incisions to perform surgery while seated comfortably at a console viewing a high

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resolution 3D image of the surgical field. The motions of Edge Multi-Port Endoscopic Surgical Robot in the surgical field are analogous to the motions of a human wrist with tremor inherent in a surgeon's hand filtered out. It enables surgeons to perform complicated procedures with precision in narrow workspaces.

The following is a summary of regulatory milestones of our Edge Multi-Port Endoscopic Surgical Robot:

- In December 2022, we obtained the Class III medical device registration certificate of MP1000, the first model of our Edge Multi-Port Endoscopic Surgical Robot. MP1000 was approved by the NMPA for application in urologic surgery of adults.
- In August 2023, the NMPA approved our registration modification to expand the clinical applications of MP1000 in gynecologic surgery, general surgery and thoracic surgery of adults. MP1000 was the first domestically-developed endoscopic surgical robot approved by the NMPA for applications in multiple surgical specialties, according to Frost & Sullivan.
- In October 2023, the NMPA further approved our registration modification to include (i) the fluorescence imaging function that enables visible light and near-infrared (NIR) fluorescence imaging at the surgical site, with NIR imaging requiring use in combination with NMPA-approved indocyanine green (ICG) at the same location, and (ii) the dual console control. As of the Latest Practicable Date, five NMPA-approved ICG products are available to end customers from approved manufacturers. We refer to the MP1000 with these new features as an updated version of the MP1000, also known as MP1000 Plus.
- In July 2024, the NMPA further approved our registration modification to include our MP2000 series, comprising three models with improved ergonomics, improved computer power, advanced algorithms, full-phase fluorescence imaging and full-stack technological design.
- We have been expanding our overseas registration and sales since 2025. In March 2025, we obtained the CE Marking of MP1000 in the EU.

We started to commercialize Edge Multi-Port Endoscopic Surgical Robot in China in December 2022. As of the Latest Practicable Date, over 12,000 cases of robot-assisted clinical surgeries in China were completed using our Edge Multi-Port Endoscopic Surgical Robot. We sold 20 units of Edge Multi-Port Endoscopic Surgical Robot in China in 2024, ranking first among domestic surgical robot manufacturers, according to Frost & Sullivan. In terms of contractual sales volume, we entered into agreements for sales of 31 units of Edge Multi-Port Endoscopic Surgical Robot in the six months ended June 30, 2025.

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Edge Multi-Port Endoscopic Surgical Robot is primarily comprised of the following three components: the surgeon's console, the patient-side cart and the 3DHD vision system. The surgeon's console allows surgeons to operate and manipulate the robotic arms by viewing the surgical field in real-time through a 3DHD vision system. The patient-side cart is used for port positioning, port placement and manipulation of four robotic arms under the surgeon's control at the console. The 3DHD vision system provides high-definition images to the surgical team.

Leveraging the innovative technologies applied to our Edge Multi-Port Endoscopic Surgical Robot and our extensive development experience, we continue improving the performance of Edge Multi-Port Endoscopic Surgical Robot in order to provide innovative structural design, enhance user experience, deliver better image quality, and provide more comprehensive functions and features based on the feedback collected from the prior clinical trials.

We currently focus on the development and expansion of clinical applications of Edge Multi-Port Endoscopic Surgical Robot for use in urologic, gynecologic, general and thoracic telesurgeries. Driven by the significant market potential, we chose to initiate MP1000's clinical trial in urologic surgery, as the procedure volume of urologic surgery was the largest among all robot-assisted endoscopic surgeries in China in 2022, according to Frost & Sullivan. With telesurgery capabilities, we expect our next generation of surgical robots to contribute to improved surgical expertise for complex cases by fostering surgical collaboration among specialists surgeons from various medical specialties and geographical locations. We also plan to expand the application of Edge Multi-Port Endoscopic Surgical Robot for use in pediatric and cardiac surgeries. For further details, see "Business—Our Products and Product Candidates—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product—Further Development Plans."

Edge Single-Port Endoscopic Surgical Robot—Our Core Product

Edge Single-Port Endoscopic Surgical Robot is a robot-assisted device that is applied to perform MIS through a single small incision or natural orifice. All instruments are incorporated in a single robotic arm that operates through a cannula. It is complementary to Edge Multi-Port Endoscopic Surgical Robot with the following features and benefits:

- The instruments and the camera all emerge through a single cannula and are triangulated around the target anatomy, enabling surgeons to access narrow workspaces; and
- Procedures conducted with our single-port endoscopic surgical robot have fewer incisions and therefore minimize surgical wounds on patients and are less invasive. Patients are expected to have less blood loss, less pain during procedures with faster recovery, and shortened hospitalization time.

See also "Business—Our Products and Product Candidates—Relationships Between Edge Multi-Port and Single-Port Endoscopic Surgical Robots."

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The following is a summary of regulatory milestones of our Edge Single-Port Endoscopic Surgical Robot:

- In November 2023, we obtained the Class III medical device registration certificate of SP1000, the first model of our Edge Single-Port Endoscopic Surgical Robot, which was approved by the NMPA for application in gynecologic surgery.
- In October 2024, the NMPA further approved our registration modification to expand the clinical applications of SP1000 in urologic surgery and general surgery. SP1000 is China's first (but currently not the only) single-port endoscopic surgical robot approved by the NMPA covering three or more major surgical specialties.
- In October 2025, we obtained the CE Marking of SP1000 in the EU.

We started to commercialize Edge Single-Port Endoscopic Surgical Robot in China in 2024. As of the Latest Practicable Date, over 2,000 cases of robot-assisted clinical surgeries in China were completed using our Edge Single-Port Endoscopic Surgical Robot.

Edge Single-Port Endoscopic Surgical Robot is primarily comprised of the following three components: the surgeon's console, the patient-side cart and the 3DHD vision system. The surgeon's console allows surgeons to operate and manipulate the robotic arms by viewing the surgical field in real-time through a 3DHD vision system. The patient-side cart is used for port positioning, port placement and manipulation of the single robotic arm under the surgeon's control at the console. The 3DHD vision system provides high-definition images to the surgical team and is compatible between Edge Multi-Port and Single-Port Endoscopic Surgical Robots, except for the 3D electronic endoscope. The 3D electronic endoscope for Edge Single-Port Endoscopic Surgical Robot accurately captures images that will be transformed to 3D visualization and provides surgeons with improved orientation and superb depth perception.

We currently focus on the development and expansion of clinical applications of Edge Single-Port Endoscopic Surgical Robot for use in thoracic, pediatric, otorhinolaryngology, head and neck surgeries.

We continue improving the performance of Edge Single-Port Endoscopic Surgical Robot based on feedback collected from prior clinical trials and ongoing clinical studies. We seek to develop high-precision endoscopic tracking technology that delivers superior image guidance. In addition, we will continue pursuing a compact design of robotic system, reducing bulky external components that lead to instrument crowding and collisions.

PRC Regulation regarding Various Models and Expansion of Clinical Application of our Core Products

Each of our Core Products is regulated as a Class III medical device in China, and a Class IIb medical device in the EU. According to the Guidelines for the Division of Medical Device Registration Units (《醫療器械註冊單元劃分指導原則》) issued by the NMPA in November

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2017 (the “**Division Guidelines**”), different models of medical devices with the basically the same scope of application, product performance and structural composition shall be divided into the same registration unit in principle. Furthermore, pursuant to the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》) and the anonymous consultation with the NMPA conducted by our PRC Legal Advisor, the update of product models is one of the modified items specified in the medical device registration certificates of the Core Products, and the same registration certificate number shall apply. Therefore, all models of each Core Product in China is regulated as the same product under the same registration number on the medical device registration certificate. For details, see “Regulatory Overview—Overview of the Major Laws, Rules and Regulations Relating to Our Business in the PRC—Regulations and Classification of Medical Devices.”

According to the Technical Guidance Principles for Decision on Whether to Conduct Medical Device Clinical Trials (《決策是否開展醫療器械臨床試驗技術指導原則》) (the “**Technical Guidance**”), clinical trials are required for applying for the registration of Class III medical devices such as Multi-Port Robot and Single-Port Robot, including expansion of clinical applications. The Company engaged in communications with the NMPA and the NMPA raised no objection to each of the clinical trial exemption for model upgrades and/or commencement of clinical trials in connection with the expansion of surgical applications.

Telesurgery

Telesurgery is an emerging mode of surgical care whereby surgeons can perform surgical procedures on remotely located patients. This application expansion is driven by the demand for enhanced access to specialized surgical expertise, significant growth potential after achieving market acceptance, and technological advances in low-latency control and multi-network integration. Telesurgery addresses significant geographic barriers that prevent patients from accessing treatment by enabling patients who are unable to travel due to health risks, restrictions, or logistical delays to access surgical care. Telesurgery also enables real-time collaboration between geographically separated surgeons on complex surgical operations, which is especially beneficial for procedures requiring advanced microsurgical techniques. This capability promotes the sharing of specialized surgical expertise and advanced surgical technologies.

We have been developing our Edge Cloud Telesurgery System since 2021 and have reached major milestones. We completed animal studies in 2022, successfully performed the first remote human surgery in 2023, achieved the first intercontinental remote human surgery in 2024, and performed the world’s first ultra-remote livestreamed human surgery across two continents in 2025. As of the Latest Practicable Date, we had established remote control centers in eight provinces in China and performed telesurgeries in most provinces in China. For example, in July 2025, Sun Yat-sen Memorial Hospital of Sun Yat-sen University and the First People’s Hospital of Kashgar Region collaborated to complete a robotic urological telesurgery spanning over 5,000 kilometers using our Edge Cloud Telesurgery System, establishing a successful robotic telesurgery connecting Guangdong to Xinjiang. This is a breakthrough by domestically manufactured surgical robots in overcoming regional barriers, making it a reality

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for patients in Kashgar, Xinjiang to enjoy “zero-distance” access to high-quality medical services from top-tier experts in major cities in China. This achievement also demonstrates the capability of our Edge Cloud Telesurgery System to overcome significant geographic barriers while ensuring safe and effective surgery, addressing a core technical challenge in the telesurgery field.

As advised by our PRC Legal Advisor, the clinical trials for telesurgeries are subject to general clinical trial requirements in China, and as of the Latest Practicable Date, no formal PRC laws or regulations specifically governing telesurgery clinical trial have been issued. In the absence of specific regulatory guidance, we have established and complied with our own internal standards for such clinical trials. Pursuant to these standards, all participating surgeons, whether operating from the local and remote end, must possess prior operational experience with endoscopic surgery systems. We have defined specific trial protocol parameters, including permitted network deployment modes, gateway connection interface requirements, the maximum number of concurrent users, and permitted concurrency forms. Our telesurgery clinical trials must also meet specified network performance benchmarks for minimum bandwidth, maximum latency, maximum jitter, maximum packet loss rate, and maximum bit error rate. Additionally, prior to initiating a telesurgery clinical trial that is triggered by upgrades to the surgical robot’s parameters, we require a third-party test report confirming network performance.

Edge Bronchoscope Robot

The Edge Bronchoscope Robot is a natural orifice surgical robot for natural orifice transluminal endoscopic surgery, or NOTES. It is designed for diagnostic and therapeutic bronchoscopic procedures by navigating the lung periphery with a flexible robotic endoscope. As our robotic technology overcomes limitations of the reach of conventional bronchoscopy and allows the localization and diagnosis of the most difficult-to-reach lesions, it provides an effective method of taking biopsy of lung lesions and diagnosing smaller lung lesions at an earlier stage in lung disease, in particular peripheral lung cancer.

Edge Bronchoscope Robot is regulated as a Class III medical device in China. In January 2025, we obtained the Class III medical device registration certificate of CP1000, the first model of our Edge Bronchoscope Robot and the first domestically-developed dual-arm bronchoscope robot. It was approved by the NMPA for application in preoperative planning of natural orifice bronchoscopy procedures and treatments. CP1000 provides bronchoscopic visualization of the patient’s airways and access routes to assist physicians in navigating and positioning the bronchoscope.

Edge Bronchoscope Robot is primarily comprised of the following four components: controller, two-arm robot cart, image navigation cart and patient-side system and catheter. The controller allows the physician to easily control the bronchoscope robot. The image navigation cart provides direct vision and navigation features. The patient-side system contains a magnetic navigation system, which provides the precise location with real-time observation of the

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position and orientation of the catheter end in the lung. The bronchoscope sheath, which has a relatively larger diameter, creates a stable base to support the bronchoscope's inner tube to advance beyond the bronchoscope sheath to enter deeper into the lung under the control by one of the robotic arms.

We continue improving the clinical performance of our Edge Bronchoscope Robot, which will incorporate technologies that further enhance the safety and accuracy of the bronchoscopy operation, to reach deeper regions within the lungs, as well as enhance operational precision, expand instrument compatibility, and improve user-friendliness. The improvements will include (i) ultra-thin endoscope technology to reach more distal lung lesions and expand the range of surgical tasks; (ii) multimodal fusion positioning technology that is capable of more comprehensive and accurate intraoperative spatial information of the lung lesions; and (iii) an integrated diagnostic and therapeutic robotic surgery system that maximize success rates of lung lesion ablation with lower occurrence of complications.

MARKET OPPORTUNITIES AND COMPETITIVE LANDSCAPE

Overview of Surgical Robots

Based on their respective clinical applications, surgical robots can be classified into four major categories: endoscopic surgical robots, natural orifice surgical robots, orthopedic surgical robots and other surgical robots including, among others, panvascular surgical robots and percutaneous surgical robots. Driven by various factors such as the increasing demand for surgical robots as a result of their clinical benefits and breakthrough in key technologies, and the future increase in the number of approved surgical robots, Frost & Sullivan estimates the market size of surgical robots will rapidly increase in the future globally and in China. Based on the above, the global market size of surgical robots increased from US\$7.7 billion in 2019 to US\$21.2 billion in 2024 at a CAGR of 22.4% and is expected to reach US\$84.2 billion by 2033 at a CAGR of 16.6%, which indicates a promising market potential. China's market size of surgical robots increased from RMB2,714.9 million in 2019 to RMB7,184.2 million in 2024 at a CAGR of 21.5% and is expected to reach RMB102,018.7 million by 2033 at a CAGR of 34.3%. Among the surgical robot markets in China and globally, the largest segment is endoscopic surgical robots. In the U.S., the penetration rate of robot-assisted endoscopic surgeries was 21.9% in 2024 and is expected to reach 34.0% by 2033. In China, although endoscopic surgeries remain dominated by conventional MIS, the penetration rate of robot-assisted endoscopic surgeries over all endoscopic surgeries is expected to grow from 0.7% in 2024 to reach 3.0% by 2033.

According to Frost & Sullivan, within the industry, "endoscopic surgical robots" and "laparoscopic surgical robots" both refer to a kind of robotic surgical system that uses a minimally invasive surgical approach to operate endoscopy procedures. Endoscopic surgical robots can be used to perform endoscopy, which generally includes laparoscopy and thoracoscopy. Laparoscopy refers to a procedure that permits visual examination of the

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abdominal cavity with an optical instrument called a laparoscope, which is inserted through a small incision made in the abdominal wall. Thoracoscopy refers to a procedure that permits visual examination of the lung surfaces and pleural space through a viewing tube called a thoracoscope.

Endoscopic surgical robots can be categorized into multi-port endoscopic surgical robots and single-port endoscopic surgical robots. The following chart sets forth a comparison between these two categories:

	Multi-Port Endoscopic Surgical Robot	Single-Port Endoscopic Surgical Robot
Current Application	- Extensive clinical applications - Occupying the majority of market share in the surgical robot market	- Approved indications: Gynecologic Surgery, Urology, General Surgery - Currently only two single-port endoscopic surgical robots have been approved by the NMPA for urologic surgery, gynecologic surgery and general surgery
Key Features	- Wide surgical field and convenient operation with multiple incisions - Adaption in a wide range of surgical types with great advantages in highly demanding and complex surgeries - Application in general surgery, urologic surgery, gynecologic surgery, thoracic surgery, etc.	- Less trauma and fast recovery with only one incision - Complementary to multi-port endoscopic surgical robots due to less invasiveness - More advantages in the surgery which is performed in a highly-focus narrow space, such as prostate surgery, cystectomy, ovariectomy, segmental ureterectomy, etc. - Faster postoperative recovery and suitability for younger patients with high aesthetic requirements
Future Trends	Continuing steady growth in the market size due to advantages including a wide range of application in different procedure types, convenient operation and ability to perform complex surgery	Higher patient acceptance rate and expected significant growth in the clinical application due to less trauma, shorter postoperative recovery time and better aesthetic outcome
Global Market Size	- Market size in 2024: US\$9,394 million - Expected market size in 2033: US\$23,777 million	- Market size in 2024: US\$827 million - Expected market size in 2033: US\$15,123 million

Source: Frost & Sullivan Report

The entry barriers for China's endoscopic surgical robot market include considerations such as technical and complex R&D process and intellectual property protection, regulatory requirements, manufacturing and supply chain management and first mover advantage.

In China, apart from Edge Medical, seven other domestic companies have developed endoscopic surgical robots that either received registration approval or are under clinical trials. For details, see “—Market Opportunities and Competitive Landscape—Competitive Landscape of Edge Multi-Port Endoscopic Surgical Robot” and “—Market Opportunities and Competitive Landscape—Competitive Landscape of Edge Single-Port Endoscopic Surgical Robot” of this section.

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Competitive Landscape of Edge Multi-Port Endoscopic Surgical Robot

According to Frost & Sullivan, the procedure volume of multi-port robot-assisted endoscopic surgery in China grew from 38,877 in 2019 to 143,153 in 2024 at a CAGR of 29.8% and is expected to grow further, reaching 1.5 million in 2033 at a CAGR of 29.5% from 2024 to 2033. Correspondingly, the market size of multi-port endoscopic surgical robots in China grew from RMB2,022.6 million in 2019 to RMB4,105.8 million in 2024 at a CAGR of 15.2% and is expected to reach RMB35,350.8 million by 2033 at a CAGR of 27.0% from 2024 to 2033. Globally and in the U.S., Intuitive Surgical’s da Vinci Surgical Systems are currently the dominant robotic platform for robot-assisted surgery. In addition to the da Vinci Surgical Systems, as of the Latest Practicable Date, there were eight other major multi-port endoscopic surgical robots that were approved globally, including Asensus’s Senhance, Avatera Medical’s Avatera, CMR Surgical’s Versius, Meere Company’s Revo-I, Medtronic’s Hugo, Medcaroid’s Hinotori Surgical Robot System, Moon Surgical’s Maestro System and SS Innovations International Inc.’s SSi Mantra/Mantra 3 Surgical Robotic System. For more details, see “Industry Overview—Endoscopic Surgical Robot Market.”

In China, domestically manufactured Edge Multi-Port Endoscopic Surgical Robot is more economically competitive compared to da Vinci Surgical Systems. See “Business—Our Products and Product Candidates—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product—Market Opportunity and Competition” for more details. In addition, the Edge Multi-Port Endoscopic Surgical Robot has a comprehensive indication coverage including urology, gynecology, general and thoracic surgeries and the registrational applications of all these indications have been accepted by the NMPA, presenting a lead over its domestic competitors. The appeal of the Edge Multi-Port Endoscopic Surgical Robot can be further demonstrated by the fact that the Edge Multi-Port Endoscopic Surgical Robot achieved the first sales order in the same month as it received regulatory approval. The following table sets forth the competitive landscape of multi-port endoscopic surgical robots of Intuitive Surgical and us in China:

Manufacturer	Intuitive Surgical		Edge Medical
Product	Da Vinci Si Systems	Da Vinci Xi Systems	Edge Multi-Port Endoscopic Surgical Robotic System
NMPA Approval First Obtained	2011	2018	2022
NMPA Approved Indications	Urologic, General, Gynecologic, Thoracic surgeries, Thoracoscopic assisted cardiomy, Coronary anastomosis combined with mediastinotomy in cardiac revascularization		Urologic Surgery, Gynecologic Surgery, General Surgery and Thoracic Surgery

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The following table sets forth the competitive landscape of major multi-port endoscopic surgical robots in China other than our products and the products of Intuitive Surgical Da Vinci surgical robot:

Manufacturer	Wego	MedBot	Cornerstone	Sagebot		
Product	MicroHand	Toumai surgical robot	Sentire (C1000)	Kangduo (SR-1000)	Kangduo (SR-1500)	Kangduo (SR-2000)
NMPA Approval Obtained	October 2021	January 2022	September 2024	June 2022	April 2024	July 2024
NMPA Approved Indications	Cholecystectomy, Inguinal Hernia Surgery, Hiatal Hernia Repair and Fundoplication, Hepatic Cyst Fenestration, Appendectomy, Sleeve Gastrectomy	Urologic Surgery, Gynecologic Surgery, General surgery, Thoracic Surgery	Urology surgery, General surgery	Urologic Surgery, Gynecologic Surgery, General surgery, Thoracic Surgery	Urologic Surgery	Urologic Surgery, Gynecologic Surgery, General surgery, Thoracic Surgery

For more details on the competitive landscape of multi-port endoscopic surgical robots, see “Industry Overview—Endoscopic Surgical Robot Market—Competitive Landscape—Competitive Landscape for Multi-Port Endoscopic Surgical Robots.”

Competitive Landscape of Edge Single-Port Endoscopic Surgical Robot

According to Frost & Sullivan, the procedure volume of single-port robot-assisted endoscopic surgery in China is expected to grow from 90 in 2024 to 92,131 in 2033. Correspondingly, it is expected that the market size of single-port endoscopic surgical robots in China will grow from RMB79.7 million in 2024 to RMB5,192.0 million in 2033 at a CAGR of 59.1%. See “Industry Overview—Endoscopic Surgical Robot Market—Market Size of Multi-Port and Single-Port Endoscopic Surgical Robots—China Market Size of Multi-Port and Single-Port Endoscopic Surgical Robots” for more details on the forecast CAGR for the single-port endoscopic surgical robot market in China from 2024 to 2033. Globally, Intuitive Surgical’s da Vinci SP Surgical System is one of the earliest single-port endoscopic surgical robots that have been approved by the FDA, which was commercialized in the third quarter of 2018. According to Frost & Sullivan, in 2024, a total of 105 single-port endoscopic surgical robots were sold globally, most of which were da Vinci SP sold by Intuitive Surgical.

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The following table sets forth the major competitive landscape of single-port endoscopic surgical robots in China:

Manufacturer	Intuitive Surgical	Edge Medical	MedBot	Surgerii	Vicarious Surgical
Product	da Vinci SP Surgical System	Edge Single-Port Endoscopic Surgical Robotic System (SP1000)	Toumai Single-Port Laparoscopic Surgical Robot	Surgerii Modular Endoscopic Surgery Robot	Vicarious Surgical System
NMPA Approval	x	November 2023	February 2025	June 2023 (Urologic Surgery) February 2024 (Urologic and Gynecologic Surgery) May 2025 (Urologic, Gynecologic, General and Thoracic Surgery)	x
Single-armed Single Port or not	√	√	x	x	x
NMPA Approved Indications/Clinical Trial in China	• Patient Enrolling: Urologic, otorhinolaryngologic, Gynecologic and General surgery (Mainland) • Trial Initiated: Otorhinolaryngology, Head and Neck, Urologic, Colorectal surgery (Hong Kong)	• Approved: Gynecologic, Urologic and General Surgery	• Approved: Cholecystectomy, liver cyst fenestration, sleeve gastrectomy, fundoplication, hiatal hernia repair, inguinal hernia surgery, appendectomy, laparoscopic surgery of upper urinary tract in urology (except malignant lesions), gynecology (except malignant lesions)	• Approved: Gynecologic Surgery, Urologic Surgery, Thoracic Surgery (Lung)	x

For more details on the major competitive landscape of single-port endoscopic surgical robots, see “Industry Overview—Endoscopic Surgical Robot Market—Competitive Landscape—Competitive Landscape for Single-Port Endoscopic Surgical Robots.”

Competitive Landscape of Edge Bronchoscope Robot

Our Edge Bronchoscope Robot is not a Core Product of our Company. According to Frost & Sullivan, the global market size of natural orifice surgical robots has maintained a rapid growth in recent years. It increased from RMB296 million in 2019 to RMB5,390 million in 2024 at a CAGR of 78.6% and is expected to further grow to RMB31,197 million by 2033 at a CAGR of 21.5%. In China, the market size of natural orifice surgical robots is RMB22.7 million with the first natural orifice surgical robot commercialized in China in 2024, and further grow to RMB9,599 million by 2033 at a CAGR of 95.8%.

Globally, three major natural orifice surgical robots were approved by the FDA as of the Latest Practicable Date, including for peripheral lung lesion biopsy, Johnson & Johnson’s Monarch Platform, Intuitive Surgical’s Ion Platform with one robotic arm, and Noah Medical’s Galaxy System. According to Frost & Sullivan, Intuitive Surgical’s Ion Platform, Johnson & Johnson’s Monarch Platform and Noah Medical’s Galaxy System have received approval from the NMPA in China as of the Latest Practicable Date. For more details on the competitive landscape of major natural orifice surgical robots globally including in China, see “Industry Overview—Natural Orifice Surgical Robot Market.”

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BUSINESS MODEL

Our surgical robots are be used by surgeons on patients, while our target end-customers are hospitals. We primarily sell our products through third-party distributors in China and overseas, who, in turn, sell our products to third parties, including hospitals. All of our overseas sales during the Track Record Period were through distributors. We also sell a small portion of our products directly to hospitals in China. Our revenues include equipment sales revenue, consumables sales revenue, and maintenance and service revenue. We have developed a set of effective pricing strategies for our endoscopic surgical robots. In general, the pricing power of endoscopic surgical robot manufacturers, including us, is subject to market demand from hospitals and competitive dynamics among major players. In addition, the pricing offered to distributors is determined on a case-by-case basis, depending on the scale and bargaining power of each specific distributor. We believe ongoing training programs held among surgeons, assistants and operation nurses at hospitals will help promote the adoption and acceptance of our surgical robots. For more details regarding our sales model, marketing and pricing, see “Business—Sales and Marketing.”

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from competitors:

- The first in China and the second in the world having received the registration approval of all of multi-port endoscopic, single-port endoscopic and natural orifice surgical robots;
- A comprehensive and synergistic surgical robot portfolio;
- Strong R&D capability and advanced robotics technology platform;
- Robust manufacturing capabilities;
- Strong commercialization capabilities; and
- A management team and investors comprised of industry pioneers and veterans, endorsed by renowned investors.

OUR STRATEGIES

We plan to implement the following strategies to achieve our mission and vision:

- Continue to upgrade our products and expand clinical applications of our products and product candidates;
- Boost R&D innovation and enhance technological entry barrier;

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- Enhance our manufacturing capabilities and operational efficiency to support future growth;
- Enhance commercialization efforts to promote our surgical robots and solidify our strong market position in endoscopic surgical robots; and
- Pursue strategic collaborations and acquisitions.

RESEARCH AND DEVELOPMENT

We focus on developing innovative technologies for MIS. We believe that the success of our operations depends to a large extent on our ability to design and develop advanced surgical robots. We are engaged in ongoing research and development activities to deliver clinically advanced new products, to enhance our surgical robots' effectiveness, ease of use, safety, reliability, and to expand the applications of our surgical robots.

As of the Latest Practicable Date, we had a strong in-house research and development team of 265 members, 220 of whom are primarily responsible for the research and development of our Core Products. Our R&D team is led by Dr. Wang and Dr. Gao who have more than 10 years of industry experience in the research and development of robot-assisted medical devices. As of the Latest Practicable Date, over 70% of our R&D personnel held bachelor or above degrees, and over 35% of our R&D personnel held the master's degree or Ph.D. The core members of our R&D team have solid education background with degrees from reputable universities, as well as extensive experience in the medical device development field. Our R&D team members possess expertise covering the entire development cycle of complex medical devices from R&D, clinical trial, registration to quality control. During the Track Record Period and up to the Latest Practicable Date, substantially all key R&D personnel involved in the development of our Core Products remained employed by us.

Since our inception in 2017, we have been establishing a synergistic R&D platform covering internal scientific research, clinical development, quality control and regulatory administration for complex high-performance medical devices with strong barriers to entry. This platform organically integrates talents from diversified professional backgrounds, covering mechanics, medicine, medical engineering, computer graphics, computer science, electronics, hylology and artificial intelligence. With this platform, we are able to accelerate development processes, achieve cost-efficiency and promote product innovation.

The time required from developing to commercializing a new product varies by product candidate and can be affected by various factors which may be beyond our control, such as complexity of the products, regulatory requirements of clinical studies, clinical trial results and government policies and approvals. In 2023, 2024, and the six months ended June 30, 2024 and 2025, we incurred research and development expenses of RMB171.2 million, RMB226.2 million, RMB95.6 million and RMB96.5 million, respectively, representing 58.0%, 59.5%, 55.9% and 49.6% of the total operating expenses (being research and development expenses, administrative expenses and selling and marketing expenses). The increase for the year ended

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December 31, 2024 as compared to the year ended December 31, 2023 was primarily attributable to an increase of RMB38.4 million in materials and consumables used and an increase in equity-settled share-based payment expenses of RMB26.8 million, which was partially offset by a decrease in salaries, wages and other benefits of RMB10.2 million. In 2023, 2024, and the six months ended June 30, 2024 and 2025, we incurred research and development expense of RMB121.8 million, RMB172.0 million, RMB71.3 million and RMB82.7 million, respectively, in relation to our Core Products, representing 71.1%, 76.0%, 74.6% and 85.7% of the total research and development expenses. The increase for the year ended December 31, 2024 as compared to the year ended December 31, 2023 was primarily attributable to an increase in materials and consumables used of RMB40.4 million, which was partially offset by a decrease in salaries, wages and other benefits of RMB7.2 million. The increase from the six months ended June 30, 2024 to the six months ended June 30, 2025 was primarily due to an increase in materials of RMB10.3 million. We expect our research and development expenses to further increase in the second half of 2025 due to the ongoing or planned clinical trials for expanding the clinical application of our Edge Multi-Port Endoscopic Surgical Robots in telesurgeries and expanding the clinical application of our Edge Single-Port Endoscopic Surgical Robots in thoracic surgery. For further details, see “Business—Research and Development.”

MANUFACTURING AND SUPPLY CHAIN

As of the Latest Practicable Date, our in-house manufacturing and quality assurance team consisted of 171 members, covering manufacturing, supply and logistics management. We currently have manufacturing facilities in Longgang, Shenzhen, and we plan to expand the production capacity by establishing a new manufacturing center in Shenzhen. We currently have manufacturing facilities in Shenzhen, which occupy an aggregate gross floor area of approximately 10,000 sq.m. These manufacturing facilities are designed with an annual production capacity to manufacture (i) approximately 80 units of endoscopic surgical robots, including 60 units of Edge Multi-Port Endoscopic Surgical Robot and 20 units of Edge Single-Port Endoscopic Surgical Robot, and (ii) approximately 20 units of bronchoscope surgical robots. These units were manufactured for commercial sales as well as for marketing purposes that include establishing training centers and providing sample products to surgeons. We believe the production capacity of our existing manufacturing facilities can meet our manufacturing needs at the initial stage of commercialization. However, as our business grows, we plan to expand the production capacity by establishing a new manufacturing center in Shenzhen. All of our existing manufacturing facilities comply with, and the planned manufacturing center is expected to comply with, the GMP standard of medical device manufacturing quality management norms in China.

Suppliers

During the Track Record Period, our suppliers mainly comprise raw material suppliers, equipment and facility providers, clinical trial service and other professional service providers. For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025, purchases from our five largest suppliers in aggregate in each year/period amounted to

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RMB43.7 million, RMB50.8 million and RMB24.3 million, accounting for 18.0%, 24.5% and 20.9% of our total purchases (including value added tax), respectively, and purchases from our largest supplier amounted to RMB15.9 million, RMB20.3 million and RMB5.7 million in each year/period, accounting for 6.6%, 9.8% and 4.9% of our total purchases for the same periods (including value added tax), respectively. For further details, see “Business—Manufacturing and Supply Chain.”

SALES AND MARKETING

We use a combination of our in-house commercialization team and a network of independent distributors to sell or distribute our products in China. We primarily sell our products through third-party distributors in China and overseas, who, in turn, sell our products to third parties, including hospitals. All of our overseas sales during the Track Record Period were through distributors. We believe this distribution model helps extend our coverage in a cost-effective manner while retaining proper control over our distribution network and the marketing and promotion process. We also sell a small portion of our products directly to hospitals in China. As of June 30, 2025, we had a diversified network of 30 distributors, consisting of 20 domestic distributors and 10 overseas distributors.

We have adopted commercialization strategies and market penetration approaches that will effectively present the product features and reliable performance of our surgical robots to surgeons and enhance surgeons’ proficiency and safety in performing robot-assisted surgery. Our in-house sales team generates new business by contacting current and prospective hospitals, sending product proposals and quotes, making presentations to physicians or healthcare executives about our product offerings, understanding admission requirements for medical device, and monitoring market demand competitor activity.

We have a competent in-house commercialization team consisting of members who generally have medical background to ensure that our commercialization team has the ability to conduct academic-driven and technology-driven marketing activities, including five overseas regional commercialization teams. As of the Latest Practicable Date, our in-house commercialization team consisted of 122 members, led by Mr. Chen Zongxi, who has over 20 years of relevant sales and marketing experience at globally leading companies. We expect to expand our in-house commercialization team to approximately 150 to 170 members with two or three years. We aim to establish a well-trained and full committed team to deliver integrated performance, covering sales and marketing, client services and ongoing training.

Training and education programs for surgeons are critically important to be qualified to perform robot-assisted surgeries using our products and building surgeons’ trust in our brand and product performance. Training contents include theoretical study, operation skills, and clinical observation and practice, which are designed with different objectives for surgeons, assistants and nurses. It typically takes an average of two to five days to complete such training and education program, which is consistent with the industry norm, according to Frost & Sullivan. We believe ongoing training programs held among surgeons, assistants and operation nurses at hospitals will help promote the adoption and acceptance of our surgical robots and

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we do not perceive such training timeframe and associated training cost to have any material adverse impact on the sales cycle of our products. We cooperate with top Class III Grade A hospitals in all the major regions in China to establish regional training centers in cities where medical resources are concentrated. We have surgical robots for training and trial purposes to the hospitals with which we cooperate. The training centers established at hospitals will increase exposure of our brands and products among surgeons and also enable surgeons to gain valuable experience in robot-assisted surgery through training. As of the Latest Practicable Date, we had established 9 training centers in 8 major cities in China. Within the next two or three years, we plan to establish around 20 additional regional training centers globally through collaboration with top-tier hospitals.

The likelihood that Edge Multi-Port Endoscopic Surgical Robot, Edge Single-Port Endoscopic Surgical Robot and Edge Bronchoscope Robot will be included in the centralized procurement scheme is low. According to Frost & Sullivan, even though the centralized procurement related rules in a few provinces, such as Anhui Province and Fujian Province, have included category B large medical devices which cover endoscopic surgical robots, in practice the centralized procurement has only been implemented on certain large medical devices such as CT and MRI equipment, and no centralized procurement of surgical robots and related consumables (including instruments and accessories for endoscopic surgical robots) has been implemented in China. Furthermore, the centralized procurement is typically applicable to medical devices that a large number of hospitals will purchase in bulk. Given the innovative nature of surgical robots and the limited number of surgical robots approved by the NMPA so far, the likelihood for surgical robots to be included in the centralized procurement scheme is low.

For further details, see “Business—Sales and Marketing” and “—Business Model” of this section.

INTELLECTUAL PROPERTY

Intellectual property rights are essential to the operation of our business. Our future commercial success depends, in part, on our ability to obtain and maintain patents and other intellectual properties and proprietary protections for commercially important technologies, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties.

As of the Latest Practicable Date, we had in aggregate 734 granted patents and patent applications globally, including 421 patents (including 408 in China, seven in the U.S., three in Japan, two in South Korea, and one in India) and 225 patent applications (including 174 in China, 25 in Europe, 17 in the U.S., eight under the Patent Cooperation Treaty (PCT), and one in Brazil) in relation to our Core Products, and 31 patents and 43 patent applications in relation to the Edge Bronchoscope Robot. Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot share certain patents and patent applications, such as the ones for the design of the master controller used by the surgeon to freely rotate the surgical

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instruments, as well as an adapter structure used to connect surgical instruments or endoscopes to the power unit of the robotic arm. Shared patents and patent applications of Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot also include the ones for the connection between surgical platform and patient-side cart, which allows the surgical instruments to maintain static positioning even when the robotic arm is being adjusted, minimizing the risk of inadvertent injury to the patient. As of the same date, we had 453 granted patents in China, including 251 invention patents, 145 utility models and 57 appearance designs, and we also had 213 patent applications pending in China. As of the same date, we had 13 granted foreign patents (including seven in the U.S., three in Japan, two in South Korea, and one in India) and 55 foreign patent applications (including 27 in Europe, 17 in the U.S., one in Brazil, and 10 under the Patent Cooperation Treaty (PCT)). As of the Latest Practicable Date, our Directors were of the view that there was no legal impediment to obtain approval for pending patent applications globally. As advised by our PRC intellectual property legal advisor, as of the Latest Practicable Date, there was no pending opposition by any third party against, nor any other circumstances which has any material adverse effect on, our patent applications filed in the PRC. In addition, as of the Latest Practicable Date, we had 28 trademarks registered in China and 18 trademarks registered overseas. As of the same date, we also had four trademarks pending in China and one trademarks pending overseas. For details, see “Business—Intellectual Property.”

COMPLIANCE AND LEGAL PROCEEDINGS

During the Track Record Period and up to the Latest Practicable Date, we are not a party to, and we are not aware of any threat of, any legal, arbitral or administrative proceeding, which, in our opinion, is likely to have a material and adverse effect on our business, financial conditions or results of operation. During the Track Record Period and up to the Latest Practicable Date, we did not have any non-compliance incidents which our Directors believe would, individually or in the aggregate, have a material operational or financial impact on our business as a whole. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied with the applicable laws and regulations in all material respects. However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. We are committed to maintaining the highest standards of compliance with the laws and regulations applicable to our business.

SUMMARY OF KEY FINANCIAL INFORMATION

This summary historical data of financial information set forth below has been derived from, and should be read in conjunction with, our consolidated financial statements, including the accompanying notes, set forth in the Accountants’ Report set out in Appendix I to this Prospectus, as well as the information set forth in the section headed “Financial Information” of this Prospectus. Our financial information was prepared in accordance with IFRS Accounting Standards.

SUMMARY

Selected Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income and Other Financial Data

The table below sets forth selected information from our consolidated statements of profit or loss and other comprehensive income and other financial data with line items for the periods indicated, which have been extracted from the Accountants' Report set out in Appendix I to this Prospectus:

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2023	2024	2024	2025
	<i>(RMB in thousands)</i>			
	<i>(Unaudited)</i>			
Revenue	48,042	159,994	30,245	149,383
Cost of sales.	(19,576)	(61,917)	(11,088)	(55,533)
Gross profit	28,466	98,077	19,157	93,850
Research and development expenses	(171,228)	(226,245)	(95,555)	(96,502)
Administrative expenses	(61,853)	(52,634)	(28,621)	(39,354)
Selling and marketing expenses . .	(62,284)	(101,206)	(46,857)	(58,727)
Impairment loss on trade receivables, other receivables and contract assets	(545)	(1,031)	108	(3,106)
Other net gain.	18,586	44,179	5,486	6,443
Fair value changes of financial assets measured at fair value through profit or loss ("FVPL").	36,974	21,214	14,193	8,709
Share of loss of an associate	—	—	—	(68)
Loss from operations	(211,884)	(217,646)	(132,089)	(88,755)
Finance costs	(985)	(863)	(478)	(310)
Loss before taxation	(212,869)	(218,509)	(132,567)	(89,065)
Income tax	—	—	—	(22)
Loss for the year/period	(212,869)	(218,509)	(132,567)	(89,087)
Attributable to equity shareholders of the Company .	(212,869)	(218,509)	(132,567)	(89,087)

SUMMARY

During the Track Record Period, we incurred a substantial amount of research and development expenses, administrative expenses, as well as selling and marketing expenses. As a result, we recorded a net loss for each of the year/period during the Track Record Period. We recorded a net loss of RMB212.9 million and RMB218.5 million for the years ended December 31, 2023 and 2024, respectively, which was basically flat. We recorded a net loss of RMB132.6 million and RMB89.1 million for the six months ended June 30, 2024 and 2025, respectively. The decrease in net loss was primarily because a significant increase in our revenues and the enhanced production efficiency.

During the Track Record Period, our revenues were generated from (i) sales of surgical robots, (ii) sales of instruments and accessories compatible with our surgical robots, and (iii) provision of maintenance and support services. Our revenues drastically increased from RMB48.0 million in 2023 to RMB160.0 million in 2024 primarily due to an increase in the sales volume of our Edge Multi-Port Endoscopic Surgical Robot in China, which is in turn fueled by the launch of MP2000 series and enhanced market acceptance of our surgical robots. Our revenues also significantly increased from RMB30.2 million for the six months ended June 30, 2024 to RMB149.4 million for the six months ended June 30, 2025, primarily due to a significant increase in sales volume of our Edge Multi-Port Endoscopic Surgical Robot in China and the commercialization of our Edge Multi-Port Endoscopic Surgical Robot in overseas markets. Please refer to “Financial Information—Description of Selected Components of Consolidated Statements of Profit or Loss” and “Financial Information—Period to Period Comparison of Results of Operations” for more details.

The following table sets forth a breakdown of our revenue by these categories in absolute amount and as percentage of our total revenue for the periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>							
	<i>(Unaudited)</i>							
Sales of surgical robots*	46,909	97.6	146,383	91.5	27,472	90.8	138,712	92.9
Sales of instruments and accessories	1,133	2.4	13,391	8.4	2,773	9.2	10,336	6.9
Provision of services . . .	—	—	220	0.1	—	—	335	0.2
Total	48,042	100.0	159,994	100.0	30,245	100.0	149,383	100.0

* Includes our Core Products and related consumables.

SUMMARY

The following table sets forth a breakdown of our revenue by geography for the periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>								
<i>(Unaudited)</i>								
China	48,042	100.0	159,994	100.0	30,245	100.0	88,687	59.4
EU	—	—	—	—	—	—	24,319	16.3
Other countries*	—	—	—	—	—	—	36,377	24.3
Total	48,042	100.0	159,994	100.0	30,245	100.0	149,383	100.0

* Each of the other countries contributes less than 6% of our total revenues for the six months ended June 30, 2025.

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue. Our gross profit increased significantly from RMB19.2 million in the six months ended June 30, 2024 to RMB93.9 million in the six months ended June 30, 2025, primarily due to a significant increase in the sales volume of Edge Multi-Port Endoscopic Surgical Robot as we continued to enhance our product appeal by upgrading the functionalities and performance of our surgical robots and penetrate the market through ongoing marketing campaigns and trial programs. Our gross profit margin remained the same level of 63.3% in the six months ended June 30, 2024 and 62.8% in the six months ended June 30, 2025. Our gross profit increased from RMB28.5 million in 2023 to RMB98.1 million in 2024, primarily due to a significant increase in the sales volume of Edge Multi-Port Endoscopic Surgical Robot as we improved the market acceptance of our surgical robots through continuous sales and marketing efforts and launched our MP2000 series. Our gross profit margin slightly increased from 59.3% in 2023 to 61.3% in 2024 as we improved our production efficiency. The following table sets forth a breakdown of our gross profit and gross profit margin by the three categories for the periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
<i>(in thousands, except for percentages)</i>								
<i>(Unaudited)</i>								
Sales of surgical robots	27,568	58.8	92,859	63.4	17,209	62.6	86,137	62.1
Sales of instruments and accessories	898	79.3	5,060	37.8	1,948	70.2	7,532	72.9
Provision of services	—	—	158	71.8	—	—	181	54.1
Total	28,466	59.3	98,077	61.3	19,157	63.3	93,850	62.8

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The following table sets forth a breakdown of our gross profit and gross profit margin by geography for the periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>								
<i>(Unaudited)</i>								
China	28,466	59.3	98,077	61.3	19,157	63.3	52,834	59.6
Overseas	—	—	—	—	—	—	41,016	67.6
Total	28,466	59.3	98,077	61.3	19,157	63.3	93,850	62.8

Selected Items of Consolidated Statements of Financial Position

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from the Accountants' Report set out in Appendix I to this Prospectus:

	As of December 31,		As of June 30,
	2023	2024	2025
<i>(RMB in thousands)</i>			
Total non-current assets	205,300	95,951	77,393
Total current assets	1,350,346	1,264,779	1,228,859
Total assets	1,555,646	1,360,730	1,306,252
Total non-current liabilities	(39,755)	(13,939)	(15,881)
Total current liabilities	(77,545)	(86,835)	(105,787)
Total liabilities	(117,300)	(100,774)	(121,668)
Net current assets	1,272,801	1,177,944	1,123,072
Net assets	1,438,346	1,259,956	1,184,584

During the Track Record Period, we recorded net assets of RMB1,260.0 million as of December 31, 2024, as compared to net assets of RMB1,438.3 million as of December 31, 2023. The change was primarily attributable to loss for the year of RMB218.5 million incurred in the year ended December 31, 2024, partially offset by the increase in other reserve of RMB40.0 million arising from equity-settled share-based transactions. Our net assets further decreased from RMB1,260.0 million as of December 31, 2024 to RMB1,184.6 million as of June 30, 2025, primarily attributable to loss for the period of RMB89.1 million incurred for the six months ended June 30, 2025, partially offset by the increase in other reserve of RMB14.0 million arising from equity-settled share-based transactions.

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During the Track Record Period, our net current assets decreased from RMB1,272.8 million as of December 31, 2023 to RMB1,177.9 million as of December 31, 2024 primarily due to a decrease of RMB190.4 million in financial assets measured at FVPL, and a decrease in cash and cash equivalents of RMB35.5 million, partially offset by an increase of RMB107.5 million in other current assets. Our net current assets decreased from RMB1,177.9 million as of December 31, 2024 to RMB1,123.1 million as of June 30, 2025, primarily due to a decrease in financial assets measured at FVPL of RMB71.1 million and a decrease of cash and cash equivalents of RMB25.4 million, partially offset by an increase in trade and other receivables of RMB38.6 million.

Selected Items of Consolidated Statements of Cash Flows

The following table sets forth selected information from our consolidated statements of cash flows for the periods indicated, which have been extracted from the Accountants' Report set out in Appendix I to this Prospectus:

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2023	2024	2024	2025
	(RMB in thousands)			
	(Unaudited)			
Net cash used in operating activities	(320,305)	(224,640)	(133,487)	(96,910)
Net cash generated from investing activities	383,733	196,248	91,416	75,948
Net cash used in financing activities	(9,184)	(7,343)	(3,481)	(4,225)
Net increase/(decrease) in cash and cash equivalents	54,244	(35,735)	(45,552)	(25,187)
Cash and cash equivalents at beginning of year/period	100,820	155,315	155,315	119,811
Effect of foreign exchange rate changes	251	231	95	(167)
Cash and cash equivalents at end of year/period	155,315	119,811	109,858	94,457

During the Track Record Period, we incurred negative cash flows from our operations, which was primarily attributable to our research and development and commercialization activities. We mainly relied on capital subscriptions by our shareholders and cash flows generated from operating activities as the major sources of liquidity. As our business develops and expands, we expect to generate cash from operating activities upon the successful commercialization of our product candidates through increasing marketing efforts and improving cost control and operating efficiency. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows.

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In view of our net operating cash outflow during the Track Record Period, we plan to improve our operating cash flow position by (i) continuing the commercialization of our endoscopic surgical robots and initiate the commercialization of our Edge Bronchoscope Robot, (ii) consistently advancing our pipeline products towards commercialization to generate revenue from product sales, and (iii) improving our working capital management efficiency. In addition, we plan to maintain an optimal level of inventories of our surgical robots after their commercialization, obtain better settlement terms from our suppliers and adopt measures to control costs and operating expenses, primarily including administrative expenses, to improve our cost efficiency. As our product candidates in the pipeline and our surgical robots advance further in clinical trials and may obtain regulatory approvals for commercialization in the near future, we expect to generate operating cash inflow from an increasing number of products, thereby improving our operating cash outflow position.

Our primary uses of cash relate to the research and development of our product candidates and our payment for the purchase of equipment. The Directors are of the opinion that, taking into account of certain financial resources available to us, we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, administrative expenses, selling and marketing expenses, finance costs and other expenses for at least the next 12 months from the date of this Prospectus.

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) capital expenditures and (iii) lease payments. We had cash and cash equivalents and the financial assets measured at FVPL with high liquidity of RMB899.9 million as of June 30, 2025. We estimate that we will receive net proceeds of approximately HK\$1,116.6 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK\$43.24 per Offer Share. We estimate that our cash and cash equivalents along with the financial assets measured at FVPL with high liquidity as of June 30, 2025 will be able to maintain our financial viability for 36 months without taking into account the estimated net proceeds from the Global Offering or, if we take into account the estimated net proceeds from the Global Offering, 75 months. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

KEY FINANCIAL RATIOS

The table below sets forth the key financial ratio of our Group as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
Current ratio ⁽¹⁾	17.4	14.6	11.6

Note:

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

SUMMARY

Our current ratio decreased from 14.6 as of December 31, 2024 to 11.6 as of June 30, 2025, which was primarily attributable to a decrease of RMB71.1 million in financial assets measured at FVPL and a decrease of RMB25.4 million in cash and cash equivalents, partially offset by an increase of RMB38.6 million in trade and other receivables and an increase of RMB12.2 million of trade and other payables.

Our current ratio decreased from 17.4 as of December 31, 2023 to 14.6 as of December 31, 2024, which was primarily attributable to a decrease of RMB190.4 million in financial assets measured at FVPL and a decrease of RMB35.5 million in cash and cash equivalents, partially offset by an increase of RMB107.5 million in other current assets and an increase of RMB29.6 million in trade and other receivables.

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that 27,722,200 H Shares will be issued pursuant to the Global Offering, 295,880,748 Unlisted Shares will be converted into H Shares, 387,722,200 Shares are issued and outstanding following the completion of the Global Offering and the Over-allotment Option is not exercised:

	Based on an Offer Price of HK\$43.24 per Offer Share
	HK\$16,765
Market capitalization of our Shares ⁽¹⁾	million
	HK\$13,992.6
Market capitalization of our H Shares ⁽²⁾	million
Unaudited pro forma adjusted consolidated net tangible assets per Share ⁽³⁾	HK\$6.30

Notes:

- (1) The calculation of the market capitalization of our Shares is based on 387,722,200 Shares expected to be in issue under the Global Offering.
- (2) The calculation of the market capitalization of our H Shares is based on the assumption that 323,602,948 H Shares comprising 27,722,200 H Shares to be issued under the Global Offering and 295,880,748 H Shares to be converted from Unlisted Shares, expected to be in issue immediately upon completion of the Global Offering.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated on the basis as set forth in “Appendix II—Unaudited Pro Forma Financial Information” to this Prospectus.

SUMMARY

OUR CONTROLLING SHAREHOLDERS

Our Company was founded by Dr. Wang and Dr. Gao back in 2017 and has been jointly controlled by Dr. Wang and Dr. Gao (by virtue of their relationship of being spouses) by themselves and/or through certain entities since then. Immediately prior to the Global Offering, our Company is owned as to (i) approximately 29.05% and 14.35% by Dr. Wang and Dr. Gao, respectively, and (ii) 2.97% by Xieli Chuangfeng, an investment holding limited partnership controlled by Dr. Wang by virtue of his position as its sole general partner. Therefore, Dr. Wang (by himself and through Xieli Chuangfeng) and Dr. Gao collectively controlled approximately 46.37% of our total issued share capital and constitute a group of Controlling Shareholders as of the Latest Practicable Date. Immediately following the completion of the Global Offering and assuming the Over-allotment Option is not exercised, our Controlling Shareholders will control approximately 43.06% of our total issued share capital and will remain as our group of Controlling Shareholders.

For further details of our Controlling Shareholders, see “Relationship with our Controlling Shareholders.”

OUR PRE-IPO INVESTORS

Since November 2017, we have secured six rounds of Pre-IPO Investments with an aggregate amount of approximately RMB2,050 million. Pursuant to the applicable PRC law, within the 12 months following the Listing Date, our Pre-IPO Investors could not dispose of any of the Shares held by them. Our Pre-IPO Investors include Sophisticated Investors, namely LYFE Capital and Legend Star, which will hold approximately 4.89% and 1.26%, respectively, of our Shares upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised). For further details of the identity and background of the Pre-IPO Investors, see “History, Development and Corporate Structure—Detailed terms of the Pre-IPO Investments—6. Information about our Pre-IPO Investors.”

DIVIDEND

We do not have a formal dividend policy, a pre-determined dividend pay-out ratio, or a numerical threshold for determining dividend distributions. Subject to our constitutional documents and the Company Law of the PRC, we may declare dividend mainly by way of cash dividends. The declaration of dividend shall be approved by our Board of Directors and Shareholders. We do not have a pre-determined dividend pay-out ratio or a numerical threshold for determining dividend distributions, which will be determined by our Board of Directors and Shareholders prior to each dividend distribution. Our Board of Directors is required to consider the following factors before declaring and paying dividends (including determining the dividend pay-out ratio):

- our actual and projected financial performance;
- our estimated working capital requirements, capital expenditure requirements and future business expansion plan;

SUMMARY

- our present and future cash flow;
- other internal and external factors that may have an impact on our business operations or financial performance and position; and
- other factors that our Board of Directors deem relevant.

Following the Listing and as our operations continue to grow, we may consider adopting a formal dividend policy with pre-determined dividend pay-out ratio to provide our Shareholders with more specific guidance regarding future dividend distributions.

No dividend was paid or declared by our Company since our incorporation till the Latest Practicable Date. There can be no assurance that we will be able to declare or distribute any dividend. After completion of the Global Offering, our Shareholders will be entitled to receive dividends we declare. We intend to provide our Shareholders with interim or annual dividends as appropriate. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As confirmed by our PRC Legal Advisor, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. As a result, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders, even if we become profitable.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK\$1,116.6 million from the Global Offering after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK\$43.24 per Offer Share.

We intend to use the net proceeds we will receive from the Global Offering for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- approximately 23.0%, or HK\$256.8 million, will be used for the ongoing and planned R&D of Edge Multi-Port Endoscopic Surgical Robot;
- approximately 19.0%, or HK\$212.2 million, will be used for the ongoing and planned R&D of Edge Single-Port Endoscopic Surgical Robot;
- approximately 20.0%, or HK\$223.3 million, will be used for the commercialization of our Core Products;

SUMMARY

- approximately 10.0%, or HK\$111.7 million, will be used for expansion of our manufacturing capacity;
- approximately 8.0%, or HK\$89.3 million, will be allocated to our other products and product candidates;
- approximately 10.0% of the net proceeds, or HK\$111.7 million, will be used for potential strategic acquisitions, investments or collaborations in the surgical robot industry and related fields; and
- approximately 10.0% of the net proceeds, or HK\$111.7 million, will be used for working capital and general corporate purposes.

For further details, see “Future Plans and Use of Proceeds.”

RISK FACTORS

We are a surgical robot company seeking to list on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. We believe there are certain risks and uncertainties involved in investing in our H Shares, some of which are beyond our control. See the section headed “Risk Factors” for details of our risk factors, which we urge you to read in full before making an investment in our H Shares. In any such case, the market price of our H Shares could decline, and you may lose all or part of your investments. Some of the major risks we face include:

- Damage to, destruction of or interruption of production at our manufacturing facilities could delay our development plans or commercialization efforts;
- If our products or product candidates do not meet the quality standards required under applicable laws, our business and reputation could be harmed, and our revenue and profitability could be materially and adversely affected;
- We may face intense competition in the surgical robot market. There are well-established competing products such as the globally widely used da Vinci Surgical Systems and emerging domestic branded surgical robots, and competitors may complete clinical trials or commercialize new competing products before or more successfully than we do;
- We have limited experience in commercialization of our products or product candidates, which may require additional resources in overseas countries. If we are unable to build or maintain sufficient sales and marketing capability, we may not be able to successfully create, increase market awareness of, or sell our products or product candidates, once approved, which will materially affect our ability to generate sales revenue;

SUMMARY

- We are a medical device company at an early commercialization stage. We have incurred significant net losses since inception and may continue to incur operating losses for the foreseeable future. As a result, you may lose all or part of your investment in us given the high risks involved in our business and associated with the medical devices industry;
- The regulatory approval processes of the NMPA and other regulatory authorities are time-consuming, and if we are ultimately unable to obtain regulatory approvals for our product candidates, our business will be substantially harmed;
- Our products and product candidates, if and when approved, will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with them;
- Our business and financial prospects depend substantially on our ability to successfully develop our surgical robot systems. If we are unable to successfully complete clinical trials and/or clinical evaluation for, obtain regulatory approval for or commercialize our product candidates, or experience significant delays in doing so, our prospects may be materially and adversely affected;
- If we fail to complete required clinical trials or clinical evaluations or experience delays or unexpected events during clinical trials or clinical evaluations, we may experience delays or incur additional costs in completing, or ultimately be unable to complete, the development of our product candidates; and
- If we fail to obtain or maintain adequate intellectual property rights protection for our products and product candidates, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us.

LISTING EXPENSE

The total Listing expenses (including underwriting commissions) payable by our Company are estimated to be approximately HK\$82.1 million (or approximately RMB74.4 million) or 6.8% of the gross proceeds of the Global Offering, assuming the Over-allotment Option is not exercised and based on an Offer Price of HK\$43.24, comprising HK\$40.2 million underwriting-related expenses (including but not limited to commissions and fees), HK\$19.0 million fees and expenses of legal advisors and accountants and HK\$22.9 million other fees and expenses mainly including sponsors fees, financial printer services expenses and industry consultant expenses. These Listing expenses mainly comprise legal and other professional fees paid and payable to the professional parties, commissions payable to the Underwriters, and printing and other expenses for their services rendered in relation to the Listing and the Global Offering.

SUMMARY

We estimate that Listing expenses of approximately HK\$82.1 million (including underwriting commissions of approximately HK\$40.2 million, assuming the Over-allotment Option is not exercised and based on the Offer Price of HK\$43.24 per Offer Share) will be incurred by our Company. During the Track Record Period, we incurred listing expenses of approximately HK\$20.2 million, of which HK\$18.5 million was recognized in our consolidated statements of profit or loss and HK\$1.7 million were recognized as other current asset, which is expected to be accounted for as a deduction from equity upon the Listing. We estimate that we will further incur listing expenses of HK\$61.9 million, approximately HK\$19.5 million of which is expected to be charged to our consolidated statements of profit or loss and other comprehensive income, and approximately HK\$42.4 million is directly attributable to the issue of H Shares and expected to be deducted from equity upon the completion of the Global Offering.

The underwriting commissions, the Hong Kong Stock Exchange trading fees and the SFC transaction levies, are expected to be HK\$40.2 million, HK\$67.7 thousand and HK\$32.4 thousand, respectively, assuming the Over-allotment Option is not exercised and based on an Offer Price of HK\$43.24.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Since 2025, we have continuously developed our businesses and advanced our product pipeline. As of the Latest Practicable Date, we have obtained registration approvals for MP1000 in 14 overseas jurisdictions in Europe, Asia Pacific, Middle East, Africa and South America, including the CE Marking of MP1000 in the EU, and commercialized MP1000 in 25 overseas countries. In addition, we have obtained the CE Marking of SP1000 in the EU in October 2025 and commercialized CP1000 in China in September 2025.

Based on our unaudited management accounts as of October 31, 2025, we recorded a significant increase in revenue for the ten months ended October 31, 2025 as compared to the same period in 2024. In terms of contractual sales volume, we have entered into agreements for sales of 118 units of our Core Products globally as of the Latest Practicable Date, including 46 units in China and 72 units in overseas countries.

However, taken into account that we incurred net loss of RMB89.1 million for the six months ended June 30, 2025, we expect to remain a significant loss position for the year ending December 31, 2025, primarily because (i) we anticipate to continue to incur significant costs and expenses in relation to our R&D activities and sales and marketing initiatives as we continue to carry out clinical trials or evaluations and enhance our commercialization capabilities, and (ii) we have incurred, and expect to continue to incur, costs and expenses relating to the Global Offering.

No Material Adverse Change

Other Directors confirm that, as of the date of the Prospectus, there has been no material adverse change in our financial, operational or trading positions or prospects since June 30, 2025, the end of period reported in the Accountants' Report set out in Appendix I to this Prospectus.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms and expressions have the meanings set forth below. Certain other terms are explained in the section headed “Glossary of Technical Terms” in this Prospectus.

“Accountants’ Report”	The accountants’ report prepared by KPMG, details of which are set out in Appendix I to this Prospectus
“affiliate”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC” or “Accounting and Financial Reporting Council”	The Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the articles of association of our Company, as amended, which shall become effective on the Listing Date, a summary of which is set out in Appendix V in this Prospectus
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Beijing Jingfeng”	Beijing Jingfeng Medical Equipment Co., Ltd. (北京精鋒醫療裝備有限公司), a limited liability company established in the PRC on December 2, 2024 and a wholly-owned subsidiary of our Company
“Board” or “Board of Directors”	the board of Directors of our Company
“Borns”	Chongqing Borns Medical Robot Co., Ltd., a medical robotics company based in Sichuan, China
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“CAGR”	compound annual growth rate
“Capital Market Intermediaries”	the capital market intermediaries listed in “Directors, Supervisors and Parties Involved in the Global Offering”

DEFINITIONS

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CEO”	the chief executive officer of our Company
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this Prospectus, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company” or “Edge Medical”	Shenzhen Edge Medical Co., Ltd. (深圳市精鋒醫療科技股份有限公司), a limited liability company incorporated in the PRC on May 4, 2017 and converted into a joint stock limited liability company incorporated in the PRC on December 13, 2021, whose predecessor was Shenzhen Jingfeng Medical Technology Co., Ltd.* (深圳市精鋒醫療科技有限公司)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Dr. Wang, Dr. Gao and Xieli Chuangfeng. See the section headed “Relationship with our Controlling Shareholders” in this Prospectus
“Core Product(s)”	Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot, the designated “core product” as defined under Chapter 18A of the Listing Rules

DEFINITIONS

“Corporate Governance Code”	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
“CSDCC”	China Securities Depository and Clearing Corporation Limited* (中國證券登記結算有限責任公司)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)” or “our Director(s)”	the director(s) of our Company
“Dr. Gao”	Dr. Gao Yuanqian (高元倩), an executive Director of our Company, a Controlling Shareholder and the spouse of Dr. Wang
“Dr. Wang”	Dr. Wang Jianchen (王建辰), an executive Director of our Company, a Controlling Shareholder and the spouse of Dr. Gao
“EIT”	enterprise income tax
“EIT Law”	Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) adopted by the Tenth National People’s Congress on March 16, 2007, and effective on January 1, 2008, as amended, supplemented or otherwise modified from time to time
“Employee Incentive Platforms”	Zhongxu Ruifeng, Heyi Ruifeng and Jingcheng Ruifeng
“Employee Incentive Scheme”	the employee incentive scheme of our Company approved and adopted by our Board, a summary of the principal terms of which is set forth in “Appendix VI—Statutory and General Information—Further Information about our Directors, Supervisors, Senior Management and Substantial Shareholders—5. Employee Incentive Scheme”
“Exchange Participant”	a person (a) who, in accordance with the Rules of the Hong Kong Stock Exchange, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange

DEFINITIONS

“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent professional market research and consulting company
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group,” “our Group,” “we” or “us”	our Company and our subsidiaries
“H Share(s)”	overseas listed share(s) in the share capital of our Company with a nominal value of RMB1.0 each, which is/are to be subscribed for and traded in HK dollars and to be listed on the Hong Kong Stock Exchange
“H Share Registrar”	Tricor Investor Services Limited
“Hainan Jingfeng”	Hainan Jingfeng Technology Services Co., Ltd* (海南精鋒科技服務有限公司), a limited liability company established in the PRC on August 31, 2021, was a wholly-owned subsidiary of our Company and was deregistered on May 13, 2024
“Heyi Ruifeng”	Heyi Ruifeng (Shenzhen) Technology Partnership (Limited Partnership)* (合益銳鋒(深圳)科技合夥企業(有限合夥)) (previously known as Heyi Ruifeng (Chengmai) Technology Partnership (Limited Partnership)* (合益銳鋒(澄邁)科技合夥企業(有限合夥))), a limited partnership established in the PRC on December 29, 2021 of which Dr. Gao is the sole general partner, and is our Employee Incentive Platform
“HK eIPO White Form”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website at www.hkeipo.hk
“HK eIPO White Form Service Provider”	the HK eIPO White Form service provider designated by our Company as specified on the designated website at www.hkeipo.hk

DEFINITIONS

“HK dollars” or “HK\$”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly- owned subsidiary of Hong Kong Exchanges and Clearing Limited
“ HKSCC EIPO ”	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via FINI to apply for the Hong Kong Offer Shares on your behalf
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in force
“HKSCC Participant”	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Offer Shares”	the 2,772,300 H Shares offered by us for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to adjustment as described in the section headed “Structure of the Global Offering” in this Prospectus)

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“Hong Kong Public Offering”	the offering of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to adjustment as described in the section headed “Structure of the Global Offering” in this Prospectus) at the Offer Price (plus brokerage, SFC transaction levy, Hong Kong Stock Exchange trading fee and AFRC transaction levy), on and subject to the terms and conditions described in the section headed “Structure of the Global Offering” in this Prospectus
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong Underwriters”	the underwriters listed in the paragraph headed “Hong Kong Underwriters” in the section headed “Underwriting” in this Prospectus, being the underwriters of the Hong Kong Public Offering
“Hong Kong Underwriting Agreement”	the underwriting agreement dated December 29, 2025 relating to the Hong Kong Public Offering entered into by, among others, our Company, the Controlling Shareholders, the Joint Sponsors, the Overall Coordinators and the Hong Kong Underwriters, as further described in “Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering—Hong Kong Underwriting Agreement”
“IFRS”	IFRS Accounting Standards issued by the International Accounting Standards Board
“Independent Third Party(ies)”	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Listing Rules
“International Offer Shares”	the 24,949,900 H Shares offered by our Company pursuant to the International Offering (subject to adjustment as described in the section headed “Structure of the Global Offering” in this Prospectus) together with any additional H Shares which may be allotted and issued by our Company pursuant to the exercise of the Over-allotment Option

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“International Offering”	the offer of the International Offer Shares (a) in the United States solely to QIBs pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or (b) outside the United States in offshore transactions in reliance on Regulation S, at the Offer Price, in each case on and subject to the terms and conditions of the International Underwriting Agreement, as further described in the section headed “Structure of the Global Offering” in this Prospectus
“International Underwriters”	the group of international underwriters who are expected to enter into the International Underwriting Agreement to underwrite the International Offering
“International Underwriting Agreement”	the underwriting agreement relating to the International Offering expected to be entered into on or about January 5, 2026 by our Company, the Controlling Shareholders, the Joint Sponsors, the Overall Coordinators and the International Underwriters, as further described in “Underwriting—Underwriting Arrangements and Expenses—International Offering—International Underwriting Agreement”
“IPO”	initial public offering
“Jingcheng Ruifeng”	Jingcheng Ruifeng (Shenzhen) Technology Partnership (Limited Partnership)* (精誠瑞鋒(深圳)科技合夥企業(有限合夥)) (Previously Known as Jingcheng Ruifeng (Chengmai) Technology Partnership (Limited Partnership)* (精誠瑞鋒(澄邁)科技合夥企業(有限合夥))), a limited partnership established in the PRC on December 30, 2021 of which Dr. Wang is the sole general partner, and is our Employee Incentive Platform
“Jingfeng Hainan LP”	Jingfeng (Hainan) Technology Partnership (Limited Partnership)* (精鋒(海南)科技合夥企業(有限合夥)), a limited partnership established in the PRC on August 31, 2021, which was owned as to 70% by Dr. Wang (also being its sole general partner) and 30% by Dr. Gao and was deregistered on May 8, 2024

DEFINITIONS

“Jingfeng Huarui”	Hainan Jingfeng Huarui Technology Co., Ltd.* (海南精鋒華瑞科技有限公司) (previously known as Shenzhen Jingfeng Technology Co., Ltd.* (深圳精鋒科技有限公司)), a limited liability company established in the PRC on April 19, 2017 and which is owned as to 70% by Dr. Wang and 30% by Dr. Gao and was deregistered on May 7, 2024
“Jingfeng Kechuang”	Shenzhen Jingfeng Kechuang Co., Ltd.* (深圳市精鋒科創有限責任公司), a limited liability company established in the PRC on October 14, 2020 and is a wholly-owned subsidiary of our Company
“Jingfeng Medical”	Shenzhen Jingfeng Medical Technology Co., Ltd.* (深圳市精鋒醫療科技有限公司), the predecessor of our Company established under the laws of the PRC on May 4, 2017
“Jingfeng Zhizao”	Shenzhen Jingfeng Zhizao Co., Ltd.* (深圳市精鋒智造有限公司), a limited liability company established in the PRC on January 26, 2021 and is a wholly-owned subsidiary of our Company
“Joint Bookrunners”	the joint bookrunners as named in the section headed “Directors, Supervisors and Parties Involved in the Global Offering” of this Prospectus
“Joint Global Coordinators”	the joint global coordinators as named in the section headed “Directors, Supervisors and Parties Involved in the Global Offering” of this Prospectus
“Joint Lead Managers”	the joint lead managers as named in the section headed “Directors, Supervisors and Parties Involved in the Global Offering” of this Prospectus
“Joint Sponsors”	Morgan Stanley Asia Limited and GF Capital (Hong Kong) Limited
“Latest Practicable Date”	December 21, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this Prospectus prior to its publication
“Listing”	listing of the H Shares on the Main Board of the Hong Kong Stock Exchange

DEFINITIONS

“Listing Committee”	the Listing Committee of the Hong Kong Stock Exchange
“Listing Date”	the date, expected to be on or about Thursday, January 8, 2026, on which our H Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with GEM of the Hong Kong Stock Exchange
“Ministry of Finance” or “MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“NDRC”	the National Development and Reform Commission of the PRC* (中華人民共和國國家發展和改革委員會)
“NMPA”	National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (“CFDA”) (國家食品藥品監督管理總局); references to NMPA include CFDA
“Nomination Committee”	the nomination committee of the Board
“Offer Price”	HK\$43.24, being the final offer price per Offer Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in the section headed “Structure of the Global Offering” in this Prospectus

DEFINITIONS

“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares, with any additional H Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option
“Overall Coordinators”	the overall coordinators as named in the section headed “Directors, Supervisors and Parties Involved in the Global Offering” of this Prospectus
“Over-allotment Option”	the option granted by us to the International Underwriters, exercisable by the Overall Coordinators (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, to require our Company to allot and issue up to an aggregate of 4,158,300 additional H Shares at the Offer Price, representing approximately 15% of the Offer Shares initially available under the Global Offering, to cover, among other things, over-allocations in the International Offering, if any, exercisable at any time from the date of the International Underwriting Agreement up to (and including) the date which is the 30th day from the last day for lodging of applications under the Hong Kong Public Offering
“Overseas Listing Trial Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) issued by the CSRC on February 17, 2023, effective from March 31, 2023
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PCT”	The Patent Cooperation Treaty administered by the World Intellectual Property Organization
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法)
“PRC GAAP”	generally accepted accounting principles in the PRC
“PRC Government” or “State”	the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities

DEFINITIONS

“PRC Legal Advisor”	Jingtian & Gongcheng, our legal advisor as to PRC laws
“Pre-IPO Investment(s)”	the investment(s) in our Company undertaken by the Pre-IPO Investors pursuant to the respective equity transfer agreement(s) and capital increase agreement(s), details of which are set out in the section headed “History, Development and Corporate Structure” in this Prospectus
“Pre-IPO Investor(s)”	the investor(s) from whom our Company obtained several rounds of investments, details of which are set out in the section headed “History, Development and Corporate Structure” in this Prospectus
“Prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering
“Province”	each being a province or, where the context requires, a provincial-level autonomous region or municipality under the direct supervision of the central government of the PRC
“Qualified Institutional Buyer” or “QIB”	a qualified institutional buyer within the meaning of Rule 144A under the U.S. Securities Act
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE”	the State Administration of Foreign Exchange of the PRC (中國國家外匯管理局)
“SAT”	the State Administration of Taxation of the PRC (國家稅務總局)
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“Shanghai-Hong Kong Stock Connect”	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shanghai Stock Exchange, HKSCC and CSDCC for the establishment of mutual market access between Hong Kong and Shanghai, including Southbound Trading and Northbound Trading
“Shanghai Jingfeng”	Shanghai Jingfeng Medical Technology Co., Ltd.* (上海精鋒醫療科技有限公司), a limited liability company established in the PRC on January 11, 2022 and is a wholly-owned subsidiary of our Company
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.0 each
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing links program to be developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, HKSCC and CSDCC for the establishment of mutual market access between Hong Kong and Shenzhen
“Shenzhen Cornerstone”	Shenzhen Cornerstone Technology Co., Ltd., a medical robotics company based in Shenzhen, China
“Sophisticated Investors”	Refers to LYFE Capital and Legend Star
“Stabilizing Manager”	Morgan Stanley Asia Limited
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	member(s) of our Supervisory Committee
“Supervisory Committee”	the supervisory committee of our Company
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-back issued by the SFC, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Track Record Period”	the periods comprising the two financial years ended December 31, 2024 and the six months ended June 30, 2025
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement, as the context may require
“Unlisted Share(s)”	Domestic Share(s) and Unlisted Foreign Share(s)
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollar”, “US\$” or “USD”	United States dollar, the lawful currency of the United States
“U.S. FDA” or “FDA”	U.S. Food and Drug Administration
“U.S. Securities Act”	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“Wiseking”	Hangzhou Wiseking Surgical Robots Co., Ltd., a medical robotics company based in Zhejiang, China
“Xiehe Chuangfeng”	Xiehe Chuangfeng (Chengmai) Technology Partnership (Limited Partnership)* (協合創鋒(澄邁)科技合夥企業(有限合夥)) (previously known as Xiehe Chuangfeng (Hainan) Technology Partnership (Limited Partnership)* (協合創鋒(海南)科技合夥企業(有限合夥)) and Xiehe Chuangfeng (Shenzhen) Technology Partnership (Limited Partnership)* (協合創鋒(深圳)科技合夥企業(有限合夥))), a limited partnership established in the PRC on July 21, 2018 of which Dr. Wang was the sole general partner and was deregistered on May 26, 2025

DEFINITIONS

“Xieli Chuangfeng”

Xieli Chuangfeng (Shenzhen) Technology Partnership (Limited Partnership)* (協力創峰(深圳)科技合夥企業(有限合夥)) (previously known as Xieli Chuangfeng (Hainan) Technology Partnership (Limited Partnership)* (協力創峰(海南)科技合夥企業(有限合夥))), a limited partnership established in the PRC on July 23, 2018 of which Dr. Wang is the sole general partner, and is our Controlling Shareholder

“Zhongxu Ruifeng”

Zhongxu Ruifeng (Shenzhen) Technology Partnership (Limited Partnership)* (眾旭銳鋒(深圳)科技合夥企業(有限合夥)) (previously known as Zhongxu Ruifeng (Chengmai) Technology Partnership (Limited Partnership)* (眾旭銳鋒(澄邁)科技合夥企業(有限合夥))), a limited partnership established in the PRC on December 29, 2021 of which Dr. Wang is the sole general partner, and is our Employee Incentive Platform

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiary) have been included in this Prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain terms used in this Prospectus in connection with our Company and our business. Some of these may not correspond to standard industry definitions.

“3D”	three-dimensional in terms of width, height and depth
“3DHD”	three-dimensional high-definition visualization technology
“AE”	adverse event, any untoward medical occurrence in a patient or clinical trial subject
“biopsy”	removal of a sample of tissue from a living person or animal for pathological examination
“bronchoscopy”	a diagnostic procedure where a flexible endoscope enters the bronchi for inspecting or obtaining tissue for biopsy
“cardiac surgery”	a surgery focused on treating diseases, injuries, and congenital defects of the heart, great vessels (aorta/pulmonary arteries/veins) and lungs through operative procedures
“cannula”	a slender tube inserted into a body cavity
“catheter”	a tubular medical device for insertion into canals, vessels, passageways or body cavities usually to permit injection or withdrawal of fluids or to keep a passage open
“CE Marking”	a certification mark that indicates conformity with health, safety and environmental protection standards for products sold within the European Economic Area
“Class III Grade A Hospitals”	top-tier hospitals in China. Hospitals in China are divided into three classes by the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會). Class III hospitals are at the highest level, typically having more than 500 beds, providing high-level specialist medical and healthcare services to several regions and performing advanced teaching and research tasks. Class III hospitals are subdivided into A, B, and C grades, among which Grade A is the highest in terms of size, technology, medical equipment and technique, management and service quality

GLOSSARY OF TECHNICAL TERMS

“Class III medical device”	pursuant to PRC medical devices classification regulations, medical devices with high risk and whose safety and efficacy must be strictly evaluated with specific measures
“conventional MIS”	MIS performed without robotic assistance
“CT”	computed tomography, a medical imaging technique that uses computer-processed combinations of multiple X-ray measurements taken from different angles to produce cross-sectional images of internal organs, bones, soft tissues and blood vessels
“dexterity”	skill and ease in the use of the limbs and in bodily movements
“endoscope”	a long slender medical instrument with viewing means, with or without optics, introduced into a body cavity through a natural or surgically created body opening for examining the interior of a hollow organs (such as the lung, stomach, bladder and bowel) or performing surgery
“endoscopic surgery”	a minimally invasive procedure in which the surgeon utilizes an endoscope to view and operate on the internal organs and tissues of the patient through small incisions or a natural orifice
“ENT”	ear, nose and throat
“otorhinolaryngology (ENT), head and neck surgery”	a surgery focused on the treatment of the diseases of the ENT and related structures of head and neck
“forceps”	an instrument for grasping, holding firmly or exerting traction upon objects especially for delicate operations
“GCP”	good clinical practice, an international ethical and scientific quality standard for the performance of a clinical trial on medicinal products involving humans
“general surgery”	surgery that performed on abdominal organs, such as stomach, intestine, liver, pancreas and gallbladder

GLOSSARY OF TECHNICAL TERMS

“GMP”	good manufacturing practices, quality assurance guideline that ensures that medicinal products are consistently produced and controlled to the quality standards appropriate to their intended use and as required by the product specification
“Green Path”	the Innovative Medical Device Special Review and Approval Procedure (創新醫療器械特別審查程序), a selective program under which the NMPA grants priority review and accelerated approval to medical device candidates which meet stringent innovation criteria
“gynecologic surgery”	a surgery that deals with the diseases of the reproductive system of women
“HD”	high definition
“laparoscopic”	relating to the surgery in which the surgeon operates surgical tools inserted through small incisions in the patient’s abdomen
“Level 4 surgery”	surgery with the highest risk, the most complicated processes and greatest difficulty, according to the Management Measures for Surgery Grading in Medical Institutions (Trial) issued by the National Health Commission in 2012
“Master-slave replication delay”	the period of time lagging between the movement of the surgeon and the surgical arms at the patient side
“minimally invasive surgery” or “MIS”	surgical procedure performed through tiny incisions instead of a large opening
“natural orifice”	a natural pathway of the human body such as the mouth or nose
“natural orifice transluminal endoscopic surgery” or “NOTES”	a surgery where the surgical instruments reach the surgical field through natural pathways of the human body, such as the examination of the lungs, bowel and stomach
“nephrectomy”	surgical removal of all or part of one or both kidneys

GLOSSARY OF TECHNICAL TERMS

“open surgery”	the traditional type of surgery in which a large incision is made on the patient’s body
“pediatric surgery”	a surgery focused on treating the diseases relating to surgical conditions in fetuses, infants, children, and adolescents
“port”	for purpose of this Prospectus, an access point that allows surgical instruments that are attached to robotic arms to extend into the body
“prostate”	an organ in the body of male mammals which is situated at the neck of the bladder and produces a liquid which forms part of semen
“radical prostatectomy”	a surgery to remove the entire prostate, the prevailing standard of care, and a potential cure, for early-stage prostate cancer
“RALRP”	robot-assisted laparoscopic radical prostatectomy
“registrational clinical trial”	a controlled clinical trial of a medical device candidate designed to demonstrate statistically significant clinical efficacy and safety of such device as used in human patients for regulatory approval of such device
“registration modification”	modification to registered Class II or Class III medical device certificates pursuant to the relevant provisions of the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》)
“robot-assisted surgery”	surgical procedures that are performed using robots
“robotic arm”	a type of mechanical arm with similar functions to a human arm
“serious AE”	serious adverse events, AEs that result in death, or is life-threatening, or require in-patient hospitalization or cause prolongation of existing hospitalization, or result in persistent or significant disability or incapacity

GLOSSARY OF TECHNICAL TERMS

“SMO”	site management organization, an organization that provides clinical trial related services to the investigator at clinical site for medical device companies having adequate infrastructure and staff to meet the requirements of the clinical trial protocol
“sterile drape”	covering material used to ensure a sterile field during surgery
“surgical robot”	a sophisticated manipulating robot that assists the surgeon with performing minimally invasive surgery (the “MIS”) by enabling the surgeon to remotely control precise micro- movements of surgical instruments that are placed inside the patient’s body through small incisions
“T4”	the highest level representing the largest size of the main/primary tumor in the TNM system (i.e., the tumor, node and metastasis staging system). According to the National Cancer Institute, T refers to the size and extent of the main/primary tumor. T4 stage tumors have extensive adhesions with surrounding tissues and disorganized anatomical levels, requiring expanded lymph node dissection, which is more difficult for intraoperative bleeding and postoperative complication control
“telesurgery”	an emerging mode of surgical care whereby surgeons can perform surgical procedures on remotely located patients
“thoracic surgery”	a surgery that deals with the diseases of thorax, the part of the vertebrate body between the neck and the abdomen
“urologic surgery”	a surgery that deals with the diseases of the male and female urinary tract system and the male reproductive organs

FORWARD-LOOKING STATEMENTS

We have included in this Prospectus forward-looking statements. Statements that are not historical facts, including but not limited to statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This Prospectus contains forward-looking statements and information relating to us and our subsidiary that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Prospectus, the words “aim,” “anticipate,” “believe,” “could,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “seek,” “should,” “will,” “would,” “vision,” “aspire,” “target,” “schedules,” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this Prospectus, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- our ability to maintain relationship with, and the actions and developments affecting, our customers, suppliers and other business partners;
- future developments, trends and conditions in the industries and markets in which we operate or plan to operate;
- general economic, political and business conditions in the industries and markets in which we operate;
- changes to the regulatory environment in the industries and markets in which we operate;
- our ability to maintain the market leading positions;
- the actions and developments of our competitors;
- our ability to effectively contain costs and optimize pricing;
- the ability of third parties to perform in accordance with contractual terms and specifications;

FORWARD-LOOKING STATEMENTS

- our ability to retain senior management and key personnel and recruit qualified staff;
- our business strategies and plans to achieve these strategies, including our product portfolio and geographic expansion plans;
- our ability to defend our intellectual rights and protect confidentiality;
- the effectiveness of our quality control systems;
- change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends; and
- capital market developments.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Prospectus are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed “Risk Factors” in this Prospectus.

In this Prospectus, statements of or references to our intentions or those of our Directors are made as of the date of this Prospectus. Any such information may change in light of future developments.

RISK FACTORS

An investment in our H Shares involves significant risks. You should carefully consider all of the information in this Prospectus, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the “Financial Information” section, before deciding to invest in our H Shares. Particularly, we are a biotechnology company seeking to list on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. Our operations and the biotech industry involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all your investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In any such an event, the market price of our H Shares could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

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

We believe there are certain risks and uncertainties involved in investing in our H Shares, some of which are beyond our control. The risks and uncertainties can be classified into: (i) risks relating to the development of our product candidates; (ii) risks relating to the commercialization and distribution of our products; (iii) risks relating to government regulation; (iv) risks relating to the manufacture of our products; (v) risks relating to our financial position and need for additional capital; (vi) risks relating to our intellectual property rights; (vii) risks relating to our general operations; and (viii) risks relating to the Global Offering.

Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, financial condition and operating results. You should consider our business and prospects in light of the challenges we face, including those discussed in this section.

RISK FACTORS

RISKS RELATING TO THE DEVELOPMENT OF OUR PRODUCT CANDIDATES

Our business and financial prospects depend substantially on our ability to successfully develop our surgical robot systems. If we are unable to successfully complete clinical trials and/or clinical evaluation for, obtain regulatory approval for or commercialize our product candidates, or experience significant delays in doing so, our prospects may be materially and adversely affected.

Our ability to continue to generate revenue and become profitable in the future substantially depends on the continued commercialization of our Core Products, and the successful development and commercialization of our other surgical robot systems, including product candidates which are still in clinical development or design stage, and other product candidates we may develop in the future. Clinical trials involve lengthy and expensive process with uncertain outcomes. The failure of our clinical trials can occur at any stage of testing and clinical trials may experience significant setbacks even after earlier trials have shown promising results. In addition, there can be significant variability in safety and/or efficacy results between different trials of the same product candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations and the rate of dropout among clinical trial participants. Clinical evaluation also involves the possibility of unfavorable results, including a failure to demonstrate safety efficacy. These factors may further affect the progress of obtaining regulatory approval and commercialization. We have invested a significant portion of our efforts and financial resources in the development of our existing product candidates. We incurred research and development expenses of RMB171.2 million, RMB226.2 million, RMB95.6 million and RMB96.5 million for the years ended December 31, 2023 and 2024, and the six months ended June 30, 2024 and 2025, respectively. We expect that substantial and increasing expenses will continue to be incurred in respect of our product candidates.

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

- successful enrollment in, and completion of, clinical trials;
- favorable safety and efficacy data from our clinical trials and other studies;
- receipt of regulatory approvals;
- establishing and expanding manufacturing capabilities;
- the performance by any third parties we may retain in a manner that complies with our protocols and applicable laws and that protects the integrity of the resulting data;
- obtaining and maintaining patent, trade secret and other intellectual property protection and regulatory exclusivity;

RISK FACTORS

- not infringing, misappropriating or otherwise violating the patent, trade secret or other intellectual property rights of third parties;
- successful launch of our product candidates, if and when approved;
- obtaining favorable governmental and private medical reimbursement for our product candidates, if and when approved;
- competition with other medical devices companies that are focused on surgical robotics; and
- continued safety, efficacy and innovation following regulatory approvals.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or be unable to obtain approval for and/or to successfully commercialize our approved products, which would materially harm our business and we may not be able to generate sufficient revenues and cash flows to continue our operations.

If we fail to complete required clinical trials or clinical evaluation or experience delays or unexpected events during clinical trials or clinical evaluations, we may experience delays or incur additional costs in completing, or ultimately be unable to complete, the development of our product candidates.

Before obtaining regulatory approval for the sale of our product candidates, we are required to conduct extensive clinical trials or clinical evaluation to demonstrate the safety and efficacy of our product candidates in humans pursuant to the applicable laws, regulations and guidelines. If clinical trials or clinical evaluations of our product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates. Additionally, if our existing clinical trials fail to progress according to the expected timeline, we may experience significant delays in completing the trials successfully, or may be unable to complete them at all. Consequently, we may not obtain regulatory approvals in a timely manner, which could render our products less attractive to the market even if they are eventually approved. For instance, the clinical trial for SP1000 in thoracic surgery was initiated in April 2024 and completed in December 2025. Patient enrollment for the trial was extended due to a limited patient pool, a result of stringent investigator criteria and patient preference for established procedures. See “Business—Our Products and Product Candidates—Edge Single-Port Endoscopic Surgical Robot—Our Core Product—Further Development Plans” for more details.

RISK FACTORS

We may experience numerous unexpected events during clinical trials that could delay or prevent our ability to receive regulatory approval or successfully commercialize our product candidates. Such unexpected events include without limitation to:

- regulators, or ethics committees may not authorize us or our principal investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- clinical trials of our product candidates may produce negative or inconclusive results, or other unexpected characteristics, and we may decide, or regulators may require us, to conduct additional clinical trials, suspend or terminate the product development programs;
- the initial or interim results of clinical trials may not be predictive of the final clinical trial results and may be subject to adjustments;
- the number of patients required for clinical trials of our product candidates may be larger than anticipated;
- patient enrollment may be insufficient or slower than anticipated or patients may drop out at a higher rate than anticipated;
- our inability to reach agreements on acceptable terms with prospective SMOs and hospitals as trial centers, the terms of which can be subject to extensive negotiation and may vary significantly among different SMOs and hospitals;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- we might have to suspend, delay or terminate clinical trials of our product candidates for various reasons, including a finding of poor surgical outcomes or other unexpected characteristics, a finding that participants are being exposed to unacceptable health risks or reasons outside of our control, such as occurrences of epidemics;
- regulators or ethics committees may require that we or our principal investigators suspend or terminate clinical research or not rely on the results of clinical research for various reasons, including non-compliance with regulatory requirements;
- the cost of clinical trials of our product candidates may be greater than anticipated; and
- the supply or quality of our product candidates for use in a clinical trial or other materials necessary to conduct clinical trials of our product candidates may be insufficient or inadequate.

RISK FACTORS

If we are required to conduct additional clinical trials, clinical evaluations or other testing of our product candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our product candidates or other testing, or if the results of these trials are not positive or only modestly positive or raise safety concerns, we may:

- be delayed in obtaining regulatory approval for our product candidates;
- not be able to obtain regulatory approval at all;
- obtain approval for modified or narrowed applications with additional pre-requisites;
- have the product removed from the market after obtaining regulatory approval;
- be subject to additional post-marketing study requirements;
- be subject to restrictions on how the product is distributed or used;
- be unable to obtain medical insurance reimbursement for use of the product; or
- be inferior to products of competitors when being selected by surgeons and hospitals.

If we experience delays in the completion of, or the termination of, a clinical trial or clinical evaluations of any of our product candidates, the commercial prospects of that product candidate will be harmed, and our ability to generate product sales revenues from any of those product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process, and jeopardize our ability to commence product sales and generate revenues.

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

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the trials until their conclusion. We may experience difficulties in relation to patient enrollment in our clinical trials for a variety of reasons, including:

- the size and nature of the patient population;
- the patient eligibility criteria defined in the protocol;
- the size of the study population required for analysis of the trial's primary endpoints;
- the design of the trial;

RISK FACTORS

- our ability to engage SMOs with the appropriate competence and experience;
- the patients' perceptions as to the potential advantages and risks of our products and product candidates being studied as compared to other available products, product candidates or non-surgical therapies;
- our ability to obtain and maintain patient consents; and
- the risk that patients enrolled in clinical trials may drop out or fail to return for post-treatment follow-up at a higher rate than anticipated.

Our clinical trials will likely compete with other medical devices companies that are focused on the development of surgical robots. This competition will reduce the number and types of patients available to us as some patients who might have opted to enroll in a trial being conducted by one of our competitors instead of ours. Even if we are able to enroll a sufficient number of patients in our clinical trials, patient enrollment may also be delayed as a result of epidemics or similar events. Such delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development and timely commercialization of our product candidates.

Our telesurgical operations depend on uncontrollable third-party network infrastructure, face complex licensing requirements across various jurisdictions, and operate without established legal precedent for cross-jurisdictional liability allocation, any of which could materially impair our ability to expand our business and expose us to significant operational, financial, and legal risks.

Telesurgical operations on our Edge Cloud Telesurgery System create a critical reliance on third-party telecommunications infrastructure, introducing network risks that are absent in conventional surgery. The safety and efficacy of telesurgical procedures performed on our Edge Cloud Telesurgery System depend directly upon stable, high-bandwidth network connections to transmit real-time video and audio signals with low latency. We also face disruptive network factors including jitter, which can cause video irregularity and system instability, as well as outright connection outages that can render control impossible. These vulnerabilities depend on the performance of external internet service providers and the integrity of public data pathways. In addition, we cannot guarantee the safety and efficacy of telesurgical procedures through our technology alone and must maintain robust human-led system contingencies, including automated fail-safes such as real-time image quality control, anomaly detection alerts, and automated backup system switching protocols. If our telecommunications providers experience service disruptions, our automated fail-safe systems do not function as intended, or we fail to maintain a qualified onsite surgical team, we may be unable to complete procedures safely. This could result in patient harm, malpractice claims in legally complex cross-jurisdictional contexts, regulatory sanctions, and material adverse effects on our business, financial condition, results of operations, and prospects.

RISK FACTORS

The cross-border nature of novel telesurgical operations on our Edge Cloud Telesurgery System encounters formidable regulatory barriers, which subjects us to unique sets of healthcare regulations, medical device approval processes, and medical malpractice environments. Missteps in navigating these diverse frameworks could result in regulatory sanctions, civil penalties, or exclusion from key markets. Furthermore, the legal landscape remains dynamic. If we fail to obtain or maintain necessary regulatory licenses in the jurisdictions where we conduct telesurgeries, or encounter delays or denials in regulatory approvals, our ability to conduct telesurgical procedures in those markets could be materially restricted or eliminated, which could have a material adverse effect on our business strategy, revenue growth and financial condition.

The field of telesurgery suffers from a profound lack of legal precedent to clarify liability issues, especially for international procedures. We face jurisdictional ambiguity in determining which law applies to a malpractice claim and whether liability rests primarily with us, the remote surgeons, the local medical institution or facility, or the telecommunications provider. As a result, we may be required to defend malpractice claims in unfamiliar legal systems and under unfavorable choice-of-law rules. If courts or regulators determine that we bear substantial liability for adverse outcomes in telesurgical procedures, if we are unable to obtain adequate insurance coverage at commercially reasonable rates, or if the legal uncertainty surrounding cross-jurisdictional telesurgery deters healthcare institutions from adopting our Edge Cloud Telesurgery System, our exposure to significant financial damages and reputational harm could have a material adverse effect on our competitive position, business, financial condition, results of operations, and prospects.

If we do not advance technologies and introduce new products in a timely manner, our products may become obsolete and our revenue and operating results may suffer.

We must keep pace with new technologies and methodologies to maintain our competitive position. We must continue to invest significant amounts of human and capital resources to develop or acquire technologies that will allow us to enhance the scope and quality of our clinical trials and improve the performance of our products and product candidates. We intend to continue to enhance our technical capabilities in research, development and manufacturing, which are lengthy and expensive. Technical innovations often require substantial time and investment before we can determine their commercial viability. We may not have the financial resources necessary to fund all of these projects. We cannot assure you that we will be able to develop, enhance or adapt to new technologies and methodologies, achieve technological breakthroughs, develop and bring new or enhanced products to market, obtain sufficient or any patent or other intellectual property protection for such new or enhanced products, or obtain the necessary regulatory approvals in a timely and cost-effective manner, or, if such products are introduced, that those products will achieve market acceptance. Any failure to do so could harm our business and prospects.

RISK FACTORS

RISKS RELATING TO THE COMMERCIALIZATION AND DISTRIBUTION OF OUR PRODUCTS

We may face intense competition in the surgical robot market. There are well-established competing products such as the globally widely used da Vinci Surgical Systems and emerging domestic branded surgical robots, and competitors may complete clinical trials or commercialize new competing products before or more successfully than we do.

The global surgical robot industry is growing at a rapid pace. There are a number of large and more established companies across the world that currently market and sell surgical robots to various markets including China or are pursuing the development of surgical robots with similar applications to ours. Certain endoscopic surgical robots developed by domestic companies also obtained the NMPA approval. Certain companies against which we are competing, or may compete in the future, have significantly greater financial, technical and human resources and expertise in research and development, manufacturing, conducting clinical trials and obtaining regulatory approvals than we do. Besides, competition in marketing and sales of our products or product candidates may be extremely fierce, given the existing competing products and companies will continue to foster market acceptance and brand recognition in the market. For example, we are facing fierce competition against the da Vinci Surgical Systems, which are the most widely used surgical robots in the world with a dominant position in terms of market share. Additional time and costs may also incur to switch to our surgical robots for surgeons and hospitals who are accustomed to previously approved products, taking into account that da Vinci Surgical Systems have been widely adopted in top-tier hospitals and certain other domestic peer products have obtained market approvals earlier. These players may enjoy certain first-mover advantage such as stronger commercialization capabilities, which could lead to larger production scale and enhanced supply chain management, as well as higher market acceptance given that their surgical robot systems have a longer market history and higher volume of robotic surgery procedures performed. In addition, the general level of professional expertise and surgeon training for robot-assisted MIS surgeries in China is still limited, particularly outside top-tier hospitals in major cities. We also anticipate that we may face increasing competition as new surgical robotics companies enter the market, including emerging domestic brands with surgical systems that have been approved before our Core Products, and more advanced technologies emerge. Mergers and acquisitions in the surgical robot industry may result in even more resources being concentrated among a small number of our competitors. Smaller and other early-stage companies may also grow fast through collaborating with large and established companies. Our business and results of operations will suffer if we fail to compete effectively.

Our competitors may be applying for marketing approvals in China or other geographies for medical device products with the same intended use as our products or product candidates. The ability of the relevant authorities, such as the NMPA, to concurrently review multiple marketing applications for the same type of innovative medical device may be limited. When our product candidates and their competing products are subject to the NMPA's concurrent review, the NMPA's schedule may be affected, and the registration process of our product candidates may be prolonged. Moreover, our competitors may obtain approval from the NMPA

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or other comparable regulatory authorities for their products more quickly than we obtain approval for ours, which could result in our competitors establishing a strong market position or gaining market share as first-movers. Certain domestic competitors may benefit from more significant and longer-established commercial capabilities and resources, for example, the Toumai surgical robot developed by MedBot was approved by the NMPA in January 2022. Additionally, the NMPA's rapid approval of domestically-manufactured versions of foreign competitors' products may negatively impact our sales in China. Domestically-manufactured products typically enter the market at more competitive price points than their imported counterparts, creating pricing pressure on domestically produced products, including ours. For example, when the NMPA approved the domestically-manufactured Da Vinci Surgical Robot in 2023, a more price-competitive model entered the PRC surgical robot market compared to the corresponding imported version, which may erode our price advantage and impact our sales. Longer-established commercial capabilities could lead to larger production scale and enhanced supply chain management, as well as higher market acceptance as accumulated. As a result, we may be unable to maintain or increase our market share in this industry. Our products and product candidates, even if successfully developed and subsequently approved by regulatory authorities, may face competition in terms of safety and effectiveness, the timing and scope of the regulatory approvals, the availability and cost of supply, marketing and sales capabilities, reimbursement coverage, product prices, protection of intellectual property rights and other factors. Our commercial opportunities could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective or are less expensive than our products and product candidates. As a result, we may not succeed in competing against our competitors in the fast-growing market. In addition, our products and product candidates, even if commercialized, may not be able to gain as much market share as we have expected.

We have limited experience in commercialization of our products or product candidates in overseas countries, which may require additional resources. If we are unable to build or maintain sufficient sales and marketing capability, we may not be able to successfully create, increase market awareness of, or sell our products or product candidates, once approved, which will materially affect our ability to generate sales revenue.

We have relatively limited experience in launching, commercializing, sales and marketing of our products or product candidates in overseas countries. We started to commercialize our Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot in China in 2022 and 2024, respectively, and started to commercialize our Edge Multi-Port Endoscopic Surgical Robot in overseas markets in 2025. Our ability to successfully commercialize our products and product candidates in overseas countries may involve more inherent risks, take longer, and cost more than it would if we were a company with more experience in launching and marketing.

The commercialization of our existing and new products and product candidates in overseas countries requires additional resources. The success of our sales and marketing efforts depends on our ability to attract, motivate and retain qualified and professional employees in our commercialization team who have, among other things, adequate medical knowledge to communicate effectively with medical professionals, sufficient experience in sales and

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marketing of surgical robots and extensive industry connections with distributors and hospitals, as well as our performance during hospital tender processes. Furthermore, along with our market expansion after the commercialization of product candidates, we expect to hire more employees with relevant medical device experience and knowledge to strengthen our marketing and sales workforce. However, competition for experienced sales and marketing personnel is intense. If we are unable to attract, motivate and retain a sufficient number of qualified sales and marketing personnel to support our business, our business and results of operations may be negatively affected.

If our in-house sales and marketing capabilities are not sufficient to support our growth, we will likely pursue collaborative arrangements regarding the sales and marketing of our products and product candidates. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or if we are able to do so, that they will have effective sales forces. Any revenue we receive will depend upon the efforts of such third parties. We would have little or no control over the marketing and sales efforts of such third parties, and their efforts may not necessarily generate higher revenue. We also face competition in our search for third parties to assist us with the sales and marketing efforts for our products and candidates.

Our products and product candidates, even if approved, may fail to achieve broad market acceptance, and there is no guarantee that patients and surgeons will be receptive to our products or any future approved product candidates.

Our products and product candidates are primarily designed to support surgeons to perform MIS. The commercial success of our products and product candidates, upon regulatory approval, depends upon the degree of market acceptance, particularly among surgeons and patients. Our products and product candidates, even if approved, may fail to gain sufficient market acceptance by surgeons or patients in the medical community. We believe that surgeons' acceptance of the benefits of robot-assisted surgery will be essential for acceptance by patients. Surgeons will not recommend the use of our products or product candidates unless we can demonstrate that our products and product candidates deliver results comparable or superior to open surgery or other existing surgical robots. While robotic-assisted MIS allows for a minimally invasive approach that may result in less post-operative pain, scarring, risk of infection and faster recovery time, the long-term effectiveness and safety of robotic-assisted MIS for cancer-related procedures have not been studied as adequately as traditional treatments. For example, there might be potential risks associated with the use of surgical robots for mastectomy or other procedures in the prevention or treatment cycle for patients who have breast cancer and further studies are needed to evaluate the long-term benefits and risks. Even if we have proved the safety and efficacy of our products and product candidates through clinical trials, surgeons may ultimately not use our products for a number of other reasons, including their preference for MIS procedures due to their familiarity with the practice. For example, we need to provide comprehensive training for surgeons and surgical teams who plan to use our surgical robots. If our trainings fail to help them understand and master surgical robotic technology, they will be reluctant to adopt robot-assisted surgery. Besides, surgeons may be slow to adopt our products and product candidates because of their familiarity with or

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habit of using existing surgical robots. In addition, surgeons and patients may prefer other novel products to ours. If our products or product candidates, once approved and upon commercialization, are not widely accepted by surgeons, hospitals and patients, we may not generate significant sales revenue and we may not become profitable. Furthermore, the market acceptance with respect to each of our Core Products may be negatively impacted by certain similar product features between them.

Specifically, the market of single-port endoscopic surgical robots, being a newer type of surgical robots, is still at an early stage of development, especially in the China market. Additional marketing and promotion is needed to educate the hospitals of single-port robots' unique ability to conduct certain types of surgeries and its superior performance over multi-port surgical robots in other types of surgeries. According to Frost & Sullivan, in 2024, a total of nine single-port endoscopic surgical robots were sold in China and a total of 105 single-port endoscopic surgical robots were sold globally. Commercial success of our Edge Single-Port Endoscopic Surgical Robot depends upon the degree of market acceptance and market penetration it achieves, particularly among hospitals and surgeons. Failure to achieve broad market acceptance and increased sales volumes would materially and adversely impact our business, financial condition, results of operations, and profitability.

The degree of market acceptance of our products and product candidates, if approved for commercial sale, will depend on a number of factors, including:

- the clinical indications for which our products and product candidates are approved;
- the overall level of awareness of the advantages of robot-assisted surgery;
- whether surgeons, hospitals and patients consider our products and product candidates as safe and effective;
- ongoing training and support provided to surgeons and the surgical team;
- the potential and perceived advantages of our products and product candidates and relevant applications over alternative products;
- the prevalence and severity of any negative or inconclusive results or surgical complications;
- the timing of market introduction of our products and product candidates as well as competitive products;
- greater name or brand recognition and more established medical product distribution channels by some of our competitors;
- the cost of alternative treatments;

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- the willingness of patients to pay out-of-pocket in the absence of coverage and reimbursement by third-party payers and government authorities;
- changes of governmental policies or guidelines in respect of robot-assisted surgery;
- the research and development progress of our competitors; and
- the effectiveness of our sales and marketing efforts.

We believe that maintaining and enhancing our brand identity and increasing market awareness of our Company and our surgical robot systems are critical to achieving widespread acceptance of our products and product candidates, strengthening our relationships with our existing customers and our ability to attract new customers. The successful promotion of our brand will depend largely on our ability to continue to offer high-quality products and our research and development efforts. However, there is no assurance that our brand promotion activities and research and development efforts may be successful or contribute to our growth. In addition, even if these activities increase revenue, the revenue may not be enough to offset the increased expenses we incur. If any products that we commercialize fail to achieve market acceptance among surgeons, patients, hospitals or others in the medical community or if we fail to maintain good relationships with them, we will not be able to continue to generate revenue. Even if our products and product candidates, if approved for commercial sale, achieve market acceptance, we may not be able to maintain that market acceptance over time if new products or technologies introduced are more favorably received than ours, or are more cost-effective or render our products obsolete.

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

Our products and product candidates may cause undesirable or unintended severe adverse events as a result of a number of factors, many of which are outside of our control. These factors include potential complications not revealed in clinical trials, unusual but severe complications and adverse events in isolated cases, defective products not detected by our quality control system or misuse of our products. Our products and product candidates may also be perceived to cause adverse events when a conclusive determination as to the cause of the adverse events is not obtained or is unobtainable.

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In addition, our products and product candidates may be perceived to cause severe adverse events if one or more regulators, such as the NMPA, determine that other companies' products and product candidates containing the same or similar key parts or using the same technologies as our products' or and product candidates' caused or are perceived to have caused severe adverse events. If our products and product candidates caused, or are perceived to have caused, severe adverse events, we may face a number of consequences, including:

- injury or death of patients;
- suspension or termination of clinical trials;
- order by the NMPA or other comparable regulatory authorities to cease further development of, or deny approval of, the relevant product candidates;
- a severe decrease in the demand for, and sales of, the relevant products;
- the recall or withdrawal of the relevant products;
- revocation of regulatory approvals for the relevant products or the relevant production facilities;
- damage to the brand name of our products and the reputation of our Company;
- failure to include our products and product candidates, if approved, into the relevant medical insurance coverage; and
- exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or penalties.

As a result of these consequences, our reputation, business, financial condition and prospects could be materially and adversely affected.

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

To further penetrate into surgical robot market in China and overseas and enhance our brand recognition in hospitals, we plan to adopt various promotion approaches, including participating in academic and industry conferences, hosting training programs for surgeons, and establishing a wide distribution network. We expect to further promote the adoption of our surgical robotic solutions among Class III Grade A hospitals in China and increase the market penetration of our products gradually. However, we may not be able to do so, and our sales volume and business prospects could be materially and adversely affected.

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The success of our hospital penetration strategy also depends on our ability to attract, motivate and retain qualified and professional employees in our commercialization team who have, among other things, the sufficient expertise in medicine, surgery and the applications of surgical robots and are able to communicate effectively with medical professionals. If we are unable to attract, motivate and retain a sufficient number of qualified sales personnel to support our hospital penetration strategy, sales volumes or margin of our existing and future products may be adversely affected and we may be unable to extend our hospital coverage and deepen our market penetration as contemplated.

Sales of surgical robots in China are subject to quota limits under the national allocation plan, which may restrain the market size of surgical robots and adversely affect the commercialization of our products.

Sales of surgical robots in China are subject to quota limits under the national allocation plans. It was announced in 2018 that the quota for endoscopic surgical robots was 197 units by the end of 2020, which was increased to 268 as announced in 2020 to meet the increasing demand in hospital installations. Pursuant to the Notice of the National Health Commission on Release of the “14th Five-year” Large-scale Medical Equipment Allocation Plan (國家衛生健康委關於發佈“十四五”大型醫用設備配置規劃的通知) (the “2023 National Allocation Plan”) issued by the National Health Commission of the PRC in June 2023, a total quota of 819 units of endoscopic surgical robots is planned for deployment by the end of 2025, starting from 2006. Out of 819 units, a quota of 559 units is planned to be deployed for the period of the 14th Five-year Plan (2021 to 2025). According to Frost & Sullivan, the number of issued deployment permits under the 2023 National Allocation Plan was approximately 104 in 2023 and 230 in 2024. The total number of both multi-port and single-port endoscopic surgical robots newly installed was 75 in 2023 and 118 in 2024. A quota of 559 units is planned to be deployed for the period of the 14th Five-year Plan (2021 to 2025) under the 2023 National Allocation Plan. As 2025 is the final year of the 14th Five-year Plan, it is anticipated that all 599 units of deployment permits will be issued by the end of 2025. Therefore, the number of issued deployment permits under 2023 National Allocation Plan will be approximately 225 in 2025. According to Frost & Sullivan, the total number of both multi-port and single-port endoscopic surgical robots newly installed in 2025 is expected to be 192. As such, the number of deployment permits available for 2024 and 2025 far exceeds the number of endoscopic surgical robots newly installed in those years. However, there is a uncertainty as to whether sales of surgical robots will be subject to any stricter quota limits in the future. If the National Health Commission implements a stricter quota limit under the national allocation plan, the market size of surgical robots may be restrained. As a result, the commercialization of our surgical robotic products and any other products we may develop in the future may be adversely affected.

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The policies of centralized procurement of high-value medical consumables set by the PRC government may cover our products and product candidates, if approved for commercial sale, in the future, and our pricing strategy and potential downward change in the pricing of our products and product candidates may have a material adverse impact on our revenues, financial condition and results of operation.

In line with market practice, we primarily sell our products to distributors who resell our products to hospitals. We typically sell our products to distributors at the price determined by us from time to time. However, hospitals may gain more bargaining power depending on the availability of alternative products, demands of patients and the preference of physicians. If hospitals lower retail prices of our products or product candidates, if approved for commercial sale, and therefore reduce the profitability of our distributors, our distributors may have less incentive to purchase and promote relevant products or product candidates, and we may need to lower the order price we set for our distributors.

The Chinese government has implemented a number of policies to gradually increase the affordability of medical devices, including combining a list of high-value medical consumables, requiring public hospitals to have zero margin for high-value medical consumables, and establishing provincial-level platforms for procurement. In particular, in order to improve the pricing mechanism and reduce the falsely high prices of high-value medical consumables, the General Office of the State Council issued the Reform Plan for Governance of High-value Medical Consumables (治理高值医用耗材改革方案) on July 19, 2019, exploring the classified and centralized procurement of high-value medical consumables. There are uncertainties as to whether the centralized procurement scope would be expanded in the future, resulting in the inclusions of our products or product candidates upon commercialization. Moreover, if any products comparable or similar to our products or product candidates were included in the centralized procurement, patients' willingness to use our products and product candidates, if commercialized, might be materially and adversely affected and we might be forced to change our pricing strategy. If any or all of the foregoing were to occur, our sales revenue may decrease, which in turn will have a material adverse impact on our financial condition and results of operation. See "Regulatory Overview — Overview of the Major Laws, Rules and Regulations Relating to our Business in the PRC — Two-invoice System" for more details.

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

During the Track Record Period, we primarily relied on our network of distributors to distribute our products. Our ability to maintain and grow our business will depend on our ability to maintain, expand and optimize effective distribution channels that ensure timely distribution of our products to the relevant markets where we generate market demand through our sales and marketing activities. However, we have relatively limited control over our

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distributors, who may fail to distribute our products in the manner we contemplate, which may impair the effectiveness of our distribution network. Our distributors may take one or more of the following actions, any of which could have a material adverse effect on our business, prospects and reputation:

- failing to distribute our products in the manner we contemplate, impairing the effectiveness of our distribution network;
- breaching our agreements with them;
- failing to maintain the requisite licenses or otherwise failing to comply with applicable regulatory requirements when selling our products; and
- violating anti-corruption, anti-bribery, competition or other relevant laws and regulations.

As of June 30, 2025, we had a total of 30 distributors. We collaborated with our domestic distributors on an ad hoc basis and generally did not enter into fixed-term distribution agreements with them. Our customers primarily consisted of distributors during the Track Record Period. Sales to our top five customers were RMB46.9 million, RMB74.0 million and RMB68.9 million, representing 97.7%, 46.3% and 46.1% of our total revenues in 2023, 2024 and six months ended June 30, 2025, respectively. It is possible that a significant portion of our revenues may still be attributable to a few large customers in the near future. In addition, we cannot guarantee that our distributors will effectively operate, or that their sales of our commercialized products will not decrease, or they will continue to maintain amicable relationship with us. Any violation or alleged violation by distributors of our sales agreements or any applicable laws and regulations could result in the erosion of our goodwill, expose us to liabilities, disrupt our distribution network and create an unfavorable public perception about the quality of our products, resulting in a material adverse effect on our business, financial condition, results of operations and prospects.

Consequently, any disruption to our distribution network, including our failure to maintain relationships or form new relationships with distributors could negatively affect our ability to effectively sell our products and would materially and adversely affect our business, results of operations, financial condition and prospects. Additionally, if a significant number of our distributors cease or reduce their purchases of our products or fail to meet the terms in our sales agreements, our business, financial condition and results of operations may be materially and adversely affected.

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If we experience delays in collecting payments from our distributors, our cash flows and operations could be adversely affected.

We may require payment in advance from, and/or provide a credit term to, our distributors. As we are at the early stage of commercialization and the number of sales of our Core Products is relatively limited, the credit terms provided to our distributors are determined on a case-by-case basis and vary significantly depending on the scale and bargaining power of a specific distributor. As of December 31, 2023 and 2024 and June 30, 2025, our trade receivables (net of loss allowance) were RMB17.1 million, RMB43.1 million and RMB77.8 million, respectively. The average turnover days of our trade receivables in 2023, 2024 and six months ended June 30, 2025 were 65 days, 69 days and 74 days, respectively. For certain of our sales to distributors with a credit term, our distributors receive payments from hospitals or other medical institutions for products they sold and will make payments to us accordingly. If our distributors' cash flows, working capital, financial condition or results of operations deteriorate or they experience delays in payments from the hospitals or other medical institutions, they may be unable, or they may otherwise be unwilling, to make payments owed to us promptly, or at all. Any substantial defaults or delays could materially and adversely affect our cash flows, and we could be required to terminate our relationships with distributors in a manner that will impair the effective distribution of our products.

The future growth and success of our business may depend on the performance of our domestic distributors in hospital tender processes.

We rely on our in-house commercialization team and third-party distributors to market and promote our surgical robot systems. The success of our marketing model depends on our ability to maintain and expand our relationships with qualified distributors, and our ability to attract, motivate and retain qualified and professional employees in our marketing, promotion and sales teams. As of June 30, 2025, we have made 60 sales of our Edge Multi-Port Endoscopic Surgical Robot global through 30 distributors. It is specified in our sales agreements with domestic distributors that these distributors are required to sell our products to the relevant hospitals in China from which our distributors/sub distributors won the sales bids. However, there is no assurance that these distributors can continue to win sales bids for our commercialized products with hospitals in the future. As such, there is no assurance that the revenue recognized through the sale made through these distributors can be recurring in the future. Hospitals may organize tenders for procurement of medical devices. The procedures of such tenders vary from hospital to hospital and from region to region, and there could be uncertainties with respect to the requirements and the timing of such procedures. As a result, these experienced local distributors are critical to selling our products to hospitals. However, we may not always be able to locate a sufficient number of experienced local distributors to sell our products to hospitals. If we are unable to maintain and expand our relationships with qualified third-party distributors, we may be unable to extend our hospital coverage and deepen our market penetration as contemplated.

Furthermore, even if we could locate a sufficient number of experienced distributors, our bids during the tender process may not be successful and our products and product candidates may not be chosen for a number of reasons, including where: (i) our prices are not competitive; (ii) our products fail to meet the technical or quality requirements imposed by the hospitals or

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are less clinically effective than competing products; (iii) our reputation is adversely affected by unforeseeable events; or (iv) our service quality or any other aspect of our operation fails to meet the relevant requirements. If our distributors fail in the tender process, we may face difficulties in selling our products, which materially adversely affects our results of operations and financial condition.

Guidelines, recommendations and studies published by various organizations, including government agencies and industry organizations, could disfavor our products and product candidates.

Government agencies, professional societies, practice management groups, private health and science foundations and organizations focused on various diseases may publish guidelines, recommendations or studies that affect our or our competitors' products and product candidates. Any such guidelines, recommendations or studies that reflect negatively on our products or product candidates could result in current or potential decreased use and sales of, and revenue from, one or more of our products and product candidates, if approved for commercial sale. As a result, our business, results of operations and financial condition may be materially and adversely affected. For example, the government agencies may issue guidelines with respect to the quota for major medical equipment allowed to be sold. Furthermore, our success depends in part on our and our business partners' ability to educate surgeons and patients about our products and product candidates, and these education efforts could be rendered ineffective by, among other things, third parties' guidelines, recommendations or studies.

Our sales may be affected by the possibility of inclusion in the medical insurance reimbursement list.

Our ability to sell our products and our product candidates, if approved for commercial sale, will depend in part on the possibility and the extent to which medical insurance reimbursement for robot-assisted surgery will be available to patients, which is out of our control. The governmental insurance coverage or reimbursement level in China for robot-assisted surgery is subject to the then effective laws and regulations and varies from time to time and from region to region, as local government approvals for such coverage must be obtained in each geographic region in China. In addition, the PRC government may change, reduce or eliminate the governmental insurance coverage then available for treatments using our surgical robots. Since advanced surgical robots have been introduced to China only in recent years, robot-assisted surgery has not been fully covered by the national medical insurance reimbursement list, which may affect the patients' willingness to choose robot-assisted surgery. Currently, robot-assisted surgeries are not yet widely covered by the medical insurance reimbursement scheme in China. As advised by Frost & Sullivan, as of the Latest Practicable Date, robotic-assisted surgery has been admitted to the medical insurance reimbursement list in Beijing for orthopedic surgery and robotic-assisted surgery using da Vinci Surgical Systems has been admitted to the medical insurance reimbursement list in Shanghai. Therefore, our surgical robots have not been admitted to the medical insurance reimbursement regime in China.

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We may actively communicate with national and provincial authorities for the inclusion of robot-assisted surgery on the medical insurance reimbursement list in China. However, we cannot assure you whether reimbursement will be available for any of our products and, if reimbursement is available, what the level of reimbursement will be. Reimbursement may impact the demand for, or the price of, our commercialized products. If reimbursement is not available or is available only to limited levels, patients may choose alternative surgical or therapeutic methods, and hospitals may recommend such alternative methods, which would reduce demand for our products and our sales which could in turn materially and adversely affect our business, financial condition and results of operation.

RISKS RELATING TO GOVERNMENT REGULATION

The regulatory approval processes of the NMPA and other regulatory authorities in China and abroad are time-consuming, and if we are ultimately unable to obtain regulatory approvals for our product candidates, our business will be substantially harmed.

The process to develop, obtain regulatory approval for and commercialize medical device product candidates is long, complex and costly in China and overseas. Our operations are substantially conducted in China at this stage, however, we started overseas expansion in 2025 and plan to continue the expansion in the near future. In China, marketing and sales of surgical robots require the completion of clinical trials and the registration of products with the NMPA. We are not permitted to market any product candidate in China until we obtain the Registration Certificate for Medical Device (醫療器械註冊證) from the NMPA or the competent local counterpart. We plan to upgrade the existing models and/or expand the applications of these models to more indications, which are subject to the approvals from the NMPA. Obtaining approval from the NMPA can be a time-consuming process. In addition, the NMPA may impose further requirements or restrictions during their review of our registration application, such as provision of additional clinical data.

The NMPA approval is not guaranteed, and the time required to obtain such approval is unpredictable and depends upon numerous factors. Approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development. Given the above, it is possible that our other existing product candidates or any product candidates we may discover and seek to develop in the future will not be able to obtain regulatory approval.

We could fail to obtain regulatory approval for our product candidates or application expansions of our products from the NMPA for many reasons, including:

- disagreements with regulatory authorities about the design or implementation of our clinical trials;
- failure to demonstrate that a product candidate is safe and effective;

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- failure to conduct a clinical trial in accordance with regulatory requirements or our clinical trial protocols;
- failure of clinical trial results to meet the level of statistical significance required for approval;
- encountering data integrity issues related to our clinical trials;
- encountering regulatory authority's disagreement over interpretation of data from clinical trials;
- the finding of deficiencies related to the manufacturing processes or facilities from regulatory authorities;
- changes in approval policies or regulations that render our clinical data insufficient for approval or require us to amend our clinical trial protocols; and
- regulatory requests for additional analysis, reports, data, nonclinical studies and clinical trials, or questions regarding interpretations of data and results and the emergence of new information regarding our product candidates.

The NMPA has substantial discretion in the approval process and determining when or whether regulatory approval will be obtained for any of our product candidates or any application expansion of our products. The NMPA may also require more information, including additional preclinical or clinical data, to support approval, which may delay or prevent approval and our commercialization plans, or we may decide to abandon the development program. Any of the foregoing scenarios could materially harm the commercial prospects of our products and product candidates.

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

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Our products and product candidates, if and when approved, will be subject to ongoing post-market surveillance obligations and continued regulatory review, which may result in significant additional expense and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with them.

Our approved products are subject to general ongoing post-market surveillance requirements with respect to labeling, packaging, storage, advertising, promotion, sampling, record-keeping, and other requirements that may be requested by relevant regulatory authorities in China, the EU and other applicable jurisdictions where they are approved for commercial sale. For instance, in China, our product candidates, if and when approved by regulators, may be subject to additional post-market surveillance obligations, including conducting post-market studies and submitting safety, efficacy, or other post-market information. In addition, in the EU, according to the Medical Device Directive, we are required to gather post-market data throughout our products' lifecycle and generate a periodic safety update report on an annual basis, which is available for review by the notified body and competent authorities. We are also obligated to report serious incidents and field safety corrective actions, as well as any trend reports indicating a statistically significant increase in the frequency or severity of non-serious incidents. As such, we are and will be subject to continuous review and inspections by the regulators in order to assess our compliance with applicable laws and requirements and adherence to commitments we made in any application materials with the NMPA or other relevant regulatory authorities.

The NMPA and other relevant regulatory authorities strictly regulate the marketing, labeling, advertising and promotion of products placed on the market. The regulatory approvals that we receive for our products and product candidates are and may be subject to limitations on the indicated uses for which they may be marketed. Products may be promoted only for their approved application and for use in accordance with the provisions of the approved label. The approvals we will obtain for our product candidates may also be subject to other conditions which may require potentially costly post-market testing and surveillance to monitor the safety and efficacy of our product candidates. Such limitations and conditions could adversely affect the commercial potential of relevant products or product candidates.

The NMPA or other comparable regulatory authorities may seek to impose a consent decree or withdraw marketing approval if we fail to maintain compliance with these ongoing regulatory requirements and standards or if certain problems occur after the product reaches the market. Later discovery of previously unknown problems with our products or product candidates including adverse events of unanticipated severity or frequency, or with our manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling or requirements to add new safety information, imposition of post-market studies or clinical studies to assess new safety risks, or imposition of distribution restrictions or other restrictions under a risk evaluation and mitigation program. Other potential consequences include, among other things:

- restrictions on the marketing of our products and product candidates, withdrawal of the product from the market, or voluntary or mandatory product recalls;

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- fines, untitled or warning letters, or holds on clinical trials;
- refusal by the NMPA or other comparable regulatory authorities to approve pending applications or supplements to approved applications filed by us or suspension or revocation of license approvals or withdrawal of approvals;
- product seizure or detention, or refusal to permit the import or export of our products and product candidates; and/or
- injunction or imposition of civil or criminal penalties.

There may be governmental policies or regulations arising from future legislation or administrative actions in China or overseas, where the regulatory environment is constantly evolving, and we may need to predict their likelihood, nature and extent based on the then effective policies and regulations. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are unable to maintain regulatory compliance, we may lose any regulatory approval that we have obtained and we may not achieve or sustain profitability. In addition, if we were able to obtain conditional approval of any of our product candidates, the NMPA and other relevant regulatory authorities may require us to conduct a confirmatory study to verify the predicted clinical benefit and additional safety studies. The results from the confirmatory study may not support the clinical benefit, which would result in the approval being withdrawn. While operating under conditional approval, we will be subject to certain restrictions that we would not be subject to upon receiving regular approval.

All material aspects of the research, development, manufacturing and commercialization of medical device products are heavily regulated.

The medical devices industry in China and overseas is highly regulated, which is subject to comprehensive government regulation and supervision, encompassing the product development, approval, registration, manufacturing, packaging, licensing, marketing, sales and distribution of medical devices. In particular, the process of obtaining regulatory approvals and compliance with appropriate laws and regulations require substantial time and financial resources. Failure to comply with the applicable requirements at any time during the product development process, approval process, or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include refusal to approve pending applications, withdrawal of an approval, license revocation, clinical hold, voluntary or mandatory product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or other civil or criminal penalties. The failure to comply with these regulations could have a material adverse effect on our business, financial condition and prospects.

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Furthermore, the regulatory framework regarding the medical devices industry has undergone significant developments, and we expect that it will continue to undergo significant developments. Any such developments or amendments may result in increased compliance costs on our business or cause delays in or prevent the successful development or commercialization of our products and product candidates and reduce the benefits we believe are available to us from developing and manufacturing our products and product candidates.

If our products or product candidates do not meet the quality standards required under applicable laws, our business and reputation could be harmed, and our revenue and profitability could be materially and adversely affected.

Our production and manufacturing processes are required to meet certain quality standards. Further, clinical trials must be conducted with supplies of our products and product candidates produced under good manufacturing practices, requirements and other regulations. We have established a quality control and assurance system and adopted standardized operating procedures in order to prevent quality issues with respect to our products and product candidates and operation processes. For further details of our quality control and assurance system, see “Business—Quality Management.” We may fail to continuously upgrade or improve the systems in order to suit the new manufacturing technologies, facilities or regulatory requirements. In addition, we cannot eliminate the risk of product defects or failure. Quality defects may fail to be detected or remediated as a result of a number of factors, many of which are outside of our control, including:

- manufacturing errors;
- technical or mechanical malfunctions in the manufacture process;
- human error or malfeasance by our quality control personnel;
- tampering by third parties; and/or
- quality issues with the raw materials we produce or purchase.

In addition, failure to detect quality defects in our products or candidates or to prevent such defective products from being delivered to end-users could result in patient injury or death, product recalls or withdrawals, license revocation or regulatory fines, product liabilities or other problems that could seriously harm our reputation and business, expose us to liability, and materially and adversely affect our revenue and profitability.

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If we or parties on whom we rely fail to maintain or renew the necessary permits, licenses and certificates required for the development and production of our products or product candidates, our ability to conduct our business could be materially impaired.

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

Recently enacted and future legislations may increase the difficulty and cost for us to obtain regulatory approval of or successfully commercialize our products and therefore adversely affect our business.

A number of legislative and regulatory changes and proposed changes regarding healthcare in China could prevent or delay regulatory approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell our products for which we obtain regulatory approval. In recent years, there have been and there will be continuing efforts to enact administrative or legislative changes to healthcare laws and policies, including measures which may result in more rigorous coverage criteria and downward pressure on the price that we receive for any product candidate. Any reduction in reimbursement from government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or successfully commercialize our products.

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Legislative and regulatory proposals have been made to expand post-approval requirements for medical devices. We cannot be sure whether additional legislation will be enacted, or whether NMPA regulations, guidance or interpretations will be amended, or how such regulatory developments will impact our product candidates. For example, according to the Regulations on the Supervision and Administration of Medical Devices (醫療器械監督管理條例) effective on January 20, 2025, medical device companies shall be responsible for quality management of their products throughout the entire lifecycle, shall bear legal liability for the safety and effectiveness of their products, and are required to establish a quality management system and monitor and evaluate post-approval risks and adverse events caused by the products. During the Track Record Period and up to the Latest Practicable Date, we have been in compliance with the Regulations on the Supervision and Administration of Medical Devices (2024 Revision) (醫療器械監督管理條例(2024修訂)). In addition, laws and regulations in China, including those regulating medical devices, are rapidly evolving. Changes in these areas could impose more stringent requirements on us and increase our compliance and other operating costs after we start commercializing our product candidates, if approved, and we may not be able to achieve or sustain profitability.

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

We routinely receive, collect, generate, process, transmit and maintain, and our third-party vendors or contractors maintain and process on our behalf, medical data, treatment records and other personal details of the subjects enrolled in our clinical trials, along with other personal or sensitive information. As such, we may be subject to the relevant local, national and international data protection and privacy laws, directives regulations and standards that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data in the jurisdictions where we operate and conduct our clinical trials, as well as contractual obligations. These data protection and privacy law regimes continue to evolve and may result in increased costs of compliance. Failure to comply with any of these laws could result in enforcement action against us, including fines, imprisonment of company officers and public censure, claims for damages by customers and other affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

Data protection and privacy laws and regulations generally require clinical trial sponsors and operators and their personnel to protect the privacy of their enrolled subjects and prohibit unauthorized disclosure of personal information. If such institutions or personnel divulge the subjects' private or medical records without their consent, they will be held liable for damage caused thereby. The personal information of patients or subjects for our clinical trials is highly sensitive and we are subject to strict requirements under the applicable privacy protection regulations in the relevant jurisdictions. Whilst we have adopted security policies and measures to protect our proprietary data and patients' privacy, privacy leakage incidents might not be avoided due to hacking activities, human error, employee misconduct or negligence or system

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breakdown. We also cooperate with third parties including hospitals and SMOs for our clinical trials and operations. Any leakage or abuse of patient data by our third-party partners may be perceived by the patients as a result of our failure. Furthermore, any change in data protection and privacy laws and regulations could affect our ability to use medical data and subject us to liability for the use of such data for previously permitted purposes. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of information security that results in the unauthorized release or transfer of personally identifiable information or other patient data, could expose us to legal claims.

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

We cannot assure you that our data privacy and protection measures are, and will be, always considered sufficient under applicable laws and regulations. Additionally, the integrity of our data privacy and protection measures is also subject to system failure, interruption, inadequacy, security breaches or cyber-attacks. If we are unable to comply with the then applicable laws and regulations, or to address any data privacy and protection concerns, such actual or alleged failure could damage our reputation, deter current and potential customers from using our solutions and could subject us to significant legal, financial and operational consequences.

Changes in international trade policies may affect our business operations.

We may from time to time engage in cross-border sales of our products between China and the overseas. Our business is therefore subject to constantly changing international economic, regulatory, social and political conditions, and local conditions in those foreign countries and regions. Any economic downturn could create an uncertain economic outlook in markets where we currently operate or may operate in the future, which may adversely affect our business, financial condition and results of operations. Changes in the political environment could also increase our costs, heighten our exposure to legal and business risks, restrict our access to capital, disrupt our operations and affect our results of operations. For example, the U.S. Department of Treasury issued a final rule on outbound investment (the “**Final Rule**”) that became effective on January 2, 2025. This rule established a new national security regulatory framework to control outbound investment from the United States in certain

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sensitive industry sectors in China including Hong Kong and Macau. Subsequently, the U.S. government issued (i) a broadly worded “America First Trade Policy” on January 20, 2025, which directs the Treasury and several other executive departments and offices to review a range of international trade and investment policies and rules, including the outbound investment security program; and (ii) an “America First Investment Policy” on February 21, 2025, which contemplates changes to U.S. international investment policies and rules, including possible application of the outbound investment security program to a wider range of technologies and a wider range of investments, including publicly traded securities. Any expansion of the restrictions under the outbound investment security policy could limit the ability of Chinese companies (including us) to raise capital from U.S. investors and could limit or prohibit U.S. investors’ ability to trade the securities of such companies, which could negatively affect the value of these securities. In addition, the Final Rule and similar measures could still limit or even eliminate our ability to raise capital from U.S. investors after the Global Offering given that relevant laws, regulations, and policies continue to evolve and we cannot rule out the possibility of being negatively affected in the future due to different views taken by the U.S. Department of the Treasury, potential amendments to the Final Rule or the introduction of similar regulations. For example, the Trump administration has indicated that the policies underlying the Final Rule are under review and that it may expand the program. In addition, on December 18, 2025, the Comprehensive Outbound Investment National Security Act of 2025 (the “**COINS Act**”), as part of the National Defense Authorization Act for Fiscal Year 2026, became law. The COINS Act will supersede the Final Rule following the adoption of implementing regulations, the content of which is uncertain. If our ability to raise capital from U.S. investors is significantly and negatively affected by the Final Rule, the COINS Act or similar laws and regulations, it could be harmful to our business, financial condition and prospects. In addition, if any legislative proposals, amendments to existing legislation, or new laws are enacted and implemented in any jurisdiction where we operate or plan to expand, these changes could limit our ability to develop and expand our business in these markets, which may in turn materially and adversely affect our business, financial condition, and results of operations.

We rely on certain suppliers to obtain raw materials for our products from manufacturers located outside China. In the event that these countries impose import tariffs, trade restrictions or other trade barriers affecting the importation of such components or raw materials, we may not be able to obtain a steady supply of necessary components or raw materials at competitive prices, and our business and operations may be materially and adversely affected. Since early 2025, U.S. President Trump has implemented significant changes to U.S. trade policy with China, including imposing additional tariffs on Chinese imports. Recently, the United States has, through several rounds of increases, imposed higher tariffs on a wide range of goods imported from multiple countries, with most of these actions taking place in early 2025. The tariff increases on goods from China are particularly high, with additional tariffs imposed on goods exported from China to the U.S. peaked at 145% through a series of tariff changes from February to April 2025. While some of these measures, but not those applicable to Chinese goods, have been suspended, U.S. tariff rates remain at historically high levels. China responded to the U.S. actions with retaliatory tariffs on most U.S. goods of 125% from April 12, 2025; China also implemented export restrictions on certain critical minerals and related

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products and took other regulatory measures aimed at the United States. On May 12, 2025, the United States implemented a 90-day pause on the varying reciprocal tariffs except for those on Chinese goods, leaving the 10% baseline tariff in place, so that the United States will impose tariffs of 30% on most Chinese imports during this period, while China will impose tariffs of 10% on U.S. imports. The two sides agreed to continue negotiations and have recently reached an agreement including lowering the additional tariffs by 10%. These changing policies have created considerable uncertainty regarding future tariff rates and the trajectory of U.S.-China trade relations. At this time, it remains unclear what additional actions, if any, will be taken by the U.S. or other governments. Furthermore, on June 20, 2025, the European Commission decided to exclude Chinese companies from EU government purchases of medical devices exceeding €5 million for the next five years, effective June 30, 2025. As of the Latest Practicable Date, we believe that the risk of our operations being affected by this restriction is low because (i) a single order of our products is less than €5 million, which is out of the scope of this restriction, (ii) our existing sales in the EU are all through distributors as opposed to public tender, which means that our sales, even if exceeding the €5 million threshold, will not be affected by the restriction, and (iii) we do not intend to participate in EU government tenders in the near future. These tariffs and other trade restrictions are expected to reduce trade volumes, cross-border investment, technological exchange, and other economic activities between major economies, and have a material adverse effect on global economic conditions and the stability of global financial and stock markets, which may negatively affect our business, financial condition and results of operations.

Furthermore, sanctions and export control measures are unilaterally imposed by the U.S. or other jurisdictions from time to time. These measures are expected to have significant impact on the targeted countries, markets and/or entities. Chinese companies may be affected by such sanctions or export control measures. We may also be exposed to risks in dealing with business partners subject to sanctions or export controls. As a result, we could be required to incur additional costs to comply with these regulations and measures and could face penalties for any violation, even if inadvertent.

We are subject to laws and regulations in jurisdictions where we operate, and any failure to respond to future changes in the regulatory environment in these jurisdictions could have an adverse effect on our business, results of operations and financial condition.

We are subject to evolving laws and regulations governing the medical devices industry in China and other markets where we operate. Laws and regulations that are recently enacted in our industry may not comprehensively cover all aspects of economic activities within markets for medical devices. In particular, the interpretation and enforcement of these laws and regulations may be subject to future implementations. We cannot predict the effect of future legislative developments in the PRC and other jurisdictions on our industry, including the enactment of new laws, amendments to existing laws or the interpretation or enforcement thereof, or the preemption of local regulations by national laws.

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Changes to laws and regulations applicable to our industry could lead to new and unexpected challenges. The history of prior enforcement activity, or lack of enforcement activity, cannot be predictive of future enforcement actions. Therefore, our business operations are subject to increased uncertainties and risks. Any enforcement actions against us could have a material adverse effect on us. Any litigation or governmental investigation or enforcement proceedings may be protracted and may result in substantial cost, diversion of resources and management attention, negative publicity, and damage to reputation. As a result, our business, results of operations and financial condition may be adversely affected.

Payment of dividends is subject to PRC law and regulations.

No dividend has been paid or declared by the Company during the Track Record Period. Under PRC law and regulations, we may only pay dividends out of distributable profits. Distributable profits are our after-tax profits, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in periods for which our financial statements indicate we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years.

Moreover, our operating subsidiaries in the PRC may not have distributable profit as determined under PRC GAAP. Accordingly, we may not receive sufficient distributions from our subsidiaries for us to pay dividends. Failure by our operating subsidiaries to pay us dividends could adversely impact our ability to make dividend distributions to our Shareholders and our cash flow, including periods in which we are profitable.

Governmental regulation of currency conversion, and restrictions on the remittance of Renminbi into and out of China, may adversely affect the value of your investment.

The convertibility of Renminbi is currently subject to certain regulations. A substantial majority of our future revenue is expected to be denominated in RMB and we will need to convert Renminbi into foreign currencies for the payment of dividends, if any, to holders of our H Shares. Shortages in availability of foreign currency may then restrict our ability to remit sufficient foreign currency to our offshore entities for our offshore entities to pay dividends or make other payments or otherwise to satisfy our foreign currency denominated obligations.

Under PRC's current foreign exchange administration system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from SAFE, but we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. Approval from appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. There may be certain regulations in the future which restrict our access to foreign currencies for current account transactions, as the case may be. We may

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not be able to pay dividends in foreign currencies to our Shareholders if we could not obtain sufficient foreign currencies. Further, there is no assurance that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of RMB into or out of the PRC.

Dividends payable to investors and gains on the sale of our H Shares by our investors are subject to PRC tax.

Under applicable PRC tax laws, regulations and statutory documents, non-PRC resident individuals and enterprises are subject to different tax obligations with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares. Non-PRC individuals are generally subject to PRC individual income tax under the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) with respect to PRC-sourced income or gains at a rate of 20% unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. We are required to withhold related tax from dividend payments. Pursuant to applicable regulations, domestic non-foreign-invested enterprises issuing shares in Hong Kong may generally, when distributing dividends, withhold individual income tax at the rate of 10%. However, withholding tax on distributions paid by us to non-PRC individuals may be imposed at other rates pursuant to applicable tax treaties (and up to 20% if no tax treaty is applicable) if the identity of the individual holder of H shares and the tax rate applicable thereto are known to us. Whether gains realized upon disposition of H shares by non-PRC individuals are subject to PRC individual income tax shall be determined by the then effective laws and regulations.

Non-PRC resident enterprises that do not have establishments or premises in the PRC, or that have establishments or premises in the PRC but their income is not related to such establishments or premises are subject to PRC EIT at the rate of 10% on dividends received from PRC companies and gains realized upon disposition of equity interests in the PRC companies pursuant to the EIT Law and other applicable PRC tax regulations and statutory documents, which may be reduced or eliminated under special arrangements or applicable treaties between the PRC and the jurisdiction where the non-resident enterprise resides.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' verification.

The interpretation and application of the relevant PRC tax laws by the PRC tax authorities, including whether and how individual income tax or EIT on gains derived by holders of our H Shares from their disposition of our H Shares may be collected, is subject to the then effective laws and regulations. If any such tax is collected, the value of our H Shares may be adversely affected.

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Any failure to comply with PRC regulations regarding the mandatory social insurance and housing provident fund may subject us to fines and other legal or administrative sanctions.

Pursuant to the relevant PRC laws and regulations, employers in the PRC are required to make social insurance contributions and housing provident fund contributions for their employees, and entities failing to make contributions may be ordered to settle the outstanding contributions within a prescribed time limit and subject to penalties or fines. During the Track Record Period and up to the Latest Practicable Date, we were not in strict compliance with the full contribution requirements in relation to some of our PRC employees. Furthermore, pursuant to the Article 19(1) of the Supreme People's Court Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "Judicial Interpretation (II)"), any agreement between employer and employee, or any commitment made by an employee to the employer, that stipulates exemption from social insurance contribution obligations shall be deemed invalid by the People's Court, and the employee has the right to terminate the labor contract and claims economic compensation from the employer. See "Regulatory Overview—Other Laws and Regulations—Regulations on Labor Protection and Social Security" for details. We have not received any claims or complaints which had a material adverse effect on our business from our current and former employees as of the Latest Practicable Date regarding the shortfall in payments and contributions. During the Track Record Period and as of the Latest Practicable Date, we did not sign any written documents with any of our employees pursuant to which the employee undertakes that their social insurance premiums need not be paid, and we have made social insurance contributions for all of our employees. As advised by our PRC Legal Advisor, (i) if there is no employee reports or complaints filed against us, the likelihood that we are subject to centralized collection of historical arrears and any material penalties due to our failure to provide full social insurance and housing provident funds contributions for our employees is remote, and (ii) the risk that the Group will be subject to the payment of material compensation for not making social insurance contributions under the Judicial Interpretation (II) is remote, according to the currently applicable regulatory policies. However, we cannot assure you that we will not be subject to penalties or fines imposed by the relevant PRC governmental authorities as a result of such non-compliance incidents or be ordered to rectify such non-compliance incidents. Any such penalties, fines, orders or complaints may harm our corporate image and may have an adverse effect on our financial condition and results of operations. If the relevant regulatory authorities order us to pay the shortfall of social insurance and/or housing provident funds or take rectification measures in accordance with applicable laws and regulations, we will make such payments or make such rectification measures promptly as soon as practicable.

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RISKS RELATING TO THE MANUFACTURE OF OUR PRODUCTS

Damage to, destruction of or interruption of production at our manufacturing facilities could delay our development plans or commercialization efforts.

Our principal manufacturing facilities are located at our manufacturing base in Longgang, Shenzhen, China. Our facilities may be harmed or rendered inoperable by physical damage from fire, floods, earthquakes, typhoons, tornadoes, power loss, telecommunications failures, break-ins and similar events. If our manufacturing facilities or the equipment are damaged or destroyed, we may not be able to quickly or inexpensively replace our manufacturing capacity or replace it at all. In the event of a temporary or protracted damage of the facilities or equipment, we might not be able to transfer manufacturing to a third party. Even if we could transfer manufacturing to a third party, the shift would likely be expensive and time-consuming, particularly since the new facility would need to comply with the necessary regulatory requirements and we would need regulatory agency approval before selling any products manufactured at that facility. Such an event could delay our clinical trials or reduce our product sales. Any interruption in manufacturing operations at our manufacturing facilities could result in our inability to satisfy the demands of our clinical trials or commercialization. Any disruption that impedes our ability to manufacture our product candidates or products in a timely manner could materially harm our business, financial condition and operating results.

We have limited insurance coverage. Our insurance coverage may not reimburse us, or may not be sufficient to reimburse us, for any expenses or losses we may suffer. See “—Risks Relating to Our General Operations—Our insurance coverage may not completely cover the risks relating to our business and operations.” We may be unable to meet our requirements for our products or product candidates if there were a catastrophic event or failure of our manufacturing facilities or processes.

The manufacture of our products is a highly exacting and complex process and subject to strict quality controls. Our business could suffer if we encounter problems in managing the manufacturing process of our products.

We have limited experience in large-scale manufacturing of our products for commercial use and we have limited experience in managing the manufacturing process. The manufacture of our products and product candidates is highly complex and subject to strict quality controls. For a sophisticated surgical device, quality is extremely important due to the serious and costly consequences of a product defect or failure. We have established a comprehensive set of quality control and quality assurance procedures to monitor our manufacturing process to ensure it to comply with relevant regulatory requirements and our internal quality requirements. Despite of our quality control and assurance system and procedures, we cannot eliminate the risk of product defects or failure. Problems can arise during the manufacturing process for a number of reasons, including equipment malfunction, failure to follow protocols and procedures, defects, insufficient supply of raw materials, advancement in manufacturing techniques and man-made or natural disasters and other environmental factors. If problems arise during the production of surgical robots, we may need to replace the parts and components in issue and

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may experience a delay in manufacturing or incur added expenses. This could, among other things, lead to increased costs, lost revenue, damage to customer relationships, time and expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches or products. If problems are not discovered before a product or product candidate, if approved for commercial sale, is released to the market, recall and product liability costs may also be incurred.

Manufacturing methods and technologies are sometimes altered through the development from clinical trials to approval, and further to commercialization, in an effort to optimize manufacturing processes and results. Such alterations may not achieve these intended objectives. Any of these alterations could cause the product candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the altered materials. This could delay the commercialization of our product candidates and require bridging studies or the repetition of one or more clinical trials, which may result in increases in clinical trial costs or delays in the approval process and jeopardize our ability to commence product sales and generate revenue.

As we have commercialized our two Core Products, Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot, as well as our Edge Bronchoscope Robot, we may face unanticipated surges in demand for our surgical robot systems, which could strain our production capacity. If these problems arise or if we otherwise fail to meet our internal quality standards or those of the NMPA or other relevant regulatory authorities, which include detailed record-keeping requirements, our reputation could be damaged, we could become subject to a safety alert or a recall, we could incur product liability and other costs, product approvals could be delayed, and our business could otherwise be adversely affected.

If we fail to increase our manufacturing capacity as planned, or if we are unable to successfully manage our anticipated growth or to precisely anticipate market demand, our business prospects could be materially and adversely affected.

We currently have manufacturing facilities in Longgang, Shenzhen, which occupy an aggregate gross floor area of approximately 10,000 sq.m., and we are planning to expand our production capacities by establishing a new manufacturing center in Shenzhen. To produce our products in the quantities that we believe will be required to meet the anticipated market demand, we may need to increase or scale up the production capacity. Advancement in manufacturing techniques may render our facilities and equipment inadequate or obsolete, and therefore we may also need to develop advanced manufacturing techniques and process controls in order to fully utilize our facilities. To enhance our production capacity, we also need to employ more workers. We typically require new employees to undergo a strict training and pass our evaluation before they commence work on our production lines. If we are unable to increase our manufacturing capacity or build new manufacturing facilities, or if the process to do so is delayed, or if the cost of this scale up is not economically feasible for us, we may not be able to supply our products in a sufficient quantity to meet future demand, which would limit our development and commercialization activities and our opportunities for growth.

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Our ability to successfully implement our expansion plan is subject to a number of risks, including our ability to obtain the requisite permits, licenses and approvals for the construction and operation of the new production lines, the risk of construction delays, as well as our ability to timely recruit sufficient qualified staff to support the increase in production capacity. Consequently, there can be no assurance that we will be able to increase our overall production capacity or develop advanced manufacturing techniques and process controls in the manner we contemplate, or at all. In the event we fail to increase our production capacity or develop advanced manufacturing techniques and process controls, we may not capture the expected growth in demand for our products, or to successfully commercialize new products, each of which could materially and adversely affect our business prospects. Moreover, our plans to increase our production capacity require significant capital investment, and the actual costs of our expansion plan may exceed our original estimates, which could materially and adversely affect the realization of expected return on our expenditures.

During the construction and ramp-up period, there may be significant changes in the macroeconomics of the surgical robot industry, including, among other things, market demand, product and supply pricing trends and customer preferences. Any adverse trends in these respects could have a material adverse effect on our business, financial condition and results of operations.

Fluctuations in prices and availability of our raw materials may have a material adverse effect on us.

Our key raw materials for the manufacturing of surgical robots include electric motors, speed reducers, optical devices, stainless steel wires and polymer materials. Our production processes require substantial amounts of raw materials and components. Some raw materials and components may be susceptible to and have experienced fluctuations in price and availability. Significant fluctuations in raw material and component prices and availability will have a direct and negative impact on our gross margins. The prices of raw materials of our products may be affected by a number of factors, including market supply and demand, the PRC or international environmental and regulatory requirements, natural or man-made disasters such as fires, outbreak of epidemics or diseases and the PRC and global economic conditions. A significant increase in the costs of raw materials or delay in delivery of raw materials may increase our costs and negatively affect our business, financial condition, results of operation and prospects.

We may experience supply interruptions that could harm our ability to manufacture products.

We purchase certain of the materials and components used in the manufacture of our products and product candidates from selected suppliers that can satisfy our stringent requirements in terms of quality assurance, cost effectiveness, availability, or constraints resulting from regulatory requirements.

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General economic conditions could adversely affect the financial viability of our suppliers, resulting in their inability to provide materials and components used in the manufacture of our products and product candidates. Our efforts to monitor our suppliers' financial viability, assure continuity of supply, and maintain high quality and reliability may not be successful. In addition, due to the rigorous regulations and requirements of the NMPA and other comparable regulatory authorities regarding the manufacture of our products and product candidates (including the need for approval of any change in supply arrangements), we may have difficulty establishing additional or replacement sources in a timely manner or at all if the need arises. Certain suppliers may also elect to no longer provide products to medical device companies due to the stringent regulatory requirements. Even if we are able to find alternative suppliers, their products may be inferior to those of our existing suppliers and thus the overall performance and quality of our products may be affected. We typically do not pursue regulatory qualifications of alternative sources due to the stable and long-term relationships with our existing suppliers and the time and expense associated with our internal validation process. A change in suppliers could require significant effort or investment in circumstances where the items supplied are integral to product performance or incorporate unique technology, and the loss of any existing supply contract could have a material adverse effect on us. A reduction in, or lack of availability of, raw materials or interruptions in the supply chain may also impact our profitability to the extent that we are required to pay higher prices for, or are unable to secure adequate supplies of, the necessary raw materials. Furthermore, the custom clearance procedures for imported raw materials could be lengthy and thus could adversely affect the timely supply of such raw materials. If we encounter lengthy custom clearance procedures to import certain of our raw materials, we may experience delays in the supply of our raw materials.

Failure to maintain and predict inventory levels in line with the level of demand for our products and product candidates, if approved, could cause us to lose sales or face excess inventory risks and holding costs, either of which could have a material adverse effect on our business, financial condition and results of operations.

To operate our business successfully and meet demands and expectations of surgeons and hospitals for our products and product candidates, once commercialized, we must maintain a certain level of inventory for our products to ensure timely delivery as required. Furthermore, we will be required to maintain an appropriate level of inventory of our raw materials for our commercial production. We plan to maintain our inventory levels based on our internal forecasts which are inherently uncertain. In addition, given the surgical robot market is still at its early development stage, demand for our products and product candidates, if approved, is hard to predict, and therefore it might be difficult for us to maintain an adequate inventory level. If our forecast demand is lower than actual demand, we may not be able to maintain an adequate inventory level of our products or product candidates or produce our products or product candidates in a timely manner, and may lose sales and market share to our competitors. On the other hand, we may be exposed to increased inventory risks due to accumulated excess inventory of our products and product candidates or raw materials. Excess inventory levels may increase our inventory holding costs, risk of inventory obsolescence or write-offs.

RISK FACTORS

A significant interruption to the operations of our suppliers could potentially affect our business, and any material misconduct by our suppliers could potentially harm our business and reputation.

We rely on a limited number of suppliers for certain raw materials, equipment and other supplies which we use in our operations and may not be able to find substitutes or immediately transition to alternative suppliers. For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025, purchases from our five largest suppliers in aggregate accounted for 18.0%, 24.5% and 20.9% of our total purchases (including value added tax), respectively, and purchases from our largest supplier accounted for 6.6%, 9.8% and 4.9% of our total purchases for the same periods (including value added tax), respectively.

Certain of our suppliers are subject to various regulations and are required to obtain and maintain various qualifications, government licenses and approvals. If any of these suppliers loses its qualification or eligibility because of its failure to comply with regulatory requirements, we may not be able to find alternative suppliers in a timely manner or at all. Some of our suppliers import certain equipment and materials from manufacturers located outside China and resell to us. As a result, trade or regulatory embargoes imposed by foreign countries or China could also affect the operations of our suppliers, which could result in supply delays or shortages. See “—Risks Relating to Government Regulation—Changes in international trade policies may affect our business operations.”

In addition, there may be fraud, misconduct, negligence or other improper activities on the part of our suppliers. Misconduct by third-party suppliers could include intentional failures to comply with the regulations of NMPA and other comparable regulatory authorities and applicable healthcare fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to us. Suppliers may also use fraudulent means to fulfill the relevant requirements provided by us. Besides, suppliers may supply products that are defective or fail to meet our quality standards. We regularly carry out supplier due diligence, but it is not always possible to identify and deter supplier misconduct. Precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses, or in protecting us from governmental investigations or other actions or lawsuits stemming from misconduct by suppliers. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of significant civil, criminal and administrative penalties, which could have a significant impact on our business. Whether or not we are successful in defending against such actions or investigations, we could incur substantial costs, including legal fees and divert the attention of management in defending ourselves against any of these claims or investigations. Furthermore, we could experience supply delays or supply interruptions due to fraud, misconduct or other improper activities. If we are unable to identify alternative materials or suppliers and secure approval for their use in a timely manner, our business, operations and the development of products and product candidates could be harmed. Any change in suppliers could require significant effort or investment in circumstances where the items supplied are integral to product performance or incorporate unique technology, and the loss of any existing supply contract could have a material adverse effect on us. Any of the foregoing scenarios could materially harm our business and reputation and affect our business, financial condition and results of operations.

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RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We are a medical device company at an early commercialization stage. We have incurred significant net losses since inception and may continue to incur operating losses for the foreseeable future. As a result, you may lose all or part of your investment in us given the high risks involved in our business and associated with the medical devices industry.

Investments in the development of innovative medical devices such as our surgical robots are highly speculative. It entails substantial upfront capital expenditure and significant risks that a product candidate may fail to gain regulatory approval or become commercially viable. As a result, you may lose all or part of your investment in us given the high risks involved in our business and associated with surgical robot market. For the years ended December 31, 2023 and 2024, and the six months ended June 30, 2024 and 2025, we generated revenue of RMB48.0 million, RMB160.0 million, RMB30.2 million and RMB149.4 million, respectively, all of which was derived from the sale of our surgical robots, instruments and accessories. We have incurred significant expenses related to the research and development of our product candidates in the past. For the years ended December 31, 2023 and 2024, and the six months ended June 30, 2024 and 2025, our research and development expenses amounted to RMB171.2 million, RMB226.2 million, RMB95.6 million and RMB96.5 million, respectively, which contributed significantly to our net loss of RMB212.9 million, RMB218.5 million, RMB132.6 million and RMB89.1 million for the same periods, respectively.

Our net losses may fluctuate in the near future, and the losses may increase or fluctuate as we further our research and development efforts, continue the development of, seek regulatory approvals for, and commercialize our products. Research, development and commercialization of innovative medical devices typically involve lengthy and expensive process. In addition, we will start incurring costs associated with being a listed company in Hong Kong after the Listing. We will also incur costs in support of our growth. The size of our future net losses will depend, in part, on the number, scope and complexity of our product development programs and the associated costs of those programs, the cost of commercializing our products and any future approved product candidates, and our ability to generate revenues.

Our ability to continue to generate revenue will depend primarily on the success of the clinical trials, regulatory approval and commercialization of our products and product candidates, which is subject to significant uncertainty. If any of our product candidates fails in clinical trials or does not gain regulatory approval, or any of our products or products candidates if approved, fails to obtain market acceptance, we may fail to make profit from such product or product candidate. Even if we successfully complete clinical trials and obtain regulatory approval to market our products, our future revenue will depend upon other factors such as the market size for the proposed applications of our products, and our ability to achieve sufficient market acceptance. Even if we achieve profitability in the future, we may not be able to maintain profitability in subsequent periods. Our failure to become and remain profitable would decrease the value of our Company and could impair our ability to raise capital, maintain our R&D efforts, expand our business and continue our operations, which could in turn adversely affect the market price of our H Shares.

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Our revenue growth was mainly driven by the sales growth of our Edge Multi-Port Endoscopic Surgical Robots during the Track Record Period. Failure to achieve the anticipated sales growth of our Edge Multi-Port Endoscopic Surgical Robots or sales of our other commercialized products may have a material adverse impact on our business and results of operations.

During the Track Record Period, our revenue growth was mainly driven by the sales growth of our Edge Multi-Port Endoscopic Surgical Robot, our Core Product. Following the commercialization of our Edge Multi-Port Endoscopic Surgical Robot in December 2022, we have seen a rapid revenue growth. We expect that sales of our Edge Multi-Port Endoscopic Surgical Robot will continue to be a significant driving factor of our revenue growth in the near future. However, we cannot assure you that demand for our Edge Multi-Port Endoscopic Surgical Robot will continue to grow as anticipated. There is also no assurance that we will be able to maintain our sales and profit margin for our Edge Multi-Port Endoscopic Surgical Robot, which may be adversely affected by many factors outside of our control, including downward pricing pressure caused by changes in market competition, expiration of patent protection, introduction of substitute products marketed by our competitors, disruptions in manufacturing or sales, issues with respect to product quality or severe adverse events incurred after the procedure, coverage of medical insurance and disputes over intellectual property or other matters with third parties. If we are unable to maintain the sales growth of our Edge Multi-Port Endoscopic Surgical Robot, our business, financial condition and results of operations may be materially and adversely affected. Moreover, we started to commercialize our Edge Single-Port Endoscopic Surgical Robot in 2024 and are preparing for the commercialization of our Edge Bronchoscope Robot. However, there is no guarantee that these attempts are successful enough to reduce our dependence on our Edge Multi-Port Endoscopic Surgical Robot at all or in a timely or competitive manner.

We had net operating cash outflows during the Track Record Period. We may need to obtain additional financing to fund our operations. If we are unable to obtain sufficient financing, we may be unable to complete the development and commercialization of our products.

Our product candidates will require completion of clinical development, regulatory review, significant marketing efforts and substantial investment before they can provide us with product sales revenue. Our operations have consumed substantial amounts of cash since inception. We had net cash used in operating activities of RMB320.3 million, RMB224.6 million, RMB133.5 million and RMB96.9 million for the years ended December 31, 2023 and 2024, and the six months ended June 30, 2024 and 2025, respectively. We cannot assure you that we will be able to generate cash flows from operating activities in the near future. Our liquidity and financial condition may be materially and adversely affected by negative net cash flows. In addition, our existing cash and cash equivalents may not be sufficient to enable us to complete all development or commercially launch all of our current product candidates for the anticipated characteristics and to invest in additional programs. Accordingly, we may require further funding through public or private offerings, debt financing and collaboration or other sources. If we resort to other financing activities to generate additional cash, we will

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incur financing costs and we cannot guarantee that the financing may be available when we need them, on terms that are favorable to us, or at all. Our ability to raise funds will also depend on financial, economic and market conditions and other factors, many of which are beyond our control. If adequate funds are not available to us on a timely manner, we may have to delay, limit, reduce or terminate preclinical studies, clinical trials or other research and development activities or the commercialization for one or more of our product candidates, which in turn will adversely affect our business prospects.

The discontinuation of any government grants, financial incentives and other favorable policies currently available to us could adversely affect our financial condition, results of operations and prospects.

We have historically received government grants in the form of subsidies or other forms of financial incentives. For the years ended December 31, 2023 and 2024, and the six months ended June 30, 2024 and 2025, we recognized RMB3.0 million, RMB32.8 million, RMB0.7 million and RMB0.5 million government grants, respectively, as other net gain. For further details of our government grants, see “Financial Information.” Moreover, our growth has also been supported by favorable government policies. The timing, amount and criteria of government grants, financial incentives and other favorable policies are determined within the sole discretion of the government authorities and cannot be predicted with certainty before we actually receive any financial incentive. We generally do not have the ability to influence governments in making these decisions. Governments may decide to reduce or eliminate such grants, incentives or policies at any time. Our eligibility for government grants is dependent on a variety of factors, including the assessment of our improvement on existing technologies, relevant government policies, the availability of funding at different granting authorities and the R&D progress made by other peer companies. In addition, some of the government grants, incentives and policies are on a project basis and subject to the satisfaction of certain conditions, including compliance with the applicable financial incentive agreements and completion of the specific projects therein. Moreover, the policies according to which we historically received government grants may be halted by the relevant government entities at their sole discretion. We cannot assure you of the continued availability of the government grants, financial incentives and other favorable policies currently enjoyed by us. Any reduction or elimination of such government grants, financial incentives and other policies would materially adversely affect our business, financial condition, results of operations and prospects.

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

In each taxable period during the Track Record Period, we recorded a net loss and did not record any income tax. We may be subject to PRC corporate income tax at a rate of 25% on our global income in the future, which could reduce our profitability. In addition, we are qualified for certain preferential tax treatment policies in the PRC. For example, we were entitled to super deduction of 200% of our qualified research and development expenses incurred in the PRC in 2023 and 2024 in accordance with a preferential tax treatment policy.

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We cannot assure you that we will continue to enjoy such preferential tax treatment at historical levels, or at all. In the event that any of the preferential tax treatment we currently enjoy is reduced, discontinued or withdrawn by the government authorities, our results of operations and growth prospects may be materially and adversely affected.

Raising additional capital may cause dilution to our Shareholders, restrict our operations or require us to relinquish rights to our technologies or our products and product candidates.

We may seek additional funding through a combination of equity offerings, debt financings, and collaborations or licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a holder of our H Shares. The incurrence of additional indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in certain additional restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. In addition, issuance of additional equity securities, or the possibility of such issuance, may cause the market price of our H Shares to decline. In the event that we enter into collaborations or licensing arrangements in order to raise capital, we may be required to accept unfavorable terms, including relinquishing or licensing to a third party on unfavorable terms our rights to technologies or our products and product candidates that we otherwise would seek to develop or commercialize ourselves or potentially reserve for future potential arrangements when we might be able to achieve more favorable terms.

Our financial performance might be affected by the fair value change of our financial assets measured at fair value through profit and loss.

Our financial assets measured at fair value through profit or loss (“FVPL”) primarily consist of our certificates of deposit and investment in short-term low-risk wealth management products. Our financial assets measured at FVPL amounted to RMB1,066.9 million, RMB876.5 million and RMB805.4 million as of December 31, 2023 and 2024 and June 30, 2025, respectively. Pursuant to the Guidance on Regulating Financial Institution’s Asset Management Business (關於規範金融機構資產管理業務的指導意見) promulgated by the People’s Bank of China, the China Banking and Insurance Regulatory Commission, the China Security Regulatory Commission and the State Administration of Foreign Exchange on April 27, 2018, financial institutions selling wealth management products shall not guarantee the returns of principal and interest of such products. As a result, the returns of our investments in the wealth management products were not guaranteed. We are exposed to credit risks in relation to these financial assets, which may adversely affect their fair value. The financial assets measured at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss. The fair value measurement of such financial assets requires observable inputs for which active markets data are not available and unobservable inputs, such as the expected interest return rate. A variety of factors can significantly influence and cause

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adverse changes to the assumptions and estimates we use and thereby affect the fair value of our financial assets measured at FVPL. These factors include general economic conditions and change in market interest rates. Any of these factors could cause our estimates to vary from actual results and result in the substantial fluctuation in the fair value of our financial assets measured at FVPL. Any material declines in the fair value of our financial assets measured at FVPL and the uncertainty due to the use of unobservable inputs for valuation may have a material adverse effect on our financial condition. We may continue to invest in wealth management products in the future when we believe that we have surplus cash on-hand and the potential investment returns are stable and attractive. However, there can be no assurance that our internal management and investment strategy will be effective and adequate with respect to our purchased wealth management products. We cannot guarantee that we will not experience losses with respect to such investments in the future or that such losses or other potentially negative consequences due to such investments will not have material adverse effects on our business, results of operations and prospects.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

If we fail to obtain or maintain adequate intellectual property rights protection for our products and product candidates, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us.

The success of our business is supported by our ability to protect our proprietary technology and products from competition by obtaining, maintaining and enforcing our intellectual property rights, including patent rights, and to maintain adequate legal protection for our technology and products in the PRC and worldwide. We seek to protect the proprietary technologies that we consider commercially important by filing patent applications in various jurisdictions. This process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. We cannot be certain that patents will be issued or granted with respect to our patent applications that are currently pending, or that issued or granted patents will not later be found to be invalid and/or unenforceable, or be interpreted in a manner that does not adequately protect our products, or otherwise provide us with any competitive advantage.

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

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Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner. The issuance of a patent is not conclusive as to its inventor, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in various jurisdictions. For example, we may be subject to a third-party pre-issuance submission of prior art to the China National Intellectual Property Administration, or the CNIPA, or other related intellectual property offices, or become involved in post-grant proceedings such as opposition, derivation, revocation and re-examination, or inter parties review, or interference proceedings or similar proceedings in foreign jurisdictions challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our proprietary technologies and compete directly with us without payment to us, or result in our inability to manufacture or commercialize products without infringing, misappropriating or otherwise violating third-party patent rights. Moreover, we may have to participate in interference proceedings declared by the CNIPA or other related intellectual property offices to determine priority of invention or in post-grant challenge proceedings, such as oppositions in a foreign patent office, that challenge the priority of our invention or other features of patentability of our patents and patent applications. Such challenges may result in loss of patent rights, loss of exclusivity, or patent claims being narrowed, invalidated, or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our proprietary technologies. Such proceedings also may result in substantial costs and require significant time from our scientists, experts and management, even if the eventual outcome is favorable to us. Consequently, we do not know whether any of our proprietary technologies will be protectable or remain protected by valid and enforceable patents.

Furthermore, the life of a patent and the protection it affords are limited. We may face competition for any approved product candidates even if we successfully obtain patent protection once the patent life has expired for the product. The issued patents and pending patent applications, if issued, for our products are expected to expire on various dates as described in “Business—Intellectual Property” of this Prospectus. Upon the expiration of our issued patents or patents that may issue from our pending patent applications, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected.

Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such product candidates might expire before or shortly after such product candidates are commercialized. As a result, our patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Moreover, some of our patents and patent applications may, in the future, be co-owned with third parties. If we are unable to obtain an exclusive license to any such third-party co-owners’ interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors,

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and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

We may not be able to protect our intellectual property rights.

Filing, prosecuting, maintaining and defending patents on our products in multiple jurisdictions could be prohibitively expensive for us, and our intellectual property rights in some jurisdictions can have a different scope and strength from those in some other jurisdictions. In addition, the laws of certain countries do not protect intellectual property rights to the same extent as the laws of certain other countries do. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries, or from selling or importing medical products made using our inventions in and into certain jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to certain jurisdictions where we have patent protection but where enforcement rights are not as strong as those in certain other countries. These products may compete with our products and our patent rights or other intellectual property rights may not be effective or adequate to prevent them from competing.

As of the Latest Practicable Date, we had in aggregate 734 granted patents and patent applications globally including 421 patents (including 408 in China, seven in the U.S., three in Japan, two in South Korea, and one in India) and 225 patent applications (including 174 in China, 25 in Europe, 17 in the U.S., eight under the Patent Cooperation Treaty (PCT), and one in Brazil) in relation to our Core Products. As of the same date, we had 453 granted patents in China, including 251 invention patents, 145 utility models and 57 appearance designs, and we also had 213 patent applications pending in China. As of the same date, we had 13 granted foreign patents (including seven in the U.S., three in Japan, two in South Korea, and one in India) and 55 foreign patent applications (including 17 in the U.S., 27 in Europe, one in Brazil, and 10 under the Patent Cooperation Treaty (PCT)). In addition, as of the Latest Practicable Date, we had 28 trademarks registered in China and 18 trademarks registered overseas. As of the same date, we also had four trademarks pending in China and one trademarks pending overseas. If we are unsuccessful in obtaining trademark protection for our brands, we may be required to change our brand names, which could materially adversely affect our business. Moreover, as our products mature, our reliance on our trademarks to differentiate us from our competitors will increase, and as a result, if we are unable to prevent third parties from adopting, registering or using trademarks and trade dress that infringe, dilute or otherwise violate our trademark rights, our business could be materially adversely affected.

Many companies have encountered significant problems in protecting and defending intellectual property rights. The legal system in various jurisdictions could make it difficult for us to stop the infringement, misappropriation or other violation of our patents or other intellectual property rights, or the marketing of competing products in violation of our

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proprietary rights in these countries. Proceedings to enforce our intellectual property and proprietary rights could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing, and could provoke third parties to assert claims against us.

We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming and unsuccessful. Our patent rights relating to our products and product candidates could be found invalid or unenforceable if being challenged in court or before the CNIPA or courts or related intellectual property agencies in other jurisdictions.

Competitors may infringe our patent rights or misappropriate or otherwise violate our intellectual property rights. To counter infringement or unauthorized use, litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. This can be expensive and time consuming. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights. Many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce and/or defend their intellectual property rights than we can. Accordingly, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. An adverse result in any litigation proceeding could put our patents, as well as any patents that may issue in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, some of our confidential information could be compromised by disclosure during this type of litigation. Defendant counterclaims alleging invalidity or unenforceability are commonplace, a third party can assert invalidity or unenforceability of a patent on numerous grounds. Third parties may also raise similar claims before administrative bodies in China or abroad, even outside the context of litigation. Such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover and protect our products or product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity of our patents, for example, we, our patent counsel, and the patent examiner could be unaware of invalidating prior art during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our products or product candidates. Such a loss of patent protection could have a material adverse impact on our business.

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If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and financial penalties and may have to redesign or discontinue selling the affected product.

The medical device industry is litigious with respect to patents and other intellectual property rights. Companies operating in our industry routinely seek patent protection for their product designs, and certain of our competitors have large patent portfolios. For example, certain of our competitors may claim that our commercial use or expected commercial use of our products in China would infringe their patents in China. These patents have broad claims, so it might be alleged that certain features of our products fall within the claims of such patents. Therefore, our competitors may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights in connection with the commercialization of the relevant products in China. Our intellectual property legal advisor has conducted the freedom-to-operate (FTO) analysis with respect to our Core Products in China and confirmed that, as of the Latest Practicable Date, the risk of other third-party patent rights blocking the freedom to operate for our Core Products is low. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we were not involved in any legal, arbitral or administrative proceedings which allege that we were infringing, misappropriating or otherwise violating any intellectual property right of any third party. As we have been expanding our businesses to overseas markets, we also conducted FTO analysis in Poland, Spain, and Italy, which are material to our overseas business. We did not note any material risk of infringing the relevant intellectual property rights in respect of our commercialization of our products in these countries. However, as of the Latest Practicable Date, we have commercialized our products in several other overseas markets and we cannot assure you that we do not, or will not, infringe the intellectual property rights of third parties in jurisdictions where we have commercialized our products but have not conducted FTO analysis. If we were found to have infringed the intellectual property rights of any third parties, we could become involved in litigation and subject to liabilities, which may adversely affect our business operations and financial performance. Please refer to the section headed “Business—Intellectual Property” for more details.

Companies in the medical device industry have used intellectual property litigation to gain a competitive advantage. Whether a product infringes a patent involves an analysis of complex legal and factual issues, the determination of which is often uncertain. We face the risk of claims that we have infringed on third parties’ intellectual property rights in the countries where we operate, principally China. We may hire employees who have previously worked for our competitors. There can be no assurance that such employees will not use their previous employers’ proprietary know-how or trade secrets in their work for us, which could result in litigation against us. Prior to developing major new products, we evaluate existing intellectual property rights. However, our competitors may also have filed for patent protection which is not as yet a matter of public knowledge or claim trademark rights that have not been revealed through our searches of relevant public records. Our efforts to identify and avoid infringing on third parties’ intellectual property rights may not always be successful. Any claims of patent or other intellectual property infringement, regardless of their merit, could:

- be expensive and time-consuming to defend;

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- require us to pay substantial damages to third parties;
- forbid us from making or selling products that incorporate the challenged intellectual property;
- require us to redesign, reengineer or rebrand our products, if feasible;
- require us to enter into royalty or licensing agreements in order to obtain the right to use a third party's intellectual property, which may not be available on terms acceptable to us or at all;
- divert the attention of our management; or
- result in hospitals and physicians terminating, deferring or limiting their purchase of the affected products until resolution of the litigation.

In addition, new patents obtained by our competitors could threaten a product's continued life in the market even after it has already been introduced.

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

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

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

The scope of patent protection in various jurisdictions is uncertain. Changes in either the patent laws or their interpretation in some countries may diminish our ability to protect our inventions, obtain, maintain, defend, and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our patent rights. We cannot predict whether the patent applications we are currently pursuing and may pursue in the future will issue as patents in any particular jurisdiction or whether the claims of any future granted patents will provide sufficient protection from competitors. The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance.

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Even if patent applications we own currently or in the future issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. In addition, the patent position of medical device companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. We may be subject to claims that our employees, consultants, or other third parties have wrongfully used or disclosed alleged trade secrets owned by others.

In addition to our issued patent and pending patent applications, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our products. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements or include such undertakings in the agreement with parties that have access to them, such as certain of our employees, academic institutions, corporate partners, external advisors, sponsored researchers, consultants, advisors and other third parties. We also enter into employment agreement or consulting agreement with our employees and consultants that includes undertakings regarding assignment of inventions and discoveries. Nevertheless, there can be no guarantee that an employee or a third party will not make an unauthorized use or disclosure of our proprietary confidential information. This might happen intentionally or inadvertently. It is possible that a competitor will gain access to such information and make use of such information, and that our competitive position will be compromised, in spite of any legal action we might take against persons making such unauthorized disclosures. In addition, to the extent that our employees, consultants or contractors use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Trade secrets are difficult to protect. It is possible that our employees, consultants, contractors or business partners might intentionally or inadvertently disclose our trade secret information to competitors or our trade secrets may otherwise be misappropriated. Enforcing a claim that a third party illegally obtained and is using any of our trade secrets is expensive and time consuming, and the outcome is unpredictable.

We also seek to enter agreements with our employees and consultants that obligate them to assign any inventions created during their work for us to us. However, we may not obtain these agreements in all circumstances and the assignment of intellectual property under such agreements may not be self-executing. And it is possible that technology relevant to our business will be independently developed by a person that is not a party to such an agreement. Furthermore, if the employees and consultants who are parties to these agreements breach or violate the terms of these agreements, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets and inventions through such breaches or violations. We may be involved in claims by or against us related to the ownership of such intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our management and scientific personnel.

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Intellectual property rights do not necessarily protect us from all potential threats.

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

- others may be able to make products that are similar to our products or product candidates or any potential product candidates we may develop or utilize similar technology that are not covered by the claims of the patents that we own or license now or in the future;
- we, current or any future collaboration partners, or any future licensors, might not have been the first to make the inventions covered by the issued patent or pending patent application that we own or may license in the future;
- we, current or any future collaboration partners, and any future licensors, might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing, misappropriating or otherwise violating our intellectual property rights;
- it is possible that our pending patent applications will not lead to issued patents;
- patents that may be issued from our pending patent applications may be held invalid or unenforceable, including as a result of legal challenges by our competitors or other third parties;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable;
- the patents of others may harm our business; and
- we may choose not to file a patent for certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations and prospects.

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RISKS RELATING TO OUR GENERAL OPERATIONS

We have a limited operating history, which may lead to a longer sales cycle and make it difficult to evaluate our current business and predict our future performance.

We were founded in 2017 with a relatively short operating history. Our operations to date have primarily focused on the research and developments and commercialization of our products and product candidates. However, we have limited experience in large-scale manufacturing, sales and marketing of our products. As a result, we may experience certain delay between our securing sales orders and recognizing revenue. Generally, the timeframe required from manufacturing, delivery to installation of Core Products is approximately one to three months. As we are still in the early commercialization stage, the sales cycle of the winning bids of our products can be relatively longer. In addition, during the early commercialization stage, installation processes may be less streamlined, and more extensive testing is typically conducted by hospitals to identify any performance issues.

As a result of our limited operating history, and particularly in light of the rapidly evolving nature of our industry, it may be difficult to evaluate our current business and reliably predict our future performance. We may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. If we do not address these risks and difficulties successfully, our business, financial condition, results of operations and prospects could be materially adversely affected. These factors present uncertainties and material risks to our commercial success and may cause potential investors to lose a substantial portion or all of their investment in our business.

Our business and reputation may be adversely affected by negative publicity involving us, our Shareholders, Directors, officers, employees, suppliers or other parties we cooperate with, or by general negative publicity in the industry.

Any negative publicity concerning us, our affiliates or any entity that shares the name of the Company, even if untrue, could adversely affect our reputation and business prospects. For example, certain online articles with untrue allegations about our clinical results may continue to cast doubts on our products and business operations. We cannot assure you that negative publicities about us or any of our Controlling Shareholder, our affiliates or any entity that shares the brand name of the Company would not damage our brand image and such unauthorized use of our brand name by any third parties may adversely affect the value of our brand name, reputation and business. In addition, any legal actions including litigation to enforce our rights to our brand name may involve significant costs and divert of our limited resources. This may result in a material adverse effect on our business, operation results and financial condition.

We, our Shareholders, Directors, officers, employees, suppliers or other parties we cooperate with may be subject to negative media coverage and publicity from time to time. Such negative coverage in the media and publicity could threaten our reputation. In addition, to the extent our employees, suppliers or other parties we cooperate with were non-compliant

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with any laws or regulations, we may also suffer negative publicity or harm to our reputation. Given our specialized industry, any negative publicity regarding our industry could also affect our reputation and confidence in our brand and products. As a result, we may be required to spend significant time and incur substantial costs in response to allegations and negative publicity, and may not be able to diffuse them to the satisfaction of our investors, customers, hospitals and surgeons.

Our future success depends on our ability to retain key executives and to attract, hire, retain and motivate other qualified and highly skilled personnel.

We are highly dependent on the principal members of our senior management, as well as other key clinical and scientific personnel, and other employees and consultants. Competition for qualified employees in the healthcare industry is intense and the pool of qualified candidates is limited. We may not be able to retain the services of our senior management or key clinical and scientific personnel, or attract and retain experienced senior management or key clinical and scientific personnel in the future. If one or more of our senior management or key clinical and scientific personnel are unable or unwilling to continue in their present positions or join a competitor or form a competing company, we may not be able to replace them in a timely manner or at all, and our product development progress may be disrupted as a result, which will have a material and adverse effect on our business and results of operations. In addition, we will need to hire additional employees as we expand our commercialization and manufacturing teams. We may not be able to attract and retain qualified employees on acceptable terms. Further, when we hire an employee, it is possible that our competitor may allege that such employment violates the non-compete agreement between such employee and our competitor as his or her former employer. Our business and growth depend on the continued service of our senior management and personnel in our R&D team to develop products and our commercialization team to promote our products. Our formal employment agreements with each of our employees do not prevent our employees from terminating their employment with us at any time. The loss of the services of any of these persons could impede the achievement of our research, development and commercialization objectives.

Furthermore, replacing executive officers, key employees or consultants may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel or consultants on acceptable terms given the competition among numerous medical device companies for similar personnel. We also experience competition for the hiring of R&D and clinical personnel from universities and research institutions. Our consultants and advisors may be engaged by our competitors and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

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We are subject to various risks relating to payments through third-party international payment service providers.

We have been expanding our overseas distribution network since 2025. In the first half of 2025, four of our overseas distributors (individual or collectively, the “**Relevant Overseas Distributor(s)**”) settled their payments with us through accounts of four third-party payors designated by these Relevant Overseas Distributors at their request (the “**Agent Payment Arrangement(s)**”) for purposes of facilitating cross-border sales. Our overseas distributors may choose to adopt similar arrangements to facilitate our overseas sales in the future. As advised by Frost & Sullivan, it is a common commercial practice for overseas distributors engaged in international trade to use third-party payors, such as international payment service providers, to settle corporate transactions with their suppliers, as this offers convenience and flexibility for cross-border settlements. The third-party payors designated by the Relevant Overseas Distributors are currency exchange and cross-border payment service providers. These third-party payors solely exchanged local currencies to U.S. dollars for the Relevant Overseas Distributors and conducted cross-border payments on behalf of the Relevant Overseas Distributors; they did not participate in sales negotiations, logistics arrangement, or customs clearance. The Relevant Overseas Distributors assume rights and obligations under the distribution agreements and/ or sales contracts. In the six months ended June 30, 2025, the aggregate amount of payments from designated third parties to us through the Agent Payment Arrangements was approximately USD1.0 million, representing approximately 4.8% of our total revenue in the same period. For additional information, please see “Business–Risk Management and Internal Control–Control of Agent Payment Arrangements.”

We face various risks associated with the Agent Payment Arrangements, such as (i) possible claims from third-party payors seeking the return of funds as they are not contractually indebted to us, (ii) potential claims from liquidators of such third-party payors, and (iii) potential money laundering risks due to our limited knowledge about the source and purpose of funds used by third-party payors. In case of claims or legal proceedings, whether civil or criminal, demanding payment return or alleging violation or non-compliance of local laws or regulations with respect to foreign currency exchange and payment, we would need to allocate financial and managerial resources for defense. Further, relevant payments may be subject to freezing or clawback actions initiated by regulatory authorities or liquidators or court orders for return. As a result, our overseas sales, overall business, financial condition and results of operations could be adversely affected.

Changes in the political and economic policies may affect our business, financial condition, results of operations and prospects.

Due to our extensive operations in China, our business, results of operations, financial condition and prospects may be affected by economic, political, legal and social conditions in China.

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While the PRC economy has experienced significant growth over the past four decades, growth has been uneven across different regions and among various economic sectors of China. The PRC government has implemented various measures to encourage economic development and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by governmental adjustment over capital investments or changes in tax regulations that are currently applicable to us.

We engage third parties to conduct certain aspects of our clinical trials. If we lose our relationship with those third parties, or if those third parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or successfully commercialize our products and our business could be substantially harmed.

As is common practice in our industry, we have engaged third parties, including SMOs, to assist us in conducting clinical trials. If such third parties with which we contract for clinical trials do not perform in an acceptable manner, or if we suffer setbacks in these clinical trials, we may be unable to develop and successfully commercialize our products as anticipated. Therefore, we have less control over the quality, timing and cost of these studies and the ability to recruit trial subjects than if we conducted these trials wholly by ourselves. If we are unable to maintain or enter into agreements with these third parties on favorable terms to us, or if any such engagement with us is terminated, we may be unable to enroll patients on a timely basis or otherwise conduct our trials in the manner we anticipate, and the development of the product candidates covered by those agreements could be substantially delayed.

In addition, there is no guarantee that these third parties may devote adequate time and resources to our studies or perform as required under their contractual obligations, meet the expected deadlines or maintain clinical trial information regarding our product candidates or in accordance with regulatory requirements, including clinical, laboratory and manufacturing guidelines. Our reliance on these third parties may result in delays in completing, or in failing to complete, these studies, if they fail to perform in accordance with the contractual arrangements. If these third parties fail to meet expected deadlines, fail to timely transfer to us any regulatory information, fail to adhere to protocols or fail to act in accordance with regulatory requirements or our agreements with them, or if they otherwise perform in a substandard manner or in a way that compromises the quality and/or accuracy of their activities and/or the data they obtain, then clinical trials of our product candidates may be extended, delayed or terminated, or our data generated by those studies may be rejected or not accepted by the applicable regulatory authorities, such as the NMPA, which would increase the cost of and the development time for the relevant product candidates. If the clinical trials of our product candidates are affected by any of the above-mentioned reasons, we will be unable to meet our anticipated development or commercialization timelines, which would have a material adverse effect on our business and prospects.

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Our relationships with certain surgeons and leading hospitals affect the clinical development and marketing of our products.

We collaborate with hospitals and surgeons in China in many aspects to market our products, including professional clinical support, academic promotion, ongoing provision of training programs to surgeons and the establishment of training centers. As such, any deterioration or termination of our relationships with these partner hospitals could result in temporary or permanent loss of our revenue or increase our expenditures. In addition, the establishment and expansion of our collaboration with new hospitals may involve a lengthy and costly process, including going through tender procedures, the outcome of which is subject to uncertainties, and complying with the respective hospitals' operating protocols. If we fail to enter into collaboration with hospitals in a timely and cost-effective manner, our business and prospects could be adversely affected. Furthermore, we rely on hospitals and surgeons to promote and raise awareness of our products and product candidates to mass market. If we fail to establish, maintain or expand our relationships with hospitals and surgeons, if hospitals and surgeons are not receptive to our products, or if hospitals and surgeons terminate the collaboration with us, the development and marketing of our products and product candidates could suffer, which could have a material adverse effect on our business, financial condition, and results of operations. Moreover, we have, and may from time to time, seek NMPA approval for additional products. NMPA approval involves, among other things, successful completion of clinical trials for these products. We may rely on our partner hospitals to obtain sufficient data and samples to cost-effectively and timely perform these clinical trials. If we fail to establish or maintain clinical collaboration with our partner hospitals, our business and results of operations may be harmed.

We have entered into collaborations, and may establish or seek collaborations or strategic alliances or enter into licensing arrangements in the future, and we may not realize the benefits of such collaborations, alliances or licensing arrangements.

We may from time to time establish or seek strategic alliances, form joint ventures or collaborations, or enter into licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our products, product candidates and any future product candidates that we may develop. We face competition in seeking appropriate strategic partners and the negotiation process for the collaboration, alliances or licensing arrangements can be time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our product candidates because they may be deemed to be at too early of a development stage for collaborative effort and third parties may not view our product candidates as having the requisite potential to demonstrate safety and efficacy or commercial viability. If and when we collaborate with a third party for the development and commercialization of a product or product candidate, we can expect to relinquish some or all of the control over the future success of that product or product candidate to the third party. For any products or product candidates that we may seek to in-license from third parties, we may face significant competition from other medical device companies with greater resources or capabilities than us, and any agreement that we do enter may not result in the anticipated benefits.

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Further, collaborations are subject to numerous risks, which may include the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to a collaboration;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidates;
- collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;
- collaborators may not pursue development and commercialization of our products or may elect not to continue or renew development or commercialization programs based on clinical trial results, or change their strategic focus due to the acquisition of competitive products, availability of funding, or other external factors, such as a business combination that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial, stop a clinical trial, abandon a product candidate, repeat or conduct new clinical trials, or require a new design of a product candidate for clinical testing;
- a collaborator with marketing and distribution rights to one or more products may not commit sufficient resources to their marketing and distribution;
- disputes may arise between us and a collaborator that cause the delay or termination of the research, development or commercialization of our products, or that result in costly litigation or arbitration that diverts management attention and resources;
- collaborations, including the establishment of training centers with hospitals and surgeons, may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the products; and/or
- collaborators may own or co-own intellectual property covering our products that results from our collaborating with them, and in such cases, we would not have the exclusive rights to commercialize such intellectual property.

As a result, if we enter into collaboration agreements and strategic partnerships or license our products or product candidates, we may not be able to timely realize the benefit of such transaction if we are unable to successfully integrate such products or product candidates with our existing operations and company culture, which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction or license, we will achieve the revenue or specific net income that justifies such transaction. If we are unable to reach agreements with suitable collaborators on a timely basis, on

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acceptable terms, or at all, we may have to curtail the development of a product candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to fund and undertake development or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development and commercialization activities, we may not be able to further develop our products or bring them to market and generate product sales revenue, which would harm our business prospects, financial condition and results of operations.

We may encounter difficulties in managing our growth and expanding our operations successfully.

As we seek to advance our product pipeline, we will need to expand our development, regulatory, manufacturing and build up marketing and sales capabilities or contract with third parties to provide these capabilities for us. As our development and commercialization plans and strategies evolve, we need to recruit a significant number of additional managerial, operational, manufacturing, sales, marketing, financial and other personnel. As our operations expand, we expect that we will need to manage additional relationships with various strategic partners, suppliers and other third parties. Future growth will impose significant added responsibilities on members of management. Our recent growth and any future growth will impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining and motivating additional employees;
- managing our internal development efforts effectively, including the clinical and regulatory authority review process for our product candidates, while complying with our contractual obligations to contractors and other third parties; and
- improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to develop and commercialize our products and product candidates and to compete effectively will depend, in part, on our ability to effectively manage our recent growth and any future growth, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities.

We currently rely, and for the foreseeable future will continue to rely, in substantial part on certain independent organizations, advisors and consultants to provide certain services. There can be no assurance that the services of these independent organizations, advisors and consultants will continue to be available to us on a timely basis when needed, or that we can

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find qualified replacements. There can be no assurance that we will be able to manage our existing consultants or find other competent outside contractors and consultants on economically reasonable terms, if at all.

If we are not able to effectively manage our growth and further expand our organization by hiring new employees and expanding our groups of consultants and contractors as needed, we may not be able to successfully implement the tasks necessary to further develop and commercialize our products and, accordingly, may not achieve our research, development and commercialization goals. To that end, we must be able to manage our development efforts and clinical trials effectively and hire, train and integrate additional management, administrative and sales and marketing personnel. We may not be able to accomplish these tasks, and our failure to accomplish any of them could prevent us from successfully growing our Company.

If we engage in acquisitions, investments or strategic partnerships, this may increase our capital requirements, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

From time to time, we may evaluate various acquisitions, investments and strategic partnerships, including licensing or acquiring complementary products, intellectual property rights, technologies or businesses. Any completed, in-process or potential acquisition or strategic partnership may entail numerous risks, including:

- encounter difficulties in integrating the acquired business into our existing business and operations, and fail to achieve the expected benefits of the acquisition;
- inaccurate evaluation of the target companies, which may lead to overpayment or misaligned expectations;
- our acquisition of, or investment in, a target may not be successful or proven to be financially meaningful;
- we may not be able to find a suitable target and complete the strategic acquisition, investment or collaboration;
- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent or unforeseen liabilities;
- assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel;
- the diversion of our management's attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition;

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- retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing products and product candidates and regulatory approvals; and/or
- our inability to generate revenue from acquired technology and/or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

In addition, if we undertake acquisitions, we may assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortization expense.

In the future we may acquire emerging assets and we may fail to achieve successful and efficient synergy or we may fail to manage the acquired company.

We may not achieve the operational or economic synergies expected from our future acquisition. These synergies are inherently uncertain, and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and are beyond our control. If we achieve the expected benefits, they may not be achieved within the anticipated time frame. Also, the synergies from our future acquisition may be offset by costs incurred in the acquisition, increases in other expenses, operating losses or problems in the business unrelated to our collaboration. As a result, there can be no assurance that these synergies will be achieved.

Additionally, our future acquired target may not provide us with the intellectual property rights, technology, R&D capability, production capacity or sales and marketing infrastructure we had anticipated, or they may be subject to unforeseen liabilities. We may be unable to successfully increase the efficiencies of the acquired businesses in the manner we contemplated or devote more resources and management attention than desirable to the integration and management of the acquired businesses. Hence, there can be no guarantee that we will be able to enhance our post-acquisition performance or grow our business through our recent or future acquisitions.

We may be subject to product liability lawsuits that could cause us to incur substantial liabilities.

We face an inherent risk of product liability as a result of clinical trials and any current or future commercialization of our products globally. For example, we may be sued if our products cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical trials, manufacturing, marketing or sale. Such product liability claims, if any, may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the medical device product, negligence, strict liability or a breach of warranties.

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Claims could also be asserted under applicable consumer protection acts. If we cannot successfully defend ourselves against or obtain indemnification from our collaborators for product liability claims, we may incur substantial liabilities or be required to limit commercialization of our products. Even successful defense would require significant financial and management resources. There is also the possibility that defects in the design or manufacture of our products might necessitate a products recall.

Regardless of the merits or eventual outcome, any liability claims or product recalls may result in:

- decline in demand for our products and loss of revenue;
- damage to our reputation;
- dropout of clinical trial participants and inability to continue clinical trials;
- initiation of investigations by regulators;
- expenses incurred in defending relevant litigations;
- a diversion of resources and management's attention;
- substantial compensation to participants or enrolled patients in our clinical trials, product recalls, withdrawals or labeling, marketing or promotional restrictions;
- insufficiency of any available insurance and our capital resources;
- the inability to commercialize any product candidates; and/or
- a decline in the price of our H Shares.

If we are unable to defend ourselves against such claims in the PRC, among other things, we may be subject to civil liability for physical injury, death or other losses caused by our products and to criminal liability and the revocation of our business licenses if our products are found to be defective. In addition, we may be required to recall the relevant products, suspend sales or cease sales. Even if we are able to successfully defend ourselves against any such product liability claims, doing so may require significant financial resources and the time and attention of our management.

If we become subject to litigation, legal or contractual disputes, governmental investigations or administrative proceedings, our management's attention may be diverted and we may incur substantial costs and liabilities.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, product liability, environmental matters, breach of contract, employment or labor disputes and infringement of intellectual property rights. Ongoing or threatened litigation, legal or

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contractual disputes, investigations or administrative proceedings may divert our management's attention and consume their time and our other resources. For example, we utilize certain specialized computer software for tasks such as mechanical analysis and motion simulation during the research and development process. We may face disagreements from certain software companies and may be subject to potential intellectual property infringement risks. In addition, any similar claims, disputes or legal proceedings involving us or our employees may result in damages or liabilities, as well as legal and other costs and may cause a distraction to our management. Furthermore, any litigation, legal or contractual disputes, investigations or administrative proceedings which are initially not of material importance may escalate and become important to us, due to a variety of factors, such as the facts and circumstances of the cases, the likelihood of loss, the monetary amount at stake and the parties involved. If any verdict or award is rendered against us or if we settle with any third parties, we could be required to pay significant monetary damages, assume other liabilities and even to suspend or terminate the related business projects. In addition, negative publicity arising from litigation, legal or contractual disputes, investigations or administrative proceedings may damage our reputation and adversely affect the image of our brands and products. Consequently, our business, financial condition and results of operations may be materially and adversely affected.

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

Our operations are subject to various applicable anti-kickback, false claims laws, medical staff payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in China, including, without limitation, the Criminal Law of the PRC, Regulations on the Supervision and Administration of Medical Devices (醫療器械監督管理條例) and the Administrative Measures on the Registration and Record-filing of Medical Devices (醫療器械註冊與備案管理辦法). These laws may impact, among other things, our proposed sales, marketing and education programs. In addition, we may be subject to patient privacy regulation. Violations of fraud and abuse laws may be punishable by criminal and/or civil sanctions, including penalties, fines and/or exclusion or suspension from governmental healthcare programs and debarment from contracting with the PRC government.

The applicability of fraud and abuse laws to our business is subject to the then effective laws and regulations. Law enforcement authorities are increasingly focused on enforcing these laws, and some of our practices may be challenged under these laws. Efforts to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations will involve relevant costs. It is possible that governmental authorities could conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including

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the imposition of civil, criminal and administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in governmental healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations. In addition, we are subject to equivalents of each of the healthcare laws described above in other jurisdictions, among others, some of which may be broader in scope and may apply to healthcare services reimbursed by any source, not just governmental payors, including private insurers. There are ambiguities as to what is required to comply with these requirements, and if we fail to comply with an applicable law requirement, we could be subject to penalties.

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

If we fail to comply with applicable anti-bribery laws, our reputation may be harmed and we could be subject to penalties and significant expenses that have a material adverse effect on our business, financial condition and results of operations. We may be unable to detect, deter and prevent all instances of fraud or other misconduct committed by our employees or other third parties.

We need to comply with anti-bribery law in multiple jurisdictions, particularly in China. With the commercialization of our products, the scope of business activities that is governed by anti-bribery law has increased. Anti-bribery law in China generally prohibits companies and their intermediaries from making payments to government officials, including hospital management, executives and staffs, for the purpose of obtaining or retaining business or securing any other improper advantage. There is no assurance that our employees, customers, suppliers, agents or other business partners will comply with anti-bribery laws. Failure to comply with anti-bribery laws by our employees, customers, suppliers, agents or other business partners could subject us to liabilities and negative publicity, cause losses, as well as lead to severe criminal and civil penalties, including imprisonment, criminal and civil fines, suspension of our ability to do business with the government, denial of government reimbursement for our products and/or exclusion from participation in government healthcare programs. Other remedial measures could include further changes or enhancements to our procedures, policies, and controls and potential personnel changes and/or disciplinary actions, any of which could have a material adverse effect on our business, financial condition, results of operations and liquidity. We could also be adversely affected by any allegation that we violate such laws.

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An occurrence of a natural disaster, widespread health epidemic or other outbreaks could have a material adverse effect on our business, financial condition and results of operations.

Our business could be materially and adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, the outbreak of a widespread health epidemic, such as swine flu, avian influenza, Ebola, and Zika, or other events, including wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments in China or elsewhere in the world could materially disrupt our business and operations.

These events could significantly impact our industry and cause a temporary suspension or closure of the facilities we use for our R&D, manufacturing and operations, which would severely disrupt our product development and manufacturing process and overall business operations and have a material adverse effect on our business, financial condition and results of operations. Our operations could also be disrupted if any of our employees or employees of our distributors or other business partners were suspected of contracting or contracted an epidemic disease, since this could require us, our distributors or other business partners to quarantine some or all of these employees and disinfect facilities used for operations. In addition, the commencement of new clinical trials for product candidates in our development pipeline could also be delayed or prevented by any delay or failure in subject recruitment or enrollment. Our commercialization plan for commercial-ready or near commercial-ready product candidates could also be disrupted. If we are not able to effectively and efficiently develop and commercialize our product candidates as planned, we may not be able to grow our business and generate revenue from sales of our product candidates as anticipated, our business operations, financial condition and prospects may subsequently be materially and adversely affected.

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

PRC laws and regulations in relation to overseas issuance and listing of shares have developed substantially recently and may be subject to change. We are required to make filings with or report to CSRC or other PRC governmental authorities or fulfill other obligations for our equity capital raising activities. Any failure or perceived failure to make filing, report, fulfill our obligations, or comply with other applicable laws and regulations could have a material adverse effect on our relevant capital raising activities and result in negative publicity and legal proceedings or regulatory actions against us.

On July 6, 2021, the General Office of the State Council together with another authority jointly promulgated the Opinion on Severely Punishing Illegal Activities in Securities Market (《關於依法從嚴打擊證券違法活動的意見》), which calls for the enhanced administration and supervision of overseas-listed PRC-based companies, proposes to revise the relevant regulation governing the overseas issuance and listing of shares by such companies and clarifies the responsibilities of competent domestic industry regulators and government authorities.

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On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Overseas Listing Trial Measures”) and five supporting guidelines, which took effect on March 31, 2023. According to the Overseas Listing Trial Measures, we, as a PRC domestic company seeking to offer and list securities in overseas markets, are required to file with the CSRC within three working days after submitting the listing application documents to the overseas supervisory authorities. We have filed the required documents with the CSRC, and the CSRC has issued the filing notice on December 11, 2025, confirming our completion of the filing pursuant to the new filing regime introduced by the Overseas Listing Trial Measures for the Global Offering, the conversion of certain Unlisted Shares into H Shares and the application for listing of the H Shares on the Hong Kong Stock Exchange.

In addition, pursuant to the Overseas Listing Trial Measures, issuers are also required to submit subsequent reports to the CSRC on relevant information or material events, such as change of control or voluntary or forced delisting of the issuers who have completed overseas offerings and listings. Any failure to complete or delay in completing such filing or reporting procedures for our financing activities could subject us to fines and penalties imposed by the CSRC or other PRC regulatory authorities. These regulatory authorities may also limit our ability to pay dividends outside of the PRC, limit our operating activities in the PRC, delay or restrict the repatriation of the net proceeds from the Global Offering or future capital raising activities into the PRC, or take other actions that could materially and adversely affect our business, financial condition, results of operations, and prospects, as well as the trading price of our H Shares.

Furthermore, on February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), or the Provision on Confidentiality, which came into effect on March 31, 2023. Pursuant to the Provision on Confidentiality, any future inspection or investigation conducted by overseas securities regulator or the relevant competent authorities on our PRC domestic companies with respect to our overseas issuance and the Global Offering shall be carried out in the manner in compliance with PRC laws and regulations.

You may experience difficulty in effecting service of legal process, enforcing foreign judgments or bringing original actions in mainland China or Hong Kong based on foreign laws against us, our Directors and senior management.

We are incorporated under the laws of the PRC, and substantially all of our assets are located in mainland China. In addition, a majority of our Directors, Supervisors and senior management reside within the mainland China, and a significant portion of the assets of them are located in mainland China. Therefore, it may not be possible for investors to effect service of process upon us or those persons in mainland China. On July 3, 2008, the Supreme People’s Court of China promulgated the Arrangement on Reciprocal Recognition and Enforcement of

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Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the “**Arrangement**”), pursuant to which a party with a final court judgment rendered by a court of the Hong Kong Special Administrative Region requiring payment of money in a civil or commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China. Similarly, a party with a final judgment rendered by a court in mainland China requiring payment of money in a civil or commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in the Hong Kong Special Administrative Region. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a court of the Hong Kong Special Administrative Region or a court in mainland China is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a judgment rendered by a court of the Hong Kong Special Administrative Region in mainland China if the parties in the dispute do not agree to enter into a choice of court agreement in writing. Although the Arrangement became effective on August 1, 2008, the outcome and effectiveness of any action brought under the Arrangement remain uncertain. As a result, it may be difficult or impossible for investors to effect service of process against our assets or Directors, Supervisors and senior management in mainland China in order to seek recognition and enforcement of foreign judgments in mainland China.

We could be subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business, if we fail to comply with environmental, health and safety laws and regulations.

We are subject to numerous environmental, health and safety laws and regulations. We generally contract with third parties for the disposal of medical wastes produced during our development of product candidates or clinical trials. See “Business—Environmental, Social and Governance Matters” for details. We cannot eliminate the risk of contamination to the environment or injuries from these materials. In the event of such contamination or injuries, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties. We may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research and development. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Our internal IT systems may fail or suffer security breaches.

Our internal IT systems are vulnerable to damage from computer viruses and unauthorized access. Although to our knowledge we had not experienced any material system failure or security breach up to the Latest Practicable Date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations.

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In the ordinary course of our business, we may collect and store sensitive data, including, among other things, legally protected patient health information, personally identifiable information about our employees, intellectual property, and proprietary business information. We manage and maintain our applications and data utilizing on-site systems and outsourced vendors. These applications and data encompass a wide variety of business critical information including R&D information, commercial information and business and financial information. Because information systems, networks and other technologies are critical to many of our operating activities, shutdowns or service disruptions at our Company or vendors that provide information systems, networks, or other services to us pose increasing risks. Such disruptions may be caused by events such as computer hacking, phishing attacks, ransomware, dissemination of computer viruses, worms and other destructive or disruptive software, denial of service attacks and other malicious activity, as well as power outages, natural disasters (including extreme weather), terrorist attacks or other similar events. Such events could have an adverse impact on us and our business, including loss of data and damage to equipment and data. In addition, system redundancy may be ineffective or inadequate, and our disaster recovery planning may not be sufficient to cover all eventualities. Significant events could result in a disruption of our operations, damage to our reputation or a loss of revenues. In addition, we may not have adequate insurance coverage to compensate for any losses associated with such events.

We could be subject to risks caused by misappropriation, misuse, leakage, falsification or intentional or accidental release or loss of information maintained in the information systems and networks of our Company and our vendors, including personal information of our employees and patients, and company and vendor confidential data. In addition, outside parties may attempt to penetrate our systems or those of our vendors or fraudulently induce our personnel or the personnel of our vendors to disclose sensitive information in order to gain access to our data and/or systems. We had not experienced threats to our data and systems up to the Latest Practicable Date, but we may experience threats to our data and systems in the future, including malicious codes and viruses, phishing, and other cyber-attacks. The number and complexity of these threats may continue to increase over time. If a material breach of our information technology systems or those of our vendors occurs, the market perception of the effectiveness of our security measures could be harmed and our reputation and credibility could be damaged. We could be required to expend significant amounts of money and other resources to repair or replace information systems or networks. In addition, we could be subject to regulatory actions and/or claims made by individuals and groups in private litigation involving privacy issues related to data collection and use practices and other data privacy laws and regulations, including claims for misuse or inappropriate disclosure of data, as well as unfair or deceptive practices. We have a process to identify and mitigate threats, the development and maintenance of these systems, controls and processes is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly sophisticated. Moreover, the possibility of these events occurring cannot be eliminated entirely.

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If we fail to effectively expand our international business, our business prospects may be adversely affected.

We plan to broaden our sales and expand our presence globally. However, our limited experience in overseas markets may expose us to risks and uncertainties, including but not limited to the following:

- dealing with regulatory regimes, regulatory bodies and government policies which may differ materially from those in the PRC or with which we may be unfamiliar;
- substantial time which may be required for us to obtain approval for registering and selling our products in additional countries, especially in developed countries;
- commercializing our products in new markets where we have limited experience with the dynamics and no sales and marketing infrastructure;
- higher costs for new product development and reliance on overseas partners for the development, commercialization and marketing of our products;
- product liability litigation and regulatory scrutiny arising from the marketing and sale of products in overseas markets and the costs incurred dealing with such procedures, as well as our ability to obtain insurance to adequately protect us from any resulting liabilities;
- unexpected changes in tariffs, trade barriers and regulatory requirements;
- economic weakness and inflation;
- difficulty of effective enforcement of contractual provisions in local jurisdictions;
- insufficient intellectual property protection and infringement risk in overseas jurisdictions;
- compliance with tax, employment, immigration and labor laws for employees traveling abroad;
- the effects of applicable foreign tax structures and potentially adverse tax consequences;
- currency fluctuations, which could result in increased operating expenses and reduced revenue;
- workforce uncertainty and labor unrest; and

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- business interruptions resulting from geo-political actions, including war and terrorism, or trade wars, natural disasters, including earthquakes, volcanoes, typhoons, floods, hurricanes and fires as well as sanction law, anti-money laundering, counter-financing of terrorism, export control, anti-terrorism financing.

Such risks are outside of our control. There is no assurance that any of these risks will not happen. If any of the above-mentioned risk happens and as a result we fail to effectively expand our international business, our business prospects may be adversely affected.

Our insurance coverage may not completely cover the risks relating to our business and operations.

Our operations are subject to wastes and risks associated with our research and manufacturing operations, which may cause significant harm to persons or damage to properties. We maintain insurance policies that we consider to be in line with market practice and adequate for our business. We also maintain clinical trial liability insurance policies for medical devices that cover losses arising from expected adverse events and unexpected severe adverse events occurred during clinical trials of our product candidates, and general liability insurance for our operation activities. Considering that we are at early commercialization stage, we have not purchased certain types of insurance, such as general liability insurance. Our insurance coverage may be insufficient to cover any claim for product liability, damage to our fixed assets or employee injuries. There is no assurance that our insurance policies will be adequate to cover all losses incurred. Losses incurred and associated liabilities may have a material adverse effect on our results of operation if such losses or liabilities are not covered by our insurance policies.

Specifically, we currently carry clinical trial liability insurance for medical devices. Any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our insurance coverage. Our insurance policies also have various exclusions, and we may be subject to a product liability claim for which we have no coverage. We will have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts.

Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.

Our operations and third parties with which we have collaborations could be subject to earthquakes, power shortages, telecommunications failures, water shortages, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics and other natural or man-made disasters or business interruptions, for which we are predominantly self-insured. The occurrence of any of these business disruptions could seriously harm our and our partners' operations and financial condition and increase our and their costs and expenses. Our ability to obtain supplies for our product candidates could be disrupted if the operations of these

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vendors are affected by any of the foregoing events. Damage or extended periods of interruption to our corporate, development, research or manufacturing facilities due to these events could cause us to cease or delay development or commercialization of some or all of our product candidates.

In the event of a major disruption caused by a natural disaster or man-made problem, such as power disruptions, computer viruses, data security breaches or terrorism, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our development activities, lengthy interruptions in service, breaches of data security and loss of critical data, any of which could adversely affect our business, results of operations and financial condition.

We do not own the real property for our current major operation sites and may be subject to risks relating to leased properties.

We do not own any real property for our operations. As of the Latest Practicable Date, we had leased properties of an aggregate area of approximately 17,280 sq.m. in major cities in China for our business operations. Upon expiration of the leases, we will need to negotiate for renewal of the leases and may have to pay increased rent. We cannot assure you that we will be able to renew our leases on terms which are favorable or otherwise acceptable to us, or at all. If we fail to renew any of our leases or if any of our leases are terminated or if we cannot continue to use any of our leased property, we may need to seek an alternative location and incur expenses related to such relocation, and our operation and businesses may also be disrupted or even suspended if we are not able to complete the relocation, including the reconstruction of relevant facilities in the new location, in a timely manner.

We are subject to other risks related to our leased properties. As of the Latest Practicable Date, the actual land use of a property we leased in Beijing was inconsistent with its approved land use as specified in its title certificate. If the owner of this property is required by competent authorities to rectify such land use, we may have to relocate and bear relocation costs and other additional expenses. We may not be able to find other suitable property to lease as our office in a timely manner which may affect our future business operations. As of the Latest Practicable Date, we were not aware of any such rectification request by competent authorities.

Pursuant to the applicable PRC laws and regulations, property lease agreements must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date, we had not completed the relevant property leasing registrations for some of our leased properties. According to our PRC Legal Advisor, the failure to complete the registration process does not affect the validity of the property lease agreements but a maximum penalty of RMB10,000 may be imposed on us for the non-registration of each lease. We cannot assure we will not be subject to any penalties arising from the non-registration of lease agreements in the future. As advised by our PRC Legal Advisor, such non-compliance does not affect the validity of the property lease agreement according to PRC Civil Code and will not have a material adverse effect on the Global Offering.

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RISKS RELATING TO THE GLOBAL OFFERING

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

No public market currently exists for our H Shares. The initial Offer Price for our H Shares to the public will be the result of negotiations between Overall Coordinators (on behalf of the Underwriters) and us, and the Offer Price may differ significantly from the market price of the H Shares following the Global Offering. We have applied to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares. A listing on the Hong Kong Stock Exchange, however, does not guarantee that an active and liquid trading market for our H Shares will develop, or if it does develop, that it will be sustained following the Global Offering, or that the market price of the H Shares will rise following the Global Offering.

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

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

Future sales or perceived sales of a substantial number of our H Shares in the public market following the Global Offering could materially and adversely affect the price of our H Shares and our ability to raise additional capital in the future, and may result in dilution of your shareholding.

Prior to the Global Offering, there has not been a public market for our H Shares. Future sales or perceived sales by our existing Shareholders of our H Shares after the Global Offering could result in a significant decrease in the prevailing market price of our H Shares. Only a limited number of the Shares currently outstanding will be available for sale or issuance immediately after the Global Offering due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, future sales

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of significant amounts of our H Shares in the public market or the perception that these sales may occur could significantly decrease the prevailing market price of our H Shares and our ability to raise equity capital in the future.

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

As the Offer Price of our Offer Shares is higher than our net tangible book value per share, purchasers of our H Shares in the Global Offering may experience immediate dilution upon such purchases. Purchasers of H Shares may also experience further dilution in shareholdings if we issue additional Shares in the future.

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

Our Controlling Shareholders have significant influence over our Company and their interests may not be aligned with the interest of our other Shareholders.

Immediately following the Global Offering, our Controlling Shareholders will hold in aggregate approximately 43.31% of our Shares, assuming the Over-allotment Option is not exercised. Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the consent of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the H Shares as part of a sale of our Company and may significantly reduce the price of our H Shares.

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Because we do not expect to pay dividends in the foreseeable future after the Global Offering, you must rely on price appreciation of our H Shares for a return on your investment.

We intend to retain most, if not all, of our available funds and any future earnings after the Global Offering to fund the development and commercialization of our product candidates. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our Shares as a source for any future dividend income.

Our Board has complete discretion as to whether to distribute dividends. Even if our Board declares and pays dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions (if any) received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our Board. For details, see “Financial Information—Dividend.” Accordingly, the return on your investment in our H Shares will likely depend entirely upon any future price appreciation of our H Shares. There is no guarantee that our H Shares will appreciate in value after the Global Offering or even maintain the price at which you purchased the Shares. You may not realize a return on your investment in our H Shares and you may even lose your entire investment in our H Shares.

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

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

We cannot guarantee the accuracy of facts, forecasts and other statistics obtained from official governmental sources or other sources contained in this Prospectus.

Certain facts, statistics and data contained in this Prospectus relating to the PRC, Hong Kong and the industries in which we operate have been derived from various official government publications, industry associations, independent research institutes and/or other third party reports we generally believe to be reliable. Such information has not been prepared or independently verified by us, the underwriters or any of our or their respective affiliates or advisors, and we cannot guarantee the quality or reliability of such source materials. Therefore, we make no representation as to the accuracy of such statistics, which may not be consistent

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with other information compiled within or outside the PRC and Hong Kong. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such statistics in this Prospectus may be inaccurate or may not be comparable to statistics produced with respect to other economies. Furthermore, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, you should give due consideration as to how much weight or importance they should attach to or place on such facts.

Certain facts, forecast and other statistics in this Prospectus are derived from various publicly available sources, which have not been independently verified and may not be reliable.

Certain facts, forecast and other statistics in this Prospectus are derived from various publicly available sources, including government and official resources. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Only the information and statistics from government and official sources have not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such information and statistics. Further, we cannot assure our investors that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

Forward-looking statements contained in this Prospectus are subject to risks and uncertainties.

This Prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as “aim,” “anticipate,” “believe,” “could,” “predict,” “going forward,” “intend,” “plan,” “project,” “seek,” “expect,” “may,” “ought to,” “should,” “would” or “will” and the negative of these terms as well as similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

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You should read the entire Prospectus carefully, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the Global Offering.

Subsequent to the date of this Prospectus but prior to the completion of the Global Offering, there may be press and media coverage regarding us and the Global Offering, which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this Prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this Prospectus only and should not rely on any other information.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

CSRC FILING

We have filed the required documents with the CSRC, and the CSRC has issued the filing notice on December 11, 2025, confirming our completion of the filing pursuant to the new filing regime introduced by the Overseas Listing Trial Measures for the Global Offering, the conversion of certain Unlisted Shares into H Shares and the application for listing of the H Shares on the Hong Kong Stock Exchange.

INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering which forms part of the Global Offering. For applications under the Hong Kong Public Offering, this prospectus sets out the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Overall Coordinators, the Sponsor-Overall Coordinators, the Capital Market Intermediaries, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of our or their respective affiliates, directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering.

Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions therein. The International Offering is expected to be fully underwritten by the International Underwriters and subject to the terms and conditions of the International Underwriting Agreement. For details of the Underwriters and the underwriting arrangements, see “Underwriting.”

INFORMATION ABOUT THIS PROSPECTUS

You should rely only on the information contained in this Prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this Prospectus. Any information or representation not made in this Prospectus must not be relied on by you as having been authorized by us, the Overall Coordinators, the Joint Sponsors, any of the Underwriters, any of our or their affiliates or any of their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering. Neither the delivery of this Prospectus nor any offering, subscription, acquisition, sale or delivery made in connection with the H Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this Prospectus or imply that the information contained in this Prospectus is correct as of any date subsequent to the date of this Prospectus.

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this Prospectus sets out the terms and conditions of the Hong Kong Public Offering.

RESTRICTIONS ON OFFER AND SALE OF THE H SHARES

Each person acquiring the H Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of the H Shares to, confirm that he is aware of the restrictions on offers of the H Shares described in this Prospectus.

No action has been taken to permit a public offering of the H Shares or the general distribution of this Prospectus in any jurisdiction other than in Hong Kong. Accordingly, and without limitation to the following, this Prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

COMMENCEMENT OF DEALING IN THE H SHARES

Dealings in the H Shares on the Stock Exchange are expected to commence on Thursday, January 8, 2026. The Shares will be traded in board lots of 100 Shares each. The stock code of the H Shares will be 2675.

APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from the Unlisted Shares.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, if the permission for the H Shares to be listed on the Hong Kong Stock Exchange pursuant to this Prospectus has been refused before the expiration of three weeks from the date of the closing of the Global Offering or such longer period not exceeding six weeks as may, within the said three weeks, be notified to us by or on behalf of the Hong Kong Stock Exchange, then any allotment made on an application in pursuance of this Prospectus shall, whenever made, be void.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made for the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in the section headed “How to Apply for Hong Kong Offer Shares.”

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

All of the Offer Shares will be registered on the H Share register of members of the Company maintained by our H Share Registrar, Tricor Investor Services Limited in Hong Kong. Our register of members will also be maintained by us at our legal address in China.

Dealings in the H Shares registered on the H Share register of members of the Company in Hong Kong will be subject to Hong Kong stamp duty. As of the Latest Practicable Date, the stamp duty is charged to each of the seller and purchaser at the ad valorem rate of 0.1% of the consideration for, or (if greater) the value of, the H Shares transferred. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of the H Shares. In addition, a fixed duty of HK\$5 is charged on each instrument of transfer (if required).

Unless determined otherwise by the Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of members of our Company, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder of the Company.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

We have instructed the H Share Registrar, and the H Share Registrar has agreed, not to register the subscription, purchase or transfer of any H Shares in the name of any particular holder unless the holder delivers a signed form to the H Share Registrar in respect of those H Shares bearing statements to the effect that the holder:

- (i) agrees with us and each of our Shareholders, and we agree with each Shareholder, to observe and comply with the PRC Company Law and our Articles of Association;
- (ii) agrees with us, each of our Shareholders, Directors, Supervisors, managers and officers, and we, acting for ourselves and for each of our Directors, Supervisors, managers and officers agree with each Shareholder, to refer all differences and claims arising from our Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or other relevant laws and administrative regulations concerning our affairs to arbitration, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearings in open session and to publish its award, which shall be final and conclusive;
- (iii) agrees with us and each of our Shareholders that our H Shares are freely transferable by the holders thereof; and
- (iv) authorizes us to enter into a contract on his or her behalf with each of our Directors, Supervisors, managers and officers whereby such Directors, Supervisors, managers and officers undertake to observe and comply with their obligations to our Shareholders as stipulated in our Articles of Association.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

Unless determined otherwise by our Company, dividends payable in Hong Kong dollars in respect of our H Shares will be paid to the Shareholders as recorded on the H Share register of members of our Company and sent by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, or dealing in, the H Shares or exercising any rights attaching to the H Shares. We emphasize that none of our Company, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Sponsors, the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities resulting from your subscription, purchase, holding or disposing of, or dealing in, the H Shares or your exercise of any rights attaching to the H Shares.

EXCHANGE RATE CONVERSION

Unless otherwise specified, this Prospectus contains certain translations for the convenience purposes at the following rates:

US\$1.00: HK\$7.78053

RMB0.90675: HK\$1.00

US\$1.00: RMB7.0550

No estimation is made that any amounts in HK\$, RMB and US\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

The English names of companies incorporated in China are translations of their Chinese names and are included for identification purposes only.

LANGUAGE

If there is any inconsistency between this Prospectus and the Chinese translation of this Prospectus, this Prospectus shall prevail unless otherwise stated. However, the translated English names of the PRC and foreign national, entities, departments, facilities, certificates, titles, laws, regulations (including certain of our subsidiaries) and the like included in this Prospectus and for which no official English translation exists are unofficial translations for your reference only. If there is any inconsistency, the names in their original languages shall prevail.

ROUNDING

Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

WAIVERS AND EXEMPTION

In preparation for the Global Offering, we have sought the following waivers and exemption from strict compliance with the relevant provisions of the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

Our headquarters are based, and most of the business operations of our Company and our subsidiary are managed and conducted in the PRC. Our executive Directors ordinarily reside in the PRC and they play very important roles in our Company's business operations. It is in our best interests for them to be based in places where our Group has significant operations. We consider it practically difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors. Therefore, our Company does not have, and does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules subject to the following conditions:

1. We have appointed Ms. Wu Mengyuan (吳夢媛) and Mr. Li Kin Wai (李健威) as our authorized representatives ("**Authorized Representatives**") pursuant to Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our Company's principal channel of communication with the Hong Kong Stock Exchange. The Authorized Representatives will be readily contactable by phone, facsimile and email to promptly deal with enquiries from the Hong Kong Stock Exchange, and will also be available to meet with the Hong Kong Stock Exchange to discuss any matter within a reasonable period of time upon request of the Hong Kong Stock Exchange;
2. When the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) and senior management team promptly at all times. Our Company will also inform the Hong Kong Stock Exchange promptly in respect of any changes in the authorized representatives. We have provided the Hong Kong Stock Exchange with the contact details (such as mobile phone number, office phone number and email address) of all Directors to facilitate communication with the Hong Kong Stock Exchange;

WAIVERS AND EXEMPTION

3. All Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period;
4. We have appointed Somerley Capital Limited as our compliance adviser (the “**Compliance Adviser**”) upon Listing pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. The Compliance Adviser will have access at all times to our Authorized Representatives, our Directors and our senior management and will act as the additional channel of communication with the Hong Kong Stock Exchange when the Authorized Representatives are not available; and
5. We have provided the Hong Kong Stock Exchange with the names, mobile phone numbers, office phone numbers, fax numbers and email addresses of all Directors and Supervisors, pursuant to Rule 3.20 of the Listing Rules.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARY

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

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

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

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

WAIVERS AND EXEMPTION

- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Our Company has appointed Ms. Wu Mengyuan (吳夢媛) (“**Ms. Wu**”) as one of our joint company secretaries. She has extensive experience in the investor relationship management and corporate governance and is familiar with the day-to-day operations of the Group but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Mr. Li Kin Wai (李健威) (“**Mr. Li**”), an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Wu for an initial period of three years from the Listing Date to enable Ms. Wu to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Since Ms. Wu does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Wu may be appointed as a joint company secretary of our Company. Pursuant to paragraph 13 of Chapter 3.10 under the Guide for New Listing Applicants published by the Stock Exchange, the waiver will be for a fixed period of time (“**Waiver Period**”) and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 (“**Qualified Person**”) and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver will be revoked immediately if there are material breaches of the Listing Rules by the issuer. The waiver is valid for an initial period of three years from the Listing Date, and is granted on the condition that Mr. Li will work closely with Ms. Wu to jointly discharge the duties and responsibilities as company secretary and assist Ms. Wu in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Mr. Li will also assist Ms. Wu in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Li is expected to work closely with Ms. Wu and will maintain regular contact with Ms. Wu, the Directors, the Supervisors and the senior management of our Company. The waiver will be revoked immediately if Mr. Li ceases to provide assistance to Ms. Wu as a joint company secretary for the three-year period after the Listing or where there are material breaches of the Listing Rules by our Company. In addition, Ms. Wu will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year period from the Listing. Ms. Wu will also be assisted by (a) Compliance Adviser of our Company, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisors of our Company, on matters concerning our Company’s ongoing compliance with the Listing Rules and the applicable laws and regulations.

WAIVERS AND EXEMPTION

Before the expiration of the initial three-year period, the qualifications of Ms. Wu will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Hong Kong Stock Exchange to enable it to assess whether Ms. Wu, having benefited from the assistance of Mr. Li for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

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

Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires all prospectuses to include matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (the “**Third Schedule**”), and set out the reports specified in Part II of the Third Schedule.

Paragraph 27 of Part I of the Third Schedule requires a company to include in its prospectus a statement as to the gross trading income or sales turnover (as the case may be) of the company during each of the three financial years immediately preceding the issue of the prospectus, including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities.

Paragraph 31 of Part II of the Third Schedule further requires a company to include in its prospectus a report by the auditors of the company with respect to (i) the profits and losses of the company for each of three financial years immediately preceding the issue of the prospectus and (ii) the assets and liabilities of the company of each of the three financial years immediately preceding the issue of the prospectus.

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

Rule 4.04(1) of the Listing Rules requires that the consolidated results of the issuer and its subsidiaries in respect of each of the three financial years immediately preceding the issue of the listing document be included in the accountants’ report to its prospectus.

WAIVERS AND EXEMPTION

Our Company is a Biotech Company as defined under Chapter 18A of the Listing Rules and is seeking a listing under Chapter 18A of the Listing Rules. Rule 18A.03(3) of the Listing Rules requires that a Biotech Company must have been in operation in its current line of business for at least two financial years prior to listing under substantially the same management. Rule 18A.06 of the Listing Rules requires that a Biotech Company must comply with Rule 4.04 of the Listing Rules modified so that references to “three financial years” or “three years” in Rule 4.04 shall instead be references to “two financial years” or “two years”, as the case may be. Further, pursuant to Rule 8.06 of the Listing Rules, the latest financial period reported on by the reporting accountants for a new applicant must not have ended more than six months from the date of the listing document.

The Accountants’ Report of our Company set out in Appendix I to this Prospectus is currently prepared to cover the two financial years ended December 31, 2024 and six months ended June 30, 2025.

As such, the Joint Sponsors have applied, on behalf of our Company, to the SFC for a certificate of exemption from strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule regarding the inclusion of the accountants’ report covering the full three financial years immediately preceding the issue of this Prospectus on the following grounds:

- (a) our Company is primarily engaged in the discovery, development, manufacturing and commercialization of biotech products, and falls within the scope of Biotech Company as defined under Chapter 18A of the Listing Rules. Our Company will fulfill the additional conditions for listing required under Chapter 18A of the Listing Rules;
- (b) the Accountants’ Report for the two financial years ended December 31, 2023 and 2024 and six months ended June 30, 2025 has been disclosed in this Prospectus and is set out in Appendix I in accordance with Rule 18A.06 of the Listing Rules;
- (c) given that our Company is only required to disclose its financial results for each of the two financial years ended December 31, 2023 and 2024 and six months ended June 30, 2025 under Chapter 18A of the Listing Rules, strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule would be unnecessary and/or irrelevant in the circumstance of the Company. Our Company did not record any revenue for the financial year ended December 31, 2022, and substantially all of the other net income in 2022 came from investment income on financial assets measured at FVPL, interest income on financial assets measured at amortized cost and government grants, which were immaterial and not the key business of the Company;

WAIVERS AND EXEMPTION

- (d) notwithstanding that the financial results set out in this Prospectus are only for the two financial years ended December 31, 2023 and 2024 and six months ended June 30, 2025 in accordance with Chapter 18A of the Listing Rules, other information required to be disclosed under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this Prospectus pursuant to the relevant requirements;
- (e) our Directors confirm that, up to the date of this Prospectus, there has been no material adverse change to the financial and trading positions or prospects of our Company since June 30, 2025 (immediately following the date of the latest audited statement of financial position in the Accountants' Report set out in Appendix I to this Prospectus) and there has been no event which would materially affect the information shown in the Accountants' Report as set out in Appendix I and the section headed "Financial Information" in this Prospectus and other parts of the Prospectus. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors that would reasonably cast doubt on the Directors' view above; and
- (f) our Directors are of the view that the Accountants' Report covering the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025 included in this Prospectus, together with other disclosures in this Prospectus, has already provided the potential investors with adequate and reasonably up-to-date information in the circumstances to form a view on the track record of our Company, and our Directors confirm that all information which is necessary for the investing public to make an informed assessment of our Group's business, assets and liabilities, financial position, trading position, management and prospects has been included in this Prospectus. Therefore, the exemption would not prejudice the interest of the investing public.

The SFC has granted a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule on the condition that particulars of the exemption are set out in this Prospectus and that this Prospectus will be issued on or before December 30, 2025.

WAIVER AND CONSENT UNDER RULE 10.04 AND PARAGRAPH 1C(2) OF APPENDIX F1 TO THE LISTING RULES IN RESPECT OF SUBSCRIPTIONS OF OFFER SHARES BY EXISTING SHAREHOLDER AND CLOSE ASSOCIATES OF EXISTING SHAREHOLDER AS CORNERSTONE INVESTORS

Paragraph 1C(2) of Appendix F1 to the Listing Rules provides, inter alia, that no allocations will be permitted to directors or existing shareholders of the applicant or their close associates, whether in their own names or through nominees, unless the conditions set out in Rules 10.03 and 10.04 are fulfilled, without the prior written consent of the Stock Exchange.

WAIVERS AND EXEMPTION

Rule 10.04 of the Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which are being marketed by or on behalf of a new applicant either in his or its own name or through nominees if the conditions in Rules 10.03(1) and (2) of the Listing Rules are fulfilled.

Chapter 2.3 of the Guide provides that (i) an existing shareholder and/or its close associates may, provided that the applicant complies with Rules 8.08A/19A.13C of the Listing Rules, participate in the initial public offering (the “**IPO**”) of a Biotech Company (as defined under Chapter 18A of the Listing Rules). An existing shareholder must subscribe for shares in the IPO as a cornerstone investor if it holds 10% more of the shares in the applicant prior to IPO, but may subscribe either as a cornerstone investor or placee if it holds less than 10% of the shares in the applicant prior to IPO. The applicant and its sponsors must confirm that no preference in allocation was given to the existing shareholder; and in the case of subscription as cornerstone investor, that no preference was given other than the preferential treatment of assured entitlement at the IPO price and the terms are substantially the same as other cornerstone investors.

As further described in the section headed “Cornerstone Investors” in this prospectus, each of following entities has entered into a cornerstone investment agreement as a cornerstone investor (“**Cornerstone Investor**”) with the Company, the Joint Sponsors, and the Overall Coordinators to subscribe for the Offer Shares:

- (a) OrbiMed Genesis Master Fund, L.P. (“**OrbiMed Genesis**”), our Cornerstone Investor, and its close associate, OrbiMed New Horizons Master Fund, L.P., are existing Shareholders of our Company, holding in aggregate approximately 0.33% of the equity interest in the Company;
- (b) Mega Prime Development Limited and Poly Platinum Enterprises Limited, our Cornerstone Investors, are close associates of GBA Fund Investment Limited (“**GBA Fund**”), with GBA Fund holding approximately 0.33% of the equity interest in the Company;
- (c) LYFE Capital Fund IV (Dragon), L.P., our Cornerstone Investor, is a close associate of Guadalupe Peak Limited, which in turn holds approximately 5.27% equity interest in the Company; and
- (d) Sage Partners Master Fund, our Cornerstone Investor, is a close associate of Sage Partners Alpha 1 L.P. (“**Sage Partners**”), with Sage Partners holding approximately 0.20% of the equity interest in the Company.

We have applied for waiver and consent under Rule 10.04 and paragraph 1C(2) of Appendix F1 to the Listing Rules, to permit (i) OrbiMed Genesis, (ii) Mega Prime Development Limited and Poly Platinum Enterprises Limited, (iii) LYFE Capital Fund IV (Dragon), L.P. and (iv) Sage Partners Master Fund to participate as Cornerstone Investors in

WAIVERS AND EXEMPTION

the Global Offering to subscribe for the Offer Shares to be issued by the Company under the International Offering. The Stock Exchange has agreed to grant the requested waiver and consent subject to the conditions that:

- (a) the Company will comply with the public float and free float requirements of Rule 19A.13A and Rule 8.08A/19A.13C of the Listing Rules;
- (b) the Company and the Joint Sponsors confirm that the terms are substantially the same as other cornerstone investors (including (i) the Offer Shares to be subscribed by and allocated to OrbiMed Genesis, Mega Prime Development Limited and Poly Platinum Enterprises Limited, LYFE Capital Fund IV (Dragon), L.P. and Sage Partners Master Fund being at the Offer Price; (ii) such Offer Shares being subject to a lock-up period of six months from the Listing Date, and (iii) OrbiMed Genesis, Mega Prime Development Limited and Poly Platinum Enterprises Limited, LYFE Capital Fund IV (Dragon), L.P. and Sage Partners Master Fund shall pay and settle in full the consideration for the Offer Shares before dealings commence on the Listing Date) under the cornerstone investment agreements following the principles set out in Chapters 2.3 and 4.15 of the Guide;
- (c) the Company, the Joint Sponsors and the Overall Coordinators confirm that no preferential treatment has been, nor will be directly or indirectly, given to OrbiMed Genesis, Mega Prime Development Limited and Poly Platinum Enterprises Limited, LYFE Capital Fund IV (Dragon), L.P. and Sage Partners Master Fund as cornerstone investors by virtue of their relationship with the Company in any allocation in the Global Offering, other than the preferential treatment of assured entitlement under the cornerstone investments which follow the principles set out in Chapters 2.3 and 4.15 of the Guide; and
- (d) details of the subscription of the Offer Shares by OrbiMed Genesis, Mega Prime Development Limited and Poly Platinum Enterprises Limited, LYFE Capital Fund IV (Dragon), L.P. and Sage Partners Master Fund as Cornerstone Investors under the Global Offering are disclosed in this prospectus, and details of the allocation will be disclosed in the allotment results announcement of our Company. For further information about the relevant cornerstone investments, please refer to the section headed “Cornerstone Investors” in this prospectus.

CONSENT IN RESPECT OF THE PROPOSED SUBSCRIPTION OF OFFER SHARES BY CONNECTED CLIENT

Paragraph 1C(1) of Appendix F1 to the Listing Rules provides that no allocations will be permitted to “connected clients” of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate member(s)) (collectively, the “**Distributors**”, and each a “**Distributor**”), without the prior written consent of the Stock Exchange.

WAIVERS AND EXEMPTION

Paragraph 1B of the Appendix F1 to the Listing Rules states that “connected client” in relation to an exchange participant means any client which is a member of the same group of companies as such exchange participant.

As further described in the section headed “Cornerstone Investors” in this prospectus, China Asset Management (Hong Kong) Limited (“**ChinaAMC (HK)**”) has entered into cornerstone investment agreements with the Company, the Joint Sponsors, and the Overall Coordinators to subscribe for the Offer Shares. CLSA Limited, one of the Overall Coordinators and Underwriters of the Global Offering, is an indirect wholly-owned subsidiary of CITIC Securities Company Limited. ChinaAMC (HK) is a member of the same group of companies as CLSA Limited and therefore is a “connected client” of CLSA Limited for the purpose of paragraph 1B of Appendix F1 to the Listing Rules.

We have applied for, and the Stock Exchange has granted, a consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit ChinaAMC (HK) to participate in the Global Offering as a Cornerstone Investor on the following basis and conditions as set out in Paragraph 5 of Chapter 4.15 of the Guide:

- (a) any Offer Shares to be allocated to ChinaAMC (HK) will be held on behalf of independent third parties; (b) CLSA Limited has not participated, and will not participate, in the decision-making process or relevant discussions among the Company, the Underwriters and the Overall Coordinators as to whether Offer Shares will be allocated to ChinaAMC (HK);
- (b) no preferential treatment has been, nor will be, given to ChinaAMC (HK) by virtue of their relationship with CLSA Limited in any allocation of Offer Shares in the International Offering other than the assured entitlement under the relevant cornerstone investment agreements following the principles set out in Chapter 4.15 of the Guide that the cornerstone investment agreement of ChinaAMC (HK) do not contain any material terms which are more favorable to them than those in the other cornerstone investment agreements;
- (c) ChinaAMC (HK) confirms that to the best of its knowledge and belief, it has not received and will not receive any preferential treatment in the Global Offering allocation as a cornerstone investor by virtue of their relationship with CLSA Limited, other than the preferential treatment of assured entitlement under the cornerstone investments;
- (d) each of the Company, the Overall Coordinators, ChinaAMC (HK) and CLSA Limited has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide; and
- (e) details of the cornerstone investments and details of the allocations will be disclosed in this prospectus and the allotment results announcement of our Company.

WAIVERS AND EXEMPTION

For further information about the relevant cornerstone investments, please refer to the section headed “Cornerstone Investors” in this prospectus.

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality

Executive Directors

Dr. Wang Jianchen (王建辰)	Room 1207, Block B, Building 2 Skyworth Maker World Technology Park No. 12 Gaoke Avenue Longgang District Shenzhen, PRC	Chinese

Dr. Gao Yuanqian (高元倩)	Room 1207, Block B, Building 2 Skyworth Maker World Technology Park No. 12 Gaoke Avenue Longgang District Shenzhen, PRC	Chinese

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Mr. Qiu Xiang (邱翔)	Room 802, No. 2, Lane 758 Beijing West Road Jing'an District Shanghai, PRC	Chinese

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Mr. Lin Mincai (林民才)	Room 1302, Unit 1, Building 121 Longguangcheng North Area No. 88 Xi'nan Avenue, Daya Bay Western District, Huizhou Guangdong Province, PRC	Chinese

For details with respect to our Directors and Supervisors, see the section headed “Directors, Supervisors and Senior Management” in this Prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

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**Reporting Accountants and Independent
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KPMG

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Chong Hing Bank Limited

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CORPORATE INFORMATION

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Principal Place of Business in Hong Kong	Room 1918, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay, Hong Kong
Company's Website	<u>https://www.edgemed.cn</u> <i>(The information contained in this website does not form part of this Prospectus)</i>
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Remuneration Committee	Mr. Yang Fan (楊帆) (<i>Chairman</i>) Mr. Zhang Guoguang (張國光) Ms. Wu Mengyuan (吳夢媛)
Nomination Committee	Mr. Zhang Guoguang (張國光) (<i>Chairman</i>) Mr. Yang Fan (楊帆) Dr. Gao Yuanqian (高元倩)
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INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this Prospectus were extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various official government sources and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the Global Offering. The information from official government sources has not been independently verified by us, the Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Underwriters, any of their respective directors and advisers, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy.

OVERVIEW OF SURGICAL ROBOTS

Surgical robots are a subcategory of medical robots. A surgical robot refers to a sophisticated manipulating robot that assists the surgeon with performing minimally invasive surgery (“MIS”) by enabling the surgeon to remotely control precise micro-movements of surgical instruments that are placed inside the patient’s body through small incisions.

The structure of a surgical robot typically comprises (i) a patient cart, which is patient bedside operating arms, (ii) a surgeon’s console, which is used to maneuver operating arms by surgeons, or the navigation system, which provides 3D model to facilitate surgeons in planning the intervention in advance and to guide the surgeon’s tools in real time, and (iii) a vision cart, which includes imaging screens for surgical assistants to monitor the operation in real-time.

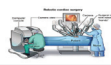
Development and Comparison of Surgeries

Open surgery remains the predominant form of surgery currently. Open surgery usually requires an incision of the patient’s skin that is usually larger than 5 centimeters to complete the procedure. It typically involves greater damage to surrounding organs, more intraoperative bleeding, susceptibility to infection, more postoperative complications, longer hospitalization and recovery time and eventually increased hospitalization costs. The emergence of MIS in 1980s signifies the medical community’s efforts towards reduced trauma in surgery. Conventional MIS uses endoscopes and digital camera technologies. 2D images displayed on a monitor help surgeons apply endoscopic instruments in a patient’s body. Despite a range of benefits and its current dominant use in endoscopic surgeries, conventional MIS still has the following disadvantages, including but not limited to: (i) instruments applied in conventional MIS have fewer degrees of freedom compared to human hands; (ii) lack of in-depth information in 2D images; (iii) longer surgery time and support are required from surgical assistants and other surgical team members; and (iv) tremors of human hands are inevitable.

The emergence of robot-assisted surgery has significantly overcome the disadvantages of open surgery as well as conventional MIS and further accelerated the development of MIS. Surgical robotics is a novel and interdisciplinary area that encompasses medicine, mechanics, hylology, computer graphics, computer science, mathematical analysis, artificial intelligence and robotics. Surgical robots have the following technical features and advantages: (i) multi-degrees of freedom, (ii) high resolution 3D imaging of surgical field with magnifier feature for increased accuracy, (iii) ergonomic design for reduced surgeon fatigue, (iv) tremor filtering through software and algorithms, (v) small incision supported by sophisticated surgical tools, and (vi) AI-enabled automation. With the rapid development of technology, robot-assisted surgery is becoming more well-adopted by the surgeons and patients.

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Robot-assisted surgery is accomplished by the surgeon in front of a console by remotely controlling and manipulating the end effectors attached to the robotic arms. Compared to open surgery and conventional MIS, robot-assisted surgery brings tremendous values to patients, surgeons and hospitals as illustrated in the below table.

		Open Surgery	Conventional MIS	Robot-assisted Surgery
Surgery	Schematic Diagram			
Technology Features	Operating Flexibility	High flexibility in hand manipulation	Simple instruments with limited flexibility	Articulating robotic instruments with high flexibility
	Operating Accuracy	- Unable to eliminate surgeons' hand tremors - Strongly dependent on surgeons' skills	- Unable to eliminate surgeons' hand tremors - Operation by a lever with low precision	- Eliminating hand tremors through algorithms - Proportionally controlled with higher precision
	Observation Mode	Naked eye	2D images	3D images 4K resolution
	Available Surgeries	- Coverage of a wide range of surgeries - Capable to perform complex surgeries	Challenging to perform complex surgeries	Capable to perform complex surgeries
Patient Value	Surgical Trauma	Large incisions with large trauma	Several smaller incisions with less trauma	Several small incisions or only one small with minimal trauma
	Intraoperative Safety	- Excessive amount of blood loss - Long operative time - More intraoperative complications	- Large amount of blood loss - Long operative time - Difficult to complete precise and complex surgeries	- Less amount of blood loss - Shorter operative time - Capable to perform precise and complex surgeries with high safety
	Postoperative Recovery	- More postoperative complications - Obvious postoperative pain and scarring	- More postoperative complications - Less postoperative pain	- Less postoperative complications - Faster recovery, least trauma and postoperative pain
Surgeon Value	Learning Curve ¹	- Largest surgical space and easiest to operate - Short learning curve	- High demand on surgeon skills - Long learning curve	- Faster for surgeons to learn complex surgical operations - Short learning curve
	Workload	- Long operative time - Easy to cause fatigue	- High demand on surgeons' skills and physical strength - Easy to cause fatigue	- Ergonomically beneficial design - Less fatigue caused in a sitting position
	Career	Highly dependent on surgeons' physical strength and surgical skills	Highly dependent on surgeons' physical strength and surgical skills	Reducing the demand on physical strength and surgical skill and extending surgeons' careers
Hospital & Social Value	Efficiency	Easily accessible and widely available in primary, secondary and tertiary hospitals.	Reducing patient hospitalization time and increasing bed turnover rate	- Increasing quality of care for patients - Further reducing patient hospitalization time and increasing bed turnover rate - Improving the efficiency of healthcare service use - Alleviating the uneven distribution of medical resources and addressing medical staff shortage

Source: Frost & Sullivan Report

Note:

1. The learning curve for conventional MIS is longer than that for open surgery because the laparoscopic camera and instruments change the surgeon's sense of vision and touch in laparoscopic surgery. The lack of depth of field and directional recognition makes the surgeon have to find a visual reference to recognize the three-dimensional level when performing surgery. In addition, conventional MIS is operated with levers, which have low precision and are unable to eliminate hand tremors. Due to limited flexibility in the conventional MIS instruments, surgeons often operate in poor posture or at unnatural angles. Robot-assisted surgery allows enhanced dexterity, accuracy, and ergonomics. Unique features of robot-assisted surgery include intuitive operation to accurately simulate human hand movements, tremor filtering, 3D high-definition images, high degrees of freedom, and improved flexibility. The foregoing advantages greatly shorten the learning curve for surgeons.

In addition, the emerging mode of telesurgery enables surgeons to perform surgical procedures on remotely located patients. The development trend of telesurgery is intelligent, global and high-precision. With the continuous development of artificial intelligence, 5G network and robotics technology, the accuracy and reliability of telesurgery will be greatly improved. At the same time, the global cloud knowledge base and safe and efficient digital medical environment will provide strong support for the popularization of telesurgery.

Development and Classification of Surgical Robots

The development of surgical robots dates back to neurosurgical biopsy procedures performed using industrial robot-assisted positioning in 1985, when robotics is combined with medicine for the first time. In the nearly 40 years of history of surgical robots, the entire industry has undergone tremendous changes from the clumsy mechanical structure at the beginning, to exponential development with several enterprises entering the industry with an increasing level of dexterity and intelligence of surgical robots.

In 2000, Intuitive Surgical's da Vinci Surgical System, the first ever integrated multi-port endoscopic surgical robot, was approved by the FDA. The four successive generations, da Vinci S, da Vinci Si, da Vinci Xi and da Vinci X, were approved by the FDA in 2006, 2009, 2014, 2017, respectively. The upgraded features and newly added functions in each new generation of the da Vinci Surgical Systems have expanded its application to more surgical specialties and provided improved accuracy, operability, precision and dexterity to surgeons. In 2018, Intuitive Surgical's single-port surgical robot, the da Vinci SP Surgical System, was initially approved by the FDA. The da Vinci Surgical Systems have dominated the global endoscopic surgical robot market for over a decade. Since 2018, more players that develop and manufacture endoscopic surgical robots gradually entered into the market.

Within a decade from 2010, surgical robots for different surgery specialties, such as orthopedic and panvascular surgery, started to emerge. Since 2020, the application of surgical robots has been expanded to cover more surgical specialties. Based on their respective clinical applications, surgical robots can be classified into four major categories: endoscopic surgical robots, natural orifice surgical robots, orthopedic surgical robots and other surgical robots including, among others, panvascular surgical robots and percutaneous surgical robots. Endoscopic surgical robots can assist surgeons with performing endoscopic surgery and can be used in urologic, gynecologic, general and thoracic surgery. Natural orifice surgical robots are surgical robots for natural orifice transluminal endoscopic surgery ("NOTES"). Natural orifice surgical robots assist surgeons with performing procedures by placing controllable flexible

INDUSTRY OVERVIEW

endoscopes and other flexible instruments through one of the bodies' natural orifices such as the digestive tract and respiratory tract, which could be used for the examination or operation in lung, bowel and other organs.

The development of procedure-specific robotic systems by major players in the market is one of the factors to further drive the growth of the market. Technological evolution in AI, 5G telesurgery, and human-computer interaction will improve surgical robots' functionality, which will further promote technical innovations in this field. Set forth below are notable emerging function improvements in the market:

- *Operation:* the dual-console technology allows two surgeons to operate simultaneously and seamlessly switch instrument control, enabling the lead surgeon to provide real-time guidance to the assistant surgeon through virtual pointers. This function helps junior surgeons quickly master surgical techniques, shortening the learning curve and improving teaching efficiency. Additionally, both surgeons can simultaneously observe the 3D view and flexibly allocate operational tasks according to surgical needs, enhancing surgical efficiency and safety.
- *Imaging systems:* 3D high-definition imaging systems, combined with fluorescence imaging technology, can display blood vessels and tumor boundaries in real time, assisting in precise resection and reducing intraoperative misjudgment. Moreover, 4K imaging resolution reaches up to 4096×2160 pixels, more than four times that of traditional high-definition images, making tiny structures such as blood vessels, nerves and lymph nodes clearly visible in the surgical field.
- *Robotic arm degrees of freedom:* the increase in robotic arm degrees of freedom, such as seven or more, enables more refined operations, simulating complex hand movements and reducing surgical trauma.
- *Force feedback technology:* surgeons can perceive the contact force between instruments and tissues through force feedback sensors, precisely controlling the force applied and reducing the risk of tissue damage, which is particularly suitable for delicate operations.
- *Remote surgery:* by integrating 5G technology, cross-regional remote surgery can be achieved, alleviating the problem of uneven distribution of medical resources.

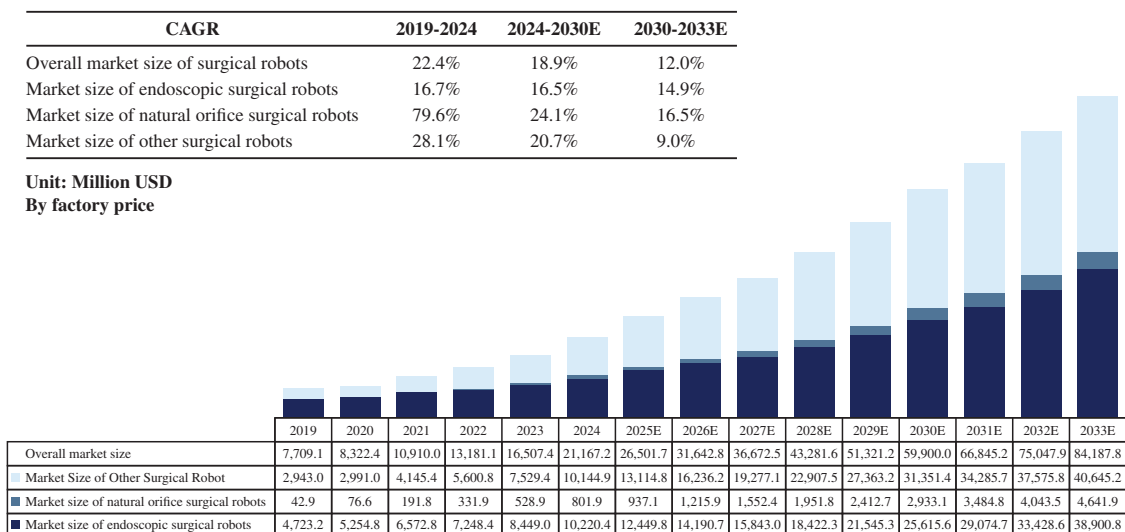
Global Surgical Robot Market

Driven by various factors such as the increasing demand for surgical robots as a result of their clinical benefits and breakthrough in key technologies, the global market size of the surgical robot has grown rapidly. The global market size of surgical robots increased from US\$7.7 billion in 2019 to US\$21.2 billion in 2024 at a CAGR of 22.4% and is expected to reach US\$84.2 billion by 2033 at a CAGR of 16.6%, which indicates a promising market potential. The largest segment of the global surgical robot market is endoscopic surgical robots,

INDUSTRY OVERVIEW

which can be applied in a variety of surgery specialties, including urologic, gynecologic, general and thoracic surgery. The following chart sets forth the historical and forecast growth of the global surgical robot market and the market segments categorized by surgical application.

Historical and Forecast Global Market Size of Surgical Robots, 2019-2033E



Sources: Frost & Sullivan report and annual reports of comparable companies

China's Surgical Robot Market

Compared with the same industry in the U.S., China's surgical robot industry initiated relatively late and is currently at an early stage. In 2010, China's first orthopedic navigational robot was developed independently with proprietary intellectual property, and it was specifically designed for minimally invasive spinal surgery. This signified a new stage of independent innovation for the development of China's surgical robot industry. After 2010, with governmental policy support, research institutes and medical device companies in China increased their R&D efforts in the surgical robot industry. China's surgical robot industry is shifting from reliance on imported surgical robots to technological innovation by domestic players driven by both continuous investment and favorable governmental policies. It is expected that domestically developed surgical robots will account for an increasing market share in China and gradually outpace the market share of the surgical robots developed by international companies.

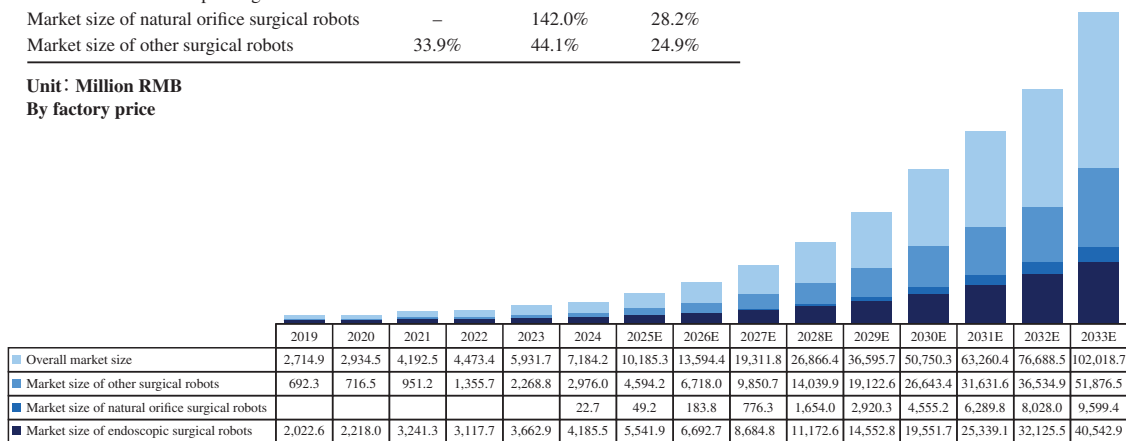
China's market size of surgical robots increased from RMB2,714.9 million in 2019 to RMB7,184.2 million in 2024 at a CAGR of 21.5% and is expected to reach RMB102,018.7 million by 2033 at a CAGR of 34.3%, mainly driven by the increasing clinical demands for and awareness of robot-assisted surgery and favorable government policies. The largest segment of China's surgical robot market is endoscopic surgical robots. The following chart sets forth the historical and forecast growth of China's surgical robot market and the market segments categorized by surgical application.

INDUSTRY OVERVIEW

Historical and Forecast Market Size of Surgical Robots in China, 2019-2033E

CAGR	2019-2024	2024-2030E	2030-2033E
Overall market size of surgical robots	21.5%	38.5%	26.2%
Market size of endoscopic surgical robots	15.7%	29.3%	27.5%
Market size of natural orifice surgical robots	–	142.0%	28.2%
Market size of other surgical robots	33.9%	44.1%	24.9%

Unit: Million RMB
By factory price



Sources: Frost & Sullivan report, annual reports of comparable companies and interviews with industry experts

ENDOSCOPIC SURGICAL ROBOT MARKET

Overview of Endoscopic Surgical Robots

The endoscopic surgical robot market is the largest segment of the global surgical robot market. An endoscopic surgical robot typically consists of a surgeon's console, a patient-side cart and a vision system. In the patient-side cart, surgical instruments attached to robotic arms are remotely controlled by surgeons to accomplish tasks, including ratcheting up, cutting, clotting, dissecting, suturing and manipulating tissues, with greater precision than human hands. According to Frost & Sullivan, within the industry, "endoscopic surgical robots" and "laparoscopic surgical robots" both refer to a kind of robotic surgical system that uses a minimally invasive surgical approach to operate endoscopy procedures. Endoscopic surgical robots can be used to perform endoscopy, which generally includes laparoscopy and thoracoscopy. Laparoscopy refers to a procedure that permits visual examination of the abdominal cavity with an optical instrument called a laparoscope, which is inserted through a small incision made in the abdominal wall. Thoracoscopy refers to a procedure that permits visual examination of the lung surfaces and pleural space through a viewing tube called a thoracoscope.

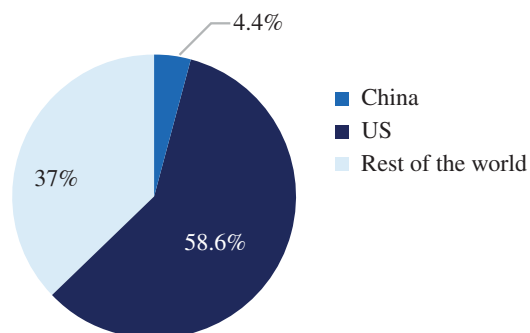
Robot-assisted endoscopic surgery can overcome some of the constraints commonly seen with the conventional endoscopic approach and has several advantages, including high operation accuracy, flexibility, reproducibility, and avoidance of impact caused by human physiological factors such as fatigue and mood. These advantages can contribute to the improved quality of surgery, shorten the operative time and effectively extend the career-span of surgeons.

INDUSTRY OVERVIEW

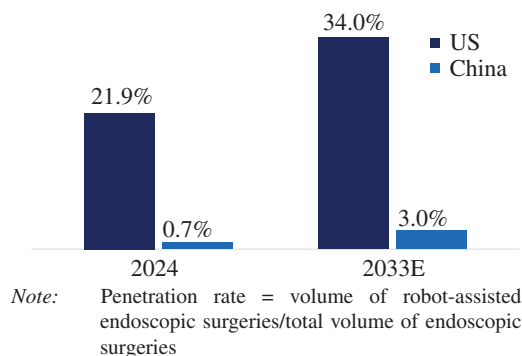
The U.S. is currently the largest market for endoscopic surgical robots, and the da Vinci Surgical Systems are the major products that dominate the global market. As of December 31, 2024, the installed base of da Vinci Surgical Systems in the U.S. was 5,807 sets, representing 58.6% of the global installed base. Despite China's large patient population and large procedure volume of conventional MIS that may be performed with surgical robots, China's endoscopic surgical robot market is significantly underpenetrated compared with that in the U.S. The installed base of da Vinci Surgical Systems in China was only approximately 431 as of December 31, 2024. In the U.S., the procedure volume of multi-port and single-port robot-assisted endoscopic surgery was 1.8 million in 2024, and the penetration rate of robot-assisted endoscopic surgeries was 21.9% in 2024. In China, the procedure volume of robot-assisted endoscopic surgery was 143,243 in 2024, and the penetration rate of robot-assisted endoscopic surgeries over all endoscopic surgeries was only 0.7% in 2024. It is predicted that the penetration rate of robot-assisted endoscopic surgeries will reach 3.0% in China by 2033. Due to the benefits of robot-assisted surgery and rising disposable income, it is expected that there will be an increasing patient demand for robot-assisted surgery. The installed base of endoscopic surgical robots in China continues to grow, and increased from 134 units in 2019 to 511 units in 2024. With the release of the *Catalog of Large Medical Devices Subject to Administration on Deployment Permit (2018)* (《大型醫用設備配置許可管理目錄(2018年)》), the timeline for hospitals to obtain approval for procuring endoscopic surgical robots has been shortened because endoscopic surgical robots were adjusted to category B large medical devices from category A under this catalog and the approval time for category B devices is generally shorter than that of category A devices pursuant to applicable regulations. Pursuant to the *Catalog of Large Medical Devices Subject to Administration on Deployment Permit (2023)* (《大型醫用設備配置許可管理目錄(2023年)》) issued in March 2023 by the National Health Commission, endoscopic surgical robots remained as category B large medical devices. In addition, more surgeons are gradually becoming skilled in operating the surgical robots. There will be significant growth potential for the penetration of robot-assisted endoscopic surgeries in China due to the rising end-user demand, technological progress, surgeons' improved skill in operation of robot-assisted surgeries and favorable government policies.

The chart below sets forth a breakdown of the installed base of da Vinci Surgical Systems by regions as of December 31, 2024 and the historical and forecast penetration rates of robot-assisted endoscopic surgeries in the U.S. and China.

Distribution of Installed Base of da Vinci Surgical Systems by Regions as of December 31, 2024



Comparison of Penetration Rate of Robot-Assisted Endoscopic Surgeries, China vs U.S.

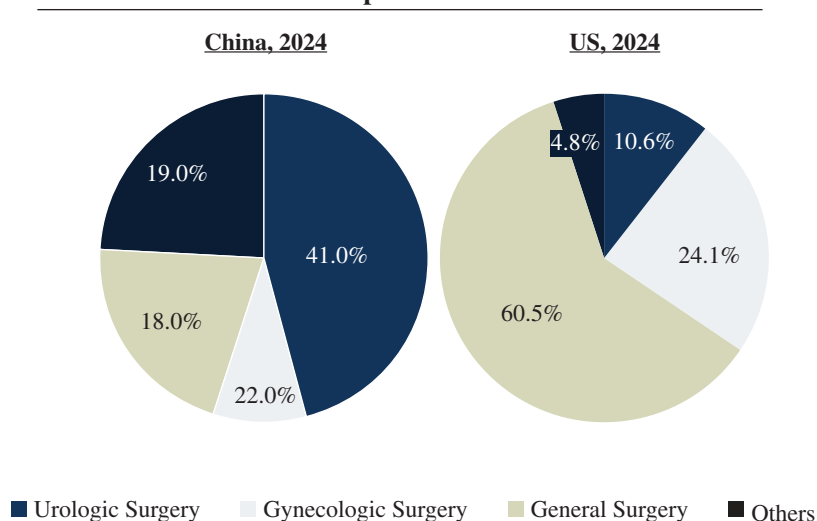


Source: Intuitive Surgical Annual Report, Frost & Sullivan Analysis

INDUSTRY OVERVIEW

Endoscopic surgical robots are widely adopted in a number of surgical specialties. In 2022, among all procedures performed using da Vinci Surgical Systems in the U.S., general surgery accounted for 51%, gynecologic surgery accounted for 29%, urologic surgery accounted for 16%, and the other surgical specialties accounted for 5%; whereas the procedure volume in urologic surgery was the largest in China, representing 46% of the total procedures performed using da Vinci Surgical Systems in China. The following chart sets forth a distribution of procedure volume among different surgical specialties in China and the U.S. in 2022 for surgeries performed with the da Vinci Surgical Systems.

Distribution of Procedure Volume of da Vinci Endoscopic Surgical Robot by departments



Sources: Frost & Sullivan report, annual report of Intuitive Surgical and interviews with industry experts

In China, endoscopic surgical robots have been mostly applied for urologic surgeries. Since robot-assisted surgery can provide increased precision in complex procedures and reduce the incidence of surgical complications, endoscopic surgical robots are suitable and widely used for urologic, general and gynecologic surgery in China.

In the U.S., endoscopic surgical robots have been widely used in general surgery (gastroenterology and hepatobiliary), gynecologic surgery, urologic surgery and other related minimally invasive surgery.

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Categories of Endoscopic Surgical Robots

Endoscopic surgical robots can be categorized into multi-port endoscopic surgical robots and single-port endoscopic surgical robots. The multi-port endoscopic surgical robot is a surgical robot with multiple robotic arms designed to perform surgery through multiple ports. The single-port endoscopic surgical robot, such as Intuitive Surgical's da Vinci SP Surgical System and Edge Medical's SP1000, is an integrated surgical robot with one robotic arm, which is designed specifically for single-port endoscopic surgery. The different structural design of the single-port and multi-port endoscopic surgical robots determines their different applications. The single-port endoscopic surgical robot is more suitable for procedures that require more narrow access from a small single incision, whereas the multi-port endoscopic surgical robot can be used for more complicated surgeries as it may reach more comprehensive areas. Thus multi-port and single-port endoscopic surgical robots are complementary and cannot be replaced with one another among the applications. The following chart sets forth a comparison between these two categories.

	Multi-Port Endoscopic Surgical Robot	Single-Port Endoscopic Surgical Robot
Current Application	- Extensive clinical applications - Occupying the majority of market share in the surgical robot market	- Approved indications: Gynecologic Surgery, Urology, General Surgery - Currently only two single-port endoscopic surgical robots have been approved by the NMPA for urologic surgery, gynecologic surgery and general surgery
Key Features	- Wide surgical field and convenient operation with multiple incisions - Adaption in a wide range of surgical types with great advantages in highly demanding and complex surgeries - Application in general surgery, urologic surgery, gynecologic surgery, thoracic surgery, etc.	- Less trauma and fast recovery with only one incision - Complementary to multi-port endoscopic surgical robots due to less invasiveness - More advantages in the surgery which is performed in a highly-focus narrow space, such as prostate surgery, cystectomy, ovariectomy, segmental ureterectomy, etc. - Faster postoperative recovery and suitability for younger patients with high aesthetic requirements
Future Trends	Continuing steady growth in the market size due to advantages including a wide range of application in different procedure types, convenient operation and ability to perform complex surgery	Higher patient acceptance rate and expected significant growth in the clinical application due to less trauma, shorter postoperative recovery time and better aesthetic outcome
Global Market Size	- Market size in 2024: US\$9,394 million - Expected market size in 2033: US\$23,777 million	- Market size in 2024: US\$827 million - Expected market size in 2033: US\$15,123 million

Source: Frost & Sullivan Report

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The Edge Multi-Port Endoscopic Surgical Robot and the Edge Single-Port Endoscopic Surgical Robot are both endoscopic surgical robots. The Edge Multi-Port Endoscopic Surgical Robot is an endoscopic surgical robot with a multi-arm structure, targeting the multi-port endoscopic surgical robot market in China. The global market size of multi-port endoscopic surgical robot globally is US\$9,394 million in 2024 and is expected to reach US\$23,777 million by 2033. The Edge Single-Port Endoscopic Surgical Robot is an endoscopic surgical robot with a single arm structure and can perform MIS through a single small incision, targeting the single-port endoscopic surgical robot market. The global market size of single-port endoscopic surgical robot reached US\$827 million in 2024 and is expected to grow to US\$15,123 million by 2033.

According to Frost & Sullivan, there is no substitution relationship between multi-port endoscopic surgical robots and single-port endoscopic surgical robots as they are providing available options for surgeons when performing surgeries in different situations according to their respective advantages. For example, in the scenario of single-site gynecological surgeries, multi-port endoscopic surgical robots are less convenient as compared to single-port robots due to the limited space for surgery. On the other hand, multi-port surgical robots are preferred when performing surgeries with enough space as more robotic arms offer more flexibility and more stable performance. According to Frost & Sullivan, in general, multi-port surgical robots are more preferred in urological surgery and general surgery while single-port surgical robots are more preferred in gynecological surgery.

Market Size of Multi-Port and Single-Port Endoscopic Surgical Robots

Global Market Size of Multi-Port and Single-Port Endoscopic Surgical Robots

Driven by factors such as technology advancements, benefits of robot-assisted for both surgeons and patients and favorable government policies, the global market size of both multi-port and single-port endoscopic surgical robots grew rapidly from US\$4.7 billion in 2019 to US\$10.2 billion in 2024 at a CAGR of 16.7%. It is expected that the global market size of both multi-port and single-port endoscopic surgical robots will continue growing to US\$38.9 billion by 2033 at a CAGR of 16.0% from 2024 to 2033.

The global market size of multi-port endoscopic surgical robots grew from US\$4.5 billion in 2019 to US\$9.4 billion in 2024 at a CAGR of 16.0% and is expected to reach US\$23.8 billion by 2033 at a CAGR of 10.9% from 2024 to 2033. The single-port endoscopic surgical robots emerged in 2018, and its global market size grew from US\$243 million in 2019 to US\$827 million in 2024 and is expected to reach US\$15.1 billion in 2033 at a CAGR of 38.1% from 2024 to 2033. The reasons for the single-port endoscopic surgical robots market having a higher expected CAGR after 2024 than the multi-port endoscopic surgical robots include continuous advancements in technology, patients' increased emphasis and demands for smaller and fewer incisions, and the industry trend moving from MIS towards less-invasive surgery. From 2018 to 2021, the da Vinci SP Surgical System was one of the only three single-port endoscopic surgical robot products approved and commercialized globally and was the product that dominated the market. Due to the later approval time of single-port endoscopic surgical

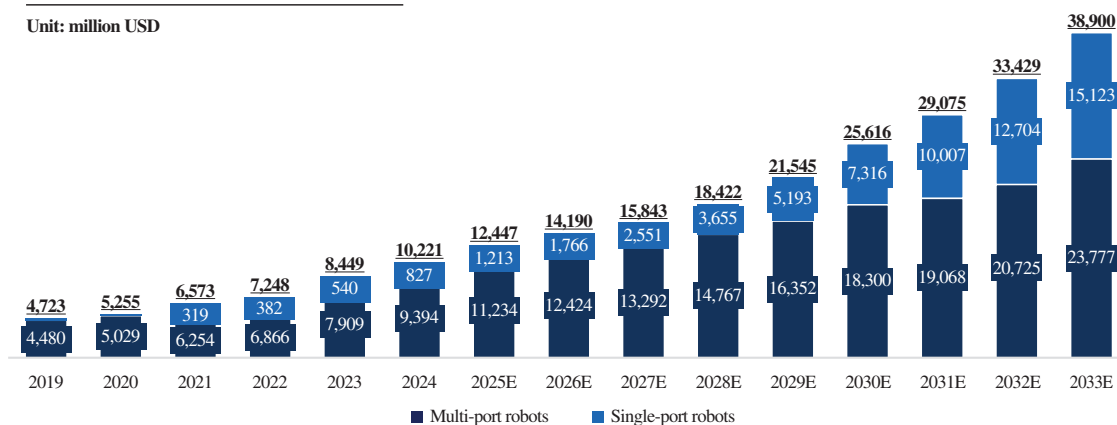
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robots, the clinical trials for certain surgical specialties are still underway in some jurisdictions. Technological constraints of single-port endoscopic surgical robots also exist, such as the relatively concentrated instrument placement site within limited surgical area, the difficulty to form an operating triangle with all the instruments and the endoscope emerged through a single cannula, and the technical requirement of more synergies when controlling instruments. Such current limitations on applicable medical procedures and technological constraints of single-port endoscopic surgical robots have resulted in a significantly smaller market size of single-port endoscopic surgical robots than multi-port endoscopic surgical robots. The following chart sets forth the historical and forecast global market size of multi-port and single-port endoscopic surgical robots.

Historical and Forecast Global Market Size of Multi-Port and Single-Port Endoscopic Surgical Robots, 2019-2033E

Period	CAGR		
	Single-port Robot	Multiport Robot	Total
2019-2024	27.8%	16.0%	16.7%
2024-2030E	43.8%	11.8%	16.5%
2030E-2033E	27.4%	9.1%	14.9%

Unit: million USD



Sources: Frost & Sullivan report and annual reports of comparable companies

China Market Size of Multi-Port and Single-Port Endoscopic Surgical Robots

The multi-port endoscopic surgical robot, with its advantages of high surgical accuracy, small incisions, and few postoperative complications compared to conventional MIS surgery, is likely to be increasingly adopted clinically in the future, and the penetration rate of robot-assisted endoscopic surgeries over all endoscopic surgeries will gradually increase, with a penetration rate of only 0.7% in 2024 and expected to reach 3.0% by 2033 in China. On the basis of these studies and the future increase in the number of approved multi-port endoscopic surgical robots, Frost & Sullivan estimates the market size of multi-port endoscopic surgical robots in China will rapidly increase in the future.

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Compared to the overall growth rate globally, the growth rate of multi-port endoscopic surgical robots in China is expected to be more rapid in the next few years. The market size of multi-port endoscopic surgical robots in China grew from RMB2,022.6 million in 2019 to RMB4,105.8 million in 2024 at a CAGR of 15.2% and is expected to reach RMB35,350.8 million by 2033 at a CAGR of 27.0% from 2024 to 2033. The market size of multi-port endoscopic surgical robots in China is estimated with reference to the sales price of the da Vinci multi-port Surgical Systems in China, as well as an expected further penetration in China's hospital. Firstly, multi-port laparoscopic robotic surgery is primarily performed in tertiary hospitals currently and the penetration rate in tertiary and secondary hospitals still has significant growth potential. As an illustration, it is estimated that 449 hospitals have installed endoscopic surgical robots in 2024, of which 416 are Class III Grade A hospitals and 33 are other Class III hospitals. As laparoscopic robotic surgery matures, physician proficiency improves and patient awareness grows, more hospitals are expected to adopt endoscopic surgical robots going forward. Secondly, the number of approved multi-port laparoscopic robotic surgery products in China is increasing, and increasingly fierce competition may drive further price reductions. Because sales price is considered highly sensitive and confidential by many manufacturers, Frost & Sullivan is not able to fully estimate an accurate pricing for the products from peers. Through multiple sources, including Intuitive Surgical's annual reports and expert interviews, Frost & Sullivan estimated that the average bid price of da Vinci Xi Surgical System is approximately RMB22 million in China in 2024. Thirdly, some regions have already included laparoscopic robotic surgery in medical insurance coverage, and the scope of coverage is expected to continue to expand in the future, further reducing the treatment burden on patients. Lastly, the restrictions on configuration certificates are expected to be lifted in the future as the laparoscopic robotics installed in hospitals do not meet their actual clinical treatment needs. In recent years, the planned number of surgical robots deployed by the government has increased rapidly in the past and is expected to further continue to increase in the future. For instance, it was announced in 2018 that the quota for endoscopic surgical robots was 197 units for the period of 2018 to 2020, which was increased to 268 units for the same period as announced in July 2020 to meet the increasing demand in hospital installations, and further increased to 819 units by the end of 2025 as announced in 2023. The historical increases in the quota limits under the national allocation plans indicate that the quotas are sufficient and have been historically adjusted to meet the market demand. See “— Growth Drivers for China's Endoscopic Surgical Robot Market” for more details on the quota limits.

In China, the market size of single-port endoscopic surgical robots is RMB79.7 million in 2024, and will further grow to RMB5,192.0 million in 2033 at a CAGR of 59.1%. Although currently there are only three single-port endoscopic surgical robots approved in China, the single-port endoscopic surgical robots are expected to gradually gain popularity. This projection of a faster expected growth of single-port endoscopic surgical robots market in China compared to that of the multi-port endoscopic surgical robots market in China is mainly based on the following key factors:

Factors that have an immediate, direct impact on the market size:

- quota limits for deployment of endoscopic surgical robots under the national allocation plans in China have risen steadily in recent years to meet growing demand in hospital installations. The quota limit under the 2018 National Allocation Plan is 197 units for the period of 2018 to 2020, which was increased to 268 units for the

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same period as announced in 2020. The quota limit under the 2023 National Allocation Plan was further increased to 819 units for the period of 2021 to 2025. The historical increases in the quota limits under the national allocation plans indicate that the quotas are sufficient and have been historically adjusted to meet the market demand. In addition, according to Frost & Sullivan, the number of deployment permits issued under 2023 National Allocation Plan was approximately 230 in 2024 and is expected to be approximately 225 in 2025. The total number of both multi-port and single-port endoscopic surgical robots newly installed was 118 in 2024 and is expected to be 192 in 2025. As such, the number of deployment permits available for 2024 and 2025 far exceeds the number of endoscopic surgical robots newly installed in those years. For more details on the quota limits, see “—Growth Drivers for China’s Endoscopic Surgical Robot Market” and “Risk Factors—Risks relating to the Commercialization and Distribution of Our Products—Sales of surgical robots in China are subject to quota limits under the national allocation plan, which may restrain the market size of surgical robots and adversely affect the commercialization of our products;” and

- advantages of single-port endoscopic surgical robots in performing surgery in a highly focused narrow space as single-port laparoscopic surgical robot surgery only requires one incision, with less trauma and faster postoperative recovery. Compared with multi-port laparoscopic surgical robots, it is more suitable for specific surgeries such as cholecystectomy, appendectomy and some gynecological surgeries, which can meet the needs of patients with higher requirements for postoperative aesthetics and is a powerful supplement to multi-port laparoscopic surgical robots.

Factors that have a long-term, indirect impact on the market size:

- increases in the installed base and the volume of single-port robot-assisted endoscopic surgeries, driven by factors such as academic promotion of products and increased recognition by doctors and patients. Based on industry participants’ annual reports and websites, literature searches (including “Robotic Single Port Surgery: Current Status and Future Considerations” (Samarasekera et al., 2014), “Robotic Single-port Surgery Using the da Vinci SP Surgical System for Benign Gynecologic Disease: A Preliminary Report” (Hyun et al., 2020) and “Single Port Robotic Assisted Reconstructive Urologic Surgery—with the da Vinci SP Surgical System” (Mubashir et al., 2020)) and interviews with industry experts, Frost & Sullivan projected that the installed base of single-port endoscopic surgical robots will increase from 9 units in 2024 to 1,322 units in 2033. With respect to the volume of single-port robotic-assisted endoscopic surgery in China, Frost & Sullivan projected that it expected to grow from 90 in 2024 to 92,131 by 2033; and

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- as of the Latest Practicable Date, robotic-assisted surgery has been included in medical insurance reimbursement list for orthopedic procedures in Beijing, and Shanghai has covered robotic-assisted procedures using da Vinci Surgical Systems in its medical insurance reimbursement list. Given these precedents and the clinical advantages of single-port surgical robots, it is anticipated that major cities in China such as Beijing and Shanghai may expand the scope of their medical insurance reimbursement schemes to include single-port surgical robots, thereby accelerating commercialization of single-port surgical robots.

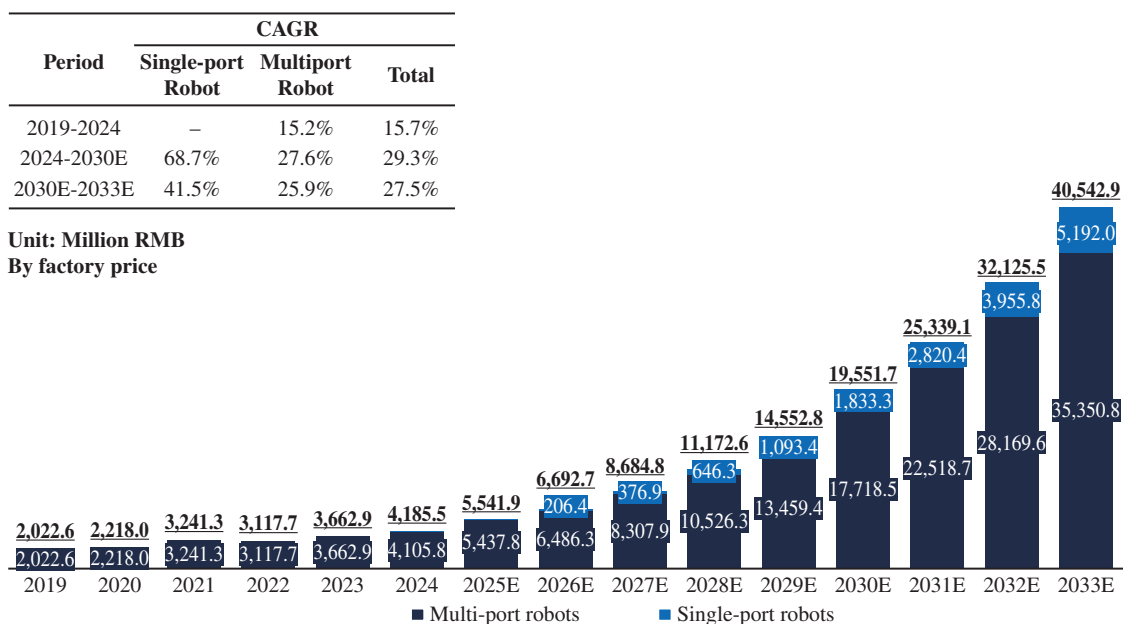
This projection of the CAGR of 59.1% of single-port endoscopic surgical robots market in China from 2024 to 2033 is mainly based on the following assumptions:

- as the commercialization of single-port surgical robots in China began in 2023, Frost & Sullivan referenced the growth trends in the more established U.S. market. In the U.S., the adoption of single-port surgical robots is projected to reach approximately 1.1 units per million people from 2018 to 2027. The corresponding forecast for China is 0.9 units per million people from 2024 to 2033; and
- estimated price of single-port endoscopic surgical robots with reference to the sales price of the da Vinci SP Surgical System, of which the sales price in the U.S. (around US\$3.2 million) is higher than the sales price of da Vinci Xi system in the U.S. (around US\$2.2 million to US\$2.4 million). As more single-port endoscopic surgical systems are approved in China, and in particular, as domestically manufactured products have lower production costs, the single-port endoscopic surgical robot market is expected to be more competitive which may drive down its price in China. A downward pricing trend due to predicted increasing competition as the market grows in the future has also been factored into the pricing projection. However, the expected increase in the installed base of single-port endoscopic surgical systems and other growth drivers mentioned above will offset the future price reduction and help the market to achieve fast growth overall.

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The following chart sets forth the historical and forecast market size of multi-port and single-port endoscopic surgical robots in China.

Historical and Forecast Market Size of Multi-Port and Single-Port Endoscopic Surgical Robots in China, 2019-2033E



Note:

- The market size of endoscopic surgical robots includes equipment sales revenue, consumables sales revenue, maintenance and service revenue.

Sources: Frost & Sullivan report, annual reports of comparable companies and interviews with industry experts

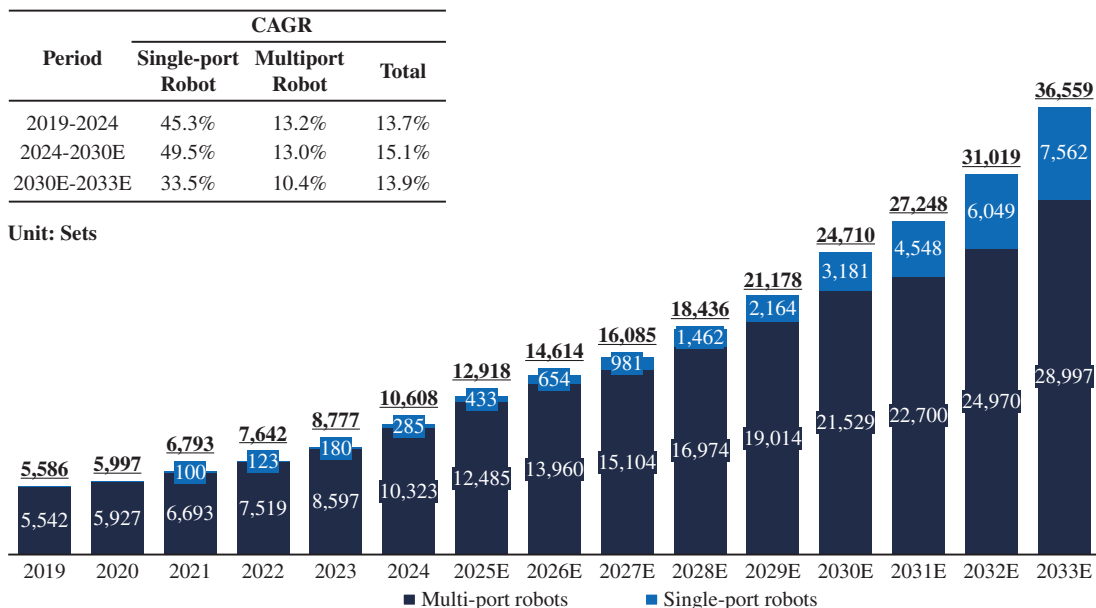
Installed Base of Multi-Port and Single-Port Endoscopic Surgical Robots

Global Installed Base of Multi-Port and Single-Port Endoscopic Surgical Robots

The global installed base of multi-port endoscopic surgical robots increased from 5,542 sets in 2019 to 10,323 sets in 2024 at a CAGR of 13.3%. The global installed base of multi-port endoscopic surgical robots is forecasted to grow rapidly, reaching 28,997 sets in 2033 at a CAGR of 12.2% from 2024 to 2033. The global installed base of single-port endoscopic surgical robots increased from 44 sets in 2019 to 285 sets in 2024. It is expected to reach 7,562 in 2033 at a CAGR of 43.9% from 2024 to 2033, indicating a promising market potential. The following chart sets forth the historical and forecast global installed base of multi-port and single-port endoscopic surgical robots.

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Historical and Forecast Global Installed Base of Multi-Port and Single-Port Endoscopic Surgical Robots, 2019-2033E



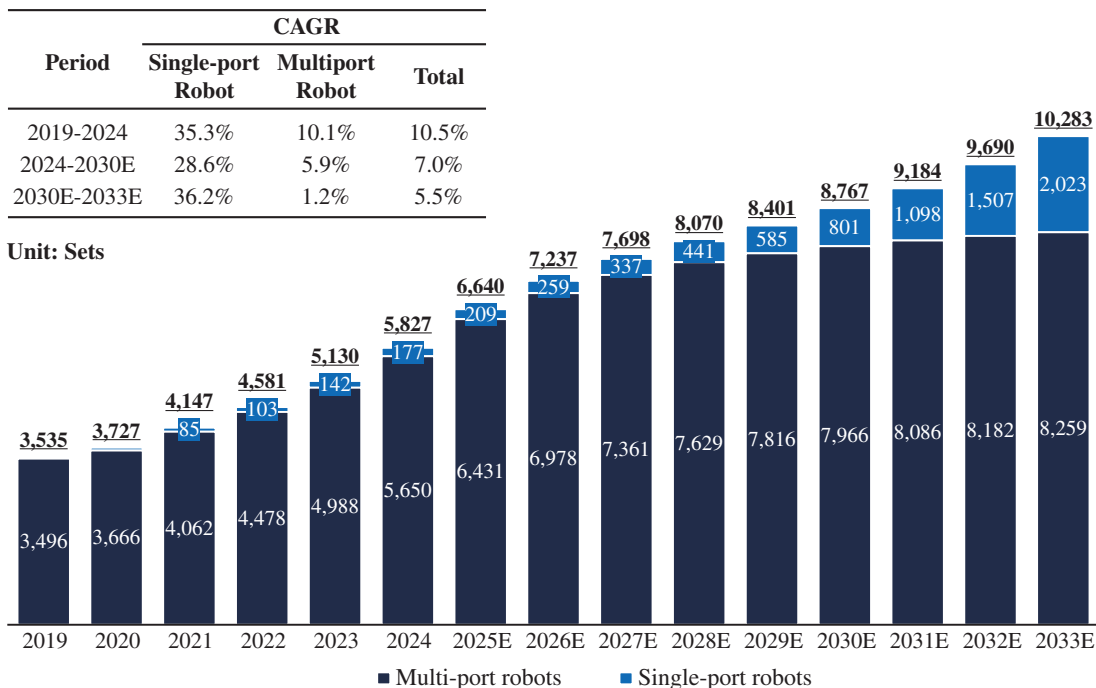
Sources: Frost & Sullivan report and annual reports of comparable companies

Installed Base of Multi-Port and Single-Port Endoscopic Surgical Robots in the U.S. and China

The installed base of multi-port endoscopic surgical robots in the U.S. increased from 3,496 sets in 2019 to 5,650 sets in 2024 at a CAGR of 10.1%. It is expected to reach 8,259 in 2033 at a CAGR of 4.3% from 2024 to 2033. The installed base of single-port endoscopic surgical robots in the U.S. increased from 39 sets in 2019 to 177 sets in 2024. It is expected to reach 2,023 in 2033 at a CAGR of 31.1% from 2024 to 2033. The following chart sets forth the historical and forecast installed base of multi-port and single-port endoscopic surgical robots in the U.S.

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Historical and Forecast Installed Base of Multi-Port and Single-Port Endoscopic Surgical Robots in U.S., 2019-2033E



Sources: Frost & Sullivan report and annual reports of a comparable company

The installed base of multi-port endoscopic surgical robots in China increased from 134 sets in 2019 to 502 sets in 2024 at a CAGR of 30.2%. It is expected to reach 5,923 in 2033 at a CAGR of 31.5% from 2024 to 2033, indicating a promising market potential.

Although currently there are only three single-port endoscopic surgical robots approved in China, the single-port endoscopic surgical robots are expected to gradually gain popularity. The installed base of single-port endoscopic surgical robots in China is forecasted to increase from 9 in 2024 to 1,322 in 2033, which indicates a promising market potential. By comparison, the number of newly installed da Vinci SP Surgical System in the United States grew from 13 units per year in 2018 after its FDA approval to 24 units per year in 2021 at a CAGR of 22.7% and translates to a CAGR of 87.0% in terms of the growth in the number of cumulatively installed da Vinci SP Surgical System. As of December 31, 2024, approximately 449 hospitals have installed endoscopic surgical robots, of which 416 are Class III Grade A hospitals and 33 are other Class III hospitals. Such hospitals are mainly public hospitals located in provincial capitals and coastal cities. With the expected increase in the acceptance and affordability of robot-assisted surgeries in China, it is predicted that more hospitals across the country will equip themselves with surgical robotic systems, including single-port endoscopic surgical robots.

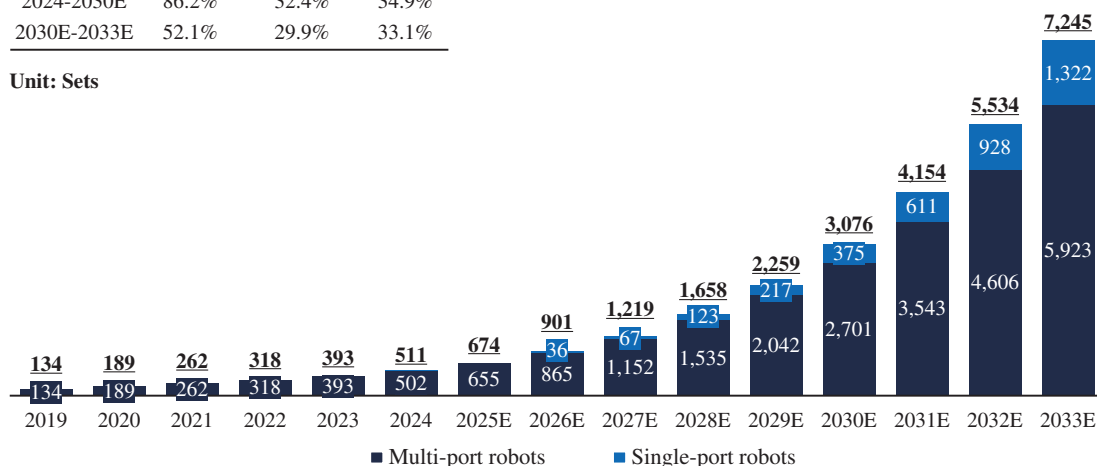
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The following chart sets forth the historical and forecast installed base of multi-port and single-port endoscopic surgical robots in China.

Historical and Forecast Installed Base of Multi-Port and Single-Port Endoscopic Surgical Robots in China, 2019-2033E

Period	CAGR		Total
	Single-port Robot	Multiport Robot	
2019-2024	—	30.2%	30.7%
2024-2030E	86.2%	32.4%	34.9%
2030E-2033E	52.1%	29.9%	33.1%

Unit: Sets



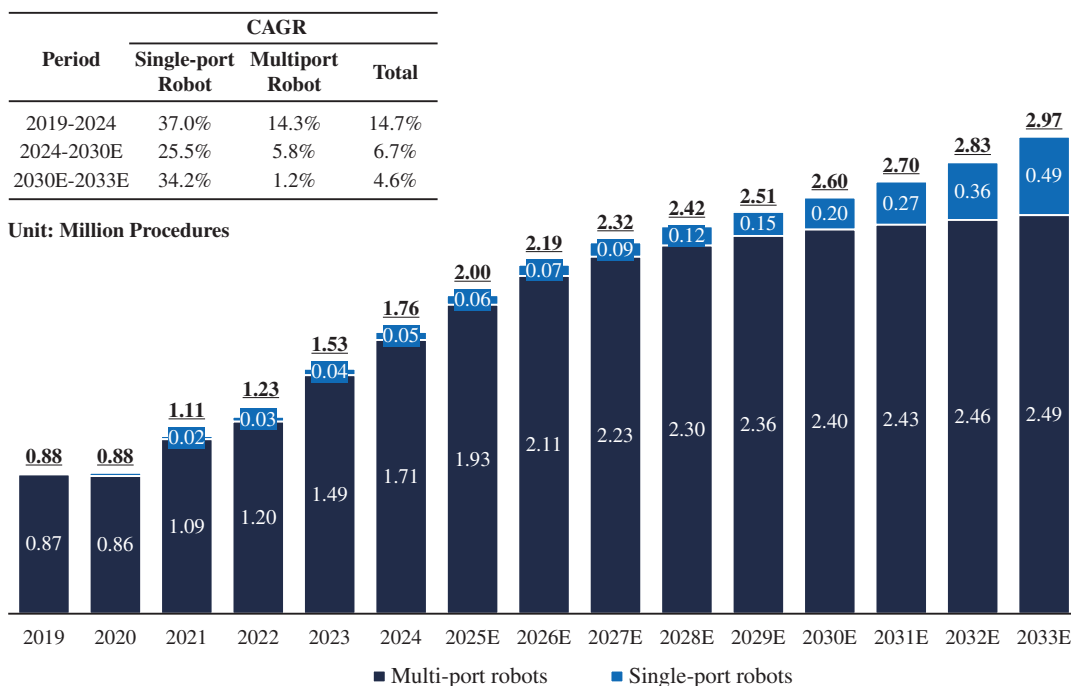
Sources: Frost & Sullivan report, annual reports of comparable companies and interviews with industry experts

Procedure Volume of Multi-Port and Single-Port Robot-Assisted Endoscopic Surgery

The procedure volume of multi-port robot-assisted endoscopic surgery in the U.S. grew from 873,109 in 2019 to 1.7 million in 2024 at a CAGR of 14.3% and is expected to grow to 2.5 million in 2033 at a CAGR of 4.3% from 2024 to 2033. The procedure volume of single-port robot-assisted endoscopic surgery in the U.S. grew from 10,691 in 2019 to 51,546 in 2024 and is expected to grow to 0.5 million in 2033 at a CAGR of 28.3% from 2024 to 2033. The following chart sets forth the historical and forecast procedure volume of multi-port and single-port robot-assisted endoscopic surgery in the U.S.

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Historical and Forecast Volume of Multi-Port and Single-Port Robot-Assisted Endoscopic Surgery in U.S., 2019-2033E



Sources: Frost & Sullivan report and annual reports of a comparable company

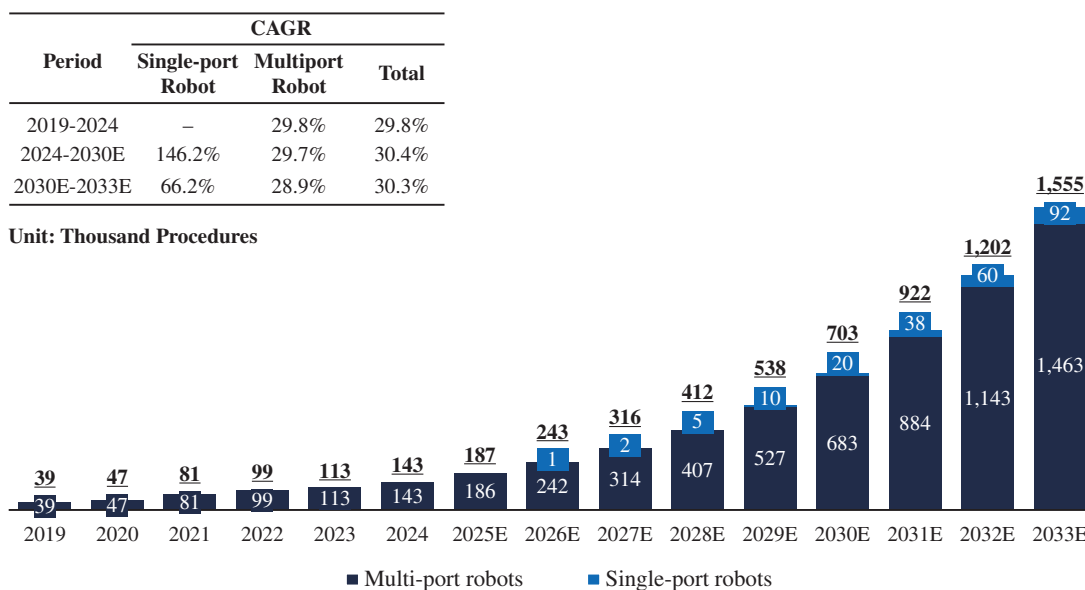
The procedure volume of multi-port robot-assisted endoscopic surgery in China grew from 38,877 in 2019 to 143,153 in 2024 at a CAGR of 29.8% and is expected to grow further, reaching 1.5 million in 2033 at a CAGR of 29.5% from 2024 to 2033. The procedure volume of single-port robot-assisted endoscopic surgery in China is expected to grow from 90 in 2024 to 92,131 in 2033. Compared to multi-port endoscopic surgical robots, single-port endoscopic surgical robots are more suitable for surgeries that require access to a narrow workspace and further minimize wounds to patients, with fast postoperative recovery and high patient acceptance, especially for young patients with certain aesthetic requirements. Single-port endoscopic surgical robots are one of the major directions for the development of next generation surgical robots. Additionally, it is expected that broader insurance coverage for robot-assisted surgeries, including for single-port robot-assisted endoscopic surgeries, will become available in China. In the United States, robot-assisted surgery is covered by both commercial health insurance and national health insurance reimbursement. Although, the decision on whether to extend local medical insurance reimbursement in other provinces will depend on local economic development and policy directions, certain major cities, including Shanghai and Beijing, have already included some robot-assisted surgeries in their provincial medical insurance reimbursement. It is also expected that more commercial insurance coverage will become available for robot-assisted surgeries in China as participants in the industry have been negotiating with insurance companies for their inclusion. Frost & Sullivan projected that the penetration rate in China will increase in the future mainly based on the following: (1) with the advancement of diagnostic technology and the increase in per capita disposable income, patients are gradually willing to seek treatment methods that cause minimal trauma. Surgical

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robots have functions such as tremor filtering, three-dimensional high-definition images and navigation, which can bring patients faster recovery, less blood loss and pain, and lower risk of complications; (2) the number of laparoscopic surgical robot configuration certificates in the “14th Five-Year Plan” has increased significantly compared to the “13th Five-Year Plan.” With the introduction of favorable policies, China’s laparoscopic surgical robot configuration certificates are expected to be liberalized, which will promote the penetration rate of multi-port and single-port surgical robots; and (3) as more cities include robot-assisted surgeries in medical insurance, which alleviates the medical burden of patients to a certain extent and can promote the improvement of multi-porous and single-porous permeability. Based on the aforementioned advantages, trends and the predicted overall acceptance and penetration in China, and as single-port endoscopic surgical robots will be approved in China in the future, their surgical volume and market size will continue to grow in the future.

The following chart sets forth the historical and forecast procedure volume of multi-port and single-port robot-assisted endoscopic surgery in China.

Historical and Forecast Volume of Multi-Port and Single-Port Robot-Assisted Endoscopic Surgery in China, 2019-2033E



Sources: Frost & Sullivan report, annual reports of comparable companies and interviews with industry experts

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Competitive Landscape

Edge Medical is the first in China and the second in the world that had received registration approvals of all of multi-port and single-port endoscopic surgical robots, whereas Intuitive Surgical was the first company in the world that had completed the pivotal clinical trials and obtained approval from regulatory authorities for both multi-port and single-port endoscopic surgical robots. This indicates Edge Medical's strong product portfolio and research and development capability that are comparable to Intuitive Surgical, a pioneer and leader in the global endoscopic surgical robot market.

In China, apart from Edge Medical, seven other domestic companies have developed endoscopic surgical robots that either received registration approval or are under clinical trials.

Competitive Landscape for Multi-Port Endoscopic Surgical Robots

Globally and in the U.S., Intuitive Surgical's da Vinci Surgical Systems are currently the dominant surgical robot products. Except for its da Vinci SP Surgical System which is a single-port endoscopic surgical robot, all of its da Vinci Surgical Systems are multi-port endoscopic surgical robots. In addition to the da Vinci Surgical Systems, as of the Latest Practicable Date, there were eight other major multi-port endoscopic surgical robots that were approved by the FDA or the Ministry of Health, Labor and Welfare of Japan or obtained CE Marking, including Asensus's Senhance, Avatera Medical's Avatera, CMR Surgical's Versius, Meere Company's Revo-I, Medtronic's Hugo and Medcaroid's Hinotori Surgical Robot System. Edge Medical's MP1000, the first model of the Edge Multi-Port Endoscopic Surgical Robot, was approved by the NMPA in December 2022 for urologic surgery and in August 2023 for gynecology, general surgery and thoracic surgery, making MP1000 the first domestically developed surgical robot to receive registration approval from NMPA for multiple surgical specialties, according to Frost & Sullivan.

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The following table lists the products of Intuitive Surgical Da Vinci surgical robot:

Manufacturer	Intuitive Surgical			
product	Da Vinci Si Systems	Da Vinci Xi Systems (IS4000)	Da Vinci X Systems	Da Vinci 5 Systems (IS5000)
First approval time	2009 (FDA) 2009 (CE)	2014 (FDA) 2014 (CE)	2017 (FDA) 2017 (CE)	2024 (FDA)
Approved Indications in US	Mainly used for maintenance and upgrades, some countries have stopped selling new systems	- Urologic surgical - General thoracoscopic surgical, - General and Gynecologic laparoscopic surgical - Thoracoscopically-assisted cardiectomy surgical;		- Urologic surgical - General thoracoscopic surgical - General and Gynecologic laparoscopic surgical
Numbers of Robotic Arms	4	4	4	4
Degrees of freedom of Single robotic arm	12	12	12	12
Key features	4 robotic arms, 12 degrees of free EndoWrist surgical Systems Shock preventable	intraoperative fluorescence visualization, Single hole surgical equipment, endoluminal specific ultrasound assistance	Most of the features are the same as Da Vinci Si, but it is not suitable for multi-quadrant surgery and does not have integrated table motion	Da Vinci 5 is a modification to Da Vinci Xi with the same core features, with an additional set of force feedback instruments designed specifically
Factory Price/USD	0.5 million to 2.5 million			
Cumulative installed base in 2024	9,629			
New Installed base in 2024	1,430			
Revenue in 2024/USD	858.8 million			

Source: Literature research, Frost & Sullivan Report

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The following table sets forth the competitive landscape of major multi-port endoscopic surgical robots globally other than our products and the products of Intuitive Surgical Da Vinci surgical robot:

Manufacturer	Medtronic	Asensus	CMR Surgical	Riverfield
Product	Hugo	Senhance	Versius surgical robot	Saroa
First approval time	2021 (CE) 2022 (Ministry of Health, Labour and Welfare of Japan) 2022 (Health Canada)	2012 (CE) 2017 (FDA) 2019 (Ministry of Health, Japan PMDA) 2020 (Russian Federation)	2019 (CE) 2024 (FDA)	x
Approved Indications in US	X	- General and gynecological laparoscopy surgery - Urologic and Pediatric Urology	Cholecystectomy	x
Numbers of Robotic Arms	4	3/4 (Adaptive mode)	5	3
Degrees of freedom of Single robotic arm	7	7	7	–
Key features	Modular design empowers surgeons to choose the surgical approach for each patient Turns the surgeon console into a 3D HD simulated environment, enabling surgeons to learn and practice Wristed instruments provides versatility and quality	- Open remote control station - Ocular tracking software - Free standing cart - High precision tactile feedback Systems - Shock preventable	- Stand operation console - Free standing and small size - Tactile feedback Systems	Real-time control and feedback of forces are possible
Ex-factory Price/USD	ND ¹	~ 0.82 million ²	~ 1.30 million ²	ND ¹
Cumulative installed base in 2024	70+	–	186	NA
New Installed base in 2024	NA	–	23	NA
Revenue in 2024/USD	NA	–	38.2 million	NA

Notes:

1. ND=Not Publicly Disclosed
2. The ex-factory price is calculated as the sum of product and service revenue divided by the number of robots placed in 2023

Source: Literature research, Company Website, Frost & Sullivan Analysis

According to Frost & Sullivan, in 2024, a total of 1,726 multi-port endoscopic surgical robots were sold globally. Intuitive Surgical sold 1,430 multi-port endoscopic surgical robots, which accounted for approximately 83% of the total global market share. Since the commercialization of the Edge Multi-Port Endoscopic Surgical Robot in December 2022, in terms of contractual sales volume, Edge Medical has entered into agreements for sales of 60 units of Edge Multi-Port Endoscopic Surgical Robot globally as of June 30, 2025.

In China, among the major international surgical robot companies, Intuitive Surgical's fourth generation da Vinci Xi Surgical System and third generation da Vinci Si Surgical System were the only products that had been approved by the NMPA as of the Latest Practicable Date. Similar to da Vinci Si and Xi Surgical Systems, the Edge Multi-Port Endoscopic Surgical Robot is a four-arm surgical robot that can be used in urologic, gynecologic, as well as general and thoracic surgery. The Edge Multi-Port Endoscopic Surgical Robot, which has been approved by the NMPA for urologic surgery, gynecology, general surgery and thoracic surgery, will primarily compete with da Vinci Xi and Si Surgical Systems in China. As of the Latest Practicable Date, a total of 13 multi-port endoscopic surgical robots have been approved by the NMPA in China, of which 11 are domestic brands and two are overseas brands. As of the same date, to the best knowledge of the Company, three multi-port endoscopic surgical robots are

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still at the pre-clinical stage, which are Vicen Healthcare, AIBOWIN Medical and BORNs. According to Frost and Sullivan, no global competitor may obtain NMPA approval for multi-port endoscopic surgical robot imminently as of the Latest Practicable Date.

The following table sets forth the competitive landscape of multi-port endoscopic surgical robots of Intuitive Surgical and us in China.

Manufacturer	Intuitive Surgical		Edge Medical
Product	Da Vinci Si Systems	Da Vinci Xi Systems	Edge Multi-Port Endoscopic Surgical Robotic System
NMPA Approval First Obtained	2011	2018	2022
NMPA Approved Indications	Urologic, General, Gynecologic, Thoracic surgeries, Thoracoscopic assisted cardiomy, Coronary anastomosis combined with mediastinotomy in cardiac revascularization		Urologic Surgery, Gynecologic Surgery, General Surgery and Thoracic Surgery
Bidding Price/RMB	/	~ 22 million ¹	~15 million
Numbers of Robotic Arms	4	4	4
Fluorescence imaging mode types	2	2	3
Degrees of Freedom of a single arm	12	12	12
Degrees of freedom of a single instrument connected to robot	7	7	7
Image transmission delay	<80ms	<80ms	40ms
Trial Locations	Global	Global	CN

Note:

1. According to Intuitive Surgical annual report and website, industry expert, interview and China Government Procurement (中國政府採購網), da Vinci Si system is no longer sold in China since 2019, the average price of da Vinci Xi system is about RMB22 million.

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The following tables set forth the competitive landscape of major multi-port endoscopic surgical robots in China other than our products and the products of Intuitive Surgical Da Vinci surgical robot:

Manufacturer	Wego	MedBot	Cornerstone	Sagebot		
Product	MicroHand	Toumai surgical robot	Sentire (C1000)	Kangduo (SR-1000)	Kangduo (SR-1500)	Kangduo (SR-2000)
NMPA Approval Obtained	October 2021	January 2022	September 2024	June 2022	April 2024	July 2024
NMPA Approved Indications	Cholecystectomy, Inguinal Hernia Surgery, Hiatal Hernia Repair and Fundoplication, Hepatic Cyst Fenestration, Appendectomy, Sleeve Gastrectomy	Urologic Surgery, Gyneologic Surgery, General surgery, Thoracic Surgery	Urology surgery, General surgery	Urologic Surgery, Gyneologic Surgery, General surgery, Thoracic Surgery	Urologic Surgery	Urologic Surgery, Gyneologic Surgery, General surgery, Thoracic Surgery
Bidding Price/RMB	Not Publicly Available	~ 15 million	Not Publicly Available	5.4-9.9 million		
Numbers of Robotic Arms	3	4	4	3	3	4
Fluorescence imaging mode types	NA	NA	NA	NA	NA	NA
Degrees of Freedom of a single arm	7	11	Unknown	12	12	12
Degrees of freedom of a single instrument connected to robot	7	7	Unknown	4	4	4
Image transmission delay	NA	NA	NA	NA	NA	NA

Source: Frost & Sullivan report, literature research and websites of comparable companies

Manufacturer	Vicen Healthcare	AIBOWIN Medical	BORNS
Product	Surgical endoscopic robotics system	PAI3000 Endoscopic Surgery Robot	Simphoni Ruxi Endoscopic Surgery Robot
NMPA Approval Obtained	/	/	/
NMPA Approved Indications	/	/	/
Bidding Price / RMB	-	-	-
Numbers of Robotic Arms	4	2	4
Fluorescence imaging mode types	NA	NA	NA
Degrees of Freedom of a single arm	Unknown	Unknown	Unknown
Degrees of freedom of a single instrument connected to robot	Unknown	Unknown	Unknown
Image transmission delay	NA	NA	NA

Source: Company Website, Frost & Sullivan Analysis

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Competitive Landscape for Single-Port Endoscopic Surgical Robots

Globally, Intuitive Surgical's da Vinci SP Surgical System is one of the earliest single-port endoscopic surgical robots that have been approved by the FDA, which was initially approved by the FDA in May 2018. Intuitive Surgical commercialized the da Vinci SP Surgical System in the third quarter of 2018. Globally, several other companies are developing single-port endoscopic surgical robots as well. According to Frost & Sullivan, in 2024, a total of 105 single-port endoscopic surgical robots were sold globally.

Edge Medical is the first in China and the second in the world that had received registration approvals of all of multi-port and single-port endoscopic surgical robots. Similar to the da Vinci SP Surgical System, the Edge Single-Port Endoscopic Surgical Robot enables surgeons to perform procedures through a single small incision, and one endoscopic camera and three instruments are incorporated in a single robotic arm. As of the Latest Practicable Date, a total of three single-port endoscopic surgical robots, developed by Edge Medical, Surgerii and MedBot, have been approved by the NMPA in China, and a number of single-port endoscopic surgical robots are still under clinical trials. According to Frost and Sullivan, among global competitors, only Intuitive Surgical's da Vinci SP Surgical System may obtain NMPA approval imminently as of the Latest Practicable Date.

The following table sets forth the major competitive landscape of single-port endoscopic surgical robots in China.

Manufacturer	Intuitive Surgical	Edge Medical	MedBot	Surgerii	Vicarious Surgical
Product	da Vinci SP Surgical System	Edge Single-Port Endoscopic Surgical Robotic System (SP1000)	Toumai Single-Port Laparoscopic Surgical Robot	Surgerii Modular Endoscopic Surgery Robot	Vicarious Surgical System
NMPA Approval	x	November 2023	February 2025	June 2023 (Urologic Surgery) February 2024 (Urologic and Gynecologic Surgery) May 2025 (Urologic, Gynecologic, General and Thoracic Surgery)	x
Single-armed Single Port or not	√	√	x	x	x
NMPA Approved Indications/Clinical Trial in China	• Patient Enrolling: Urologic, otorhinolaryngologic, Gynecologic and General surgery (Mainland) • Trial Initiated: Otorhinolaryngology, Head and Neck, Urologic, Colorectal surgery (Hong Kong)	• Approved: Gynecologic, Urologic and General Surgery	• Approved: Cholecystectomy, liver cyst fenestration, sleeve gastrectomy, fundoplication, hiatal hernia repair, inguinal hernia surgery, appendectomy, laparoscopic surgery of upper urinary tract in urology (except malignant lesions), gynecology (except malignant lesions)	• Approved: Gynecologic Surgery, Urologic Surgery, Thoracic Surgery (Lung)	x
Device Price	NA	NA	NA	NA	NA
Number of Endoscopic Camera(s) + Number of Instruments	1+3	1+3	1+3	1+3	1+2
Degrees of Freedom of the Endoscope	4	5	4	Unknown	4
Degrees of Freedom of Instruments	7	7	7	7	13
Trial Locations	CN	CN	CN	CN	Global

Source: NMPA website, Frost & Sullivan Report

Growth Drivers for China's Endoscopic Surgical Robot Market

The following factors are expected to drive the growth of China's endoscopic surgical robot market:

- *Benefits to Surgeons and Hospitals.* The endoscopic surgical robot provides more ease of operation compared to the traditional 2D endoscopes due to the depth of perception and more accurate positioning in a 3D image. Surgeons' learning curve is relatively shorter for robot-assisted endoscopic surgery, which indicates that surgeons who have different levels of exposure to open surgery or conventional MIS are able to perform robot-assisted surgery. The endoscopic surgical robot reduces surgeons' burden and workload and thus extend surgeons' career potentials by reducing their mental stress and amount of work. In addition, the adoption of surgical robots can reduce hospitals' staffing costs and thus fill the gap of surgeon shortage as well as increasing the bed turnover rate due to shorter hospitalization.
- *Patients' Enhanced Awareness of MIS.* With the increased disposable income and rising awareness of health issues in China, patients expect better prognosis, less post-operative complications and pain, and minimized wound as well as shorter hospitalization time. There is an increasing awareness of the advantages of MIS among Chinese patients population, which drives the growth of endoscopic surgical robot market in China.
- *Continuous Innovation in Key Technology.* Surgical robots started to emerge in China relatively late compared to the developed countries. However, with the continuous breakthroughs in artificial intelligence and medical technology, the surgical robots developed by Chinese companies are heading towards the goal of MIS and less-invasive surgery, which has promoted the research and development of surgical robots and the related technological innovation and further driven the market growth.
- *Favorable Government Policies.* The PRC government has promulgated a series of regulations to promote the development of innovative medical devices including surgical robots in recent years including increasing the quota limit for procuring endoscopic surgical robots since 2018. Pursuant to the *Catalog of Large Medical Devices Subject to Administration on Deployment Permit (2018)* (《大型醫用設備配置許可管理目錄(2018年)》) (the "2018 National Allocation Plan") issued in March 2018 by the National Health Commission, the endoscopic surgical instrument control systems (i.e., surgical robots) are included in the catalog as the category B large medical devices. This means that the government authority at the provincial level is responsible for deployment management, giving local hospitals and surgical robotics companies more flexibility. In addition, hospitals in China are required to procure endoscopic surgical robots through either designated distributors or directly through the hospitals themselves under the national allocation plan. The 2018 National Allocation Plan set an initial quota of 197 endoscopic surgical robots to be

deployed for the period of 2018 to 2020. In July 2022, this quota was adjusted to 268 units for that same period to meet the increasing demand in hospital installations. Pursuant to the *Catalog of Large Medical Devices Subject to Administration on Deployment Permit (2023)* (《大型醫用設備配置許可管理目錄(2023年)》) issued in March 2023 by the National Health Commission, endoscopic surgical robots remained as category B large medical devices. Pursuant to the *Notice of the National Health Commission on Release of the “14th Five-year” Large-scale Medical Equipment Allocation Plan* (《國家衛生健康委關於發佈“十四五”大型醫用設備配置規劃的通知》) (the “2023 National Allocation Plan”) issued in June 2023, a total quota 819 units of endoscopic surgical robots is planned to be deployed by the end of 2025, starting from 2006. Out of 819 units, a quota of 559 units is planned to be deployed for the period of the 14th Five-year Plan, namely from 2021 to 2025, which indicates an increasing demand for surgical robots. The historical increases in the quota limits under the national allocation plans indicate that the quotas are sufficient and have been historically adjusted to meet the market demand. As of the Latest Practicable Date, a quota of 460 units has been assigned to specific hospitals, of which 242 units have not yet been utilized to purchase endoscopic surgical robots. The *Implementation Opinions on Deepening the Integrated Development of Advanced Manufacturing and Modern Service Industries* (關於推動先進製造業和現代服務業深度融合發展的實施意見) issued in November 2019 includes surgical robots as one of the key development areas. In April 2021, four clinical applications of robotic-assisted surgery using da Vinci Surgical Systems (i.e. radical prostatectomy, partial nephrectomy, total hysterectomy, and radical resection of rectal cancer) were covered by the medical insurance reimbursement list in Shanghai, which demonstrated the recognition of the importance of endoscopic surgical robots and more clinical applications performed by robotic-assisted surgery are expected to be included in the medical insurance reimbursement list of more provinces and cities. For further details, see “Regulatory Overview—Overview of the Major Laws, Rules and Regulations Relating to Our Business in the PRC—Procurement Management of Medical Devices.”

- *Importance of Domestic Substitution.* Though there have been research activities in relation to endoscopic surgical robots in China on key technologies in terms of artificial intelligence, human-machine interaction and robotics, Intuitive Surgical is still dominating the global surgical robot market, including China. As core technology and key components used in the manufacturing of surgical robots require patent application, China’s market still relies on imported products. Therefore, it is urgent and important to develop surgical robots with higher accessibility to gradually replace imported products.

Future Trends for China's Endoscopic Surgical Robot Market

China's endoscopic surgical robot market is likely to demonstrate the following trends:

- *Wider Clinical Applications.* Since surgical robots offer many benefits over the conventional surgical techniques in terms of accuracy, reliability and precision, robotic technology is expected to be applied in more surgical scenarios. With continuous key technological advancement expected in China, endoscopic surgical robots will be used in a wide range of surgical specialties, including gynecologic, urologic, general and thoracic surgery.
- *Enhanced Accessibility.* Currently, high-end medical equipment such as surgical robots is mainly adopted among Class III hospitals and is rarely used in primary hospitals due to the high costs involved. With further development of key technology of surgical robots, the costs of manufacturing and purchase of surgical robots are expected to decrease, and thus the application of surgical robots will be expanded to primary hospitals to further enhance the accessibility of surgical robots, which will lead to better treatment outcome.
- *Technology Integration and Establishment of Intelligent Platform.* Future surgical robots are expected to be more intelligent, specialized and personalized. The continuous in-depth combination of human-computer interaction systems with intelligent perception, as well as the development of 5G will improve the accuracy of operation, and realize the popularization of remote operation treatment technology. In addition, the technologies for the next-generation surgical robots include artificial intelligence and augmented reality to achieve preoperative intelligent surgical planning. The next generation surgical robots will also feature intraoperative 3D holographic imaging, which can provide further improved visualisation of the surgical site. By utilizing robotic surgery technologies, wireless networking technologies (such as IoT and 5G) and mixed reality technologies, the next generation surgical robots can be used to perform remote surgery.
- *Rapid Development of Single-Port Endoscopic Surgical Robots.* In addition to multi-port endoscopic surgical robots, single-port endoscopic surgical robots are another major development focus. Single-port endoscopic surgical robots provide clinical benefits, such as fewer incisions, and are favored by patients who pay more attention to medical aesthetics. Companies that develop both multi-port and single-port surgical robots are able to meet various needs of surgeons and patients and therefore will have more competitive advantages in the market.
- *Emerging Mode of Telesurgery.* The emerging mode of telesurgery enables surgeons to perform surgical procedures on remotely located patients. With the continuous development of artificial intelligence, 5G network and robotics technology, the accuracy and reliability of telesurgery will be greatly improved. At the same time, the global cloud knowledge base and safe and efficient digital medical environment

will provide strong support for the popularization of telesurgery. As with the advancement of 5G networks and AR/VR technology, the latency of telesurgery will be further reduced and the image quality will be significantly improved, thus achieving more precise remote operations.

Entry Barriers for China's Endoscopic Surgical Robot Market

China's endoscopic surgical robot market presents the following entry barriers:

- *Technical and Complex R&D Process and Intellectual Property Protection.* An endoscopic surgical robot integrates knowledge in different aspects, including medicine, mechanics, hylology, computer graphics, computer science, mathematical analysis, artificial intelligence and robotics. Therefore, the research and development of endoscopic surgical robots is highly technical and complex, which requires multidisciplinary experts to design dexterous, safe and accurate surgical robots. The design and development of surgical robots usually involve a lengthy and costly R&D cycle that can take years or decades. In the endoscopic surgical robot market, companies with a strong intellectual property portfolio are expected to establish high technological barrier and may obtain market share quickly and effectively. Invention protected by patents also creates a high entry barrier.
- *Regulatory Requirements.* Endoscopic surgical robots are categorized as the Class III medical device in China, which has strict regulatory requirements. It is required to provide accurate and reliable clinical trial data as a support for market acceptance in China. In order to obtain the qualified clinical experimental data, professional knowledge, outstanding research and development capability, rich clinical experience and advanced technology are required.
- *Manufacturing and supply chain management.* The manufacturing process for surgical robots is highly complex and technologically challenging. Both manufacturing know-how and a comprehensive and stringent quality management and control system are required to ensure reliability, consistency and production efficiency. In addition, surgical robotics manufacturers also need sophisticated supply chain management. Endoscopic surgical robots have high requirements for the sources of raw materials and components in terms of accuracy, reliability and safety. Therefore, new market entrants need to have the capability to establish comprehensive high-end manufacturing and supply chain management systems.
- *First-mover advantage.* Pioneers in the surgical robot industry will have strong first-mover advantages because they can quickly gain market share through establishing relationships and collaborations with hospitals and surgeons. Once earlier market players establish their customer base and create user stickiness to their products, it can be challenging for new entrants to gain market acceptance without creating efficient commercialization strategies or greatly outperforming the existing competitors in terms of surgical capability, treatment effects and costs. In addition, the long use cycle and low replacement frequency of endoscopic surgical robots reinforce the first-mover advantages in the endoscopic surgical robot industry.

NATURAL ORIFICE SURGICAL ROBOT MARKET

Overview

The natural orifice surgical robot market is the fastest growing segment of the global surgical robot market. NOTES refers to procedures performed through the human oral cavity, anus, bronchus, urethra and other natural cavity. It mainly includes procedures and treatments by, among others, bronchoscopy, enteroscopy, gastroscopy and urethroscopy. NOTES represents a step towards the goal of non-invasive incision and is able to alleviate the surgical trauma. NOTES not only has the advantages of MIS, but also offers several additional potential benefits, including but not limited to minimized scarring results, lower anesthesia requirements, less pain, even faster recovery, and a decreased incidence of wound-related complications. However, such procedures are constrained by developments of medical device technologies, including, among others, the lack of navigation technology, the lack of flexibility of surgical instruments and the difficulty in controlling the end of flexible instruments.

Robot-assisted NOTES is an emerging surgery technology and refers to NOTES performed with assistance of natural orifice surgical robots. A natural orifice surgical robot refers to a surgical robot that can perform diagnosis and surgery through placing a controllable flexible endoscope through one of the bodies' natural orifices such as the respiratory tract and digestive tract. Natural orifice surgical robots can be used for the examination or operation in lung, bowel and stomach. Natural orifice surgical robots mainly include bronchoscopy robots and others.

Robotic bronchoscopes are a category of natural orifice surgical robots with great clinical and market value. Bronchoscopy is widely used for biopsy of pulmonary lesions. Simple procedures, such as ablation, can be performed during bronchoscopy. Because of the limitation on the control accuracy and flexibility of bronchoscopes, as well as the lack of navigation technology, conventional bronchoscopes can only access below 40% of the bronchial region and thus the diagnostic accuracy is relatively low. By introducing the robotic navigation technology and remote control technology, the robotic bronchoscope can achieve preoperative model-based 3D reconstruction of the bronchial tree and trajectory planning, intraoperative combination of virtual image with real-time image navigation, and remote real-time control of the movements of the flexible bronchoscope distal-end by the surgeon through manipulating the controller. Robotic bronchoscopy can reach more than 90% of the lung segments covering the sixth and above order segmental bronchi and allows surgeons to perform real-time accurate biopsy or ablation procedures, thereby enabling earlier and more accurate diagnosis and treatment of lung lesions.

In January 2025, Edge Medical obtained the Class III medical device registration certificate for CP1000, the first model of the Edge Bronchoscope Robot. Globally, three major trans-bronchoscopic surgical robots are approved by the FDA, namely Intuitive Surgical's Ion Platform, with one robotic arm, Johnson & Johnson's Monarch Platform, with two robotic arms, and Noah Medical's Galaxy System, with one robotic arm. The Monarch Platform's endoscope includes a video bronchoscope with an bronchoscope sheath. Two robotic arms

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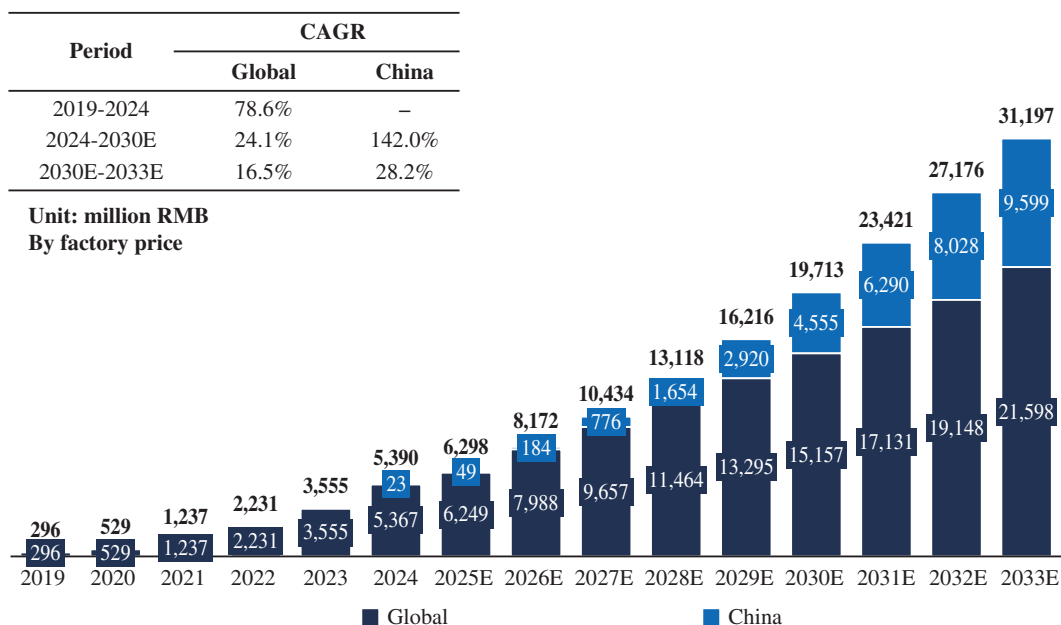
enable control of the insertion, retraction, and rotation of the bronchoscope sheath and endoscope with enhanced distal control, stability, and endoscopic range because of the structural support provided by the bronchoscope sheath. Thus, using two robotic arms can provide stability and precise control for an expanded bronchoscopic biopsy scope.

Market Size of Natural Orifice Surgical Robots

The global market size of natural orifice surgical robots has maintained a rapid growth in recent years. It increased from RMB296 million in 2019 to RMB5,390 million in 2024 at a CAGR of 78.6% and is expected to further grow to RMB31,197 million by 2033 at a CAGR of 21.5%.

In China, the market size of natural orifice surgical robots is RMB22.7 million with the first natural orifice surgical robot commercialized in China in 2024, and further grow to RMB9,599 million by 2033 at a CAGR of 95.8%. The following chart sets forth historical and forecast market size of natural orifice surgical robots globally and in China.

**Historical and Forecast Market Size of Natural Orifice Surgical Robots,
Global vs China, 2019-2033E**



Sources: Frost & Sullivan report and annual reports of comparable companies

Competitive Landscape

Globally, three major natural orifice surgical robots were approved by the FDA as of the Latest Practicable Date, including for peripheral lung lesion biopsy, Johnson & Johnson's Monarch Platform, Intuitive Surgical's Ion Platform with one robotic arm, and Noah Medical's Galaxy System. Based on multi-channel sources, including literature researches (including "A Review of Robotic-Assisted Bronchoscopy Platforms in the Sampling of Peripheral Pulmonary Lesions" (Lu et al., 2021), "Review of Emerging Surgical Robotic Technology" (Peter et al., 2018)), company websites, enterprise sales data and industry expert interview, the device prices for such three natural orifice surgical robots range from US\$500,000 to US\$1,000,000. Key features of Ion Platform and Monarch Platform, which are both for lung biopsy or bronchoscopic procedures, are set forth below:

- Ion Platform: accurate shape and position of the conduit; ultra-thin robot guide with 180-degree articulation in all directions; compatibility with multiple imaging modes; and intrabronchial ultrasound, fluoroscopy and cone beam CT scanner; and
- Monarch Platform: integral soft mirror to support the bronchoscope sheath; a platform integrating software, data analysis, robots and visual imaging.

According to Frost & Sullivan, Intuitive Surgical's Ion Platform, Johnson & Johnson's Monarch Platform and Noah Medical's Galaxy System have received approval from the NMPA in China as of the Latest Practicable Date. Edge Medical is the major domestic company that is developing natural orifice surgical robots. The first case of animal testing for two-arm bronchoscope robots in China was completed by Edge Medical, which makes Edge Medical the first domestic company that is developing two-arm bronchoscope robots. In January 2025, Edge Medical obtained the Class III medical device registration certificate for CP1000, the first model of the Edge Bronchoscope Robot.

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The following table sets forth the competitive landscape of major natural orifice surgical robots globally including in China.

Manufacturer	Intuitive Surgical	Johnson & Johnson	Edge Medical	LungHealth Medical	Broncus Medical
Product	Ion Platform	Monarch Platform	Edge Medical Robotic Bronchoscope System	Polaris Bronchoscope Navigation Robot	Natural orifice surgical robot
FDA	2019	2018	NA	NA	NA
NMPA	2024	2023	2025	2024	NA
Double-armed, Double-Catheter Configuration	x	√	√	x	Unknown
Live Image Navigation Technology	√	√	√	√	√
Key features	- Fiber optic shape sensing technology provides stability - Enable accurate biopsy	- Experience Vision During Peripheral Biopsy - Bronchoscope and magnet Navigation Integration	- Integrating diagnosis with treatment and advanced navigation systems provide precise positioning - Maneuverability of the catheter to articulate 180° in all directions - Access to most segments of the lung	Seven-axis collaborative robotic arm	Possess a full-lung arrival navigation system

Source: Literature researches, FDA, NMPA, Frost & Sullivan Report

REPORT COMMISSIONED BY FROST & SULLIVAN

In connection with the Global Offering, we have engaged Frost & Sullivan to conduct a detailed analysis and to prepare an industry report on the worldwide and China surgical robot markets. Frost & Sullivan is an independent global market research and consulting company founded in 1961 and is based in the United States. Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries.

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We have included certain information from the Frost & Sullivan Report in this Prospectus because we believe such information facilitates an understanding of the surgical robot market and conventional MIS instrument market for potential investors. Frost & Sullivan prepared its report based on its in-house database, independent third party reports and publicly available data from reputable industry organizations. Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesize information in relation to the market, prices and other relevant information. Frost & Sullivan believes that the basic assumptions used in preparing the Frost & Sullivan Report, including those used to make future projections, are factual, correct and not misleading. Frost & Sullivan has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.

We have agreed to pay Frost & Sullivan a fee of RMB1,470,000 for the preparation of the Frost & Sullivan Report. The payment of such amount was not contingent upon our successful listing or on the content of the Frost & Sullivan Report. Except for the Frost & Sullivan Report, we did not commission any other industry report in connection with the Global Offering. We confirm that after taking reasonable care, there has been no adverse change in the market information since the date of the report prepared by Frost & Sullivan which may qualify, contradict or have an impact on the information set forth in this section in any material respect.

REGULATORY OVERVIEW

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

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

Principal Regulatory Authorities

The principal regulatory authorities governing the medical device industry in the PRC include NMPA, NDRC and National Health Commission (“**NHC**”).

NMPA is mainly responsible for the supervision and management of the safety of medical device, registration management, quality management, post-marketing risk management, supervision and inspection, and international exchanges and cooperation with respect to supervision and management. In March 2018, the Plan for Institutional Reform of State Council adopted at the First Session of the 13th National People’s Congress decided to replace the China Food and Drug Administration (“**CFDA**”) with NMPA to assume the duties of the former CFDA.

NDRC is mainly responsible for the implementation of industrial policies for the pharmaceutical industry, studying and formulating development plans for the medical device industry, guiding the adjustment of industrial structure and the implementation of industrial management.

NHC is mainly responsible for formulating and supervising the implementation of measures for administration of medical institutions and the medical service industry, and establishing the medical service evaluation and supervision management system.

Regulations and Classification of Medical Devices

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

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

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

Registration and Filings of Medical Device Products

Pursuant to the Measures for the Administration of Registration and Record-filing of Medical Devices (醫療器械註冊與備案管理辦法) promulgated by the State Administration for Market Regulation (“**SAMR**”) on August 26, 2021 and came into effect on October 1, 2021, Class II and Class III medical devices are subject to product registration management. Class I medical devices are subject to product filing management. Record-filing parties of domestic Category I medical devices shall submit record-filing materials to the drug regulatory authorities at the level of city divided into districts. Domestic Category II medical devices shall be examined by the drug regulatory authorities of provinces, autonomous regions and centrally-administered municipalities which shall issue the Medical Device Registration Certificate upon approval after examination. Domestic Category III medical devices shall be examined by the NMPA which shall issue the Medical Device Registration Certificate upon approval after examination. The registration certificate for a medical device is valid for five years and the registrant shall apply to the original registration departments for renewal at least six months prior to its expiration date.

According to the Measures for the Administration of Registration and Record-filing of Medical Devices, the clinical evaluation shall be conducted for the registration or record-filing of medical devices, but except for circumstances specified under any of the following: (I) the medical device has clear working mechanism, finalized design and mature production process, and the marketed medical devices of the same kind have been used in clinical application for years with no record of serious adverse event, and does not change the general purpose of the medical device; or (II) any other circumstance where the safety and effectiveness of the

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medical device can be proved through non-clinical evaluation. The NMPA issued Announcement on Issuing Catalog of Medical Devices Exempted from Clinical Evaluation (the “Catalog”) (關於發佈免於進行臨床評價醫療器械目錄的通告) on September 16, 2021, which came into effect on October 1, 2021. The Catalog was latest amended on May 12, 2025 and effective on the same date. Pursuant to the Measures for the Administration of Registration and Record filing of Medical Devices, clinical trials or clinical evaluation are required for our surgical robotic products because this product category does not fall within the Catalog.

For certain Class III medical devices that are subject to clinical trials with high risk to human body, approval from the NMPA is required before clinical trials. On September 14, 2020, the NMPA issued the Notice on the List of Class III Medical Devices Subject to Clinical Trial Approval (2020 Revision) (關於發佈需進行臨床試驗審批的第三類醫療器械目錄(2020年修訂版)的通告), which revised the original List of Class III Medical Devices Subject to Clinical Trial Approval (需進行臨床試驗審批的第三類醫療器械目錄) and came into effect since September 14, 2020.

According to the Measures for the Administration of Registration and Record-filing of Medical Devices, the registrants of medical devices shall take the initiative to carry out post-marketing research, further confirm the safety, effectiveness and quality controllability of the medical devices and strengthen the continuous management of the medical devices on the market. In case of any substantial change of the designs, raw materials, production technologies, scopes of application and application methods, etc., of the registered medical device products of Class II or Class III, which may affect the safety or effectiveness of such medical devices, the registrants shall apply to the original registration departments for changing registration. The product name, model, specification, structure and composition, scope of application, product technical requirements, and production address of imported medical devices as specified in the registration certificate shall be among the items requiring registration modification as stipulated in the preceding paragraph.

After the modification, the documents for the modification of medical device registration shall be used in conjunction with the original medical device registration certificate, and the validity period end date shall be the same as that of the original medical device registration certificate.

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

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In addition, Measures for the Administration of Registration and Record-filing of Medical Devices provide details on other aspects such as product development and manufacturing, clinical evaluation, registration system verification, product registration, change of registration, renewal of registration, product filing, etc. It also states special registration procedures such as innovative product registration procedure, priority registration procedure, contingency registration procedure, etc.

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

Good Clinical Practice for Clinical Trial

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

On March 24, 2022, the NMPA and the National Health Commission of the PRC jointly issued the new Good Clinical Practice for Medical Devices Trials (《醫療器械臨床試驗質量管理規範》) (the “**2022 Good Clinical Practice**”) which became effective on May 1, 2022, as an amendment to the expired Good Clinical Practice for Medical Devices Trials (the “**2016 Good Clinical Practice**”). The 2022 Good Clinical Practice includes full procedures of clinical trial of medical devices, including, among others, the protocol design, conduct, monitoring, verification, inspection, and data collection, recording, analysis and conclusion and reporting procedure of a clinical trial. For conducting clinical trials of medical devices, an applicant shall organize to formulate scientific and reasonable clinical trial protocols based on the purpose of the clinical trial, with comprehensive consideration of the risks, technical characteristics, application scope and expected use of the medical devices tested. The applicant shall be responsible for (i) organizing to develop and revise the researcher’s manual, clinical trial protocols, informed consent form, case report form, relevant standard operating procedures and other relevant documents, and (ii) organizing necessary training for the clinical trials. The applicant shall select the clinical trial institutions and its researchers from the qualified medical device clinical trial institutions according to the characteristics of the medical devices to be used in the clinical study. An applicant for clinical trials of medical devices shall be responsible for initiating, applying, organizing and monitoring such clinical trials, and shall be responsible for the authenticity and reliability of the clinical trials. The 2022 Good Clinical Practice highlights the main responsibility of the applicant, requires that the quality management system of the applicant should cover the whole process of clinical trials of medical devices (including training and evaluation, implementation of clinical trials, management of medical

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devices and biological samples, handling of adverse events and device defects, and the reporting, recording and quality control of safety information, so as to ensure that the principal investigators fulfill their duties related to clinical trials, that the human subjects receive proper medical treatment and that the data generated in the trials are authentic). The applicant shall, according to the purpose of the clinical trial, comprehensively consider the risks, technical characteristics, application scope and expected use of the medical devices tested, and organize the formulation of scientific and reasonable clinical trial plans. Besides, the 2022 Good Clinical Practice simplifies relevant requirements and supporting documents, including but not limited to cancel the requirements that clinical trials of medical devices should be conducted in “two or more” medical device clinical trial institutions and the qualified product registration inspection report should only be valid for one year. Pursuant to the 2024 Medical Device Regulations, clinical evaluation shall be conducted before the registration or record-filing of medical devices. However, medical devices may be exempt from clinical evaluation under any of the following circumstances: (i) they have clear and definite working mechanisms, finalized designs and mature manufacturing techniques, the marketed medical devices of the same category have been put into clinical application for years with no record of severe adverse event, and their general purposes remain unchanged; (ii) the safety and utility of such medical devices can be proved through non-clinical evaluation. During the process of clinical evaluation for medical devices, their safety and effectiveness may be proved by carrying out clinical trials or analyzing and evaluating the clinical literature and data of medical devices of the same category on the basis of the product characteristics, clinical risks, existing clinical data and other circumstances. If the existing clinical literature and data are insufficient to confirm the safety and effectiveness of the medical devices, clinical trials shall be conducted.

Medical Device Registrant System

Pursuant to the Notice of the NMPA on Expanding the Pilot of the Medical Device Registrant System (國家藥監局關於擴大醫療器械註冊人制度試點工作的通知) promulgated by the NMPA and coming into force on August 1, 2019, in order to fully implement the medical device registrant system, the NMPA decided to further expand the pilot of the medical device registrant system on the basis of the pilot work of the medical device registrant system in the free trade zones of Shanghai, Guangdong and Tianjin. The contents and objectives of the pilot program mainly include: exploring the establishment of the management system for entrusted production of medical devices, optimizing resource allocation and clarifying the liabilities of the parties concerned. An applicant for medical device registration who applies for and obtains a medical device registration certificate shall become a medical device registrant. The applicant may entrust an enterprise with corresponding production capacity to produce samples, and the registrant may entrust the production of the certified products to one or more enterprises with production capacity.

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

Innovative Medical Device Special Review and Approval Procedure

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

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

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

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

According to the Measures for the Administration of Registration and Record-filing of Medical Devices, for application applicable for innovative product registration procedure, the applicants shall submit innovative medical device review application to the NMPA after the basic model of the product has been determined. The NMPA shall organize experts to conduct review. For medical devices that meet requirements, innovative product registration procedure would apply. For medical devices registration application applicable for innovative product registration procedure, the NMPA and institutions undertaking related technical work, according to their respective responsibilities, would designate special persons-in-charge, communicate in time and provide guidance. For medical devices under innovative product registration procedure, the Center for Medical Device Evaluation of the NMPA could communicate with the applicants on major technical issues, major safety issues, clinical trial plan, conclusion and evaluation of the clinical trial results in various stages during product development and manufacturing before acceptance of registration and during technical evaluation procedure.

Medical Device Production Permit

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

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

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2022 and came into effect on May 1, 2022 in accordance with the 2024 Medical Regulations. The 2022 Supervisory and Administrative Measures for Production stipulates the following conditions which a manufacturer of medical devices shall satisfy:

- (i) possessing production sites, environmental conditions, production equipment and professional technicians that are suitable for such medical device produced;
- (ii) possessing organizations or professional examination staff and examination equipment that carry out quality examination for such medical device produced;
- (iii) formulating a management system which ensures the quality of such medical device;
- (iv) having capability of after-sale services that is suitable for such medical device produced; and
- (v) satisfying the requirements as prescribed in production R&D and production technique documents.

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

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

Compared with the expired Administrative Measures for the Supervision of the Production of Medical Device which were revised in 2017, amendments have been made to the 2022 Supervisory and Administrative Measures for Production in several aspects, including but not limited to: (i) simplifying materials to be submitted for the application for production license, and adjusting the review time limit of medical device production license application from 30 working days to 20 working days; (ii) where a Medical Device Production License is required to be extended upon its expiration, changing the timing required for making any extension application from 6 months prior to expiration to a period ranging from 90 working days to 30 working days prior to expiration, emphasizing that any extension application made after such timeframe would not be accepted; (iii) specifying that the legal representative and principal person-in-charge of the party responsible for the registration or recordation of medical devices shall be fully responsible for the quality and safety of the medical devices produced by the party; (iv) specifying that the party responsible for the registration or recordation of and the entrusted manufacturer of the medical devices shall, as required by the state for the implementation of unique identification of medical devices, assign codes, and upload, maintain and update data to ensure that the information is true, accurate, complete and

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traceable. Furthermore, the 2022 Supervisory and Administrative Measures for Production fully implements the requirements of the medical device registrant system, cancels the filing requirements for commissioned production and incorporates the requirements of commissioned production into the quality management system for unified regulation. A medical device registrant or filer may commission the enterprises that comply with the provisions of this regulation and meet corresponding conditions to produce medical devices. In case of commissioned production of medical devices, a medical device registrant or filer shall be responsible for the quality of the medical devices produced by the commissioned production enterprises, and strengthen the administration of the production by the commissioned production enterprises to ensure the compliance with the regulatory requirement.

Production and Quality Management of Medical Devices

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

Pursuant to the Notice on Printing and Distributing 4 Guiding Principles including the Guidelines for On-site Inspection of Production Quality Management Practices of Medical Devices (關於印發醫療器械生產質量管理規範現場檢查指導原則等4個指導原則的通知) issued by the former CFDA and came into effect on September 25, 2015, during the course of on-site verification of the registration of medical devices and on-site inspection of production permits (including changes), the inspection team shall, in accordance with the guidelines, issue recommended conclusions for on-site inspections, which shall be divided into “Passed,” “Failed” and “Reassessment after rectification.” During the supervision and inspection, if it is found that the requirements of the key items or ordinary items that may have direct impact on product quality are not satisfied, the enterprise shall suspend production and go through rectification. If it is found that the requirements of the ordinary items are not satisfied, and it does not directly affect product quality, the enterprise shall rectify in a prescribed time. The regulatory authorities will examine and verify the recommended conclusions and on-site inspection materials submitted by the inspection group, and issue the final inspection results.

Administration of Medical Device Operation

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

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

Compared with the expired Measures for the Supervision and Administration of Medical Device Operation which were revised in 2017, amendments have been made to the 2022 Supervisory and Administrative Measures for Operations in several aspects, including but not limited to: (i) simplifying materials to be submitted for the application for business licenses and filing; (ii) where a Business Operation Licence of Medical Devices is required to be extended upon its expiration, changing the timing required for making any extension application from 6 months prior to expiration to a period ranging from 90 working days to 30 working days prior to expiration, emphasizing that any extension application made after such timeframe would not be accepted, and specifying the method of calculating the duration of the Business Operation Licence of Medical Devices; (iii) clarifying that medical device business enterprises should establish and implement a product traceability system to ensure product traceability, and shall enforce the unique medical device identification system in accordance with relevant national regulations; and (iv) adjusting the punishments for illegal acts by strengthening the penal severity (for instance, the maximum fine to be imposed is increased from RMB30,000 to RMB200,000, if enterprises engaged in the business of Class III medical devices change their business premises, warehouse addresses, or scope of operation without approval).

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The Unique Medical Device Identification (UDI) system

Pursuant to the Medical Device Unique Identification System Rules (醫療器械唯一標識系統規則) (State Drug Administration Announcement No. 66 of 2019), the State Drug Administration on the First Batch of Implementation of the Unique Identification of Medical Devices on Matters Related to the Notice (國家藥監局關於做好第一批實施醫療器械唯一標識工作有關事項的通告) (State Drug Administration Notice No. 72 of 2019) and the In-depth Pilot to do a Good Job of the First Batch of Implementation of the Unique Identification of Medical Devices Work Notice (關於深入推進試點做好第一批實施醫療器械唯一標識工作的公告) (State Drug Administration, the National Health and Health Commission, the National Health Insurance Bureau Notice No. 106 of 2020), medical devices involving active implants, passive implants and other high-risk Class III medical devices are included in the first batch of medical device unique logo implementation varieties. On January 1, 2021, the production of medical devices included in the first batch of medical device unique identification implementation varieties should have a medical device unique identification, and the smallest sales unit, higher level packaging product identification and related data uploaded to the medical device unique identification database.

Pursuant to the aforementioned provisions, the first batch of enterprises and products included in the pilot unique identification of medical devices are required to implement the rules related to the unique identification of medical devices from January 1, 2021. The medical device manufacturers not included in the first batch of the pilot unique identification should be recorded for each production and business activities.

The Company is not among the first batch of companies participating in the UDI pilot as specified in the Notice of the Comprehensive Department of the State Drug Administration on the Pilot Training of the Unique Identification System for Medical Devices (國家藥監局綜合司關於開展醫療器械唯一標識系統試點工作培訓的通知).

Pursuant to the Announcement on the Second Batch of Implementation of the Unique Identification of Medical Devices (關於做好第二批實施醫療器械唯一標識工作的公告) (State Drug Administration, the National Health and Health Commission, the National Health Insurance Bureau Notice No. 114 of 2021), on the basis of the 69 varieties in 9 categories specified by the In-depth Pilot to do a Good Job of the First Batch of Implementation of the Unique Identification of Medical Devices Work Notice, the remaining Class III medical devices (including in vitro diagnostic reagents) are included in the second batch of medical device unique logo implementation varieties. Support and encourage other medical device varieties to implement unique identification. Before the medical devices produces are put on the market, the registrant shall upload the smallest sales unit, higher level packaging product identification and related data to the medical device unique identification database from June 1, 2022 to ensure that the data are true, accurate, complete and traceable.

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Pursuant to the Announcement on the Third Batch of Implementation of the Unique Identification of Medical Devices (關於做好第三批實施醫療器械唯一標識工作的公告) (State Drug Administration, the National Health and Health Commission, the National Health Insurance Bureau Notice No. 22 of 2023), some Class II medical devices such as disposable products with large clinical demand, selected products with centralized procurement volume, and medical cosmetology related products are used as the unique identification implementation varieties of the third batch of medical devices. Before the medical devices produces are put on the market, the registrant shall upload the smallest sales unit, higher level packaging product identification and related data to the medical device unique identification database from June 1, 2024 to ensure that the data are true, accurate, complete and traceable.

Two-invoice System

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

According to the Notice on Consolidating the Achievements of Canceling Drug Markups and Deepening Comprehensive Reforms in Public Hospitals (關於鞏固破除以藥補醫成果持續深化公立醫院綜合改革的通知) promulgated by the former National Health and Family Planning Commission, the Ministry of Finance, the NDRC and other departments on March 5, 2018, high value medical consumables shall be subject to classified and centralized purchase, and the “Two Invoice System” in relation to high-value medical consumables shall be gradually implemented.

On July 19, 2019, the General Office of the State Council issued the Notice on Printing and Distributing the Reform Plan for the Management of High-value Medical Consumables (國務院辦公廳關於印發治理高值醫用耗材改革方案的通知) (the “**Circular on High-Value Medical Consumables**”), which encourages local governments to adopt the “Two-invoice System” on a case-by-case basis in order to reduce the circulation of high-value medical consumables and promote the transparency of purchase and sales. Pursuant to the Reply of the National Healthcare Security Administration (the “**NHSA**”) to Recommendation No. 1209 of the Second Session of the 13th National People’s Congress (《國家醫療保障局對十三屆全國人大二次會議第1209號建議的答覆》) issued by NHSA on July 23, 2019, “Two Invoice System” for high-value consumables needs to be further discussed given the huge differences between high-value consumables and pharmaceuticals and the complexity of their clinical use and after-sales service.

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At present, some provinces in China have issued relevant systems for the “Two-Invoice System” for medical consumables. However, there is no specific system and implementation time for the “Two-Invoice System” for medical devices, and the reform is still in progress.

Procurement Management of Medical Devices

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

According to the Opinions of the State Council Leading Group for Deepening the Reform of Medical and Pharmaceutical Health System on Further Popularizing and Deepening the Reform of Medical and Pharmaceutical Health System (國務院深化醫藥衛生體制改革領導小組關於進一步推廣深化醫藥衛生體制改革經驗的若干意見) issued in November 2016, sunshine procurement of medical consumables, and centralized procurement of high value medical consumables, diagnostic reagents and large-scale medical equipment should be implemented.

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

On November 4, 2020, the NHSA issued the NHSA Response to Proposal No. 7777 of the Third Session of the Thirteenth NPC (國家醫療保障局對十三屆全國人大三次會議第7777號建議的答覆) (Medical Security Letter [2020] No. 165), which clearly indicates that the country is currently promoting the establishment of an integrated provincial bidding and procurement platform for bidding, procurement, trading, settlement and supervision, and promoting the construction of regional and national alliance procurement mechanisms. At the same time, the NHSA is coordinating to establish a drugs and medical supplies procurement management subsystem under a unified national medical security information platform, to achieve national linkage of drug and consumables procurement, distribution, supervision, to meet the unified code, unified model, unified supervision, local management needs.

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Procurement Management Policies for Large Medical Device

According to the Catalog of Large Medical Devices Subject to Administration on Deployment Permit (2018) (大型醫用設備配置許可管理目錄(2018年)) (the “**Catalog of Large Medical Devices (2018)**”) issued by the NHC and came into force on March 29, 2018, “endoscopic surgical instrument control systems (surgical robot)” and “large medical device with unit price of RMB10 to 30 million deployed for the first time” are included in the catalog of category B (for which the provincial health and family planning commission shall be responsible for deployment management). On March 3, 2023, the NHC issued the Catalog of Large Medical Devices Subject to Administration on Deployment Permit (2023) (大型醫用設備配置許可管理目錄(2023年)) (the “**Catalog of Large Medical Devices (2023)**”). Compared to the Catalog of Large Medical Devices (2018), the changes of the catalog of large medical devices for management are shown as follows:

- (i) Move the positron emission magnetic resonance imaging system (PET/MR for short) from category A to category B;
- (ii) Move out the 64 row and above X-ray computed tomography (64 row and above CT) and the 1.5T and above magnetic resonance imaging system (1.5T and above MR) of the category;
- (iii) Merge the heavy ion radiotherapy system and the proton radiotherapy system into the heavy ion and proton radiotherapy system and readjust the scope of conventional radiotherapy equipment;
- (iv) Incorporate magnetic resonance guided radiation therapy system into high-end radiotherapy equipment of category A;
- (v) Standardize the name of some equipment items;
- (vi) Adjust the bottom standard, which means that the price limit for a single unit (set) set by the back-up clause of Category A large-scale medical equipment will be increased from RMB30 million to RMB50 million, and the price limit for Category B will be increased from RMB10-30 million to RMB30-50 million.

Pursuant to the Administrative Measures for the Deployment and Use of Large Medical Devices (Trial) (大型醫用設備配置與使用管理辦法(試行)) promulgated by the NHC and the NMPA effective on May 22, 2018, large medical devices refer to the large medical devices with complicated technology, large capital investment, high operating cost, significant impact on medical expenses and are included in the catalog for management. The catalog of large medical devices shall be proposed by the NHC and the relevant departments of the State Council, and shall be published and implemented upon approval by the State Council. The catalog of large medical devices for management is divided into two categories: A and B. Pursuant to the Catalog of Large Medical Devices (2023), the category A large medical equipment includes the heavy ion and proton radiotherapy system, the high-end radiotherapy equipment and the first

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configuration of a single (set) of large medical devices with a price of RMB50 million and above. The category B large medical equipment includes the positron emission magnetic resonance imaging system (PET/MR for short), X-ray positron emission tomography (PET/CT for short, including PET), the abdominal endoscopic surgical system, the conventional radiotherapy equipment (including medical linear accelerator, helical tomography system and gamma ray stereotactic radiotherapy system) and the first configuration of a single (set) of large medical devices with a price of RMB30-50 million. Where an application is made for the deployment of category A large medical devices, the application shall be made to the NHC. When an application for the deployment of category B large medical devices is made, it shall be submitted to the health administrative department at the provincial level.

On March 11, 2021, the NPC approved the Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Vision for 2035 (中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要), proposing to promote the reform of centralized and large-scale procurement and use of drugs and consumables organized by the State and develop high-end medical devices.

Procurement Management Policies for High-Value Medical Consumables

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

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

On July 19, 2019, the General Office of the State Council issued the Circular on High-Value Medical Consumables and officially proposed to strengthen the standardized administration of high-value medical consumables. It was required to explore the classification of high-value medical consumables in accordance with the principles of volume-based procurement, volume-price linkage, and promotion of market competition, and conduct centralized procurement.

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

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

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

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and implemented by the NHSA, the MOF and the NHC. Meanwhile, the medical insurance payment standards on high-value medical consumables will be formulated and the dynamic adjustment mechanism will be established. The medical insurance funds and patients will share the cost of high-value medical consumables according to the medical insurance payment standards, and medical institutions shall further reduce procurement prices under the guidance of the Circular on High-Value Medical Consumables.

Export of Medical Devices

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

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

Medical Device Recall, Adverse Event Monitoring and Re-evaluation

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

According to the Administrative Measures for the Monitoring and Re-evaluation of Adverse Events of Medical Devices (醫療器械不良事件監測和再評價管理辦法) promulgated by the SAMR and the NHC on August 13, 2018 which took effect on January 1, 2019, holders of medical device marketing licenses shall have the quality management ability and corresponding capacity for liability to ensure the safety and effectiveness of medical devices, establish a medical device adverse event monitoring system, and directly report medical device adverse events to the technology institution for medical device adverse event monitoring. Any business enterprise authorized by the holder for sales or the medical device user shall report

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any medical device adverse event to the holder and the monitoring institution. The holder shall evaluate the identified adverse events, improve product quality according to the evaluation results, and report the evaluation results and measures for improving quality to the monitoring institution. Where approval from the original registration authority is required, an application shall be submitted as required.

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

Regulations Relating to Advertisements of Medical Devices

In accordance with the Regulations on Medical Devices currently in force, the advertisements of a medical device shall be true and lawful, and its content shall not be false, exaggerated or misleading. Advertisements for medical devices shall be examined and approved by the food and drug supervision and administration departments of the people's governments of the provinces, autonomous regions or municipalities where the manufacturing enterprises of medical devices or the agents of imported medical devices are located, and obtain the approval document for such advertisements for medical devices. A publisher of a medical device advertisement shall verify approval documents and their authenticity prior to the publication; if no approval document was obtained or the authenticity of any approval document has not been verified or the content of the advertisement is inconsistent with the approval documents, such medical device advertisement shall not be published.

On December 24, 2019, the State Administration for Market Regulation issued the Interim Measures for Examination and Administration of Advertisements for Drugs, Medical Devices, Health Foods and Formula Foods for Special Medical Purpose (藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法) (the “**Interim Measures for Review and Management**”), which came into effect on March 1, 2020. The Interim Measures for Review and Management provides that advertisements for medical devices shall not be published without examination, and the contents of advertisements for medical devices shall be subject to the content of the registration certificates or filing certificates, product specifications registered or filed and approved by the drug regulatory authorities. If the advertisement of medical devices involves the name, scope of application, mode of action or structure and composition of medical devices, it shall not exceed the scope of the registration certificate or filing certificate, or the product specifications registered or filed. The validity period of an advertisement approval for drugs, medical devices, health food and food for special medical use shall be consistent with the validity period of the registration certificate, record-filing certificate or the production license of the product, whichever is the shortest. Where no validity period is set forth in the registration certificate, record-filing certificate or the production license of the product, the advertisement approval shall be valid for two years.

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

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

On May 8, 2015, the State Council issued the Notice of the State Council on the Issuing the “Made in China (2025)” (國務院關於印發<中國製造2025>的通知), encouraging the development of strategic priorities such as the new generation of information technology, high-end equipment, new materials and bio-medicine, guiding the accumulation and gathering of all kinds of social resources, and promoting the rapid development of competitive and strategic industries. In the field of high-performance medical devices, priorities are given to the development of high-performance diagnostic and treatment equipment such as imaging equipment and medical robots, high-value medical consumables such as fully degradable vascular stents, and mobile medical products such as wearable and remote diagnosis and treatment.

On March 4, 2016, the General Office of the State Council issued the Guiding Opinions on Promoting the Sound Development of the Medical Industry (關於促進醫藥產業健康發展的指導意見), encouraging domestic medical device enterprises to strengthen technological innovation and improve core competitiveness, and clearly putting forward the plan to develop high-end medical devices such as medical robots, realize import substitution, and accelerate the transformation and upgrading of medical devices.

On December 27, 2016, the State Council issued the Notice of the State Council on the Issuance of the Plan for Deepening the Reform of the Medical and Health System During the 13th Five-Year Plan Period (國務院關於印發<“十三五”深化醫藥衛生體制改革規劃>的通知), proposing to promote enterprises to improve their innovation and research and development capabilities through market force and industrial policy guidance, in order to promote excellence and strength, increase industrial concentration, improve the quality of medicines and medical devices to international advanced level, and create domestic standards and brands. In addition, it is required to enhance medical device innovation and implement strict standards on the approval of medical devices.

On January 25, 2017, the NDRC, together with other relevant authorities, issued the Guiding Catalog of Key Products and Services in Strategic Emerging Industries (2016 version) (戰略性新興產業重點產品和服務指導目錄(2016版)), which clearly identified intraoperative positioning, intraoperative imaging, intraoperative monitoring, image navigation devices and the relevant information systems; digital and integrated hybrid operating room equipment and its information system, such as surgical, interventional, surgical and minimally invasive treatments; surgical auxiliary robots such as abdominal, thoracic, urology, orthopedics and interventional and their ancillary minimally invasive surgical instruments as the key products in strategic emerging industries.

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On May 26, 2017, the General Office of the Ministry of Science and Technology issued the Notice of the General Office of the Ministry of Science and Technology on Printing and Distributing the “13th Five-Year Plan for Medical Device Technology Innovation” (科技部辦公廳關於印發<“十三五”醫療器械科技創新專項規劃>的通知) proposing to improve the independent innovation capability of medical devices in China and strengthen the application demonstration and promotion of domestic innovative medical devices, which is an important support for the establishment of an efficient, hierarchical, collaborative, homogeneous and accessible medical and health service system, improvement of medical and health service level and transformation of health service model. The guiding principle of the plan is to drive breakthroughs in core technologies and strengthen the research and development of major products, focusing on localization, high-end, branding and internationalization and based on the clinical and health needs, and to integrate the development of innovation chain, industrial chain and service chain, and strengthen the combination of medical research and commercialization by promoting demonstration and expansion, in order to improve the core competitiveness of domestic medical devices, and promote the leapfrog development of medical device technology industry.

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

On December 13, 2017, the General Office of the NDRC issued the “Implementation Plan for the Industrialization of Key Technology of High-end Medical Devices and Drugs (2018-2020)” (高端醫療器械和藥品關鍵技術產業化實施方案(2018-2020年)), proposing to focus on high-end medical devices with large usage, wide application and high technical content. In the field of treatment equipment, the NDRC encouraged the industrialization of innovative equipment such as endoscopic surgical robots and neurosurgical robots, and promoted the upgrading and quality performance improvement of products such as orthopedic surgical robots.

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

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

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

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

OTHER LAWS AND REGULATIONS

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

Regulations on Establishment and Operation of Foreign-invested Enterprises

Foreign Investment

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

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The Foreign Investment Law provides the basic regulatory framework for foreign investment, and implements the pre-admission resident treatment plus negative list administrative system, pursuant to which, (1) foreign natural persons, enterprises or other organizations (collectively, “**foreign investors**”) are not allowed to invest in prohibited investment areas provided in the negative list of foreign investment admission, (2) the negative list for foreign investment admission provides the scope of restricted investment, and foreign investors should comply with the conditions stated in the negative list when making investment, and (3) the areas outside the scope of the negative list for foreign investment admission shall be managed based on the principle of uniform treatment for both domestic and foreign investors. The Foreign Investment Law also contains the necessary mechanism to facilitate, protect and manage foreign investments.

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

The Negative List

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

According to the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) and the Catalog of Industries for Encouraging Foreign Investment (2022) (鼓勵外商投資產業目錄(2022年版)), which was promulgated by the NDRC and the MOFCOM on October 26, 2022 and became effective on January 1, 2023, foreign investment projects can be classified into three categories, namely encouraged, restricted and prohibited. Foreign investment projects which are not included in the Negative List are permitted foreign investment projects.

Regulations on Import and Export of Goods

The Foreign Trade Law of the PRC (中華人民共和國對外貿易法), promulgated by the SCNPC on 12 May 1994 and amended on April 6, 2004 and November 7, 2016, respectively, provides that foreign trade operators who engage in the import and export of goods or technologies shall file records with the administrative department of the foreign trade of the State Council or its authorized agency, unless provided otherwise by the laws, administrative regulations or the stipulations by the administrative department of foreign trade of the State

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Council. Foreign trade operators which have not filed for registration in accordance with the relevant laws, regulations or stipulations will be declined by the customs to carry out the customs clearance and inspection procedures for import and export of goods. According to the Foreign Trade Law of the PRC last amended and effective on December 30, 2022, foreign trade operators engaged in the import and export of goods or technologies are not required to file records from December 30, 2022.

According to the Measures for the Record-Filing and Registration of Foreign Trade Operators (對外貿易經營者備案登記辦法), promulgated by the MOFCOM on June 25, 2004 and amended on August 18, 2016, November 30, 2019 and 10 May 2021, respectively, foreign trade operators who engage in the import and export of goods or technologies shall go through the formalities for record-filing and registration with the MOFCOM or an authority authorized by the MOFCOM. If foreign trade operators fail to go through the formalities for record-filing and registration in accordance with the provisions of the above Measures, customs shall refuse to handle the declaration and clearance formalities of their imports and exports.

Pursuant to the Regulations on the Administration over Import and Export of Goods of the PRC (中華人民共和國貨物進出口管理條例) which was promulgated by the State Council on December 10, 2001 and most recently revised on March 10, 2024 and came effective on May 1, 2024, the import and export of goods are generally allowed by the PRC government, but the prohibitions or restrictions explicitly stipulated in the laws or administrative regulations shall still be complied with during the conduct of import and export of goods by individuals or entities. The PRC government adopts an automatic import and export licensing administration system for some freely imported and exported goods and technologies, and has a catalog of such goods and technologies. From time to time, the PRC government promulgates the Foreign Investment Catalog of restricted and prohibited goods and technologies. For goods and technologies subject to import or export restrictions, the PRC government maintains separate quota managing and licensing systems. Restricted goods or technologies may only be imported or exported with the approval of the relevant foreign trade department. Prohibited goods or technologies may not be imported or exported at all.

Pursuant to the Customs Law of the People's Republic of China (中華人民共和國海關法), which was amended by the SCNPC and became effective on April 29, 2021, the Customs of the People's Republic of China is the state's entry and exit customs supervision and administration authority. The Customs is responsible for supervising the transportation vehicles, goods, luggages, postal articles and other articles entering and leaving the country, collecting customs duties and other taxes and fees, and preventing and countering smuggling. The consignees and consignors for imported or exported goods and the customs brokers engaged in customs declaration shall file with the customs in accordance with law. Customs brokers or individuals engaged in Customs declaration shall not illegally make Customs declaration on behalf of others.

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According to the Administrative Provisions on the Record-filing of Customs Declaration Entities of the PRC (中華人民共和國海關報關單位備案管理規定), which was promulgated by the General Administration of Customs of the PRC on November 19, 2021 and came into effect on January 1, 2022, consignors or consignees of imported or exported goods or customs declaration enterprises that apply for record-filing shall obtain market entity qualifications; in the case of consignors or consignees of imported or exported goods applying for record-filing, they shall also complete the record-filing formalities for foreign trade dealers.

Regulations on Labor Protection and Social Security

Labor

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

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

The Social Insurance

According to the Social Insurance Law of PRC (中華人民共和國社會保險法) promulgated by the SCNPC on October 28, 2010 and implemented on July 1, 2011 and further amended on December 29, 2018, employees shall participate in basic pension insurance, basic medical insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees. Employees shall also participate in work-related injury insurance and maternity insurance. Work-related injury insurance and maternity insurance contributions shall be paid by employers rather than employees. An employer shall make registration with the local social insurance agency in accordance with the provisions of the law. For employers failing to conduct social insurance registration, the administrative department of social insurance shall order them to make corrections within a prescribed time limit; if they still fail to do so within the time limit, employers shall have to pay a penalty over one time but no more than three times of the amount of the social insurance premium payable by them, and their directly responsible executive staff

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and other directly responsible persons shall be fined RMB500 to RMB3,000. Also, those employer who fail to promptly contribute social insurance contributions in full amount shall be ordered by the social insurance collection agency to make or supplement contributions within a designated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day of the outstanding contribution amount; where payment is not made within the designated period, the relevant administrative authorities shall impose a fine ranging from one to three times of the outstanding contribution amount.

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

On July 31, 2025, the Supreme People's Court promulgated the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “**Judicial Interpretation (II)**”), which took effect on September 1, 2025. Article 19(1) of the Juridical Interpretation (II) stipulates that if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Furthermore, the relevant employee has the right to terminate the labor contract and claim economic compensation from the employer pursuant to Article 38(3) of the Labor Contract Law.

The Housing Provident Fund

According to the Regulations on the Administration of Housing Provident Fund (住房公積金管理條例) promulgated by the State Council and became effective on April 3, 1999, and was finally amended on March 24, 2019, housing provident fund paid and deposited both by employee themselves and their employer shall be owned by the employees. The newly established enterprise shall register with the Housing Provident Fund Management Center for housing provident fund payment and deposit within 30 days from the date of establishment, and within 20 days from the date of registration, go through the procedures for the establishment or transfer of housing provident fund accounts for the employees of this enterprise. When an employer employs an employee, it shall register with the housing provident fund management center within 30 days from the date of employment, and go through the procedures for the establishment or transfer of an employee's housing provident fund account. Employers shall timely pay and deposit housing provident fund contributions in full amount and late or insufficient payments shall be prohibited. With respect to employers who violate the regulations hereinabove and fail to complete housing provident fund payment and deposit registrations or open housing provident fund accounts for their employees, such employers shall be ordered by the housing provident fund administration center to complete such procedures within a designated period. Those who fail to complete their registrations within the designated period shall be subject to a fine from RMB10,000 to RMB50,000. When employers are in breach of these regulations and fail to pay deposit housing provident fund contributions

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in full amount as they fall due, the housing provident fund administration center shall order such employers to pay within a prescribed time limit period, failing which an application may be made to a people's court for compulsory enforcement.

National Medical Insurance Program

The national medical insurance program was adopted pursuant to the Decision of the State Council on the Establishment of the Urban Employee Basic Medical Insurance Program (關於建立城鎮職工基本醫療保險制度的決定) issued by the State Council on December 14, 1998, under which all employers in urban cities are required to enroll their employees in the Urban Employee Basic Medical Insurance Program and the insurance premium is jointly contributed by the employers and employees.

Pursuant to the Opinions on the Establishment of the New Rural Cooperative Medical System (關於建立新型農村合作醫療制度意見的通知) issued by the General Office of the State Council on January 16, 2003, China launched the New Rural Cooperative Medical System to provide medical insurance for rural residents in selected areas which has since spread to the whole nation.

The State Council promulgated the Guiding Opinions of the State Council about the Pilot Urban Resident Basic Medical Insurance (國務院關於開展城鎮居民基本醫療保險試點的指導意見) on July 10, 2007, under which urban residents of the pilot district, rather than urban employees, may voluntarily join Urban Resident Basic Medical Insurance.

On January 3, 2016, the State Council issued the Opinions on Integrating the Basic Medical Insurance Systems for Urban and Rural Residents (國務院關於整合城鄉居民基本醫療保險制度的意見) to integrate the Urban Resident Basic Medical Insurance and the New Rural Cooperative Medical System and the establishment of a unified Basic Medical Insurance for Urban and Rural Residents, which will cover all urban and rural non-working residents except for rural migrant workers and persons in flexible employment arrangements who participate in the basic medical insurance for urban employees.

Regulations on Production Safety

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

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The person in charge of an enterprise is fully responsible for its work safety. An enterprise with more than one hundred employees shall set up an institution for management of work safety or designate full-time staff for management of work safety. The management personnel of the enterprise in charge of work safety shall conduct regular inspections of the work safety status according to the production and operation characteristics of the enterprise; the safety problems found during the inspection shall be dealt with immediately; if they cannot be dealt with, they shall be reported to the relevant person in charge in a timely manner, who shall then tackle the problems promptly. The inspection and handling should be truthfully recorded. Enterprises and institutions shall educate their employees on work safety, and truthfully inform them of the dangerous factors, preventive measures and emergency response measures that exist in the workplaces and positions. In addition, enterprises must provide employees with personal protective equipment that meets national or industry standards, and supervise and train employees to use the equipment.

Regulations on Environmental Protection

Environmental Protection

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

Environmental Impact Assessment

According to the Regulations on the Administration of Construction Project Environmental Protection (建設項目環境保護管理條例) promulgated by the State Council on November 29, 1998 and amended on July 16, 2017 and taking effect on October 1, 2017, the construction entity shall submit an environmental impact report or an environmental impact statement, or fill in a registration form depending on the degree of impact the construction project has on environment. For a construction project for which an environmental impact report or environmental impact statement shall be prepared, the construction entity shall submit the environmental impact report and environmental impact statement to the competent administrative department of the environmental protection for approval before starting construction. If the Environmental Impact Assessment Documents of a construction project have not been reviewed by the approving authority in accordance with the law or have not been granted approval after the review, the construction unit shall be prohibited from commencing construction works.

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

Completion and Acceptance

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

Pollutant Discharge

Pursuant to the Law of the PRC on Prevention and Control of Environmental Pollution Caused by Solid Wastes (Revised in 2020) (中華人民共和國固體廢物污染環境防治法(2020修訂)), promulgated on April 29, 2020 and took effect on September 1, 2020, the construction of projects which discharge solid waste and the construction of project for storage, use and treatment of solid waste shall be carried out upon the appraisal regarding their effects on environment and in compliance with the relevant state regulations concerning the management of environmental protection in respect of construction projects. The necessary supporting facilities for the prevention and control of environmental pollution caused by solid wastes as specified in the environmental impact assessment documents of the construction project shall be designed, constructed and put into operation simultaneously with the major construction works of the construction project. No construction projects shall be permitted to be put into operation or to use before its facilities for the prevention and control of environmental pollution caused by solid wastes have been inspected and accepted by the competent department of environmental protection that examined and accepted the environmental impact assessment documents.

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

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According to the Guidelines for the Registration of Pollutant Discharge for Stationary Pollution Sources (Trial Implementation) (固定污染源排污登記工作指南(試行)) issued by the Ministry of Ecology and Environment and came into effect on January 6, 2020, enterprises that do not need to apply for a pollutant discharge permit in accordance with the law shall carry out pollutant discharge registration in accordance with the relevant provisions.

Product Liability and Protection of Consumers' Rights

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

The product quality supervision and administration departments of the State Council are responsible for the supervision and administration of the quality of products of the whole country. All relevant departments of the State Council shall be responsible for the supervision of product quality within their own functions and duties. Quality of products shall pass standard examinations and no substandard products shall be used as qualified ones. Industrial products which may be hazardous to the health of the people and the safety of lives and property shall conform to the State and trade standards for ensuring the health of the human body and safety of lives and property. In absence of such State or trade standards, the products shall conform to the minimum requirements for ensuring the health of the human body and the safety of lives and property. It is prohibited to produce or sell industrial products that do not come to the requirements and demands for physical health and safety of body and property. Producers or sellers shall be responsible for any compensation arising from their unlawful acts such as production or sales of defective, eliminated or ineffective products, faking the place of origin or quality marks, mixing or adulterating products or passing off imitations as genuine, substandard products as qualified ones or non-conforming products as conforming. Penalties include confiscation of sales proceeds, revocation of business licenses and imposition of fines. In serious cases, the offender shall be investigated for criminal liability according to law. Producers or sellers shall be liable for any damage to any person or property due to the defects of products resulting from their defaults.

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

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Lease of Property

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

Fire Prevention

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

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

Anti-Unfair Competition

Pursuant to the Anti-Unfair Competition Law of the People’s Republic of China (中華人民共和國反不正當競爭法) (the “**Anti-Unfair Competition Law**”), which was amended by the SCNPC and came into effect on April 23, 2019, unfair competition is defined as an act in which an operator violates the provisions of the Anti-Unfair Competition Law in its production and

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operation activities, disturbs the market competition order and damages the legitimate rights and interests of other operators or consumers. According to the Anti-Unfair Competition Law, business operators shall abide by the principles of voluntariness, equality, fairness and integrity and abide by laws and business ethics in their market transactions. Operators who violate the provisions of the Anti-Unfair Competition Law shall be subject to corresponding civil, administrative or criminal liabilities according to the specific circumstances.

Pursuant to the Provisional Regulations of the State Administration of Industry and Commerce on Banning Commercial Bribery (國家工商行政管理局關於禁止商業賄賂行為的暫行規定) (the “**Provisions on Banning Commercial Bribery**”) promulgated by the former State Administration for Industry and Commerce and taking effect on November 15, 1996, commercial bribery refers to the act of a business operator to bribe another entity or individual by using property or other means for the purpose of selling or purchasing goods, and “other means” refers to the means of providing benefits other than property, such as travel or visits, in various names at home and abroad. According to the Anti-Unfair Competition Law and the Provisions on Banning Commercial Bribery, the supervision and inspection authorities may impose fines according to the circumstances, and confiscate any illegal gains.

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

Regulations on Intellectual Property

Trademark

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

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Patent

According to the Patent Law of the People's Republic of China (中華人民共和國專利法) which was revised by the SCNPC on October 17, 2020 and came to effect on June 1, 2021, and the Implementing Regulations of the Patent Law of the People's Republic of China (中華人民共和國專利法實施細則) which was revised by the State Council on December 11, 2023 and came to effect on January 20, 2024, the patent administration department under the State Council is responsible for the patent work throughout the country. It receives and examines patent applications and grants patent rights for inventions-creations in accordance with law. The patent administration departments of the people's governments of provinces, autonomous regions and municipalities directly under the central government are responsible for the administration of patents within their respective administrative regions. An invention or utility model for which a patent is granted shall be novel, inventive and practically applicable. Any design for which patent right may be granted shall not be an existing design, nor has any entity or individual filed before the date of filing with the patent administration department under the State Council an application relating to the identical design disclosed in patent documents announced after the date of filing. The protection period is 20 years for an invention patent, 10 years for a utility model patent and 15 years for design patent, commencing from their respective application dates. Any entity or individual that uses a patent of another party shall enter into a licensing contract with the patent owner and pay patent royalties to the patent owner. Any use of a patent without the permission of the patent owner constitutes an infringement of the patent right.

Copyright and Software Registration

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

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

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According to the Measures for the Registration of Computer Software Copyright (計算機軟件著作權登記辦法) promulgated by the National Copyright Administration on February 20, 2002, the Computer Software Protection Regulations (計算機軟件保護條例) revised by the State Council on January 30, 2013 taking force on March 1, 2013, the National Copyright Administration is in charge of software copyright registration and management across the country, and the China Copyright Protection Center is recognized as the software registration agency. The China Copyright Protection Center will grant registration certificates to computer software copyright applicants who conform to the Measures for Registration of Computer Software Copyright and the Regulations on Computer Software Protection.

Domain Name

In accordance with the provisions of the Administrative Measures for Internet Domain Names (互聯網域名管理辦法) promulgated by the Ministry of Industry and Information Technology on August 24, 2017 and taking effect on November 1, 2017, to establish domain name root servers and domain name root server operating organizations, domain name registration management organizations and domain registration service organizations within the territory of China, licenses from the Ministry of Industry and Information Technology or the telecommunications administration authority of the province, autonomous region or municipality directly under the central government shall be obtained in accordance with the relevant regulations. The domain name registration service shall be conducted following the principle of “apply first, register first.” The Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Internet Information Services (工業和信息化部關於規範互聯網信息服務使用域名的通知) promulgated by the Ministry of Industry and Information Technology on November 27, 2017 and effective on January 1, 2018 provides for the obligations of internet information service providers and other entities to fight terrorism and maintain network security.

Information Security and Data Privacy

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

On May 8, 2017, the Supreme People’s Court and the Supreme People’s Procuratorate jointly released the Interpretations of the Supreme People’s Court and the Supreme People’s Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens’ Personal Information (最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋) (the “**Interpretations**”), which came into effect on June 1, 2017, clarifies several concepts

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regarding the crime of “infringement of citizens’ personal information” stipulated by Article 253A of the Criminal Law of the PRC (中華人民共和國刑法), including the “provision of citizens’ personal information” and “illegally obtaining any citizen’s personal information by other methods.” In addition, the Interpretations specify the standards for determining “serious circumstances” and “particularly serious circumstances” of this crime.

The Data Security Law of the PRC (中華人民共和國數據安全法), which was promulgated by the SCNPC on June 10, 2021 and took effect on September 1, 2021, provides that China shall establish a data classification and grading protection system, formulate the important data catalogs to enhance the protection of important data. Processors of important data shall specify the person responsible for data security and management agencies to implement data security protection responsibilities. Relevant authorities will establish the measures for the cross-border transfer of important data. If any company violates the Data Security Law of the PRC to provide important data outside China, such company may be punished by administration sanctions, including penalties, fines, and/or suspension of relevant business or revocation of the business license.

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

The Opinions on Strictly Cracking Down on Illegal Securities Activities in Accordance with the Law (關於依法從嚴打擊證券違法活動的意見), which were issued by the General Office of the State Council and another authority on July 6, 2021, require to speed up the revision of legislation on strengthening the confidentiality and archives coordination between regulators related to overseas issuance and listing of securities, and improvement to the legislation on data security, cross-border data flow, and management of confidential information.

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

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

According to the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) issued by the Cyberspace Administration of China on July 7, 2022 and became effective on September 1, 2022, a data processor that provides data overseas under any of the following circumstances shall apply to the national cyberspace administration for the security assessment of the outbound data transfer through local provincial cyberspace administration: (I) a data processor provides important data abroad; (II) the critical information infrastructure operator or the data processor that has processed the personal information of more than 1 million people provides personal information abroad; (III) the data processor that has provided the personal information of over 100,000 people or the sensitive personal information of over 10,000 people cumulatively since January 1 of the previous year provides personal information abroad; and (IV) any other circumstance where an application for the security assessment of outbound data transfer is required by the national cyberspace administration. The Cyberspace Administration of China promulgated the Provisions on Promoting and Regulating Crossborder Data Flows (《促進和規範數據跨境流動規定》) on March 22, 2024, which further clarifies the implementation and convergence of the existing data exit security assessment, personal information exit standard contract, personal information protection certification and other data exit systems, relaxes the conditions for cross-border data flow, and narrows the scope of data exit security assessment.

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During the Track Record Period and up to the Latest Practicable Date, we have been in compliance with applicable PRC laws and regulations with respect to cybersecurity, data security and personal information protection in all material aspects, including the Measures for Cybersecurity Review and the Measures on Security Assessment of Cross-border Data Transfer.

Regulations Relating to Direct Investment

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

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

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

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Regulations Relating to Overseas Securities Offering and Listing

The CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), or the Overseas Listing Trial Measures, and five relevant guidelines on February 17, 2023, which took effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively reformed the regulatory regime for overseas offering and listing of PRC domestic companies' securities, either directly or indirectly, into a filing-based system.

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

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

Moreover, upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within 3 working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. Where an issuer's main business undergoes material changes after overseas offering and listing, and is therefore beyond the scope of business stated in the filing documents, such issuer shall submit to the CSRC an ad hoc report and a relevant legal opinion issued by a domestic law firm within 3 working days after occurrence of the changes.

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On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), or the Provision on Confidentiality, which took effect on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant national provisions.

Regulations on the H Share Full Circulation

According to the Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (2023 Amendment) (H股公司境內未上市股份申請「全流通」業務指引(2023修正)), which was issued and implemented by the CSRC on November 14, 2019 and amended on August 10, 2023, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, and authorise the domestic enterprises to file the “Full Circulation” application, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met. The shareholders of domestic unlisted shares shall authorise the domestic enterprises to file the “Full Circulation” application with CSRC by filing materials on key compliance issues, including whether the “Full Circulation” has fulfilled adequate internal decision-making procedures, necessary internal approvals and authorizations, and whether the “Full circulation” involves approval or filing procedures set out in the laws, regulations and policies for state-owned asset administration, industry supervision and foreign investment, and if so, whether such approval or filing procedures have been performed. Domestic enterprises that are not yet listed may file the “Full Circulation” application when applying for listing in an overseas IPO. After an application for “Full Circulation” has been approved by the CSRC, the domestic enterprise shall submit relevant status reports to the CSRC within 15 days after the shares involved in the application completing the transfer registration in CSDC. The domestic unlisted shares may not be transferred back to China after they have been listed and circulated in Hong Kong.

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

The Shenzhen Branch of CSDC promulgated the Guide to the Program for H-share “Full Circulation” Business of the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司深圳分公司H股「全流通」業務指南) on September 20, 2024. These guidelines aim at standardizing the business operations of H-share “Full Circulation” and have made provisions for relevant businesses related to H-share “Full Circulation,” including business preparation, cross-border transfer registration, overseas share custody, initial maintenance of detailed domestic holdings, change and maintenance of detailed domestic holdings, handling of corporate actions, settlement and delivery, and risk management.

EUROPEAN UNION REGULATORY OVERVIEW

Regulation

Starting from May 26, 2024, medical devices can be commercialized in the member states of the European Economic Area (“EEA”) only if they meet the requirements under the Regulation (EU) 2017/745 on medical devices (“MDR”) and obtain CE (Conformité Européenne) Mark (including countries which have signed Mutual Recognition Agreement with EU).

On May 26, 2021, the Medical Device Directive (“EU MDD”) 93/42/EEC was repealed and replaced by the EU MDR which has become a regulation versus a former directive, for the manufacturers who plan to commercialize medical devices in this region. The MDR is subject to a transition period during which manufacturers of medical devices must update their technical information and processes in line with the new EU MDR, which ended on May 26, 2024. The MDR has the same basic requirements as the EU MDD, but is generally more stringent, especially in terms of risk classes and the oversight provided by notified bodies, and more vigilance and post-market surveillance.

The EU MDR aims to ensure the smooth functioning of the internal market with respect to medical devices, taking as a base a high level of protection of health for patients and users, and considering the small- and medium-sized enterprises that are active in this sector. At the same time, this Regulation sets high standards of quality and safety for medical devices in order to meet common safety concerns as regards such products.

REGULATORY OVERVIEW

Certification System

The system of regulating medical devices operates by way of a certification for each medical device. Each certificated device is marked with CE mark which shows that the device has a Certificat de Conformité. There are national bodies known as Competent Authorities in each member state which oversee the implementation of the EU MDR within their jurisdiction. The means for achieving the requirements for CE mark varies according to the nature of the device. Pursuant to the MDR, devices are classified into Class I, Class IIa, Class IIb, and Class III. The classification is a risk-based mechanism according to the nature of human body contact and the contact duration of the medical devices. The class of a product determines the requirements to be fulfilled before CE mark can be placed on a product, known as a conformity assessment. Each member state can appoint notified bodies within its jurisdiction. If a notified body of one member state has issued a Certificat de Conformité, the device can be sold throughout the European Union without further conformance tests being required in other member states.

Post Market Surveillance and Vigilance

Pursuant to the EU MDR, the post-market surveillance (PMS) and vigilance of a medical device shall have a PMS system to actively gather and analysis the PMS data throughout the device's lifetime. Proactive PMS plan and report shall be performed at an appropriate frequency based on the device's risk-based class. For Class IIa, IIb and III medical devices, as a result of the PMS plan, a Periodic Safety Update Report (the “PSUR”) will be generated either biennially (for IIa) or annually (for IIb and III) and made available to the notified body and competent authorities. The medical device manufacturers are also requested by the regulation to report serious incidents and field safety corrective actions, additionally the trend report for any statistical significant increase in the frequency or severity of the non-serious incidents. The aforementioned reporting and PSUR submission shall follow the electronic system established by the European Commission.

Import Requirements

Under the MDR, strict requirements on manufacturers, importers and distributors of medical devices in the European Economic Area (EEA) are imposed. Failure to comply with the regulatory requirements may render medical device manufacturers to lose their marketing approvals or be subject to fines or other sanctions. Additionally, as a condition to granting marketing approval of a product, the applicable regulatory agencies may require a company to conduct additional clinical trials or remediate Current Good Manufacturing Practice (“cGMP”) issues, which could result in the subsequent loss of marketing approval, changes in product labeling or new or increased concerns about side effects or efficacy of a product. Medical device manufacturers must also have a named person responsible for regulatory compliance, who possesses the requisite expertise in the field of medical devices. Medical device manufacturers must assign a Basic UDI-DI code to the device and provide the code to the UDI database.

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Pursuant to article 16 of the MDR, an importer, distributor or any natural or legal person is the one who must assume the obligations incumbent on manufacturers if it does any of the following: (a) it makes available on the EEA market a device under its own name, registered trade name or registered trademark, except if the manufacturer agreed to be identified as such on the label and to be responsible for the MDR manufacturers obligations; (b) it changes the intended purpose of a device already placed on the market or put into service; and (c) it modifies a device already placed on the market or put into service in such a way that compliance with the applicable requirements may be affected.

JAPAN REGULATORY OVERVIEW

Competent Authorities and Regulation

Pharmaceuticals and Medical Devices Agency (“**PMDA**”) under Japan Ministry of Health, Labor and Welfare (“**MHLW**”) is the regulatory agency for medical device control and approval. The placement of a medical device onto the Japan market shall follow the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices of Japan (the “**Pharmaceutical and Medical Device Act**”). MHLW also issued series of regulations covering product classification, registration, Quality Management System (“**QMS**”), post-marketing safety and guidances on specific product or topic, e.g. MHLW Ministerial Ordinance No. 169, 2004 for Manufacturing Control and Quality Control for Medical Devices and In-vitro Diagnostic Reagents and Japanese Medical Device Nomenclature.

Medical Device classification

Medical devices are categorized into four classes, namely Class I, II, III and IV, respectively for general medical devices (Class I), controlled medical devices or designated controlled medical devices (Class II) and special controlled medical devices (Class III and IV).

Pharmaceutical and Medical Device Act

Manufacturers and sellers of medical devices in Japan are primarily subject to the supervision of the Minister of Health, Labor and Welfare of Japan (the “**Minister**”) under the Pharmaceutical and Medical Device Act. A part of the work performed under the authority of the Minister is delegated to prefectural governors.

Under the Pharmaceutical and Medical Device Act, a person who intends to conduct the business of selling, leasing or providing medical devices that are manufactured (including outsourcing the manufacturing process to a third party) or imported is required to obtain from the Minister a manufacturing and sales license that has to be renewed every five years. The Minister has the power not to grant the license if (i) the quality control methods for the Designated Products are not in conformity with the QMS standards as stipulated by the ministerial ordinance of the Ministry of Health, Labor and Welfare of Japan (the “**MHLW**”); (ii) the post-sales safety control (i.e., the collection and analysis of information and data

REGULATORY OVERVIEW

necessary for proper use, including those related to quality, effectiveness and safety, and necessary measures to be taken based on the results thereof) methods of the medical device are not in conformity with the Good Vigilance Practice standards as stipulated by the ministerial ordinance of the MHLW; or (iii) an applicant falls under certain disqualifying provisions of the Pharmaceutical and Medical Device Act. Manufacturers and sellers that have obtained the manufacturing and sales license must appoint a qualified general manufacturing and sales supervisor to supervise product quality control and post-sales safety control. Such manufacturer and seller must also comply with various other items stipulated by the ministerial ordinances of the MHLW in the process of conducting the licensed business.

In order to conduct the business of manufacturing medical devices, the manufacturer is also required to make a renewable, five-year manufacturing registration with the Minister for each manufacturing site, which is classified in accordance with the ministerial ordinance of the MHLW. The Minister has the power not to register the manufacturing site if an applicant falls under certain disqualifying provisions of the Pharmaceutical and Medical Device Act.

In addition, the manufacture or sale of medical devices requires (i) product approval from the Minister, (ii) third party certification or (iii) registration for each kind of product, depending on the type of the medical device.

If any manufacturing and sales license holder becomes aware of matters concerning the effectiveness and safety prescribed by the ministerial ordinance of the MHLW, such as an alleged harm due to a defect in the medical device or an infection occurring from use of the medical device, the manufacturing and sales license holder must notify the Minister in accordance with the ministerial ordinance of the MHLW. Subject to the severity of the incident, the notification must generally be made within 15 or 30 days of the license holder becoming aware of the incident.

Furthermore, under the Pharmaceutical and Medical Device Act, the Minister or a prefectural governor may take various measures to monitor the activities of licensed manufacturers and sellers. For example, if deemed necessary to monitor their compliance with the laws and regulations, the Minister or a prefectural governor may require licensed manufacturers and sellers of medical devices to submit reports or carry out inspections at their factories or offices. The Minister has the power to order licensed manufacturers and sellers to temporarily suspend the selling, leasing or providing the medical devices in order to prevent or mitigate any risks to public health. Further, the Minister may revoke a license granted to or registration made by a manufacturing and sales license holder, or order a temporary business suspension under certain limited circumstances such as the violation of laws relating to medical devices.

Registration and Marketing of Medical Device

In relation to medical devices to be placed on the Japan market, there are two types of licenses: (i) a business license and (ii) a license for a product, in Japanese regulation on medical devices.

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Business License

With respect to the business license, a company that intends to engage in the business of manufacturing medical devices must obtain registration for each manufacturing facility (a company that intends to manufacture medical devices in a foreign country and export such medical devices to Japan must obtain registration as a Foreign Manufacturer of Medical Devices for each manufacturing facility).

Marketing License

In addition, a company that intends to engage in the business of marketing medical devices must obtain a marketing license in accordance with the criteria for medical devices set forth in the following table:

Criteria for medical devices	Criteria for license
Specially controlled medical devices	First-class marketing license for medical devices
Controlled medical devices or designated controlled medical devices	Second-class marketing license for medical devices
General medical devices	Third-class marketing license for medical devices

Product License

With respect to the license for a product, a company that intends to market medical devices must make a pre-market notification (todokede), or obtain pre-market certification (ninsho) or pre-market marketing approval (shonin) for each product, depending on the class of the product. In particular, Class II or III medical devices with existing certification standards are required to be certified by a registered certification body. For medical devices manufactured in foreign countries and exported to Japan, a Foreign Manufacturer of Medical Devices (which is referred to as a “person with special approval for foreign-manufactured medical devices”), instead of the marketer, can (and is not obliged to) apply for the marketing authorization of such product, but the marketing authorization will belong to the marketer. Even in such case, this marketer is appointed by the applicant and is referred to as a “designated holder of marketing authorization for foreign-manufactured medical devices.”

Special Requirements for Foreign Medical Device Manufacturers

To market medical devices in Japan, all foreign manufacturers must appoint a Marketing Authorization Holder (“**MAH**”) or a Designated Marketing Authorization Holder (“**D-MAH**”) in Japan. The appointed entity must be a legal entity based in Japan and it bears full legal liability for the medical devices in Japan and handles all regulatory activities, including product registration, communication with authorities, and post-market surveillance and recalls.

REGULATORY OVERVIEW

However, the Pharmaceutical and Medical Device Act does provides a special exception known as the Special Approval System for Specified Foreign Manufacturers (“SASF”). This system allows a foreign manufacturers to be recognized as the MAH for their own devices.

Under the SASF framework, foreign manufacturers must appoint a licensed MAH to serve as its local representative and the appointed entity is commonly called the D-MAH. The system recognizes the foreign manufacturer as the MAH, enabling it to register devices under its own name. Under this arrangement, the foreign manufacturer retains full responsibility for the product’s quality, efficacy, and safety, as well as the overall implementation of the Quality Management System (“QMS”). The D-MAH acting for the foreign manufacturer usually undertakes the responsibilities of maintaining the QMS and performs vigilance activities.

Post-Market Surveillance

Japan implements strict, full-lifecycle regulation of medical devices to ensure their safety and effectiveness. Under this framework, the MHLW and the PMDA oversee a comprehensive post-market surveillance system. Key obligations for Marketing Authorization Holders (“MAHs”) include monitoring and reporting serious adverse events within specified time limits, such as 15 days for incidents involving deaths or serious injuries, and submitting Periodic Benefit-Risk Evaluation Reports. For innovative medical devices, the MHLW imposes a re-examination period of three to eight years, requiring MAHs to collect ongoing safety and efficacy data. The MHLW may order a re-evaluation if new scientific evidence raises significant concerns with an already marketed medical device. Furthermore, regulations mandate that MAHs upload Unique Device Identification (UDI) codes to enable product traceability and implement field safety corrective actions, including recalls. The MHLW and PMDA ensure compliance through regular inspections, sampling tests, and on-site inspections.

KOREA REGULATORY OVERVIEW

Competent Authorities and Regulation

Medical devices in the Republic of Korea (“Korea”) are regulated by the Ministry of Food and Drug Safety (“MFDS”), formerly known as the Korean Food and Drug Administration (KFDA). The MFDS is a central administrative agency and directly subordinate to the Office of the Prime Minister in Korea.

Korea’s medical device regulatory system centers on the Medical Devices Act (“MDA”) as the core legal framework, which is implemented and supervised by the MFDS. In 2018, the Korean National Assembly formally passed the new version of the Korean Good Manufacturing Practice (“KGMP”), further aligning with ISO 13485:2016 and synchronizing with the Medical Device Single Audit Program (“MDSAP”) promoted by the International Medical Device Regulators Forum.

The Korean medical device regulatory system emphasizes full lifecycle management, encompassing not only pre-market evaluation but also rigorous post-market surveillance.

Medical Device Classification

In Korea, medical devices are classified into four classes based on the potential risk to patients and users: Class I (Very Low Risk), Class II (Low Risk), Class III (Moderate Risk), and Class IV (High Risk).

Medical Device Certification System

Market Access and Approval Process

In Korea, all medical devices must pass certification review by the MFDS or the National Institute of Medical Device Safety Information (“NIDS”) to ensure they meet national safety, efficacy, and quality standards prior to market entry. The market access pathway for medical devices is determined by a risk-based classification system:

- **Class I Medical Devices (Very Low Risk):** These devices typically only require a self-conformity declaration and simple registration and filing via the NIDS system.
- **Class II Medical Devices (Low Risk):** These devices require manufacturers to first submit technical documentation to a third-party reviewer for approval. Subsequently, manufacturers must submit the approved documents along with the obtained KGMP certificate to the NIDS for final registration approval.
- **Class III (Moderate Risk) and Class IV (High Risk) Medical Devices:** The MFDS directly reviews the technical documentation for these devices. If clinical data review is required, the review of technical documentation and clinical data review will proceed concurrently. After passing these reviews and obtaining the KGMP certificate, the manufacturer submits the complete documentation package to the MFDS for final product registration approval. For Class IV medical devices, manufacturers must additionally provide the full technical documentation in Summary Technical Documentation (STED) format in Korean and manufacturing process information.

Quality Management System Requirements

The KGMP system is the core system for ensuring the quality and safety of medical devices. KGMP is a mandatory standard formulated by Korea for the quality management of medical device production, with the core goal of ensuring that the entire process from raw materials to finished products meets safety and efficacy requirements. Medical devices classified as Class II or higher must obtain a KGMP certificate, which requires renewal every three years.

REGULATORY OVERVIEW

Overseas Manufacturing Site Inspection Requirements

For medical devices of Class II or higher manufactured outside Korea, the MFDS mandates that the manufacturing facility must pass an overseas manufacturing site inspection. However, for foreign manufacturers with MDSAP certificates, the on-site audit requirement may be waived.

Clinical Trials and Performance Evaluation

The MFDS requires all medical devices sold in Korea to demonstrate safety and effectiveness for their intended use. For low-risk Class I devices, manufacturers need only provide test reports that meet basic requirements. For moderate and high-risk devices (Class II, III, and IV), manufacturers must typically submit clinical data compliant with Korean Good Clinical Practice (“GCP”) standards. These clinical trial protocols must first obtain Institutional Review Board (IRB) approval and be registered in the Clinical Research Information Service (CRIS). For clinical trials already completed overseas, manufacturers need to demonstrate that the trial design complies with Korean GCP standards and that the data are applicable to the Korean population.

Import Control Requirements

Foreign manufacturers must appoint a Korea License Holder (“KLH”) to represent their company and devices to the MFDS or the NIDS. Applications for product registration and KGMP certification must be submitted through the KLH. Once the MFDS registration has been approved, the KLH is considered the owner of these approvals and controls, and is authorized to import the registered devices. Multiple KLH importers can register the same device, and multiple distributors can distribute through a single KLH and device registration.

Post-Market Surveillance

Following a product’s market entry, the MFDS actively tracks certain designated high-risk devices, such as implants intended to be used inside the human body for more than one year and life-supporting products. Marketing authorization holders must promptly recall products that cause adverse reactions. The recall system operates on three levels:

- Level I: Triggered when a device causes or is likely to cause incurable serious side effects or death.
- Level II: Initiated when a device causes or may cause temporary but curable adverse effects.
- Level III: The medical device does not meet the requirements of the MDA, but the product does not cause adverse health consequences.

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Korean regulations mandate the reporting of specific adverse events, including: (i) deaths and life-threatening events linked to device use; and (ii) serious adverse events, such as those leading to hospitalization, irreversible injury, serious disability, or congenital abnormalities. For deaths and life-threatening events related to device use, manufacturers should submit an initial report within 7 days, and a subsequent detailed report should be submitted within the following 8 days. For serious adverse events, manufacturers should submit a report within 15 days. Other adverse events should be reported within 30 days.

In addition, the MFDS introduced the Unique Device Identification (UDI) system in 2019 to achieve full lifecycle traceability. The UDI comprises (i) a static Device Identifier (DI) for the manufacturer and the device model, and (ii) a dynamic Production Identifier (PI) for details like the production batch and expiration date. The Korean UDI system aligns with international standards, requiring labels to use globally recognized coding systems (GS1, HIBCC, or ICCBBA) and to display the UDI-DI and UDI-PI through a 1D barcode, 2D code, or RFID (radio-frequency identification).

BRAZIL REGULATORY OVERVIEW

Competent Authorities and Regulation

The Brazilian Health Regulatory Agency (Agência Nacional de Vigilância Sanitária, “ANVISA”) holds primary responsibility for the registration and regulation of medical devices in Brazil. ANVISA’s regulatory requirements are centered around RDC regulations (Resolução da Diretoria Colegiada) and reference international medical device management systems (such as ISO 13485, GHTF, IMDRF). Medical device registration follows key regulations including risk classification, technical documentation requirements, Brazilian Good Manufacturing Practices (“BGMP”) certification, and post-market surveillance, aiming to ensure the safety and effectiveness of medical devices.

The core regulations governing Brazil’s medical device regulatory system include: RDC 751/2022 (Basic Requirements for Medical Device Classification and Registration), RDC 665/2022 (Requirements for BGMP compliant with ISO 13485), and RDC 751/2022 (Post-Market Surveillance of Medical Devices).

Medical Device Classification

Similar to the EU system (MDR), medical devices in Brazil are classified into four classes based on the potential risk to patients and users: Class I (Low Risk), Class II (Medium Risk), Class III (High Risk), and Class IV (Maximum Risk).

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Medical Device Certification System

Market Access and Approval Process

In Brazil, medical devices must be approved by ANVISA prior to market entry. A risk-based classification system determines the specific approval pathway: Class I medical devices undergo a simplified registration (Notification), which has a shorter registration cycle and fewer document requirements, while Class II, III, and IV medical devices require full registration (Registro), involving a longer review cycle and require for BGMP compliance and technical evaluation. Once a medical device is approved, the ANVISA registration certificate is valid for five years. For Class III and IV medical devices, the ANVISA registration certificates remain valid for 10 years. Certificate renewal requires submission of an application between 6 and 12 months before the certificate's expiry date and demonstration of continued compliance with regulatory requirements.

Effective June 3, 2024, Brazil's Medical Devices Normative Instruction IN 290/2024 establishes a simplified registration pathway for Class III and IV medical devices. The pathway enables ANVISA to consider and give significant weight to assessments made by recognized foreign regulatory authorities in Australia, Canada, Japan and the United States when making its own regulatory decisions. This pathway thereby accelerates ANVISA's review process and facilitate faster market entry of eligible foreign medical devices into Brazil.

Quality Management System Requirements

Enterprises manufacturing Class III and IV medical devices must obtain BGMP certification. BGMP requirements are similar to ISO 13485 and the U.S. FDA's QSR 820 quality system regulations. ANVISA conducts on-site inspections of manufacturing enterprises to ensure compliance with BGMP requirements. Manufacturers can also meet the BGMP requirements by participating in the Medical Device Single Audit Program ("MDSAP") as ANVISA recognizes MDSAP audit reports.

The BGMP certificate is typically valid for two years, requiring a re-audit every two years. Effective April 1, 2024, Regulation RDC No. 850/2024 extends this validity period from two to four years for eligible manufacturers. To qualify, manufacturers must pass MDSAP audits and fulfill specific conditions during their certification period. By elongating the interval between payments of associated certification fees in Brazil, this regulatory change reduces the financial burden on eligible manufacturers.

Clinical Trials and Performance Evaluation

Manufacturers must submit clinical evaluation or performance testing as part of ANVISA's registration documentation requirements. ANVISA also requires medical device manufacturers to submit safety and performance data to demonstrate the device's safety and effectiveness.

REGULATORY OVERVIEW

Import Control Requirements

All foreign manufacturers must appoint a legal entity located in Brazil as their Brazilian Registration Holder (“**BRH**”). The BRH is responsible for submitting registration applications to ANVISA, holding the registration certificate, and assuming legal responsibility for the product in Brazil, including communication with the regulatory authority, handling adverse events and recalls.

Post-Market Surveillance

Manufacturers and the BRH are obligated to monitor and report serious adverse events involving medical devices. Under regulations RDC No. 67/2009 and RDC No. 551/2021, medical device manufacturers must report any urgent events leading to death or posing a serious threat to public health within 72 hours of awareness. For other serious events, medical device manufacturers are generally required to report within 10 days. All reports must be submitted to ANVISA. In Brazil, distributors and importers also share the responsibility of assisting manufacturers with post-market surveillance, adverse event reporting, and recall activities.

In addition, ANVISA requires medical device manufacturers to comply with the Unique Identification of Medical Devices (“**UDI**”) system under RDC 591/2021 and other regulations and has been gradually implementing the UDI system. The purpose of the UDI system is to enhance device traceability, improve patient safety and facilitate regulatory oversight by standardizing medical device identification. For the UDI codes, manufacturers may choose from various carrier technologies, such as 1D barcodes, 2D codes (like QR codes), or RFID (radio-frequency identification). However, if the label has multiple Automatic Identification and Data Capture (AIDC) codes, manufacturers must add a UDI symbol to indicate the label’s location.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Founded in 2017, we are an advanced surgical robot company in the medical device industry, dedicated to designing, developing and manufacturing surgical robots.

Our history can be traced back to 2017 with the establishment of Shenzhen Jingfeng Medical Technology Co., Ltd. (深圳市精鋒醫療科技有限公司). Since then, we have been led by our co-founders, Dr. Wang and Dr. Gao, who are entrepreneurs with extensive experiences and deep insights in the surgical robot industry in China.

For the biography and industry experience of Dr. Wang and Dr. Gao, please refer to the section headed “Directors, Supervisors and Senior Management” in this Prospectus.

BUSINESS DEVELOPMENT MILESTONES

The following table summarizes the key milestones in our business development:

Year	Milestone
2017	Jingfeng Medical, being our predecessor, was established in the PRC We established our manufacturing facilities in Shenzhen with an aggregate area of approximately 6,000 sq.m.
2021	SP1000 became eligible for expedited review through the Green Path channel of the NMPA for innovative medical devices We completed registrational clinical trial in urologic surgery with MP1000 We initiated clinical trial in gynecologic surgery with both MP1000 and SP1000 We cooperated with Class III Grade A hospitals, and established nationwide network of training centers
2022	MP1000 became eligible for expedited review through the Green Path channel of the NMPA for innovative medical devices We initiated clinical trial in general surgery and thoracic surgery with MP1000 We completed the registrational clinical trials of both MP1000 and SP1000 in gynecologic surgery

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
	We obtained the Class III medical device registration certificate of MP1000, the first model of our Edge Multi-Port Endoscopic Surgical Robot MP1000 was approved for urologic surgery by the NMPA We started to commercialize Edge Multi-Port Endoscopic Surgical Robot in China
2023	The NMPA approved our registration modification to expand the clinical applications of MP1000 in urologic surgery, gynecologic surgery, general and thoracic surgery of adults MP1000 became the first domestically-developed endoscopic surgical robot approved by the NMPA for applications in multiple surgical specialties, according to Frost & Sullivan For Edge Multi-Port Endoscopic Surgical Robot, the NMPA further approved our registration modification to include (i) the fluorescence imaging function that enables visible light and near-infrared (NIR) fluorescence imaging at the surgical site, with NIR imaging requiring use in combination with NMPA-approved indocyanine green (ICG) at the same location, and (ii) the dual console control We obtained the Class III medical device registration certificate of SP1000, the first model of our Edge Single-Port Endoscopic Surgical Robot. SP1000 was approved by the NMPA for application in gynecologic surgery We started to commercialize Edge single-Port Endoscopic Surgical Robot in China
2024	For Edge Multi-Port Endoscopic Surgical Robot, the NMPA approved our registration modification to include our MP2000 series, comprising three models with improved ergonomics, improved computer power, advanced algorithms, full-phase fluorescence imaging and full-stack technological design For Edge Single-Port Endoscopic Surgical Robot, the NMPA further approved our registration modification to expand the clinical applications of SP1000 in urologic surgery and general surgery

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
	SP1000 became China's first (but currently not the only) single-port endoscopic surgical robot approved by the NMPA covering three or more major surgical specialties
2025	We obtained the CE Marking of MP1000 in the EU We obtained the Class III medical device registration certificate of CP1000, the first model of our Edge Bronchoscope Robot and China's first two-arm bronchoscope robot. It was approved by the NMPA for application in preoperative planning of natural orifice bronchoscopy procedures and treatments We obtained the CE Marking of SP1000 in the EU

OUR SUBSIDIARIES

Our Company established the following five subsidiaries, among which (i) Jingfeng Zhizao commenced business operation from February 2023, and (ii) the other four subsidiaries, namely Jingfeng Kechuang, Shanghai Jingfeng, Beijing Jingfeng and Edge Medical (Hong Kong) Limited, mainly engage in manufacturing and commercialization of the products of the Company.

Name of major subsidiary	Place of incorporation	Date of Incorporation	Principal business scope
Jingfeng Zhizao.	PRC	January 26, 2021	Development, manufacturing and sales of software and hardware systems for medical devices and smart devices
Jingfeng Kechuang.	PRC	October 14, 2020	Development and sales of software and information technology for medical devices and smart devices
Shanghai Jingfeng	PRC	January 11, 2022	Commercialization of medical devices
Beijing Jingfeng	PRC	December 2, 2024	Development and sales of medical devices
Edge Medical (Hong Kong) Limited	Hong Kong	December 28, 2023	Sales of medical robots

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

ESTABLISHMENT AND DEVELOPMENT OF OUR COMPANY

(1) Establishment of our Company

On May 4, 2017, our Company was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB100,000. The shareholding structure of our Company upon establishment is set forth in the table below:

Shareholders	Registered capital subscribed for	Corresponding equity interest in our Company
	(RMB)	(%)
Dr. Wang	80,000	80.00
Dr. Gao	20,000	20.00
Total	100,000	100.00

(2) Major Shareholding Changes of Our Company and Pre-IPO Investments

The major shareholding changes of our Company are set out below:

(a) September 2017 Equity Transfer

Pursuant to equity transfer agreements dated August 28, 2017 entered into between Dr. Wang and Dr. Gao as the transferors and Jingfeng Huarui as the transferee, the following transfers of equity interest in our Company were agreed:

Transferors	Transferees	Registered capital transferred	Consideration
		(RMB)	(RMB)
Dr. Wang	Jingfeng Huarui	80,000	80,000
Dr. Gao	Jingfeng Huarui	20,000	20,000

Upon the completion of the abovementioned equity transfers on September 4, 2017, the shareholding structure of our Company was as follows:

Shareholders	Registered capital	Equity interest
	(RMB)	(%)
Jingfeng Huarui	100,000	100.00
Total	100,000	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(b) *Series Angel Financing*

Pursuant to a capital increase agreement dated September 19, 2017, entered into by our Company, Jingfeng Huarui and Zhao Kai (趙凱), Zhao Kai (趙凱) agreed to subscribe for the increased registered capital of RMB12,994 of our Company at a total consideration of RMB5,000,000 (“**First Capital Injection**”). Pursuant to a supplemental capital increase agreement to the First Capital Injection dated November 2, 2017, Chengdu Mingsheng Investment Co., Ltd. (成都明晟投資有限公司) (“**Chengdu Mingsheng**”) agreed to acquire all the above interests held by Zhao Kai (趙凱) at a total consideration of RMB5,000,000 (“**First Angel Financing**”).

Pursuant to a capital increase agreement dated November 22, 2017, entered into by our Company, Dr. Wang, Jingfeng Huarui, Chengdu Mingsheng and Shenzhen Zhihui Future Investment Partnership (Limited Partnership) (深圳市智匯未來投資合夥企業(有限合夥)) (“**Shenzhen Zhihui**”), Shenzhen Zhihui agreed to subscribe for the increased registered capital of RMB3,977 of our Company at a total consideration of RMB3,060,000 (“**Second Angel Financing**”, collectively, “**Series Angel Financing**”). The details of subscription were as follows:

Subscribers	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Chengdu Mingsheng ⁽¹⁾	12,994	5,000,000
Shenzhen Zhihui ⁽²⁾	3,977	3,060,000
Total	16,971	8,060,000

Notes:

- (1) Our founders, Dr. Wang and Dr. Gao became acquainted with our angel investor Chengdu Mingsheng during a commercial event held by a business incubator for start-ups in Longgang, Shenzhen. Other than the fact that Chengdu Mingsheng is one of our investors, there are no other past or present relationships (including, without limitation, business, family, trust, employment, shareholding, financing or otherwise) between the Group and Chengdu Mingsheng, its shareholders, directors or senior management, or any of its associates.
- (2) Our founders, Dr. Wang and Dr. Gao became acquainted with our angel investor Shenzhen Zhihui during a commercial event held by a business incubator for start-ups in Longgang, Shenzhen. Other than the fact that (i) Shenzhen Zhihui is one of our investors and (ii) Mr. Chen Wenxin, our employee who is a limited partner of Shenzhen Zhihui holding less than 20% partnership interest in Shenzhen Zhihui, there are no other past or present relationships (including, without limitation, business, family, trust, employment, shareholding, financing or otherwise) between the Group and Shenzhen Zhihui, its partners or any of its associates.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of the First Angel Financing and Second Angel Financing on November 10, 2017 and January 3, 2018, respectively, the registered capital of our Company was increased from RMB100,000 to RMB116,971. The shareholding structure of our Company was as follows:

Shareholders	Registered capital	Equity interest
	(RMB)	(%)
Jingfeng Huarui	100,000	85.49
Chengdu Mingsheng	12,994	11.11
Shenzhen Zhihui	3,977	3.40
Total	116,971	100.00

(c) April 2018 Capital Increase

Pursuant to a shareholders' resolution of our Company dated March 30, 2018, the registered capital of our Company was increased from RMB116,971 to RMB5,000,000. The increased registered capital of RMB4,883,029 was converted from the capital reserves of our Company. The abovementioned capital increase was completed on April 2, 2018.

Upon completion of the capital increase on April 2, 2018, the shareholding structure of our Company was as follows:

Shareholders	Registered capital	Equity interest
	(RMB)	(%)
Jingfeng Huarui	4,274,565	85.49
Chengdu Mingsheng	555,435	11.11
Shenzhen Zhihui	170,000	3.40
Total	5,000,000	100.00

(d) Series A Financing and October 2018 Capital Increase

Pursuant to an investment agreement dated October 8, 2018 entered into by our Company, Guangfa Xinde Zhongheng Huijin (Longyan) Equity Investment Partnership (Limited Partnership) (廣發信德中恒匯金(龍岩)股權投資合夥企業(有限合夥)) (“**Zhongheng Huijin**”), Guangyuan Zhonghe (Zhuhai) Investment Partnership (Limited Partnership) (廣遠眾合(珠海)投資企業(有限合夥)) (“**Guangyuan Zhonghe**”), Jingfeng Huarui and Xiehe Chuangfeng, Zhongheng Huijin and Guangyuan Zhonghe agreed to subscribe for the increased registered capital of RMB591,466 and RMB42,248 of our Company at a total consideration of RMB28,000,000 and RMB2,000,000, respectively (the “**First Series A Financing**”).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pursuant to an investment agreement dated October 16, 2018 entered into by our Company, Jiaying Suizi Matai Private Equity Investment Partnership (Limited Partnership) (嘉興繸子馬太股權投資合夥企業(有限合夥)) (“**Jiaying Suizi**”), Jingfeng Huarui and Xiehe Chuangfeng, Jiaying Suizi agreed to subscribe for the increased registered capital of RMB316,857 of our Company at a total consideration of RMB15,000,000 (the “**Second Series A Financing**”).

Pursuant to an investment agreement dated October 18, 2018 entered into by our Company, Dongguan Yunji Growth Investment Fund Corporation (Limited Partnership) (東莞市雲集成長股權投資基金企業(有限合夥)) (“**Dongguan Yunji**”), Jingfeng Huarui and Xiehe Chuangfeng, Dongguan Yunji agreed to subscribe for the increased registered capital of RMB69,708 of our Company at a total consideration of RMB3,300,000 (the “**Third Series A Financing**”).

Pursuant to the aforementioned three investment agreements dated October 8, 2018, October 16, 2018 and October 18, 2018, respectively, Xiehe Chuangfeng agreed to subscribe for the increased registered capital of RMB316,857 of our Company at a total consideration of RMB316,857 (the “**October 2018 Capital Increase**”). The aforementioned consideration was adjusted from RMB316,857 to RMB2,000,000 pursuant to a shareholders’ resolution of our Company dated January 20, 2019.

After the completion of the First Series A Financing, Second Series A Financing and Third Series A Financing (collectively “**Series A Financing**”) and the October 2018 Capital Increase, the details of subscription were as follows:

Subscribers	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Zhongheng Huijin	591,466	28,000,000
Guangyuan Zhonghe	42,248	2,000,000
Jiaying Suizi	316,857	15,000,000
Dongguan Yunji	69,708	3,300,000
Xiehe Chuangfeng	316,857	2,000,000
Total	<u>1,337,136</u>	<u>50,300,000</u>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of the Series A Financing and the October 2018 Capital Increase on December 11, 2018, the registered capital of our Company was increased from RMB5,000,000 to RMB6,337,136. The shareholding structure of our Company was as follows:

Shareholders	Registered capital	Equity interest
	(RMB)	(%)
Jingfeng Huarui	4,274,565	67.45
Zhongheng Huijin	591,466	9.33
Chengdu Mingsheng	555,435	8.76
Jiaxing Suizi	316,857	5.00
Xiehe Chuangfeng	316,857	5.00
Shenzhen Zhihui	170,000	2.68
Dongguan Yunji	69,708	1.10
Guangyuan Zhonghe	42,248	0.67
Total	<u>6,337,136</u>	<u>100.00</u>

(e) February 2019 Equity Transfer

Pursuant to an equity transfer agreement 2019 entered into by Jingfeng Huarui and Xiehe Chuangfeng, Jingfeng Huarui agreed to transfer and Xiehe Chuangfeng agreed to acquire the registered capital of the Company in the amount of RMB443,599 at a consideration of RMB443,599 (the “**February 2019 Equity Transfer**”). The February 2019 Equity Transfer was completed on February 14, 2019.

(f) Series A+ Financing

Pursuant to an investment agreement dated January 18, 2020 (as supplemented by the supplemental agreement dated March 25, 2020) (collectively the “**Series A+ Investment Agreement**”) entered into by our Company, Dr. Wang, Dr. Gao, Jingfeng Huarui, Xiehe Chuangfeng, Chengdu Mingsheng, Shenzhen Zhihui, Zhongheng Huijin, Guangyuan Zhonghe, Jiaxing Suizi, Dongguan Yunji, Zhongshan Suizi Moxi Equity Investment Center (Limited Partnership) (中山縫子摩西股權投資中心(有限合夥)) and investors including Hangzhou Licheng Qifu Equity Investment Partnership (Limited Partnership) (杭州利城啟賦股權投資合夥企業(有限合夥)) (“**Hangzhou Licheng**”), Hangzhou Aoying Investment Partnership (Limited Partnership) (杭州奧贏投資合夥企業(有限合夥)) (“**Hangzhou Aoying**”), Beijing Xinghao Venture Enterprise Management Center Partnership (Limited Partnership) (北京星浩創業企業管理中心(有限合夥)) (“**Beijing Xinghao**”), Beijing Legend Star Future Investment Management Co., Ltd. (北京聯想之星未來投資管理有限公司) (“**Legend Star Future**”) and Ningbo Meishan Free Trade Port Sanzheng Shunxin Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區叁正順心股權投資合夥企業(有限合夥)) (currently known as Nanjing Jianye Sanzheng Shunxin Equity Investment Partnership (Limited Partnership) (南京建邺叁正順心股權投資合夥企業(有限合夥)) (“**Nanjing Sanzheng**”)), the abovementioned Pre-IPO Investors agreed to subscribe for the increased registered capital of RMB763,396 of our Company at a total consideration of RMB65,050,505 (the “**Series A+ Financing**”).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pursuant to the Series A+ Investment Agreement and a shareholders' resolution of our Company dated March 25, 2020, the details of subscription were as follows:

Subscribers	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Hangzhou Licheng	293,386	25,000,000
Hangzhou Aoying	46,942	4,000,000
Beijing Xinghao	146,693	12,500,000
Khorgos Lianpan Frontier Venture Capital Co., Ltd. (霍爾果斯聯磐前沿創業投資有限公司)		
("Khorgos Lianpan") ⁽¹⁾	146,693	12,500,000
Nanjing Sanzheng ⁽²⁾	129,682	11,050,505
Total	763,396	65,050,505

Notes:

- (1) Pursuant to the rights and obligations transfer agreement dated March 7, 2020 entered into by Legend Star Future, Khorgos Lianpan and Jingfeng Huarui, Legend Star Future agreed to assign all its rights and obligations in this Series A+ Financing to Khorgos Lianpan.
- (2) Ningbo Meishan Free Trade Port Sanzheng Shunxin Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區叁正順心股權投資合夥企業(有限合夥)) (currently known as Nanjing Sanzheng) subscribed for the increased registered capital of RMB71,005 at a total consideration of RMB6,050,505 in the investment agreement, and further subscribed the increased registered capital of RMB58,677 at a total consideration of RMB5,000,000 in the supplemental agreement dated on March 25, 2020, of which was the investment eventually relinquished by Zhongshan Suizi Moxi Equity Investment Center (Limited Partnership) (中山縫子摩西股權投資中心(有限合夥)).

Upon completion of the February 2019 Equity Transfer and the Series A+ Financing on February 14, 2019 and April 13, 2020, respectively, the registered capital of our Company was increased from RMB6,337,136 to RMB7,100,532. The shareholding structure of our Company was as follows:

Shareholders	Registered capital	Equity interest
	(RMB)	(%)
Jingfeng Huarui	3,830,965	53.95
Xiehe Chuangfeng	760,457	10.71
Zhongheng Huijin	591,466	8.33
Chengdu Mingsheng	555,435	7.82
Jiaxing Suizi	316,857	4.46
Hangzhou Licheng	293,386	4.13
Shenzhen Zhihui	170,000	2.39
Beijing Xinghao	146,693	2.07
Khorgos Lianpan	146,693	2.07

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	Registered capital	Equity interest
	(RMB)	(%)
Nanjing Sanzheng	129,682	1.83
Dongguan Yunji	69,708	0.98
Hangzhou Aoying	46,942	0.66
Guangyuan Zhonghe	42,248	0.60
Total	<u>7,100,532</u>	<u>100.00</u>

(g) September 2020 Equity Transfers

Pursuant to an equity transfer agreement dated September 8, 2020, Jiaxing Suizi agreed to transfer registered capital of RMB142,011 of our Company to Nanjing Sanzheng at a total consideration of RMB24,000,000.

Pursuant to an equity transfer agreement dated September 8, 2020, Jingfeng Huarui agreed to transfer registered capital of RMB71,005 of our Company to Shanghai Guoce Technology Manufacturing Equity Investment Fund Partnership (Limited Partnership) (上海國策科技製造股權投資基金合夥企業(有限合夥)) (“**Guoce Technology Manufacturing**”) at a total consideration of RMB12,000,000.

The following transfers of equity interest (the “**September 2020 Equity Transfers**”) in our Company were agreed:

Transferors	Transferees	Registered capital transferred	Consideration ⁽¹⁾
		(RMB)	(RMB)
Jiaxing Suizi	Nanjing Sanzheng	142,011	24,000,000
Jingfeng Huarui	Guoce Technology Manufacturing	71,005	12,000,000

Note:

- (1) The considerations of these equity transfers were determined based on arm’s length negotiation amongst the relevant transferors and transferees.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(h) Series Pre-B Financing and September 2020 Capital Increase

Pursuant to an investment agreement dated September 10, 2020 entered into by our Company, Dr. Wang, Dr. Gao, Jingfeng Huarui, Xiehe Chuangfeng, Xieli Chuangfeng, Chengdu Mingsheng, Shenzhen Zhihui, Zhongheng Huijin, Guangyuan Zhonghe, Jiaxing Suizi, Dongguan Yunji, Hangzhou Aoying and investors including Nanjing Sanzheng, Centroid Investments Limited (心健投资有限公司) (“**Centroid Investments**”), Jiang Hao (姜昊), Hangzhou Licheng, Beijing Xinghao, Khorgos Lianpan and Guoce Technology Manufacturing, the relevant Pre-IPO Investors agreed to subscribe for the increased registered capital of RMB414,197 of our Company at a total consideration of RMB70,000,001 (the “**Series Pre-B Financing**”) and details of subscription were as follows:

Subscribers	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Nanjing Sanzheng	83,477	14,107,679
Centroid Investments	225,487	38,107,679 ⁽¹⁾
Jiang Hao (姜昊)	11,834	2,000,000
Hangzhou Licheng	17,114	2,892,321
Beijing Xinghao	8,557	1,446,161
Khorgos Lianpan	8,557	1,446,161
Guoce Technology Manufacturing	59,171	10,000,000
Total	414,197	70,000,001

Note:

- (1) The consideration was denominated in US\$ and translated by reference to the exchange rate in accordance with the relevant investment agreement.

Pursuant to a shareholders’ resolution of our Company dated September 10, 2020, Xieli Chuangfeng, agreed to subscribe for the increased registered capital of RMB395,513 of our Company at a total consideration of RMB395,513 (the “**September 2020 Capital Increase**”).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of the September 2020 Equity Transfers on September 22, 2020 and Series Pre-B Financing and the September 2020 Capital Increase on September 29, 2020, the registered capital of our Company was increased from RMB7,100,532 to RMB7,910,242. The shareholding structure of our Company was as follows:

Shareholders	Registered capital	Equity interest
	(RMB)	(%)
Jingfeng Huarui	3,759,960	47.53
Xiehe Chuangfeng	760,457	9.61
Zhongheng Huijin	591,466	7.48
Chengdu Mingsheng	555,435	7.02
Xieli Chuangfeng	395,513	5.00
Nanjing Sanzheng	355,170	4.49
Hangzhou Licheng	310,500	3.93
Centroid Investments	225,487	2.85
Jiaxing Suizi	174,846	2.21
Shenzhen Zhihui	170,000	2.15
Beijing Xinghao	155,250	1.96
Khorgos Lianpan	155,250	1.96
Guoce Technology Manufacturing	130,176	1.65
Dongguan Yunji	69,708	0.88
Hangzhou Aoying	46,942	0.59
Guangyuan Zhonghe	42,248	0.53
Jiang Hao (姜昊)	11,834	0.15
Total	<u>7,910,242</u>	<u>100.00</u>

(i) December 2020 Equity Transfers

Pursuant to separate equity transfer agreements dated December 30, 2020, (i) Dongguan Yunji agreed to transfer registered capital of RMB69,708 of our Company to Yu Anding (余安定) at a total consideration of RMB2,643,600; (ii) Zhongheng Huijin agreed to transfer registered capital of RMB18,612 of our Company to Nanjing Sanzheng at a total consideration of RMB7,200,000; (iii) Zhongheng Huijin agreed to transfer registered capital of RMB12,408 to Guoce Technology Manufacturing at a total consideration of RMB4,800,000; and (iv) Zhongheng Huijin and Guangyuan Zhonghe agreed to transfer registered capital of RMB41,361 and RMB5,170 to Hainan Yuanfeng Technology Partnership (Limited Partnership) (海南遠峰科技合夥企業(有限合夥)) (“**Hainan Yuanfeng**”) at a total consideration of RMB15,999,981 and RMB2,000,019, respectively.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The following transfers of equity interest (the “December 2020 Equity Transfers”) in our Company were agreed:

Transferors	Transferees	Registered capital transferred	Consideration ⁽¹⁾
		(RMB)	(RMB)
Dongguan Yunji	Yu Anding (余安定)	69,708	2,643,600 ⁽²⁾
Zhongheng Huijin	Nanjing Sanzheng	18,612	7,200,000
Zhongheng Huijin	Guoce Technology Manufacturing	12,408	4,800,000
Zhongheng Huijin	Hainan Yuanfeng	41,361	15,999,981
Guangyuan Zhonghe . . .	Hainan Yuanfeng	5,170	2,000,019

Note:

- (1) The considerations of these equity transfers were determined based on arm’s length negotiation amongst the relevant transferors and transferees.
- (2) The general partner of Dongguan Yunji was Yu Anding at the time of December 2020 Equity Transfers. The consideration for the equity transfer from Dongguan Yunji to Yu Anding was determined based on arm’s length negotiation with reference to nominal value.

(j) *Series B Financing*

Pursuant to an investment agreement dated January 12, 2021 entered into by our Company, Dr. Wang, Dr. Gao, our shareholders of Jingfeng Huarui, Xiehe Chuangfeng, Xieli Chuangfeng, Chengdu Mingsheng, Shenzhen Zhihui, Zhongheng Huijin, Guangyuan Zhonghe, Jiaxing Suizi, Yu Anding (余安定), Hangzhou Licheng, Hangzhou Aoying, Beijing Xinghao, Khorgos Lianpan, Nanjing Sanzheng, Jiang Hao (姜昊), Hainan Yuanfeng and investors including Guadalupe Peak Limited, Hangzhou Yinkaixin Medical Technology Partnership (Limited Partnership) (杭州銀凱欣醫療科技合夥企業(有限合夥)) (“**Hangzhou Yinkaixin**”), Kangji Medical (Hong Kong) Limited (康基醫療(香港)有限公司) (“**Kangji Medical**”), CICC Pucheng Investment Co., Ltd. (中金浦成投資有限公司) (“**CICC Pucheng**”), Vertex (Xiamen) Investment Partnership (Limited Partnership) (祥峰(廈門)投資合夥企業(有限合夥)) (“**Vertex Investment**”), Chengdu Boyuan Jiayu Venture Capital Partnership (Limited Partnership) (成都博遠嘉昱創業投資合夥企業(有限合夥)) (“**Chengdu Boyuan Jiayu**”), Beijing Yahui Jinlin Venture Capital Partnership (Limited Partnership) (北京雅惠錦霖創業投資合夥企業(有限合夥)) (“**Beijing Yahui Jinlin**”), Zhuhai Lianqi Equity Investment Fund Partnership (Limited Partnership) (珠海市聯騏股權投資基金合夥企業(有限合夥)) (“**Zhuhai Lianqi**”), Robust Edge Investments Limited (健稜投資有限公司) (“**Robust Edge Investments**”), Centroid Investments, Guoce Technology Manufacturing, Jiaxing Yusheng Venture Capital Partnership (Limited Partnership) (嘉興煜昇創業投資合夥企業(有限合夥)) (“**Jiaxing Yusheng**”, formerly known as Huzhou Yeyu Equity Investment Partnership (Limited Partnership) (湖州燁禦股權投資合夥企業(有限合夥))), the abovementioned Pre-IPO Investors agreed to subscribe for the increased registered capital of RMB1,254,387 of our Company at a total consideration of RMB539,163,758 (the “**Series B Financing**”). The details of subscription were as follows:

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Subscribers	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Guadalupe Peak Limited	465,308	200,000,000 ⁽¹⁾
Hangzhou Yinkaixin	46,531	20,000,000
Kangji Medical	186,123	80,000,000 ⁽¹⁾
CICC Pucheng	46,531	20,000,000
Vertex Investment	46,531	20,000,000
Chengdu Boyuan Jiayu	46,531	20,000,000
Beijing Yahui Jinlin	46,531	20,000,000
Robust Edge Investments	152,000	65,333,000 ⁽¹⁾
Centroid Investments	40,638	17,467,000 ⁽¹⁾
Guoce Technology Manufacturing	12,098	5,200,000
Jiaxing Yusheng	116,327	50,000,000
Zhuhai Lianqi	49,238	21,163,758
Total	<u>1,254,387</u>	<u>539,163,758</u>

Note:

- (1) The consideration was denominated in US\$ and translated by reference to the exchange rate in accordance with the relevant investment agreement.

Upon completion of the December 2020 Equity Transfers on January 15, 2021 and Series B Financing on January 21, 2021, the registered capital of our Company was increased from RMB7,910,242 to RMB9,164,629. The shareholding structure of our Company was as follows:

Shareholders	Registered capital	Equity interest
	(RMB)	(%)
Jingfeng Huarui	3,759,960	41.03
Xiehe Chuangfeng	760,457	8.30
Chengdu Mingsheng	555,435	6.06
Zhongheng Huijin	519,085	5.66
Guadalupe Peak Limited	465,308	5.08
Xieli Chuangfeng	395,513	4.32
Nanjing Sanzheng	373,782	4.08
Hangzhou Licheng	310,500	3.39
Centroid Investments	266,125	2.90
Kangji Medical	186,123	2.03
Jiaxing Suizi	174,846	1.91
Shenzhen Zhihui	170,000	1.86
Beijing Xinghao	155,250	1.69
Khorgos Lianpan	155,250	1.69
Guoce Technology Manufacturing	154,682	1.69
Robust Edge Investments	152,000	1.66

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	Registered capital	Equity interest
	(RMB)	(%)
Jiaxing Yusheng	116,327	1.27
Yu Anding (余安定)	69,708	0.76
Zhuhai Lianqi	49,238	0.54
Hangzhou Aoying	46,942	0.51
Hainan Yuanfeng	46,531	0.51
Hangzhou Yinkaixin	46,531	0.51
CICC Pucheng	46,531	0.51
Vertex Investment	46,531	0.51
Chengdu Boyuan Jiayu	46,531	0.51
Beijing Yahui Jinlin	46,531	0.51
Guangyuan Zhonghe	37,078	0.40
Jiang Hao (姜昊)	11,834	0.13
Total	9,164,629	100.00

(k) September 2021 Equity Transfer

Pursuant to a shareholders' resolution passed on September 17, 2021, the shareholders of our Company approved (i) the transfer of registered capital of RMB2,482,203 of our Company from Jingfeng Huarui to Jingfeng Hainan LP at a total consideration of RMB1,377,503.80 and (ii) the transfer of registered capital of RMB41,241 of our Company from Jingfeng Huarui to Tianjin Ruipengxing Technology Partnership (Limited Partnership) (天津瑞鵬興科技合夥企業 (有限合夥)) (“**Tianjin Ruipengxing**”) at a total consideration of RMB22,886.69. See table below for information:

Transferors	Transferees	Registered capital transferred	Consideration ⁽¹⁾
		(RMB)	(RMB)
Jingfeng Huarui	Jingfeng Hainan LP	2,482,203	1,377,503.80
Jingfeng Huarui	Tianjin Ruipengxing	41,241	22,886.69

Note:

- (1) The considerations of these equity transfers were determined based on the then paid-up registered capital of the Company.

(l) October 2021 Capital Increase

Pursuant to a capital increase agreement of our Company dated September 30, 2021, the registered capital of our Company was increased from RMB9,164,629 to RMB9,854,440. The increased registered capital of RMB689,811 was subscribed by Jingfeng Hainan LP at a total consideration of RMB689,811 (the “**October 2021 Capital Increase**”). The October 2021 Capital Increase was completed on October 11, 2021.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(m) October 2021 Equity Transfers

Pursuant to separate equity transfer agreements dated October 15, 2021 entered into by the following transferees and transferors, the following transfers of equity interest (the “October 2021 Equity Transfers”) in our Company were agreed:

Transferors	Transferees	Registered capital transferred	Consideration ⁽¹⁾
		(RMB)	(USD)
Hangzhou Licheng	Taijiashan Health Industry Equity Investment Fund (Shanghai) Partnership (Limited Partnership) (太嘉杉健康產業股權投資基金(上海)合夥企業(有限合夥)) (“ Taijiashan Healthcare Fund ”)	49,272	6,500,000
Hangzhou Licheng	Shenzhen Hanchen Venture Capital Fund Partnership (L.P.) (深圳市瀚辰創業投資基金合夥企業 (有限合夥)) (“ Shenzhen Hanchen ”)	49,272	6,500,000

Transferors	Transferees	Registered capital transferred	Consideration ⁽¹⁾
		(RMB)	(USD)
Hangzhou Aoying	Jiaxing Siqu Equity Investment Partnership (Limited Partnership) (嘉興偲綺股權投資合夥企業(有限合夥)) (“ Jiaxing Siqu ”, formerly known as Huzhou Siqu Equity Investment Partnership (Limited Partnership) (湖州偲綺股權投資合夥企業(有限合夥)))	19,709	2,600,000
Tianjin Ruipengxing . . .	Guadalupe Peak Limited	41,241	5,440,500
Jiaxing Suizi	Beijing Yahui Jinlin	7,884	1,040,000
Jiaxing Suizi	Guoce Technology Manufacturing	41,388	5,460,000
Jiaxing Suizi	Nanjing Sanzheng	49,272	6,500,000

Note:

- (1) The considerations of these equity transfers were determined based on arm’s length negotiation amongst the relevant transferors and transferees.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon the completion of the October 2021 Capital Increase and October 2021 Equity Transfers on October 11, 2021 and October 18, 2021, respectively, the shareholding structure of our Company was as follows:

Shareholders	Registered capital	Equity interest
	(RMB)	(%)
Jingfeng Hainan LP	3,172,014	32.19
Jingfeng Huarui	1,236,516	12.55
Xiehe Chuangfeng	760,457	7.72
Chengdu Mingsheng	555,435	5.64
Zhongheng Huijin	519,085	5.27
Guadalupe Peak Limited	506,549	5.14
Nanjing Sanzheng	423,054	4.29
Xieli Chuangfeng	395,513	4.01
Centroid Investments	266,125	2.70
Hangzhou Licheng	211,956	2.15
Guoce Technology Manufacturing	196,070	1.99
Kangji Medical	186,123	1.89
Shenzhen Zhihui	170,000	1.73
Beijing Xinghao	155,250	1.58
Khorgos Lianpan	155,250	1.58
Robust Edge Investments	152,000	1.54
Jiaxing Yusheng	116,327	1.18
Jiaxing Suizi	76,302	0.77
Yu Anding (余安定)	69,708	0.71
Beijing Yahui Jinlin	54,415	0.55
Taijiashan Healthcare Fund	49,272	0.50
Shenzhen Hanchen	49,272	0.50
Zhuhai Lianqi	49,238	0.50
Hainan Yuanfeng	46,531	0.47
Hangzhou Yinkaixin	46,531	0.47
CICC Pucheng	46,531	0.47
Vertex Investment	46,531	0.47
Chengdu Boyuan Jiayu	46,531	0.47
Guangyuan Zhonghe	37,078	0.38
Hangzhou Aoying	27,233	0.28
Jiaxing Siqu	19,709	0.20
Jiang Hao (姜昊)	11,834	0.12
Total	9,854,440	100.00

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(n) Series Cross-over Financing I

Pursuant to an investment agreement dated October 20, 2021 (the “**Series Cross-over Investment Agreement**”) entered into by our Company, Dr. Wang, Dr. Gao, our shareholders of Jingfeng Huarui, Jingfeng Hainan LP, Xiehe Chuangfeng, Xieli Chuangfeng, Chengdu Mingsheng, Zhongheng Huijin, Guangyuan Zhonghe, Jiaxing Suizi, Yu Anding (余安定), Hangzhou Licheng, Hangzhou Aoying, Beijing Xinghao, Khorgos Lianpan, Nanjing Sanzheng, Centroid Investments, Jiang Hao (姜昊), Guoce Technology Manufacturing, Hangzhou Yinkaixin, Kangji Medical, CICC Pucheng, Chengdu Boyuan Jiayu, Beijing Yahui Jinlin, Zhuhai Lianqi, Jiaxing Yusheng, Jiaxing Siqi, Hainan Yuanfeng, Taijiashan Healthcare Fund, Shenzhen Hanchen and investors including Intelligent Spark Investment Pte. Ltd. (“**Intelligent Spark**”), Spark Plug Limited (“**Spark Plug**”), HSG Growth VI Holdco AH, Ltd. (previously known as “SCC Growth VI Holdco AH, Ltd.”) (“**HongShan Growth**”), Wuxi FirstLight Growth Investment Fund LP (無錫晨壹成長股權投資基金(有限合夥)) (previously known as (Wuxi Firstred Growth Equity Investment Fund (Limited Partnership) (無錫晨壹成長股權投資基金(有限合夥))) (“**Wuxi FirstLight**”), OrbiMed Genesis Master Fund, L.P. (“**OrbiMed Genesis**”), OrbiMed New Horizons Master Fund, L.P. (“**OrbiMed New Horizons**”), Shanghai Lingang Life and Science Phase I Private Equity Investment Fund Partnership, L.P. (上海臨港生命藍灣一期私募投資基金合夥企業(有限合夥)) (“**Lingang Lanwan Fund I**”), GBA Fund Investment Limited (“**GBA Fund**”), Sage Partners Alpha 1 L.P. (“**Sage Partners**”), Fan Xiaolin (范曉霖), Mirae Asset Global Investments (Hong Kong) Limited (未來資產環球投資(香港)有限公司) (“**Mirae Asset Global Investments**”), Qingdao Yizhou Private Equity Investment Fund Partnership (Limited Partnership) (青島羿舟私募股權投資基金合夥企業(有限合夥)) (“**Qingdao Yizhou**”), Hangzhou Xiangshu Medical Technology Partnership (Limited Partnership) (杭州向淑醫療科技合夥企業(有限合夥)) (“**Hangzhou Xiangshu**”), China State-owned Enterprises Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司) (“**China State-owned Enterprises Mixed Ownership Reform Fund**”), Robust Edge Investments, Guadalupe Peak Limited, Vertex Investment and Shenzhen Zhihui (collectively “**Series Cross-over Pre-IPO Investors I**”), Series Cross-over Pre-IPO Investors I agreed to subscribe for the increased registered capital of RMB1,242,641 of our Company at a total consideration of USD163,929,500 (the “**Series Cross-over Financing I**”).

(o) Conversion into a joint stock limited company

On December 8, 2021, our shareholders passed resolutions approving, among other matters, the conversion of our Company from a limited liability company into a joint stock limited company and the change of name of our Company from Shenzhen Jingfeng Medical Technology Co., Ltd. (深圳市精鋒醫療科技有限公司) to Edge Medical Technology Co., Ltd. (深圳市精鋒醫療科技股份有限公司). Pursuant to the promoters’ agreement dated December 8, 2021 entered into by all the then Shareholders, all promoters approved the conversion of RMB11,097,081 in the net assets value of our Company as of November 8, 2021 into 11,097,081 Shares of our Company. On December 9, 2021, our Company convened our founding meeting, being the first general meeting of our Company in 2021, and passed related resolutions approving, among others, the conversion of our Company into a joint stock limited company and the relevant internal rules. Upon completion of the conversion, the registered

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capital of our Company became RMB11,097,081 divided into 11,097,081 Shares with a nominal value of RMB1.0 each, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company before the conversion. The conversion was completed on December 13, 2021 when our Company obtained a new business license.

(p) Series Cross-over Financing II

Pursuant to the investment agreement dated October 20, 2021 (as supplemented by three joinder agreements to the Series Cross-over Investment Agreement, each dated October 27, 2021 and entered into by Springleaf Investments Pte. Ltd. (“**Springleaf Investments**”), True Light Investments P Pte. Ltd. (“**True Light**”) and Octagon Investments Master Fund LP (“**Octagon Investments**”) (the “**Series Cross-over Pre-IPO Investors II**”) (together with Series Cross-over Pre-IPO Investors I, collectively “**Series Cross-over Pre-IPO Investors**”), respectively, with our Company), Series Cross-over Pre-IPO investors II agreed to subscribe for the increased registered capital of RMB325,955 of our Company at a total consideration of USD43,000,000 (the “**Series Cross-over Financing II**”, together with Series Cross-over Financing I, the “**Series Cross-over Financing**”).

Accordingly, Series Cross-over Pre-IPO Investors agreed to subscribe for the increased registered capital of RMB1,568,596 of our Company at a total consideration of USD206,929,500. The details of subscription were as follows:

Subscribers ⁽¹⁾	Registered capital subscribed for	Consideration
	(RMB)	(USD)
Intelligent Spark	454,820	60,000,000
Spark Plug.	75,803	10,000,000
HongShan Growth	136,446	18,000,000
Wuxi FirstLight	37,902	5,000,000
OrbiMed Genesis.	18,951	2,500,000
OrbiMed New Horizons.	18,951	2,500,000
Lingang Lanwan Fund I	75,803	10,000,000
GBA Fund	37,902	5,000,000
Sage Partners.	22,741	3,000,000
Fan Xiaolin (范晓霖).	22,741	3,000,000
Mirae Asset Global Investments	15,161	2,000,000
Qingdao Yizhou.	22,741	3,000,000
Hangzhou Xiangshu.	15,161	2,000,000
China State-owned Enterprises Mixed Ownership Reform Fund	60,643	8,000,000
Robust Edge Investments.	117,495	15,500,000
Guadalupe Peak Limited	95,205	12,559,500
Vertex Investment	9,475	1,250,000

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Subscribers ⁽¹⁾	Registered capital subscribed for	Consideration
	(RMB)	(USD)
Shenzhen Zhihui	4,700	620,000
Springleaf Investments	242,571	32,000,000
True Light	60,643	8,000,000
Octagon Investments	22,741	3,000,000
Total	1,568,596	206,929,500

Note:

- (1) Other than Springleaf Investments, True Light and Octagon Investments, being the Series Cross-over Pre-IPO Investors II, all the other subscribers are Series Cross-over Pre-IPO Investors I.

Upon completion of the Series Cross-over Financing I, the conversion of our Company into a joint stock limited company and the Series Cross-over Financing II on October 27, 2021, December 13, 2021 and December 15, 2021, respectively, the registered capital of our Company was increased from RMB9,854,440 to RMB11,423,036. The shareholding structure of our Company was as follows:

Shareholders	Number of Shares held	Equity interest (%)
Jingfeng Hainan LP	3,172,014	27.77
Jingfeng Huarui	1,236,516	10.82
Xiehe Chuangfeng	760,457	6.66
Guadalupe Peak Limited	601,754	5.27
Chengdu Mingsheng	555,435	4.86
Zhongheng Huijin	519,085	4.54
Intelligent Spark	454,820	3.98
Nanjing Sanzheng	423,054	3.70
Xieli Chuangfeng	395,513	3.46
Robust Edge Investments	269,495	2.36
Centroid Investments	266,125	2.33
Springleaf Investments	242,571	2.12
Hangzhou Licheng	211,956	1.86
Guoce Technology Manufacturing	196,070	1.72
Kangji Medical	186,123	1.63
Shenzhen Zhihui	174,700	1.53
Beijing Xinghao	155,250	1.36
Khorgos Lianpan	155,250	1.36
HongShan Growth	136,446	1.19
Jiaxing Yusheng	116,327	1.02

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Shareholders	Number of Shares held	Equity interest (%)
Jiaxing Suizi	76,302	0.67
Spark Plug	75,803	0.66
Lingang Lanwan Fund I	75,803	0.66
Yu Anding (余安定)	69,708	0.61
China State-owned Enterprises Mixed Ownership Reform Fund	60,643	0.53
True Light	60,643	0.53
Vertex Investment	56,006	0.49
Beijing Yahui Jinlin	54,415	0.48
Taijiashan Healthcare Fund	49,272	0.43
Shenzhen Hanchen	49,272	0.43
Zhuhai Lianqi	49,238	0.43
Hainan Yuanfeng	46,531	0.41
Hangzhou Yinkaixin	46,531	0.41
CICC Pucheng	46,531	0.41
Chengdu Boyuan Jiayu	46,531	0.41
Wuxi FirstLight	37,902	0.33
GBA Fund	37,902	0.33
Guangyuan Zhonghe	37,078	0.32
Hangzhou Aoying	27,233	0.24
Sage Partners	22,741	0.20
Fan Xiaolin (范晓霖)	22,741	0.20
Qingdao Yizhou	22,741	0.20
Octagon Investments	22,741	0.20
Jiaxing Siqu	19,709	0.17
OrbiMed Genesis	18,951	0.17
OrbiMed New Horizons	18,951	0.17
Mirae Asset Global Investments	15,161	0.13
Hangzhou Xiangshu	15,161	0.13
Jiang Hao (姜昊)	11,834	0.10
Total	<u>11,423,036</u>	<u>100.00</u>

(q) December 2021 Capital Increase

Pursuant to a shareholders' resolution of our Company dated December 29, 2021, the registered capital of our Company was increased from RMB11,423,036 to RMB360,000,000. The increased registered capital of RMB348,576,964 was all converted from the capital reserve of our Company. The abovementioned capital increase was completed on December 31, 2021.

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Upon completion of the abovementioned capital increase on December 31, 2021, the shareholding structure of our Company was as follows:

Shareholders	Number of Shares held	Equity interest (%)
Jingfeng Hainan LP	99,967,680	27.77
Jingfeng Huarui	38,969,280	10.82
Xiehe Chuangfeng	23,965,920	6.66
Guadalupe Peak Limited	18,964,440	5.27
Chengdu Mingsheng	17,504,640	4.86
Zhongheng Huijin	16,359,120	4.54
Intelligent Spark	14,333,760	3.98
Nanjing Sanzheng	13,332,600	3.70
Xieli Chuangfeng	12,464,640	3.46
Robust Edge Investments	8,493,120	2.36
Centroid Investments	8,386,920	2.33
Springleaf Investments	7,644,600	2.12
Hangzhou Licheng	6,679,800	1.86
Guoce Technology Manufacturing	6,179,040	1.72
Kangji Medical	5,865,840	1.63
Shenzhen Zhihui	5,505,840	1.53
Beijing Xinghao	4,892,760	1.36
Khorgos Lianpan	4,892,760	1.36
HongShan Growth	4,300,200	1.19
Jiaxing Yusheng	3,666,240	1.02
Jiaxing Suizi	2,404,800	0.67
Spark Plug	2,388,960	0.66
Lingang Lanwan Fund I	2,388,960	0.66
Yu Anding (余安定)	2,196,720	0.61
China State-owned Enterprises Mixed Ownership Reform Fund	1,911,240	0.53
True Light	1,911,240	0.53
Vertex Investment	1,765,080	0.49
Beijing Yahui Jinlin	1,715,040	0.48
Taijiashan Healthcare Fund	1,552,680	0.43
Shenzhen Hanchen	1,552,680	0.43
Zhuhai Lianqi	1,551,600	0.43
Hainan Yuanfeng	1,466,280	0.41
Hangzhou Yinkaixin	1,466,280	0.41
CICC Pucheng	1,466,280	0.41
Chengdu Boyuan Jiayu	1,466,280	0.41
Wuxi FirstLight	1,194,480	0.33
GBA Fund	1,194,480	0.33
Guangyuan Zhonghe	1,168,560	0.32

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Shareholders	Number of Shares held	Equity interest (%)
Hangzhou Aoying	858,240	0.24
Sage Partners	716,760	0.20
Fan Xiaolin (范晓霖)	716,760	0.20
Qingdao Yizhou	716,760	0.20
Octagon Investments	716,760	0.20
Jiaxing Siqu	621,000	0.17
OrbiMed Genesis	597,240	0.17
OrbiMed New Horizons	597,240	0.17
Mirae Asset Global Investments	477,720	0.13
Hangzhou Xiangshu	477,720	0.13
Jiang Hao (姜昊)	372,960	0.10
Total	360,000,000	100.00

(r) December 2023 Equity Transfers

Pursuant to separate equity transfer agreements dated December 29 and December 31, 2023, (i) Jingfeng Hainan LP (which was jointly owned by Dr. Wang and Dr. Gao as to 70% and 30% respectively at the time of the equity transfers in December 2023) agreed to transfer 29,990,304 and 69,977,376 Shares of our Company to Dr. Gao and Dr. Wang at a total consideration of RMB620,194.44 and RMB1,447,120.36, respectively; (ii) Xiehe Chuangfeng (which was an investment holding limited partnership controlled by Dr. Wang as its sole general partner at the time of the equity transfers in December 2023) agreed to transfer 9,985,796 and 9,981,863 Shares of our Company to Dr. Gao and Dr. Wang at a total consideration of RMB1,018,166 and RMB1,017,765, respectively; and (iii) Jingfeng Huarui (which was jointly owned by Dr. Wang and Dr. Gao as to 70% and 30% respectively at the time of the equity transfers in December 2023) agreed to transfer 11,690,784 and 27,278,496 Shares of our Company to Dr. Gao and Dr. Wang at a total consideration of RMB9,683 and RMB22,594, respectively (the “December 2023 Equity Transfers”).

Upon the completion of the December 2023 Equity Transfers on December 31, 2023, the shareholding structure of our Company was as follows:

Shareholders	Number of Shares held	Equity interest (%)
Dr. Wang	107,237,735	29.79
Dr. Gao	51,666,884	14.35
Guadalupe Peak Limited	18,964,440	5.27
Chengdu Mingsheng	17,504,640	4.86

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Shareholders	Number of Shares held	Equity interest (%)
Zhongheng Huijin	16,359,120	4.54
Intelligent Spark	14,333,760	3.98
Nanjing Sanzheng	13,332,600	3.70
Xieli Chuangfeng	12,464,640	3.46
Robust Edge Investments	8,493,120	2.36
Centroid Investments	8,386,920	2.33
Springleaf Investments	7,644,600	2.12
Hangzhou Licheng	6,679,800	1.86
Guoce Technology Manufacturing	6,179,040	1.72
Kangji Medical	5,865,840	1.63
Shenzhen Zhihui	5,505,840	1.53
Beijing Xinghao	4,892,760	1.36
Khorgos Lianpan	4,892,760	1.36
HongShan Growth	4,300,200	1.19
Xiehe Chuangfeng	3,998,261	1.11
Jiaxing Yusheng	3,666,240	1.02
Jiaxing Suizi	2,404,800	0.67
Spark Plug	2,388,960	0.66
Lingang Lanwan Fund I	2,388,960	0.66
Yu Anding (余安定)	2,196,720	0.61
China State-owned Enterprises Mixed Ownership Reform Fund	1,911,240	0.53
True Light	1,911,240	0.53
Vertex Investment	1,765,080	0.49
Beijing Yahui Jinlin	1,715,040	0.48
Taijiashan Healthcare Fund	1,552,680	0.43
Shenzhen Hanchen	1,552,680	0.43
Zhuhai Lianqi	1,551,600	0.43
Hainan Yuanfeng	1,466,280	0.41
Hangzhou Yinkaixin	1,466,280	0.41
CICC Pucheng	1,466,280	0.41
Chengdu Boyuan Jiayu	1,466,280	0.41
Wuxi FirstLight	1,194,480	0.33
GBA Fund	1,194,480	0.33
Guangyuan Zhonghe	1,168,560	0.32
Hangzhou Aoying	858,240	0.24
Sage Partners	716,760	0.20
Fan Xiaolin (范晓霖)	716,760	0.20
Qingdao Yizhou	716,760	0.20
Octagon Investments	716,760	0.20
Jiaxing Siqu	621,000	0.17
OrbiMed Genesis	597,240	0.17

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Shareholders	Number of Shares held	Equity interest (%)
OrbiMed New Horizons	597,240	0.17
Mirae Asset Global Investments	477,720	0.13
Hangzhou Xiangshu	477,720	0.13
Jiang Hao (姜昊)	372,960	0.10
Total	360,000,000	100.00

(s) May 2024 Equity Transfers

Pursuant to separate equity transfer agreements dated May 7 and May 31, 2024 entered into by the following transferees and transferors, the following transfers of equity interest (the “**May 2024 Equity Transfers**”) in our Company were agreed:

Transferors	Transferees	Number of Shares transferred	Consideration ⁽¹⁾ (RMB)
Dr. Wang	Social Security Fund Zhongguancun Independent Innovation Investment Fund (Beijing) Partnership Enterprise (Limited Partnership) (社保基金中關村自主 創新投資基金(北京)合夥企業(有 限合夥)) (“ Social Security Fund ”)	749,021	18,200,646
Dr. Wang	Suzhou Junlian Xiangdao Equity Investment Partnership (Limited Partnership) (蘇州君聯相道股權投 資合夥企業(有限合夥)) (Suzhou Junlian)	1,926,055	46,801,662
Nanjing Sanzheng	Social Security Fund Suzhou Junlian	459,529 1,181,647	8,680,000 22,320,000
Xieli Chuangfeng	Social Security Fund Suzhou Junlian	218,910 562,913	5,319,354 13,678,338
Jiaxing Siqui	Social Security Fund Suzhou Junlian	80,476 206,938	1,520,100 3,908,828
Jiaxing Yusheng	Social Security Fund Suzhou Junlian	979,406 2,518,474	18,499,900 47,571,172
Guoce Technology Manufacturing	Social Security Fund Suzhou Junlian	941,294 2,420,471	17,780,000 45,720,000

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Transferors	Transferees	Number of Shares transferred	Consideration ⁽¹⁾ (RMB)
Hangzhou Licheng	Shenzhen Hanchen	1,636,364	25,000,000
	Taijiashan Healthcare Fund	1,636,364	25,000,000
Hangzhou Aoying	Shenzhen Hanchen	429,120	6,556,000
	Taijiashan Healthcare Fund	429,120	6,556,000
Zhuhai Lianqi	Shenzhen Hanchen	775,800	11,852,500
	Taijiashan Healthcare Fund	775,800	11,852,500

Note:

- (1) The considerations of these equity transfers were determined based on arm's length negotiation amongst the relevant transferors and transferees.

(t) December 2024 Equity Transfers

Pursuant to separate equity transfer agreements dated December 4, 2024 entered into by the following transferees and transferors, the following transfers of equity interest (the “December 2024 Equity Transfers”) in our Company were agreed:

Transferors	Transferees	Number of Shares transferred	Consideration ⁽¹⁾ (RMB)
Hangzhou Licheng	Social Security Fund	953,980	14,574,694
	Suzhou Junlian	2,453,092	37,477,794
Yu Anding (余安定) . . .	Social Security Fund	201,600	3,080,000
	Suzhou Junlian	518,400	7,920,000

Note:

- (1) The considerations of these equity transfers were determined based on arm's length negotiation amongst the relevant transferors and transferees.

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(u) January 2025 Equity Transfers

Pursuant to separate equity transfer agreements dated January 17, 2025 and January 19, 2025 entered into by the following transferees and transferors, the following transfers of equity interest (the “**January 2025 Equity Transfers**”) in our Company were agreed:

Transferors	Transferees	Number of Shares transferred	Consideration ⁽¹⁾ (RMB)
Shenzhen Zhihui	Guangzhou Jinyuan First Construction Investment Equity Investment Fund Partnership Enterprise (Limited Partnership) (廣州槿源首建投股權投資基金合 夥企業(有限合夥)) (“ Guangzhou Jinyuan ”)	422,071	6,448,307
Jiaxing Suizi	Robust Edge Investments	1,460,584	22,314,478
Shenzhen Zhihui	Robust Edge Investments	609,847	9,317,107

Note:

- (1) The considerations of these equity transfers were determined based on arm’s length negotiation amongst the relevant transferors and transferees.

(v) March 2025 Equity Transfer

Pursuant to an equity transfer agreement dated March 31, 2025, Xiehe Chuangfeng agreed to transfer 3,998,261 Shares of our Company to Shanghai Guoce Green Technology Manufacturing Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (上海國策綠色科技製造私募投資基金合夥企業(有限合夥)) (“**Guoce Green Technology**”) at a total consideration of RMB63,305,799.

The below table sets out further information with respect to the equity transfer:

Transferors	Transferees	Number of Shares transferred	Consideration ⁽¹⁾ (RMB)
Xiehe Chuangfeng	Guoce Green Technology	3,998,261	63,305,799

Note:

- (1) The consideration was determined based on arm’s length negotiation amongst the relevant transferor and transferee.

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(vi) June 2025 Equity Transfer

Pursuant to an equity transfer agreement dated June 24, 2025 entered into by the following transferees and transferors, the following transfers of equity interest (the “**June 2025 Equity Transfers**”) in our Company were agreed:

The below table sets out further information with respect to the equity transfer:

Transferors	Transferees	Number of Shares transferred	Consideration ⁽¹⁾ (RMB)
Xieli Chuangfeng	Social Security Fund	272,913	5,155,023
	Suzhou Junlian	701,778	13,255,807

Note:

(1) The consideration was determined based on arm’s length negotiation amongst the relevant parties.

Upon the completion of the above-mentioned equity transfers since May 2024 and as of the Latest Practicable Date, the shareholding structure of our Company is as follows:

Shareholders	Number of Shares held	Equity interest (%)
Dr. Wang	104,562,659	29.05
Dr. Gao	51,666,884	14.35
Guadalupe Peak Limited	18,964,440	5.27
Chengdu Mingsheng	17,504,640	4.86
Zhongheng Huijin	16,359,120	4.54
Intelligent Spark	14,333,760	3.98
Suzhou Junlian	12,489,768	3.47
Sanzheng Zhengyun.	11,691,424	3.25
Xieli Chuangfeng	10,708,126	2.97
Robust Edge Investments.	10,563,551	2.93
Centroid Investments	8,386,920	2.33
Springleaf Investments	7,644,600	2.12
Kangji Medical	5,865,840	1.63
Beijing Xinghao	4,892,760	1.36
Khorgos Lianpan	4,892,760	1.36
Social Security Fund	4,857,129	1.35
Shenzhen Zhihui	4,473,922	1.24
Taijiashan Healthcare Fund	4,393,964	1.22
Shenzhen Hanchen	4,393,964	1.22
HongShan Growth	4,300,200	1.19
Guoce Green Technology.	3,998,261	1.11
Guoce Technology Manufacturing	2,817,275	0.78
Spark Plug.	2,388,960	0.66

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Shareholders	Number of Shares held	Equity interest (%)
Lingang Lanwan Fund I	2,388,960	0.66
China State-owned Enterprises Mixed Ownership Reform Fund	1,911,240	0.53
True Light	1,911,240	0.53
Vertex Investment	1,765,080	0.49
Beijing Yahui Jinlin	1,715,040	0.48
Yu Anding (余安定)	1,476,720	0.41
Hainan Yuanfeng	1,466,280	0.41
Hangzhou Kangyin	1,466,280	0.41
CICC Pucheng	1,466,280	0.41
Chengdu Boyuan Jiayu	1,466,280	0.41
Wuxi FirstLight	1,194,480	0.33
GBA Fund	1,194,480	0.33
Guangyuan Zhonghe	1,168,560	0.32
Jiaxing Suizi	944,216	0.26
Sage Partners	716,760	0.20
Fan Xiaolin (范晓霖)	716,760	0.20
Qingdao Yizhou	716,760	0.20
Octagon Investments	716,760	0.20
OrbiMed Genesis	597,240	0.17
OrbiMed New Horizons	597,240	0.17
Mirae Asset Global Investments	477,720	0.13
Hangzhou Xiangshu	477,720	0.13
Guangzhou Jinyuan	422,071	0.12
Jiang Hao (姜昊)	372,960	0.10
Jiaxing Siqu	333,586	0.09
Jiaxing Yusheng	168,360	0.05
Total	360,000,000	100.00

EMPLOYEE INCENTIVE SCHEME

In recognition of the contributions of our employees and to incentivize them to further promote our development, Zhongxu Ruifeng, Heyi Ruifeng and Jingcheng Ruifeng, our Employee Incentive Platforms, were established as limited partnerships in the PRC, details of which are set forth as the following:

1. Zhongxu Ruifeng

Zhongxu Ruifeng was established as a limited partnership established in the PRC on December 29, 2021. Dr. Wang, as the sole general partner of Zhongxu Ruifeng, is responsible for the management of Zhongxu Ruifeng and exercises the voting rights held by Zhongxu Ruifeng in its external investments at his full and absolute discretion. As of the Latest Practicable Date, Zhongxu Ruifeng held approximately 6.09% economic interest as a limited partner in Xieli Chuangfeng, one of our Controlling Shareholders.

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2. Heyi Ruifeng

Heyi Ruifeng was established as a limited partnership established in the PRC on December 29, 2021. Dr. Gao, as the sole general partner of Heyi Ruifeng, is responsible for the management of Heyi Ruifeng and exercises the voting rights held by Heyi Ruifeng in its external investments at her full and absolute discretion. As of the Latest Practicable Date, Heyi Ruifeng held approximately 37.63% economic interest as a limited partner in Xieli Chuangfeng, one of our Controlling Shareholders.

3. Jingcheng Ruifeng

Jingcheng Ruifeng was established as a limited partnership established in the PRC on December 30, 2021. Dr. Wang, as the sole general partner of Jingcheng Ruifeng, is responsible for the management of Jingcheng Ruifeng and exercises the voting rights held by Jingcheng Ruifeng in its external investments at his full and absolute discretion. As of the Latest Practicable Date, Jingcheng Ruifeng held approximately 16.05% economic interest as a limited partner in Xieli Chuangfeng, one of our Controlling Shareholders.

The limited partners of Zhongxu Ruifeng, Heyi Ruifeng and Jingcheng Ruifeng are all employees of the Company who are grantees of awards under the Scheme, and the sole general partner of each of Zhongxu Ruifeng, Heyi Ruifeng and Jingcheng Ruifeng is Dr. Wang, Dr. Gao and Dr. Wang, respectively. As such, each of Zhongxu Ruifeng, Heyi Ruifeng and Jingcheng Ruifeng is controlled by Dr. Wang, Dr. Gao and Dr. Wang, respectively. For the details on Zhongxu Ruifeng, Heyi Ruifeng and Jingcheng Ruifeng and the distribution and exit mechanism for the limited partners of each of the Employee Incentive Platform, please refer to the section headed “Appendix VI—Statutory and General Information—Further Information about Our Directors, Supervisors, Senior Management and Substantial Shareholders—5. Employee Incentive Scheme” in this Prospectus.

DETAILED TERMS OF THE PRE-IPO INVESTMENTS

1. Overview

Between November 2017 and December 2021, our Company obtained several rounds of investments from the pre-IPO investors (the “**Pre-IPO Investors**”) through subscriptions for increased registered capital of our Company. For further details, see the subsection headed “Establishment and Development of Our Company” in this section.

2. Principal terms of the Pre-IPO Investments and Pre-IPO Investors' Rights

The following table summarizes the key terms of the Pre-IPO Investments to our Company made by the Pre-IPO Investors:

	Series Angel (First)	Series Angel (Second)	Series A	Series A+	Series Pre-B	Series B	Series Cross-over
Amount of registered capital increased (RMB)	12,994	3,977	1,020,279	763,396	414,197	1,254,387	1,568,596
Amount of registered capital after each round of Pre-IPO Investments (RMB) .	112,994	116,971	6,337,136	7,100,532	7,910,242	9,164,629	11,423,036
Amount of consideration	RMB5,000,000	RMB3,060,000	RMB48,300,000	RMB65,050,505	RMB70,000,001	RMB539,163,758	USD206,929,500
Post-money valuation of our Company . .	RMB43,000,000	RMB90,000,000 ⁽¹⁾	RMB300,000,000 ⁽²⁾	RMB605,000,000 ⁽³⁾	RMB1,270,000,000 ⁽⁴⁾	RMB3,939,163,758 ⁽⁵⁾	USD1,506,929,500 ⁽⁶⁾
Date of agreements	September 19, 2017	November 22, 2017	October 8, October 16 and October 18, 2018	January 18, 2020 and March 25, 2020	September 10, 2020	January 12, 2021	October 20 and October 27, 2021
Date of payment of full consideration . .	September 27, 2017	December 8, 2017	February 14, 2019	April 2, 2020	November 5, 2020	February 5, 2021	December 22, 2021
Cost per Share paid under the Pre-IPO investments (approximately) (RMB) ⁽⁷⁾ .	0.29	0.57	1.50	2.70	5.37	13.65	26.65
Discount to the Offer Price ⁽⁸⁾ (approximation)	99.26%	98.55%	96.17%	93.11%	86.30%	65.19%	32.03%

Basis of determination of the valuation and consideration The valuation and considerations for each round of Pre-IPO Investments were determined based on arm's length negotiation amongst the respective Pre-IPO Investors and our Group after taking into consideration of the timing of the investments and the status of our business operations and clinical trials.

Lock-up Period Pursuant to the applicable PRC law, within the 12 months following the Listing Date, all current Shareholders (including the Pre-IPO Investors) could not dispose of any of the Shares held by them.

Series Angel (First)	Series Angel (Second)	Series A	Series A+	Series Pre-B	Series B	Series Cross-over

Use of proceeds from the Pre-IPO

Investments We utilized the proceeds from the Pre-IPO Investments for the principal business of our Group, including but not limited to research and development activities, the growth and expansion of our Company's business and general working capital purposes. As of the Latest Practicable Date, approximately 93.36% of the net proceeds from the Pre-IPO Investments have been utilized. The remaining pre-IPO proceeds will be reserved to: (i) build production lines, purchase equipments and cover the expenditures of factory leasing and costs and expenses for other R&D and commercialization activities, and (ii) allow for flexibility to cover additional costs and expenses associated with the Company's future R&D and operation activities considering that the amount of proceeds from the Global Offering is subject to market conditions.

Strategic benefits to our Company

brought by the Pre-IPO Investors At the time of the Pre-IPO Investments, our Directors were of the view that our Group could benefit from the additional funds provided by the Pre-IPO Investors' investments in our Group and the knowledge and experience of the Pre-IPO Investors.

Notes:

- (1) The increase from the post-money valuation of First Angel Financing to the pre-money valuation of Second Angel Financing was mainly because the research and development of SP1000 achieved good and smooth progress between the two financings and was expected to achieve milestone at the end of 2017 or in early 2018.
- (2) The increase from the post-money valuation of Series Angel Financing to the pre-money valuation of Series A Financing was mainly because we had a number of milestones for our products during the period between the two financings. For example, (i) we successfully developed the prototype of SP1000 in May 2018 and (ii) we completed the first animal testing with SP1000 in May 2018.
- (3) The increase from the post-money valuation of Series A Financing to the pre-money valuation of Series A+ Financing was mainly because we had a number of milestones for our products during the period between the two financings. For example, (i) we successfully developed the prototype of MP1000 and completed the first animal testing with MP1000 in December 2018, (ii) we successfully developed the typeset product of SP1000 in April 2019 and commenced pilot scale production in October 2019, (iii) we successfully developed the typeset product of MP1000 and commenced pilot scale production in September 2019 and (iv) we established our manufacturing facilities in Shenzhen with an aggregate area of approximately 6,000 sq.m. in December 2019.
- (4) The increase from the post-money valuation of Series A+ Financing to the pre-money valuation of Series Pre-B Financing was mainly because we had a number of milestones for our products during the period between the two financings. For example, we commenced type testing for both MP1000 and SP1000 in August 2020.

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- (5) The increase from the post-money valuation of Series Pre-B Financing to the pre-money valuation of Series B Financing was mainly because we had a number of milestones for our products during the period between the two financings. For example, we completed type testing for both SP1000 and MP1000 in December 2020 and the results demonstrated that both SP1000 and MP1000 conformed to the relevant technical standards. In addition, we also applied for 111 new patents and successfully registered 42 new patents during the period.
- (6) The increase from the post-money valuation of Series B Financing to the pre-money valuation of Series Cross-over Financing was mainly because we had a number of milestones for our products during the period between the two financings. For example, (i) SP1000 became eligible for expedited review through the Green Path channel of the NMPA for innovative medical devices in April 2021, (ii) we initiated clinical trial in gynecologic surgery with MP1000 in August 2021, and (iii) we completed the patient enrollment for the registrational clinical trial in urologic surgery with MP1000 in September 2021.
- (7) Calculated based on the amount of consideration paid and the increase in registered capital as enlarged by any increase converted from the capital reserves of our Company in April 2018 and December 2021.
- (8) Calculated based on the assumption that the Offer Price is HK\$43.24 per Share.

3. Valuation of the Group

Following the completion of Series Cross-over Financing, the valuation of the Group is expected to further increase taken into account (a) the post-money valuation of Series Cross-over Financing; (b) the expected capital raising during the Global Offering; (c) our business growth since the Series Cross-over Financing, and (d) the difference in risks undertaken by the Pre-IPO Investors investing in a private company vis-à-vis investors investing in a public company. Subsequent to the Series Cross-over Financing in October 2021, we have continued to advance in the R&D, manufacturing and commercialization of our products. In particular, (i) we completed registrational clinical trial in urologic surgery with MP1000, (ii) we completed the registrational clinical trials of both MP1000 and SP1000 in gynecologic surgery, (iii) MP1000 became eligible for expedited review through the Green Path channel of the NMPA for innovative medical devices, (iv) we initiated clinical trial in general and thoracic surgery with MP1000, (v) our chief commercial officer, Mr. Chen Zongxi joined us and established our commercialization team, (vi) the clinical applications of MP1000 was approved to expand to urologic surgery, gynecologic surgery, general and thoracic surgery of adults, (vii) SP1000 was approved by the NMPA for application in gynecologic surgery, urologic surgery and general surgery, (viii) we started to commercialize Edge Single-Port Endoscopic Surgical Robot in China, (ix) we obtained the Class III medical device registration certificate of CP1000, the first model of our Edge Bronchoscope Robot and the first domestically-developed dual-arm bronchoscope robot, (x) we obtained the CE marking of MP1000 in the EU, and started to commercialize Edge Multi-Port Endoscopic Surgical Robot in China.

4. Rights of the Pre-IPO Investors

Pursuant to a shareholders' agreement entered into among our Company and the then Shareholders of our Company dated October 20, 2021 and the three joinder agreements to the shareholders' agreement entered into by our Company with Springleaf Investments, True Light and Octagon Investments, respectively, dated October 27, 2021 (collectively, the **"Shareholders' Agreements"**), which superseded the previous shareholders agreements, the Pre-IPO Investors were granted certain special rights, including but not limited to information rights, right of first refusal and co-sale, liquidation rights, anti-dilution rights and divestment rights. Pursuant to the Shareholders' Agreements, the divestment rights were terminated on November 7, 2021 (which will not be reinstated upon occurrence of events which are beyond control of the Company (if any)), and all the other special rights under the Shareholders' Agreements were terminated on January 29, 2022 in compliance with the Pre-IPO Investment Guidance under chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

5. Joint Sponsors' Confirmation

On the bases that (i) the consideration for the Pre-IPO Investments was irrevocably settled more than 28 clear days before the date of our first submission of the listing application to the Stock Exchange; and (ii) the divestment rights were terminated on November 8, 2021 and all the other special rights granted to the Pre-IPO Investors were terminated on January 29, 2022, the Joint Sponsors confirm that the Pre-IPO Investments are in compliance with the Pre-IPO Investment Guidance under chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

6. Information about our Pre-IPO Investors

Our Pre-IPO Investors include Sophisticated Investors, including LYFE Capital and Legend Star. The background information on our Pre-IPO Investors who made meaningful investment in the Company is set out below.

3H Health Investment

Nanjing Jianye Sanzheng Zhengyun Equity Investment Partnership (Limited Partnership) (南京建鄴叁正正昀股權投資合夥企業(有限合夥)) (“**Sanzheng Zhengyun**”) is a limited partnership duly established under the laws of the PRC. Sanzheng Zhengyun is managed by its general partner Hainan Sanzheng Shouzheng Health Management Co., Ltd. (海南叁正守正健康管理有限公司) (“**Hainan Sanzheng**”), which in turn is controlled by Mr. Sheng Li (盛利), our non-executive Director, as its ultimate beneficial owner. Sanzheng Zhengyun has one limited partner, Nanjing Sanzheng. Nanjing Sanzheng is a limited partnership duly established under the laws of the PRC, with Hainan Sanzheng acting as its general partner and Nanjing Sanzheng has over RMB800 million of assets under management. Hence, each of Sanzheng Zhengyun, Nanjing Sanzheng and Hainan Sanzheng is a connected person of the Company.

Each of Robust Edge Investments and Centroid Investments is a limited company established under the laws of Hong Kong for investment holding purpose. Robust Edge Investments is wholly-owned by 3H Health Investment Fund II, L.P., a Cayman exempted limited partnership fund, with 3H Health Investment GP II Ltd. acting as its general partner. Centroid Investments is wholly-owned by 3H Health Investment Fund I, L.P., a Cayman exempted limited partnership fund, with 3H Health Investment GP I Ltd. acting as its general partner. Both 3H Health Investment GP II Ltd. and 3H Health Investment GP I Ltd. are ultimately controlled by Wang Shunlong (王順龍). To the best knowledge of our Directors, each of Robust Edge Investments, Centroid Investments and their ultimate beneficial owners is an Independent Third Party of the Company.

Sanzheng Zhengyun, Robust Edge Investments and Centroid Investments are investment vehicles of 3H Health Investment Funds (三正健康投資基金) (“**3H Health Investment**”). 3H Health Investment are private equity investment funds specializing in investments in sectors related to life sciences, healthcare and technology.

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LYFE Capital

Guadalupe Peak Limited is a Sophisticated Investor which has made meaningful investment in the Company more than six months before the Listing Date for the purpose of paragraph 3(v) of chapter 2.3 of Guide for New Listing Applicants issued by the Stock Exchange. Guadalupe Peak Limited is a company incorporated under the laws of the Cayman Islands, which is a special purpose investment vehicle controlled by LYFE Capital Fund III (Dragon), L.P. (“**LYFE Capital Fund III**”, together with its affiliates, “**LYFE Capital**”). LYFE Capital Fund III is controlled by LYFE Capital Management Limited as its general partner, which is ultimately controlled by Mr. Zhao Jin (趙晉), who is an Independent Third Party. Our non-executive Director, Mr. Chen Gang (陳剛) is also a director of Guadalupe Peak Limited. LYFE Capital is a pioneering healthcare investment platform led by a group of investment veterans and operators that have gone through several market cycles. With 5 global offices in Asia and U.S., LYFE Capital focuses on investing in critical healthcare supply chain assets, specialized product platforms, and next-generation R&D services, allowing them to grow significant and resilient revenues from global mature market. LYFE Capital has approximately USD2 billion of assets under its management. The portfolio companies of LYFE Capital include, among others, Kangji Medical Holdings Limited (康基醫療控股有限公司), Cytex Biosciences, Inc. (廈泰生物科技有限公司) (NASDAQ: CTKB), Jiangsu Recbio Technology Co., Ltd. (江蘇瑞科生物技術股份有限公司) (HKEX: 2179), ST Pharm Co Ltd (KOSDAQ: 237690), and Fong’s Engineering & Manufacturing Pte. Ltd. To the best knowledge of our Directors, each of Guadalupe Peak Limited and its ultimate beneficial owner is an Independent Third Party.

Chengdu Mingsheng

Chengdu Mingsheng is a limited liability company established in the PRC and principally engaged in equity investment. Chengdu Mingsheng is owned by Mr. Zhao Kai (趙凱) and Mr. Zhang Haitao (張海濤) as to 85% and 15%, respectively. Mr. Zhao has over 20 years of experience in international conference and exhibition management and Mr. Zhang also has extensive experience in international conference and exhibition management. To the best knowledge of our Directors, each of Chengdu Mingsheng, Mr. Zhao Kai and Mr. Zhang Haitao is an Independent Third Party.

Zhongheng Huijin and Guangyuan Zhonghe

Zhongheng Huijin is a private equity fund established in the PRC and managed by its general partner GF Xinde Investment Management Co., Ltd. (廣發信德投資管理有限公司) (“**GF Xinde**”). GF Xinde is a wholly-controlled subsidiary of GF Securities Co., Ltd. (廣發證券股份有限公司), a PRC incorporated joint stock company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000776) and the Stock Exchange (stock code: 1776). GF Securities Co., Ltd. is a securities company primarily engaged in providing financial services. Zhongheng Huijin has 8 limited partners with the largest limited partner, Shangpu Investment Development (Hengqin) Co., Ltd. (尚浦產投發展(橫琴)有限公司) (“**Shangpu Investment**”), holding approximately 34.3% of the partnership interest. Shangpu Investment is

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ultimately controlled by Liu Xiangdong (劉響東). Zhongheng Huijin focuses on start-up investments and has approximately RMB875 million of assets under management. The portfolio companies of Zhongheng Huijin in healthcare and biotech areas include, among others, Shanghai United Imaging Healthcare Co., Ltd. (上海聯影醫療科技股份有限公司), Shenzhen MGI Tech Co., Ltd. (深圳華大智造科技股份有限公司), and Sanbo Brain Hospital Management Group Co., Ltd. (三博腦科醫院管理集團股份有限公司). To the best knowledge of our Directors, each of Zhongheng Huijin, its general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

Guangyuan Zhonghe is a limited partnership established in the PRC by the employees of GF Xinde. The general partner of Guangyuan Zhonghe is Zhuhai Xinyuan Zhaokang Investment Enterprise (Limited Partnership) (珠海信遠兆康投資企業(有限合夥)) (“**Zhuhai Xinyuan**”), holding approximately 44.2% of the partnership interest. Zhuhai Xinyuan is ultimately controlled by Xu Yiyu (許一宇). Guangyuan Zhonghe has a sole limited partner, Zhuhai Zhiyuan Kexiang Investment Enterprise (Limited Partnership) (珠海致遠科享投資企業(有限合夥)) (“**Zhuhai Xinyuan**”), holding approximately 55.8% of the partnership interest. Zhuhai Zhiyuan is ultimately controlled by Xie Yongyuan (謝永元). Guangyuan Zhonghe focuses on investments in healthcare, Technology, Media, and Telecom (TMT), and high-end manufacturing, with approximately RMB90 million of assets under management. To the best knowledge of our Directors, each of Guangyuan Zhonghe, its general partner and sole limited partner, and their ultimate beneficial owners is an Independent Third Party.

Intelligent Spark and Spark Plug

Both Intelligent Spark and Spark Plug are limited liability companies. Intelligent Spark, incorporated under the laws of Singapore, is wholly-owned by Boyu Capital Growth Fund I, Pte. Ltd., a private equity fund which is advised by its investment adviser, Boyu Capital Group Management Ltd. Spark Plug, incorporated under the laws of Hong Kong, is wholly-owned by Boyu Capital Opportunities Master Fund, a hedge fund which is managed by its manager, Boyu Capital Management (Singapore) Pte. Ltd.. Boyu Capital Group Management Ltd. and Boyu Capital Management (Singapore) Pte. Ltd. are members of Boyu Group. Boyu Group is a private investment firm with an integrated, synergistic platform that specializes in private equity, public equity, venture capital, fixed assets and special situations, which provides growth and transformational capital for leading businesses and entrepreneurs in areas including healthcare, technology, consumer and business services. The ultimate beneficial owner of both Intelligent Spark and Spark Plug is Tong Xiaomeng (童小蒙). Our non-executive Director, Mr. Qiu Xiang (邱翔), has been employed by a member of Boyu Group with his current position as an executive director and is therefore associated with Intelligent Spark and Spark Plug. To the best knowledge of our Directors, each of Intelligent Spark, Spark Plug, and their ultimate beneficial owners is an Independent Third Party.

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Panorama Investment

Guoce Technology Manufacturing is a limited liability partnership established in the PRC and managed by its general partner Shanghai Panorama Investment Management Co., Ltd. (上海國策投資管理有限公司) (“**Panorama Investment**”), which is ultimately controlled by Mr. Lu Ziyi (陸諮燁). Guoce Technology Manufacturing has 15 limited partners with the largest limited partner, Jiaying Xingyong Rongzheng Equity Investment Partnership (Limited Partnership) (嘉興星湧榮正股權投資合夥企業(有限合夥)), holding approximately 18.67% of the partnership interest. Guoce Technology Manufacturing makes investments in high-tech enterprises in the fields of healthcare, biotech, etc. Panorama Investment has assets of over RMB3.6 billion under its management. The other companies in healthcare and biotech areas invested by Panorama Investment include, among others, JustHealth Technology Co., Limited (杭州健海科技有限公司). To the best knowledge of our Directors, each of Panorama Investment, its general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

Jiaying Yusheng is a limited partnership established in the PRC and is ultimately controlled by Mr. Lu Ziyi (陸諮燁). Mr. Lu has extensive experience in investment and management of projects in technology and manufacturing sector. Jiaying Yusheng is managed by Panorama Investment and the general partner of Jiaying Yusheng is Shanghai Shenghe Enterprise Management Center (Limited Partnership) (上海晟閣企業管理中心(有限合夥)). Jiaying Yusheng has 5 limited partners with the largest limited partner, Jiaying Yunyao Jingfeng Venture Capital Partnership (Limited Partnership) (嘉興昀曜精鋒創業投資合夥企業(有限合夥)) (“**Jiaying Yunyao**”), holding approximately 53.0% of the partnership interest and ultimately controlled by Zhao Jiaqiao (趙佳俏). Jiaying Yusheng makes investments in high-tech enterprises in the fields of healthcare, biotech, etc. To the best knowledge of our Directors, each of Jiaying Yusheng, its general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

Jiaying Siqu is a limited partnership established in the PRC and is ultimately controlled by Mr. Lu Ziyi (陸諮燁). Jiaying Siqu is managed by Panorama Investment and the general partner of Jiaying Siqu is Shanghai Shenghe Enterprise Management Center (Limited Partnership) (上海晟閣企業管理中心(有限合夥)). Jiaying Siqu has 1 limited partner, Jiaying Yunyao, holding approximately 90.31% of the partnership interest and ultimately controlled by Zhao Jiaqiao (趙佳俏). Jiaying Siqu makes investments in high-tech enterprises in the fields of healthcare, biotech, etc. To the best knowledge of our Directors, each of Jiaying Siqu, its general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

Shanghai Guoce Green Technology Manufacturing Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (上海國策綠色科技製造私募投資基金合夥企業(有限合夥)) (“**Guoce Green Technology**”) is a limited liability partnership established in the PRC and managed by its general partner Panorama Investment. Both Guoce Green Technology and Panorama Investment are ultimately controlled by Lu Ziyi (陸諮燁). Guoce Green Technology has 15 limited partners with the largest limited partner, Hainan Huaquan Enterprise Management Co., Ltd. (海南華荃企業管理有限公司), holding approximately 13.84% of the

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partnership interest. Guoce Green Technology makes investments in high-tech enterprises in the fields of healthcare, biotechnology, etc. To the best knowledge of our Directors, each of Guoce Green Technology, its general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

Legend Star

Beijing Xinghao is a Sophisticated Investor which has made meaningful investment in the Company more than six months before the Listing Date for the purpose of paragraph 3(v) of section 2.3 of the Guide for New Listing Applicants issued by the Stock Exchange. Beijing Xinghao is a venture capital fund under the brand of Legend Star registered with Assets Management Association of China (中國證券投資基金業協會) and focuses on investments in start-up companies across healthcare, artificial intelligence, telecommunications, media and technology industries. Beijing Xinghao is managed by Beijing Legend Star Future Investment Management Co., Ltd. (北京聯想之星未來投資管理有限公司) (“**Legend Star Future**”, together with its affiliates “**Legend Star**”) and the general partner of Beijing Xinghao is Qushui Xinghuan Venture Capital Management Center (Limited Partnership) (曲水縣星環創業投資管理中心(有限合夥)) (“**Qushui Xinghuan**”). Both Qushui Xinghuan and Legend Star Future are ultimately controlled by Legend Holdings Corporation (“**Legend Holdings**”) (stock code: 03396.HK). Beijing Xinghao has 9 limited partners with the largest limited partner, Tibet Dongfang Qihui Investment Co., Ltd. (西藏東方企慧投資有限公司) (“**Tibet Dongfang**”), holding approximately 48.8% of the partnership interest. Tibet Dongfang is ultimately controlled by Legend Holdings. Legend Star is the investment arm of Legend Holdings focusing on start-up investments and has an assets under management of approximately RMB4 billion as of June 22, 2025. The portfolio companies of Legend Star in healthcare and biotech areas include, among others, Kintor Pharmaceutical (stock code: 9939.HK), Burning Rock Biotech (NASDAQ: BNR) and Huihe Healthcare (匯禾醫療). To the best knowledge of our Directors, each of Beijing Xinghao, its general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

Khorgos Lianpan

Khorgos Lianpan is a limited liability company focusing on venture capital investments in cutting-edge technology industry. It has an investment size of over RMB100 million and is ultimately controlled by Legend Holdings. To the best knowledge of our Directors, each of Khorgos Lianpan and its ultimate beneficial owner is an Independent Third Party.

Temasek

Springleaf Investments is an indirect wholly owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”). Temasek is a global investment company headquartered in Singapore, with a net portfolio value of S\$434 billion as at March 31, 2025. Temasek’s Purpose “So Every Generation Prospers” guides it to make a difference for today’s and future generations. Temasek seeks to build a resilient and forward-looking portfolio that will deliver sustainable returns over the long term. It has 13 offices in 9 countries around the world:

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Beijing, Hanoi, Mumbai, Shanghai, Shenzhen, and Singapore in Asia; and Brussels, London, Mexico City, New York, Paris, San Francisco, and Washington, DC outside Asia. To the best knowledge of our Directors, each of Springleaf Investments and its ultimate beneficial owner is an Independent Third Party.

True Light is indirectly wholly-held by True Light Capital GP Pte. Ltd. (“**True Light Capital**”) in its capacity as the general partner of True Light Fund I LP. True Light Capital is in turn indirectly wholly-owned by Temasek. Established in 2021, True Light Capital is a long-term investor with the ability to invest and hold through cycles. True Light invests in high-quality investment opportunities which have a nexus to or have a major business relationship with China. It applies a theme-driven approach, investing across asset classes, sectors and stages. To the best knowledge of our Directors, True Light is an Independent Third Party.

HongShan Growth

HongShan Growth is a limited liability company incorporated under the laws of the Cayman Islands. The sole shareholder of HongShan Growth is HongShan Capital Growth Fund VI, L.P. (“**HongShan GVI Fund**”). HongShan GVI Fund is an investment fund whose primary purpose is to make equity investments in private companies, whose general partner is HSG Growth VI Management, L.P. The general partner of HSG Growth VI Management, L.P. is HSG Holding Limited, whose sole shareholder is SNP China Enterprises Limited. The sole shareholder of SNP China Enterprises Limited is Mr. Neil Nanpeng Shen. To the best knowledge of our Directors, each of HongShan Growth, together with its general partner, and Mr. Neil Nanpeng Shen is an Independent Third Party.

Shenzhen Hanchen and Taijiashan Healthcare Fund

Shenzhen Hanchen is a limited partnership established in the PRC with approximately RMB14 billion of subscribed capital contribution. Its principal business is to make equity investments in private companies. The general partner of Shenzhen Hanchen is Shenzhen HongShan Antai Equity Investment Partnership (Limited Partnership) (深圳紅杉安泰股權投資合夥企業(有限合夥)) (“**HongShan Antai**”), a limited partnership established in the PRC. HongShan Antai is ultimately controlled by Mr. Zhou Kui (周逵). Shenzhen Hanchen has a sole limited partner, Shenzhen HongShan Yuechen Investment Partnership (Limited Partnership) (深圳紅杉悅辰投資合夥企業(有限合夥)) (“**Shenzhen HongShan**”), holding approximately 99.9% of the partnership interest. Shenzhen HongShan is ultimately controlled by Mr. Zhou Kui (周逵).

Taijiashan Healthcare Fund is a limited partnership established in the PRC with approximately RMB5 billion of subscribed capital contribution. Its principal business is to make equity investments in private companies. The general partner of Taijiashan Healthcare Fund is HongShan Baohui (Xiamen) Equity Investment Partnership (Limited Partnership) (紅杉保慧(廈門)股權投資合夥企業(有限合夥)) (“**HongShan Baohui**”), a limited partnership

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established in the PRC. HongShan Baohui is controlled by Mr. Zhou Kui (周逵). Taijiashan Healthcare Fund has a sole limited partner, China Pacific Life Insurance Co., Ltd. (中國太平洋人壽保險股份有限公司), holding approximately 99.0% of the partnership interest.

Both Shenzhen Hanchen and Taijiashan Healthcare Fund are ultimately controlled by Mr. Zhou Kui (周逵). To the best knowledge of our Directors, each of Shenzhen Hanchen and Taijiashan Health Fund, their general partners and limited partners, and Mr. Zhou Kui is an Independent Third Party.

Kangji Medical and Hangzhou Kangyin

Kangji Medical is a wholly-owned subsidiary of Kangji Medical Holdings Limited, an investment holding company, and the group is principally engaged in designing, developing, manufacturing and selling minimally invasive surgical instruments and accessories products in China. Mr. Zhong Ming (鍾鳴) and his spouse are indirectly interested in an aggregate of approximately 40% shareholding interests in Kangji Medical Holdings Limited.

Hangzhou Kangyin Investment Management Co., Ltd. (杭州康銀投資管理有限公司) (“**Hangzhou Kangyin**”) is a limited liability company established in the PRC on June 4, 2015 with a registered capital of RMB15,151,515. Hangzhou Kangyin has two shareholders, including Mr. Zhong Ming (鍾鳴) holding 99% equity interest and Hangzhou Yinxin Medical Technology Co., Ltd. (杭州銀欣醫療科技有限公司) holding 1% equity interest. Hangzhou Kangyin has approximately RMB15.15 million of assets under management.

To the best knowledge of our Directors, each of Kangji Medical and Hangzhou Kangyin (together with its sole general partner and sole limited partner), and their ultimate beneficial owners is an Independent Third Party.

Shenzhen Zhihui

Shenzhen Zhihui is a limited partnership established in the PRC with registered capital of RMB2.511 million. The general partner of Shenzhen Zhihui is Ms. Li Hongju (李紅菊). Shenzhen Zhihui has 5 limited partners with each of the two largest limited partners, namely, Shao Ji (邵佺) and Mr. Chen Wenxin (陳文鑫), holding approximately 20.2% of the partnership interest. To the best knowledge of our Directors, Shenzhen Zhihui, its general partner and limited partners and their ultimate beneficial owners is an Independent Third Party.

Yu Anding (余安定)

Mr. Yu Anding (余安定) is a PRC resident and an individual Pre-IPO Investor of our Company. Mr. Yu has more than 20 years of experience in property sector with expertise in industrial park development, operation and enterprise management, and he has made investments in a number of innovative technology companies. To the best knowledge of our Directors, Mr. Yu Anding (余安定) is an Independent Third Party.

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Jiaxing Suizi

Jiaxing Suizi is a limited partnership established in the PRC and principally engaged in investments in consumer, biotech and healthcare areas. Jiaxing Suizi is controlled and managed by its general partner Shenzhen Tzitzit Private Equity Investment Fund Management Co., Ltd. (深圳市縊子私募股權投資基金管理有限公司) (“**Tzitzit Asset**”), which in turn is ultimately controlled by Wu Manping (吳蔓萍). Jiaxing Suizi has 17 limited partners with the largest limited partner, Deng Yuquan (鄧玉泉), holding approximately 12.3% of the partnership interest. Tzitzit Asset has approximately RMB1.37 billion in assets under management. The invested companies of the funds managed by Tzitzit Asset in healthcare and biotech areas also include Beijing Sun-Novoo Pharmaceutical Research Co., Ltd. (北京陽光諾和藥物研究股份有限公司) (stock code: 688621.SH), Guangdong Dongyangguang Pharmaceutical Co., Ltd. (廣東東陽光藥業有限公司), Heyuan Biotechnology (Tianjin) Co., Ltd. (合源生物科技(天津)有限公司). To the best knowledge of our Directors, each of Jiaxing Suizi, its general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

Lingang Lanwan Fund I

Lingang Lanwan Fund I is a limited partnership founded in 2021 in the PRC. Lingang Lanwan Fund I focuses on the investment in the medical and healthcare industry, particularly in biotechnology and pharmaceutical, medical equipment and medical service sub-sectors. The general partner of Lingang Lanwan Fund I is Shanghai Lingang Lanwan Private Equity Fund Management Co., Ltd. (上海臨港藍灣私募基金管理有限公司) (“**Lingang Lanwan Capital**”) which is controlled by Qu Xia (曲霞). Lingang Lanwan Fund I is under the management of Lingang Lanwan Capital. Lingang Lanwan Fund I has 10 limited partners with the largest limited partner, Shanghai Lingang New District Daohe Phase I Industrial Asset Allocation Equity Investment Fund Partnership (Limited Partnership) (上海臨港新片區道禾一期產業資產配置股權投資基金合夥企業(有限合夥)), holding approximately 24.8% of the partnership interest. The total assets under management of Lingang Lanwan Fund I is RMB1.01 billion. To the best knowledge of our Directors, each of Lingang Lanwan Fund I, its general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

China State-owned Enterprises Mixed Ownership Reform Fund

China State-owned Enterprises Mixed Ownership Reform Fund is a limited liability company established in the PRC. The shareholders of China State-owned Enterprises Mixed Ownership Reform Fund include 19 state-owned enterprises and strategic investment institutions, with China Chengtong Holdings Group Co., Ltd. (中國誠通控股集團有限公司) being its largest shareholder. China State-owned Enterprises Mixed Ownership Reform Fund is ultimately controlled by State-owned Assets Supervision and Administration Commission of the State Council. The total fund size of China State-owned Enterprises Mixed Ownership Reform Fund is RMB200 billion and the first phase of fund raised by it is RMB70.7 billion.

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China State-owned Enterprises Mixed Ownership Reform Fund aims to, among others, deepen the practical cooperation between state-owned enterprises and enterprises of various types of ownership, improve the modern enterprise system, stimulate the vitality of market players, cultivate globally competitive mixed-ownership enterprises, create good returns for shareholders and break new paths for mixed-ownership of state-owned enterprises. To the best knowledge of our Directors, each of China State-owned Enterprises Mixed Ownership Reform Fund and its ultimate beneficial owner is an Independent Third Party.

Vertex Investment

Vertex Investment is a limited partnership established in the PRC with approximately RMB2.2 billion of assets under management. Its general partner is Xiangtansheng (Xiamen) Equity Investment Partnership (Limited Partnership) (祥譚晟(廈門)股權投資合夥企業(有限合夥)), which in turn is ultimately controlled by TAY CHOON CHONG. Vertex Investment has 10 limited partners with the largest limited partner, Xiangluansheng (Xiamen) Investment Partnership (Limited Partnership) (祥巒晟(廈門)投資合夥企業(有限合夥)), holding approximately 36% of the partnership interest. Xiangluansheng (Xiamen) Investment Partnership (Limited Partnership) is ultimately controlled by TAY CHOON CHONG. Vertex Investment is managed by Xiangfeng Jiazi (Xiamen) Private Equity Fund Management Co., Ltd. (祥峰甲子(廈門)私募基金管理有限公司), which in turn was founded in 2020 with office in Xiamen. Vertex Investment focuses on the investments in fields of deep tech, new digital economy, consumption and healthcare. To the best knowledge of our Directors, each of Vertex Investment, its general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

Beijing Yahui Jinlin

Beijing Yahui Jinlin is a private equity investment fund managed and ultimately controlled by Beijing Yahui Asset Management Co., Ltd. (北京雅惠資產管理有限公司). The general partner of Beijing Yahui Jinlin is Ningbo Meishan Free Trade Port Zone Yahui Xinhui Investment Management Center (Limited Partnership) (寧波梅山保稅港區雅惠鑫匯投資管理中心(有限合夥)). Beijing Yahui Jinlin has 17 limited partners with the largest limited partner, Gongqingcheng Yahui Jinying Venture Capital Partnership (Limited Partnership) (共青城雅惠錦瀛創業投資合夥企業(有限合夥)), holding approximately 19.4% of the partnership interest. Beijing Yahui Jinlin focuses on the investments in life science and has over RMB1.8 billion of assets under management. To the best knowledge of our Directors, each of Beijing Yahui Jinlin, its general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

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Hainan Yuanfeng

Hainan Yuanfeng is a limited partnership established in the PRC with approximately RMB18 million of registered capital. The general partner of Hainan Yuanfeng is Ms. Sha Naidan (沙乃丹). Ms. Sha has extensive experience in construction industry and specializes in engineering management. Hainan Yuanfeng has 6 limited partners with the largest limited partners, Dong Xiaomeng (董小蒙) and Lu Gang (陸剛), holding approximately 27.8% of the partnership interest, respectively. To the best knowledge of our Directors, each of Hainan Yuanfeng and its general partner and limited partners is an Independent Third Party.

CICC Pucheng

CICC Pucheng Investment Corporation Limited (中金浦成投資有限公司) is wholly owned by China International Capital Corporation Limited, a PRC incorporated joint stock company whose shares are listed on the Shanghai Stock Exchange (stock code: 601995.SH) and Main Board of the Stock Exchange (stock code: 3908.HK). CICC Pucheng is an established investment company focusing on various industries including technology, finance and healthcare. To the best knowledge of our Directors, each of CICC Pucheng and its ultimate beneficial owner is an Independent Third Party.

Chengdu Boyuan Jiayu

Chengdu Boyuan Jiayu is a limited partnership established in the PRC. The general partner of Chengdu Boyuan Jiayu is Shanghai Borui Jiatian Enterprise Management Partnership (Limited Partnership) (上海博睿嘉天企業管理合夥企業(有限合夥)) and ultimately controlled by Zhi Ruwei (支汝葦). As of the Latest Practicable Date, Chengdu Boyuan Jiayu has 28 limited partners, each holding less than 30% partnership interest. To the best knowledge of our Directors, each of Chengdu Boyuan Jiayu, its general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

OrbiMed

OrbiMed Genesis is an exempted limited partnership established under the laws of the Cayman Islands. It is a pooled-investment fund with OrbiMed Advisors LLC acting as its investment manager. OrbiMed Genesis GP LLC is the general partner of OrbiMed Genesis. OrbiMed Advisors LLC is the managing member of OrbiMed Genesis GP LLC. OrbiMed Advisors LLC exercises investment and voting power through a management committee comprised of Carl L. Gordon, Sven H. Borho, and W. Carter Neild. As of September 30, 2025, OrbiMed Genesis has 120 limited partners with its largest single investor holding approximately 11.1% interest in OrbiMed Genesis.

OrbiMed New Horizons is an exempted limited partnership established under the laws of the Cayman Islands. It is a pooled-investment fund with OrbiMed Advisors LLC acting as its investment manager. OrbiMed New Horizons GP LLC is the general partner of OrbiMed New Horizons. OrbiMed Advisors LLC is the managing member of OrbiMed Horizons GP LLC.

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OrbiMed Advisors LLC exercises investment and voting power through a management committee comprised of Carl L. Gordon, Sven H. Borho, and W. Carter Neild. As of September 30, 2025, OrbiMed New Horizons has 84 limited partners with its largest single investor holding approximately 16.4% interest in OrbiMed New Horizons.

OrbiMed is a leading healthcare investment firm with approximately US\$19.3 billion in assets under management as of September 2025. OrbiMed invests globally in the healthcare sector with investments ranging from early-stage private companies to large multinational corporations. To the best knowledge of our Directors, each of OrbiMed Genesis, OrbiMed New Horizons, and their ultimate beneficial owners is an Independent Third Party.

Wuxi FirstLight

Wuxi FirstLight is a limited partnership formed in the PRC and managed by FirstLight Fund Management (Beijing) Co., Ltd. (晨壹基金管理(北京)有限公司) (together with its affiliates, “**FirstLight Capital**”). As of March 31, 2025, FirstLight Capital manages total assets under management of over RMB12 billion. The general partner of Wuxi FirstLight is Wuxi FirstLight Chengqi Consulting Management Partnership (Limited Partnership) (無錫晨壹成啓諮詢管理合夥企業((有限合夥)), which is ultimately controlled by Ms. Liu Xiaodan (劉曉丹). As of the same date, Wuxi FirstLight had 27 limited partners with the largest limited partner holding approximately 20% of the partnership interest in terms of capital commitment. Founded in 2019, FirstLight Capital focuses on buyout and growth investment opportunities in healthcare, consumer, industrial and business services, and technology sectors. The firm leverages its deep industry resources and capital market experience to identify and execute unique investment opportunities. To the best knowledge of our Directors, each of Wuxi FirstLight, its general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

GBA Fund

GBA Fund Investment Limited is a wholly-controlled subsidiary of Greater Bay Area Homeland Development Fund LP (大灣區共同家園發展基金有限合夥) (the “**GBA Fund**”). The GBA Fund is a private investment fund and has nine limited partners. The GBA Fund is under discretionary management by Greater Bay Area Development Fund Management Limited, a type 1, 4 and 9 licensed corporation under the Securities and Futures Ordinance. The ultimate beneficial owner of GBA Fund Investment Limited is Greater Bay Area Homeland Investments Limited (HK). The GBA Fund is able to invest across all stages of company life cycle, including venture capital stage, private equity, investments in listed companies, mergers and acquisitions. The objective of GBA Fund is to seize the historical opportunities of the development of Guangdong-Hong Kong-Macao Greater Bay Area, and the construction of an international innovation and technology hub, ushered in through technological innovation, industrial upgrading, improvement in living quality, and construction of smart city. To the best knowledge of our Directors, each of GBA Fund Investment Limited and its ultimate beneficial owner is an Independent Third Party.

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Sage Partners

Sage Partners is an exempted limited partnership established under the laws of the Cayman Islands, and its general partner is Sage Partners Private Fund. Sage Partners is a pooled-investment fund with Sage Partners Limited as its investment manager which is licensed by the SFC to carry out type 9 regulated activities. Sage Partners mainly focuses on investment opportunities in the healthcare sector and other emerging technologies by deploying a long-term fundamental-based approach. To the best knowledge of our Directors, each of Sage Partners, its general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

Qingdao Yizhou

Qingdao Yizhou is a limited partnership established in the PRC and a fund registered with Assets Management Association of China (中國證券投資基金業協會). Qingdao Yizhou mainly focuses on investments in enterprises at the growth or mature stage in medical equipment, biomedicine, and high-tech industries. The fund manager and the general partner of Qingdao Yizhou is Qingdao Yikai Venture Capital Management Co., Ltd. (青島羿凱創業投資管理有限公司) (“**Yikai Venture Capital**”), which is ultimately controlled by Fang Kai (方凱). Qingdao Yizhou has 10 limited partners with the largest limited partner, Wang Zhaofeng (王兆峰), holding approximately 41.7% of the partnership interest. Qingdao Yizhou has over RMB76 million of assets under management. The portfolio companies of Yikai Venture Capital include, among others, Beijing Xinyi Biological Technology Co., Ltd. (北京新羿生物科技有限公司), eTheRNA, Shanghai Genext Medical Technology Co., Ltd. (上海健耕醫藥科技股份有限公司) and Zhuhai Beihai Biotechnology Co., Ltd. (珠海貝海生物技術股份有限公司). To the best knowledge of our Directors, each of Qingdao Yizhou, its general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

Octagon Investments

Octagon Investments Master Fund LP (“**Octagon Investments**”) is an exempted limited partnership formed under the laws of the Cayman Islands and operating as a private investment fund. Octagon Capital Advisors LP (“**Octagon Capital**”), a Delaware limited partnership and registered investment advisor with the U.S. SEC, serves as the investment manager to Octagon Investments and Octagon Investments GP, LLC serves as the general partner of Octagon Investments. Each of Octagon Investments, Octagon Capital and Octagon Investments GP, LLC is ultimately controlled by Jia Ting (賈頌). Founded in 2019, Octagon Capital is a multi-stage investment manager dedicated to evidence-based investing in public and private healthcare companies globally, with a focus in the U.S. and China. Octagon Capital strives to build concentrated, long-term investments and work with our portfolio management teams as partners. Octagon Capital manages capital on behalf of global institutions such as university endowments, non-profit foundations, family offices, pension funds and established asset managers. To the best knowledge of our Directors, each of Octagon Capital, Octagon Investments, its general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

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Ms. Fan Xiaolin (范曉霖)

Ms. Fan Xiaolin, is a PRC resident and individual Pre-IPO Investor of the Company. Ms. Fan had operational management experience in biopharmaceutical industry and is currently freelancer. To the best knowledge of our Directors, Ms. Fan Xiaolin is an Independent Third Party.

Mirae Asset Global Investments

Mirae Asset Global Investments is a member of Mirae Asset Financial Group. Founded in 1997, Mirae Asset Financial Group is one of the largest financial groups in Asia, providing comprehensive services to clients worldwide—including asset management, wealth management, investment banking, and life insurance. Mirae Asset Financial Group has a presence in 19 global markets throughout the Americas, Asia Pacific, and Europe, and the total assets under management is about USD754 billion as of November 2025. In China market, Mirae Asset Global Investments focus on private market investment opportunities in biotechnology, medtechnology, technology and innovation through its RMB and USD funds. To the best knowledge of our Directors, each of Mirae Asset Global Investments and its ultimate beneficial owner is an Independent Third Party.

Hangzhou Xiangshu

Hangzhou Xiangshu is a limited partnership established in the PRC. Ms. Zhong Shu (鍾淑), being an associate (as defined in the Listing Rules) of Mr. Zhong Ming (鍾鳴) (being the sole general partner of Hangzhou Yinkaixin), is the sole general partner of Hangzhou Xiangshu and Mr. Xu Xiangdong (徐向東), being the spouse of Ms. Zhong Shu (鍾淑), is its sole limited partner holding 20.0% of the partnership interest. Hangzhou Xiangshu has approximately US\$2 million of assets under management. To the best knowledge of our Directors, each of Hangzhou Xiangshu, its sole general partner and sole limited partner, and their ultimate beneficial owners is an Independent Third Party.

Mr. Jiang Hao (姜昊)

Mr. Jiang Hao, is a PRC resident and individual Pre-IPO Investor of the Company. He is currently serving as an executive director of CSPC Pharmaceutical Group Limited, a company listed on the Stock Exchange (stock code: 1093), which is principally engaged in the manufacture and sales of pharmaceutical products. To the best knowledge of our Directors, Mr. Jiang Hao is an Independent Third Party.

Suzhou Junlian and Social Security Fund

Each of Suzhou Junlian and Social Security Fund is a limited partnership established in the PRC, managed by Legend Capital Co., Ltd. (君聯資本管理股份有限公司) (“**Legend Capital**”) and ultimately controlled by Mr. Zhu Linan (朱立南), Mr. Chen Hao (陳浩), Mr. Wang Nengguang (王能光) and Mr. Li Jiaqing (李家慶). The general partner of Suzhou Junlian is Lhasa Junqi Enterprise Management Co., Ltd. (拉薩君祺企業管理有限公司), which is a

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wholly-owned subsidiary of Legend Capital. The general partner of Social Security Fund is Beijing Junchuangli New Venture Capital Partnership (Limited Partnership) (北京君創勵新創業投資合夥企業(有限合夥)), which is ultimately controlled by Mr. Zhu Linan, Mr. Chen Hao, Mr. Wang Nengguang and Mr. Li Jiaqing. Founded in April 2001, Legend Capital is a PRC limited liability company specializing in early-stage venture capital and growth-stage private equity investments, with approximately RMB80 billion of assets under management. The portfolio companies of Legend Capital in medical device and biotechnology areas include, among others, Pharmaron Beijing Co., Ltd. (康龍化成(北京)新藥技術股份有限公司) (stock code: 3759.HK), WuXi AppTec Co., Ltd. (無錫藥明康德新藥開發股份有限公司) (stock code: 2359.HK; 603259.SH), Innovent Biologics, Inc. (stock code: 1801.HK), Guangzhou Kingmed Diagnostics Group Co., Ltd. (廣州金域醫學檢驗集團股份有限公司)(stock code: 603882.SH), Shanghai Aohua Photoelectricity Endoscope Co., Ltd. (上海澳華內鏡股份有限公司) (688212 SH), and Wuhan Easy Diagnosis Biomedicine Co., Ltd. (武漢明德生物科技股份有限公司) (stock code: 002932.SZ). To the best knowledge of our Directors, each of Suzhou Junlian and Social Security Fund, their general partner and limited partners, and their ultimate beneficial owners is an Independent Third Party.

Guangzhou Jinyuan

Guangzhou Jinyuan is a limited partnership established in the PRC, which is managed by its general partner Guangdong Jinyuan Private Fund Management Co., Ltd. (廣東槿源私募基金管理有限公司) and ultimately controlled by Yang Minggang (楊明剛). Guangzhou Jinyuan has 4 limited partners with the largest limited partner, Jiaying First Construction Investment Yuqi No. 6 Investment Partnership Enterprise (Limited Partnership) (嘉興首建投珏琪六號投資合夥企業(有限合夥)) (“**Yuqi No. 6**”) holding approximately 62.9% of the partnership interest. Yuqi No. 6 has 5 limited partners with Chengdu Jingtai Investment Development Co., Ltd. (成都競泰投資發展有限公司) (“**Chengdu Jingtai**”) and Chen Danxia (陳丹霞) holding more than 30% of its partnership interests, respectively. Chengdu Jingtai is ultimately controlled by Wang Peizhi (王沛之) and Chen Zeng Yuhua (陳曾雨菡). To the best knowledge of our Directors, each of Guangzhou Jinyuan, its general partner and limited partners, and their ultimate beneficial owner(s) is an Independent Third Party.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Throughout the Track Record Period and up to the Latest Practicable Date, we have not conducted any acquisitions, disposals or mergers that we consider to be material to us.

PREVIOUS LISTING APPLICATION

On April 19, 2022, we submitted an application to the Stock Exchange for the listing of the H Shares on the Main Board (the “**Previous Listing Application**”). Considering the prevailing market conditions at the relevant time, we decided to put on hold the Previous Listing Application, following which the engagement with certain previous professional parties expired. To the best knowledge of the Directors, there were no disagreements or disputes between the Group and these previous professional parties.

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PUBLIC FLOAT

Following the completion of the Global Offering, our Unlisted Shares that will and will not be converted into H Shares for each Shareholder as of the Latest Practicable Date are set forth as below:

Shareholders holding Unlisted Shares as of the Latest Practicable Date	Number of Shares	Number of Shares that will be converted into H Shares following the completion of the Global Offering	Percentage of Shares that will be converted into H Shares in the Unlisted Share held by each Shareholder	Number of Shares that will not be converted into H Shares following the completion of the Global Offering	Percentage of number of Shares that will not be converted into H Shares in the Unlisted Share held by each Shareholder
Dr. Wang.	104,562,659	73,193,861	70.00%	31,368,798	30.00%
Dr. Gao	51,666,884	36,166,819	70.00%	15,500,065	30.00%
Chengdu Mingsheng	17,504,640	17,504,640	100%	–	–
Zhongheng Huijin.	16,359,120	16,359,120	100%	–	–
Suzhou Junlian	12,489,768	11,787,990	94.38%	701,778	5.62
Sanzheng Zhengyun	11,691,424	11,691,424	100%	–	–
Xieli Chuangfeng	10,708,126	10,708,126	100%	–	–
Social Security Fund	4,857,129	4,584,216	94.38%	272,913	5.62
Shenzhen Zhihui	4,473,922	4,473,922	100%	–	–
Khorgos Lianpan	4,892,760	4,892,760	100%	–	–
Beijing Xinghao.	4,892,760	4,892,760	100%	–	–
Taijiashan Healthcare Fund	4,393,964	3,075,775	70.00%	1,318,189	30.00%
Shenzhen Hanchen	4,393,964	3,075,775	70.00%	1,318,189	30.00%
Guoce Green Technology	3,998,261	3,998,261	100%	–	–
Guoce Technology Manufacturing	2,817,275	2,817,275	100%	–	–
Lingang Lanwan Fund I	2,388,960	2,388,960	100%	–	–
China State-owned Enterprise					
Mixed Ownership Reform Fund	1,911,240	1,911,240	100%	–	–
Vertex Investment.	1,765,080	1,323,810	75%	441,270	25.00%
Beijing Yahui Jinlin	1,715,040	1,715,040	100%	–	–
Yu Anding (余安定)	1,476,720	1,476,720	100%	–	–
Hainan Yuanfeng	1,466,280	1,466,280	100%	–	–
Hangzhou Kangyin	1,466,280	1,466,280	100%	–	–
CICC Pucheng	1,466,280	1,466,280	100%	–	–
Chengdu Boyuan Jiayu.	1,466,280	1,466,280	100%	–	–
Wuxi FirstLight	1,194,480	1,194,480	100%	–	–
Guangyuan Zhonghe	1,168,560	1,168,560	100%	–	–
Jiaxing Suizi.	944,216	944,216	100%	–	–
Fan Xiaolin (范曉霖).	716,760	716,760	100%	–	–
Qingdao Yizhou.	716,760	716,760	100%	–	–
Hangzhou Xiangshu	477,720	477,720	100%	–	–
Guangzhou Jinyuan.	422,071	422,071	100%	–	–
Jiang Hao (姜昊)	372,960	372,960	100%	–	–

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Shareholders holding Unlisted Shares as of the Latest Practicable Date	Number of Shares	Number of Shares that will be converted into H Shares following the completion of the Global Offering	Percentage of Shares that will be converted into H Shares in the Unlisted Share held by each Shareholder	Number of Shares that will not be converted into H Shares following the completion of the Global Offering	Percentage of number of Shares that will not be converted into H Shares in the Unlisted Share held by each Shareholder
Jiaxing Siqu	333,586	333,586	100%	–	–
Jiaxing Yusheng	168,360	168,360	100%	–	–
Guadalupe Peak Limited	18,964,440	14,223,330	75%	4,741,110	25.00%
Intelligent Spark	14,333,760	10,033,632	70%	4,300,128	30.00%
Robust Edge Investments	10,563,551	10,563,551	100%	–	–
Centroid Investments	8,386,920	8,386,920	100%	–	–
Springleaf Investments	7,644,600	5,351,220	70%	2,293,380	30.00%
Kangji Medical	5,865,840	5,865,840	100%	–	–
HongShan Growth	4,300,200	3,010,140	70.00%	1,290,060	30.00%
Spark Plug	2,388,960	2,388,960	100%	–	–
True Light	1,911,240	1,337,868	70.00%	573,372	30.00%
GBA Fund	1,194,480	1,194,480	100%	–	–
Sage Partners	716,760	716,760	100%	–	–
Octagon Investments	716,760	716,760	100%	–	–
OrbiMed Genesis	597,240	597,240	100%	–	–
OrbiMed New Horizons	597,240	597,240	100%	–	–
Mirae Asset Global Investments	477,720	477,720	100%	–	–
Total	360,000,000	295,880,748	82.19%⁽¹⁾	64,119,252	17.81%⁽¹⁾

Note:

- (1) Rounding to two decimals and denoting the percentage in the total issued Shares of the Company as at the Latest Practicable Date.

The 64,119,252 Shares held by Dr. Wang (as to 31,368,798 Unlisted Shares held), Dr. Gao (as to 15,500,065 Unlisted Shares), Vertex Investment Fund (as to 441,270 Unlisted Shares), HongShan Growth (as to 1,290,060 Unlisted Shares held), Taijiashan Healthcare Fund (as to 1,318,189 Unlisted Shares), Shenzhen Hanchen (as to 1,318,189 Unlisted Shares), Suzhou Junlian (as to 701,778 Unlisted Shares), Social Security Fund (as to 272,913 Unlisted Shares), Guadalupe Peak Limited (as to 4,741,110 Unlisted Shares), Intelligent Spark (as to 4,300,128 Unlisted Shares), Springleaf Investments (as to 2,293,380 Unlisted Shares) and True Light (as to 573,372 Unlisted Shares), representing approximately 17.81% of our total issued Shares as of the Latest Practicable Date, or approximately 16.54% of our total issued Shares upon Listing (assuming the Over-allotment Option is not exercised), or approximately 16.36% of our total issued Shares upon exercise of the Over-allotment Option in full, will not be considered as part of the public float as the Shares are Unlisted Shares which will not be converted into H Shares and listed following the completion of the Global Offering.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The 131,760,230 Shares held by Dr. Wang (as to 73,193,861 Unlisted Shares held), Dr. Gao (as to 36,166,819 Unlisted Shares held), Sanzheng Zhengyun and Xieli Chuangfeng representing approximately 36.60% of our total issued Shares as of the Latest Practicable Date, or approximately 33.98% of our total issued Shares upon Listing (assuming the Over-allotment Option is not exercised), or approximately 33.62% of our total issued Shares upon exercise of the Over-allotment Option in full, are Unlisted Shares which will be converted into H Shares and listed following the completion of the Global Offering. As (i) Xieli Chuangfeng is controlled by Dr. Wang, our executive Director and hence a core connected person of our Company, and (ii) Sanzheng Zhengyun is ultimately controlled by our non-executive Director, Mr. Sheng Li (盛利) and hence a core connected person of our Company, the H Shares held by these entities will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing.

The 164,120,518 Shares held by Chengdu Mingsheng, Zhongheng Huijin, Suzhou Junlian (as to 11,787,990 Unlisted Shares), Social Security Fund (as to 4,584,216 Unlisted Shares), HongShan Growth (as to 3,010,140 Unlisted Shares), Taijiashan Healthcare Fund (as to 3,075,775 Unlisted Shares), Shenzhen Hanchen (as to 3,075,775 Unlisted Shares), Guoce Technology Manufacturing, Guoce Green Technology, Shenzhen Zhihui, Khorgos Lianpan, Beijing Xinghao, Lingang Lanwan Fund I, China State-owned Enterprise Mixed Ownership Reform Fund, Vertex Investment (as to 1,323,810 Unlisted Shares), Yu Anding (余安定), Beijing Yahui Jinlin, Hainan Yuanfeng, Hangzhou Kangyin, CICC Pucheng, Chengdu Boyuan Jiayu, Wuxi FirstLight, Guangyuan Zhonghe, Jiaxing Suizi, Fan Xiaolin (范晓霖), Qingdao Yizhou, Guangzhou Jinyuan, Jiaxing Siqu, Hangzhou Xiangshu, Jiang Hao (姜昊), Guadalupe Peak Limited (as to 14,223,330 Unlisted Shares), Intelligent Spark (as to 10,033,632 Unlisted Shares), Robust Edge Investments, Centroid Investments, Springleaf Investments (as to 5,351,220 Unlisted Shares), Kangji Medical, Spark Plug, True Light (as to 1,337,868 Unlisted Shares), GBA Fund, Sage Partners, Octagon Investments, OrbiMed Genesis, OrbiMed New Horizons and Mirae Asset Global Investments, representing approximately 45.59% of our total issued Shares as of the Latest Practicable Date, or approximately 42.33% of our total issued Shares upon Listing (assuming the Over-allotment Option is not exercised), or approximately 41.88% of our total issued Shares upon exercise of the Over-allotment Option in full, are Unlisted Shares which will be converted into H Shares and listed following the completion of the Global Offering. As these entities will not be core connected persons of the Company upon Listing, are not accustomed to take instructions from core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by core connected persons, the Shares held by them will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing.

Pursuant to the applicable PRC law, within the 12 months following the Listing Date, all current Shareholders could not dispose of any of the Shares held by them.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Based on the above, immediately following completion of the Global Offering, assuming that the Over-allotment Option is not exercised, 191,842,718 H Shares, representing approximately 49.48% of the total number of issued Shares of our Company will be counted towards the public float, which is at least, based on the Offer Price of HK\$43.24, 15% with the expected market value of HK\$8.30 billion which is over HK\$6,000,000,000 but not exceeding HK\$30,000,000,000 under Rule 19A.13A(1) of the Listing Rules. Therefore, our Company will be able to meet the minimum public float requirement under Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules.

FREE FLOAT

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

Taking into consideration the number of issued share capital of the Company, Offer Shares to be issued under the Global Offering, Shares held by the existing Shareholders subject to lock-up requirement under the PRC laws and regulations, and Shares to be allocated to cornerstone investors, the expected market value of the H Shares being held by the public and not subject to any disposal restrictions at the time of Listing under Rule 19A.13C of the Listing Rules would amount to approximately HK\$615.2 million, assuming an Offer Price of HK\$43.24 per Offer Share. Accordingly, the Company will satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and the Listing Date (assuming the Over-Allotment Option is not exercised):

Shareholders	Number of Shares	Ownership percentage in the total issued share capital of the Company as of the Latest Practicable Date	Ownership percentage in the total issued share capital of the Company as of the Listing Date
Dr. Wang ⁽¹⁾	104,562,659	29.05%	26.97%
Dr. Gao ⁽¹⁾	51,666,884	14.35%	13.33%
Chengdu Mingsheng	17,504,640	4.86%	4.51%
Zhongheng Huijin	16,359,120	4.54%	4.22%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	Number of Shares	Ownership percentage in the total issued share capital of the Company as of the Latest Practicable Date	Ownership percentage in the total issued share capital of the Company as of the Listing Date
Suzhou Junlian	12,489,768	3.47%	3.22%
Sanzheng Zhengyun ⁽⁹⁾	11,691,424	3.25%	3.02%
Xieli Chuangfeng ⁽¹⁾	10,708,126	2.97%	2.76%
Social Security Fund	4,857,129	1.35%	1.25%
Shenzhen Zhihui	4,473,922	1.24%	1.15%
Khorgos Lianpan ⁽²⁾	4,892,760	1.36%	1.26%
Beijing Xinghao ⁽²⁾	4,892,760	1.36%	1.26%
HongShan Growth	4,300,200	1.19%	1.11%
Taijiashan Healthcare Fund ⁽³⁾	4,393,964	1.22%	1.13%
Shenzhen Hanchen ⁽³⁾	4,393,964	1.22%	1.13%
Guoce Green Technology ⁽⁴⁾	3,998,261	1.11%	1.03%
Guoce Technology Manufacturing ⁽⁴⁾	2,817,275	0.78%	0.73%
Jiaxing Siqu ⁽⁴⁾	333,586	0.09%	0.09%
Jiaxing Yusheng ⁽⁴⁾	168,360	0.05%	0.04%
Lingang Lanwan Fund I	2,388,960	0.66%	0.62%
China State-owned Enterprise Mixed Ownership Reform Fund	1,911,240	0.53%	0.49%
Vertex Investment	1,765,080	0.49%	0.46%
Beijing Yahui Jinlin	1,715,040	0.48%	0.44%
Yu Anding (余安定)	1,476,720	0.41%	0.38%
Hainan Yuanfeng	1,466,280	0.41%	0.38%
Hangzhou Kangyin	1,466,280	0.41%	0.38%
CICC Pucheng	1,466,280	0.41%	0.38%
Chengdu Boyuan Jiayu	1,466,280	0.41%	0.38%
Wuxi FirstLight	1,194,480	0.33%	0.31%
Guangyuan Zhonghe	1,168,560	0.32%	0.30%
Jiaxing Suizi	944,216	0.26%	0.24%
Fan Xiaolin (范曉霖)	716,760	0.20%	0.18%
Qingdao Yizhou	716,760	0.20%	0.18%
Hangzhou Xiangshu	477,720	0.13%	0.12%
Guangzhou Jinyuan	422,071	0.12%	0.11%
Jiang Hao (姜昊)	372,960	0.10%	0.10%
Guadalupe Peak Limited	18,964,440	5.27%	4.89%
Intelligent Spark ⁽⁵⁾	14,333,760	3.98%	3.70%
Spark Plug ⁽⁵⁾	2,388,960	0.66%	0.62%
Robust Edge Investments ⁽⁹⁾	10,563,551	2.93%	2.72%
Centroid Investments ⁽⁹⁾	8,386,920	2.33%	2.16%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	Number of Shares	Ownership percentage in the total issued share capital of the Company as of the Latest Practicable Date	Ownership percentage in the total issued share capital of the Company as of the Listing Date
Springleaf Investments ⁽⁶⁾	7,644,600	2.12%	1.97%
True Light ⁽⁶⁾	1,911,240	0.53%	0.49%
Kangji Medical ⁽⁷⁾	5,865,840	1.63%	1.51%
GBA Fund	1,194,480	0.33%	0.31%
Sage Partners	716,760	0.20%	0.18%
Octagon Investments	716,760	0.20%	0.18%
OrbiMed Genesis ⁽⁸⁾	597,240	0.17%	0.15%
OrbiMed New Horizons ⁽⁸⁾	597,240	0.17%	0.15%
Mirae Asset Global Investments	477,720	0.13%	0.12%
Investors taking part in the Global Offering	27,722,200	—	7.15%
Total	387,722,200	100.00%	100.00%

Notes:

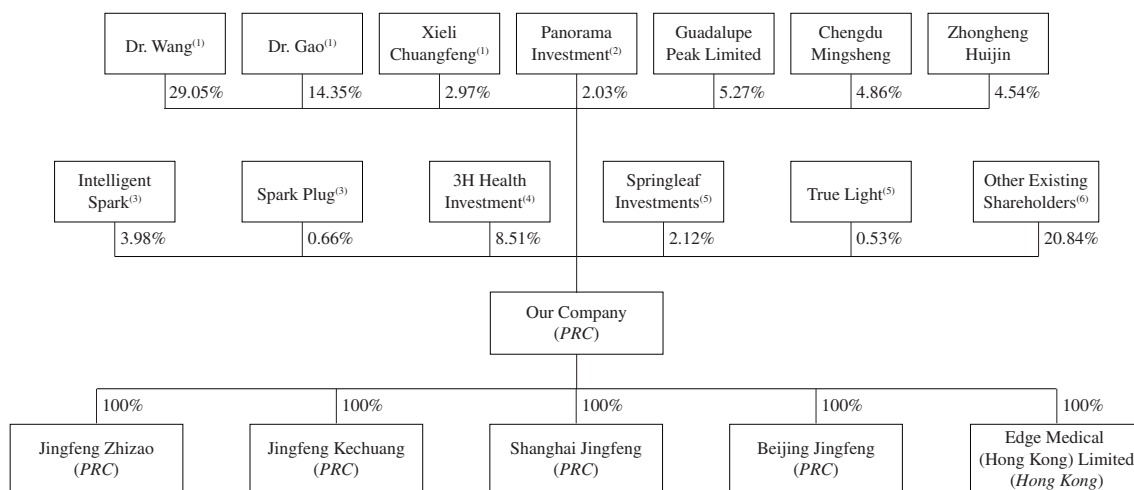
- (1) Dr. Wang and Dr. Gao are the founders and two of the executive Directors of our Company. By virtue of their spousal relationship, Dr. Wang and Dr. Gao, together with Xieli Chuangfeng (an entity controlled by Dr. Wang) form a group of Controlling Shareholders of our Company upon Listing, and are collectively interested in approximately 46.37% of our total issued share capital immediately prior to the Global Offering. As of the Latest Practicable Date, Dr. Wang is the sole general partner of Xieli Chuangfeng, holding 21.74% of its partnership interest, and Xieli Chuangfeng has four other limited partners, namely (i) Dr. Gao, our Controlling Shareholder and holding approximately 18.49% partnership interest in Xieli Chuangfeng, (ii) Zhongxu Ruifeng, our Employee Incentive Platform and holding approximately 6.09% partnership interest in Xieli Chuangfeng, (iii) Heyi Ruifeng, our Employee Incentive Platform and holding approximately 37.63% partnership interest in Xieli Chuangfeng and (iv) Jingcheng Ruifeng, our Employee Incentive Platform and holding approximately 16.05% partnership interest in Xieli Chuangfeng. As the sole general partner of Xieli Chuangfeng, Dr. Wang can exercise the voting rights attached to the Shares held by Xieli Chuangfeng at his full and absolute discretion and has veto power in relation to matters of Xieli Chuangfeng, in accordance with the partnership agreement. Accordingly, Dr. Wang ultimately controls Xieli Chuangfeng by virtue of his position as its sole general partner. As of the Latest Practicable date, the general partner of Zhongxu Ruifeng, Heyi Ruifeng and Jingcheng Ruifeng is Dr. Wang, Dr. Gao and Dr. Wang, respectively. The limited partners of Zhongxu Ruifeng, Heyi Ruifeng and Jingcheng Ruifeng are all employees of the Company. For details of the three Employee Incentive Platforms, see sections headed “History, Development and Corporate Structure—Employee Incentive Scheme” and “Appendix VI—Statutory and General Information—Further Information about Our Directors, Supervisors, Senior Management and Substantial Shareholders—5. Employee Incentive Scheme.”
- (2) Both Beijing Xinghao and Khorgos Lianpan are ultimately controlled by Legend Holdings. Beijing Xinghao and Khorgos Lianpan are collectively interested in approximately 2.72% interest of our total issued share capital as of the Latest Practicable Date.
- (3) Both Shenzhen Hanchen and Taijiashan Healthcare Fund are ultimately controlled by Mr. Zhou Kui. Shenzhen Hanchen and Taijiashan Healthcare Fund are collectively interested in approximately 2.44% interest of our total issued share capital as of the Latest Practicable Date.
- (4) Panorama Investment manages Guoce Technology Manufacturing, Guoce Green Technology, Jiaying Yusheng and Jiaying Siqu in its capacity as the fund manager of these funds. Guoce Technology Manufacturing, Guoce Green Technology, Jiaying Yusheng and Jiaying Siqu are collectively interested in approximately 2.03% interest of our total issued share capital as of the Latest Practicable Date.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (5) Both Intelligent Spark and Spark Plug are ultimately controlled by Mr. Tong Xiaomeng. Intelligent Spark and Spark Plug are collectively interested in approximately 4.65% interest of our total issued share capital as of the Latest Practicable Date.
- (6) Both Springleaf Investments and True Light are ultimately owned by Temasek. Springleaf Investments and True Light are collectively interested in approximately 2.65% interest of our total issued share capital as of the Latest Practicable Date.
- (7) Kangji Medical is a wholly-owned subsidiary of Kangji Medical Holdings Limited and the sole general partner of Hangzhou Kangyin is Mr. Zhong Ming (鍾鳴), who is the controlling shareholder and executive director of Kangji Medical Holdings Limited. Kangji Medical and Hangzhou Kangyin are collectively interested in approximately 2.04% interest of our total issued share capital as of the Latest Practicable Date.
- (8) Each of OrbiMed Genesis and OrbiMed New Horizons is a pooled-investment fund with OrbiMed Advisors LLC acting as the investment manager. OrbiMed Genesis and OrbiMed New Horizons are collectively interested in approximately 0.33% interest of our total issued share capital as of the Latest Practicable Date.
- (9) Sanzheng Zhengyun, Robust Edge Investments and Centroid Investments are investment vehicles of 3H Health Investment Funds, a private equity investment fund specializing in investments in sectors related to life sciences, healthcare and technology. Sanzheng Zhengyun, Robust Edge Investments and Centroid Investments are collectively interested in approximately 8.51% interest of our total issued share capital as of the Latest Practicable Date. See “—Detailed Terms of the Pre-IPO Investments—6. Information about our Pre-IPO Investors” in this section for details.

CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE GLOBAL OFFERING

The chart below sets out the shareholding structure of our Company immediately before completion of the Global Offering:



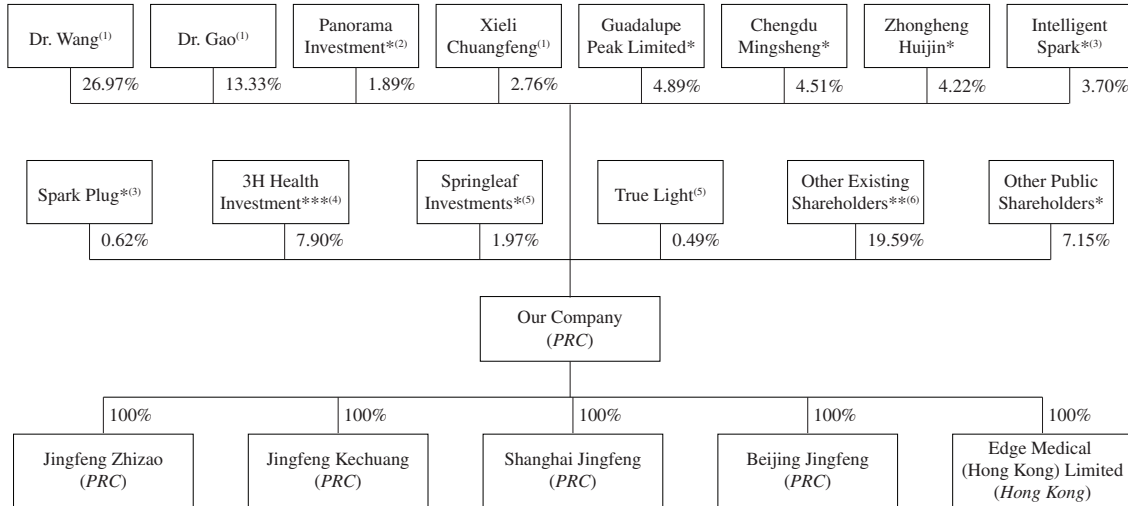
Notes:

- (1)-(5) see notes (1), (4), (5), (6) and (9) under the subsection headed “Capitalization of Our Company”, respectively.
- (6) For details on the other existing Shareholders, see the capitalization table of our Company in “—Capitalization of Our Company.”

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE GLOBAL OFFERING

The chart below sets out the shareholding structure of our Company immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised):



Notes:

* The Shares held by these Shareholders will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing.

** For details of the public float analysis of the Shares held by the other existing Shareholders, see the subsection headed “Public Float.”

*** Only part of the Shares held by the Shareholder will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing.

(1)-(6) see notes (1)-(6) under “Corporate Structure Immediately Before Completion of The Global Offering.”

OVERVIEW

Founded in 2017, we are an advanced surgical robot company in the medical device industry, dedicated to designing, developing and manufacturing surgical robots. We have a pipeline of three products and product candidates covering various models at different development stages to capture the market potential in surgical robots, including multi-port endoscopic surgical robots and single-port endoscopic surgical robots for minimally invasive surgery (“MIS”), as well as orifice surgical robots for non invasive surgery. Currently, our product portfolio comprises two self-developed Core Products: Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot. Our product portfolio also includes Edge Bronchoscope Robot, which is not a Core Product. Edge Multi-Port Endoscopic Surgical Robot is a robot-assisted device that is applied to perform MIS, using robotic, imaging and digital technologies, covering applications in urologic, gynecologic, general and thoracic surgery. Edge Single-Port Endoscopic Surgical Robot is a robot-assisted device that is applied to perform MIS through a single small incision or natural orifice, covering applications in urologic, gynecologic and general surgery.

OUR CORE PRODUCTS ARE EDGE MULTI-PORT ENDOSCOPIC SURGICAL ROBOT AND SINGLE-PORT ENDOSCOPIC SURGICAL ROBOT. WE MAY NOT BE ABLE TO SUCCESSFULLY MARKET OUR CORE PRODUCTS IN OVERSEAS MARKETS AS PLANNED, OR SUCCESSFULLY DEVELOP OR MARKET THE EXPANSION OF SURGICAL APPLICATIONS (E.G., UROLOGIC, GYNECOLOGIC, GENERAL AND THORACIC TELESURGERIES, AS WELL AS PEDIATRIC, CARDIAC AND OTORHINOLARYNGOLOGY (ENT), HEAD AND NECK SURGERIES) OF OUR CORE PRODUCTS AND OTHER PRODUCT CANDIDATES IN CHINA OR IN OVERSEAS MARKETS (E.G., JAPAN AND KOREA). EXPANSIONS OF CERTAIN SURGICAL APPLICATIONS ARE IN THE EARLY STAGE OF CLINICAL DEVELOPMENT IN WHICH WE MAY CONTINUE TO INCUR SUBSTANTIAL COSTS AND EXPENSES IN RELATION TO FURTHER RESEARCH AND DEVELOPMENT ACTIVITIES FOR OUR CORE PRODUCTS.

We are the first in China and the second in the world that had received registration approvals of all of multi-port endoscopic surgical robots, single-port endoscopic surgical robots and natural orifice surgical robots, according to Frost & Sullivan. We received the initial registration approval from the NMPA for our Edge Multi-Port Endoscopic Surgical Robot, Edge Single-Port Endoscopic Surgical Robot and Edge Bronchoscope Robot in December 2022, November 2023 and January 2025, respectively.

MIS has become an increasingly prevalent and preferred surgical approach mainly due to its clinical benefits such as less invasiveness, minimized surgical wounds, faster recovery and fewer postoperative complications. As new technologies in surgical robotics are emerging, robot-assisted MIS has become the trend given its superior treatment results compared with open surgery and conventional MIS. Robot-assisted MIS not only brings patients all the benefits of conventional MIS, but also significantly extends a surgeon’s capabilities by providing 3DHD visualization of the anatomy, optimizing instrument movements, filtering out tremors inherent in human hands and reducing surgeons’ fatigue. We have witnessed market opportunities and unmet clinical needs in China’s surgical robot market and are positioned to capture these opportunities.

Edge Multi-Port Endoscopic Surgical Robot, our Core Product, is a robot-assisted device that is applied to perform MIS using robotic, imaging and digital technologies. With its assistance, trained surgeons can easily manipulate the robotic arms that are positioned inside the patient through small incisions to perform surgery while seated comfortably at a console viewing a high resolution 3D image of the surgical field. In December 2022, we received the registration approval from the NMPA for MP1000, its first model, for application in urologic surgery. In August 2023, we received the registration approval from the NMPA for expansion of MP1000's clinical application in gynecology, general surgery and thoracic surgery. MP1000 is the first domestically-developed endoscopic surgical robot approved by the NMPA for applications in multiple surgical specialties, according to Frost & Sullivan. In October 2023 and July 2024, the NMPA approved our registration modification for an updated version of MP1000 also known as MP1000 Plus, and MP2000 series, the second generation of our MP1000, respectively. We have been expanding our overseas registration and sales since 2025. In March 2025, we obtained the CE Marking of MP1000 in the EU. As of the Latest Practicable Date, we have obtained registration approvals in 14 overseas jurisdictions in Europe, Asia Pacific, Middle East, Africa and South America, including the CE Marking of MP1000 in the EU. We started to commercialize Edge Multi-Port Endoscopic Surgical Robot in China in December 2022. As of the Latest Practicable Date, we have commercialized MP1000 in 25 overseas countries. We sold 20 units of Edge Multi-Port Endoscopic Surgical Robot in China in 2024, ranking first among domestic surgical robot manufacturers, according to Frost & Sullivan. In terms of contractual sales volume, we have entered into agreements for sales of 31 units of Edge Multi-Port Endoscopic Surgical Robot in the six months ended June 30, 2025.

Edge Single-Port Endoscopic Surgical Robot, our Core Product, is a robot-assisted device that is applied to perform MIS through a single small incision or natural orifice, and is complementary to our Edge Multi-Port Endoscopic Surgical Robot. All instruments are incorporated in a single robotic arm that operates through a cannula. In November 2023, we received the registration approval from the NMPA for SP1000, its first model, for application in gynecology. In October 2024, we received the registration approval from the NMPA for expansion of SP1000's clinical application in urologic surgery and general surgery. SP1000 is the first (but currently not the only) domestically-developed single-port endoscopic surgical robot approved by the NMPA covering three or more major surgical specialties, according to Frost & Sullivan. We started to commercialize Edge Single-Port Endoscopic Surgical Robot in China in 2024. In addition, in October 2025, we obtained the CE Marking of SP1000 in the EU. As of the Latest Practicable Date, over 2,000 cases of robot-assisted clinical surgeries in China were completed using our Edge Single-Port Endoscopic Surgical Robot.

Besides our Core Products, in January 2025, we also received the registration approval from the NMPA for Edge Bronchoscope Robot, a natural orifice surgical robot for natural orifice transluminal endoscopic surgery, or NOTES. It is designed for diagnostic and therapeutic bronchoscopic procedures by navigating the lung periphery with a flexible robotic endoscope. We started to commercialize our Edge Bronchoscope Robot in China in September 2025.

As of the Latest Practicable Date, we had commercialized our Core Products, obtained the regulatory approval from the NMPA for Edge Bronchoscope Robot, and had a pipeline of three products and product candidates covering various models at different development stages. All of our commercialized products and product candidates have been developed by us independently. The following chart provides a summary of our major products and product candidates as of the Latest Practicable Date:

Product Name ^(a)	Model/Version	Region	Surgical Application	Classification	Design and Development	Type Testing	Clinical Trial/ Clinical Evaluation ^(b)	Registration	Upcoming Key Milestone (Expected)	
★ Edge Multi-Port Endoscopic Surgical Robot	MP1000 (base product)	China	Urologic surgery	Class III	Registration approved by NMPA in December 2022				-	
			Gynecologic, general and thoracic surgery		Registration modification approved by NMPA in August 2023				-	
		Europe ^(c)	Urologic, gynecologic, general and thoracic surgery	Class II(b)	Obtained CE Marking from EMA in March 2025				-	
		China	Urologic, gynecologic, general and thoracic telesurgery ^(d)	Class III	To apply for registration modification with NMPA				To be approved in 2026Q3	
	MP1000 Plus ^(e)	China	Urologic, gynecologic, general and thoracic surgery	Class III	Registration modification approved by NMPA in October 2023				-	
		China	Urologic, gynecologic, general and thoracic surgery	Class III	Registration modification approved by NMPA in July 2024				-	
		China	Urologic, gynecologic, general and thoracic telesurgery ^(d)	Class III	To apply for registration modification with NMPA				To be approved in 2026Q3	
		China	Pediatric and cardiac surgery	Class III	To apply for registration modification with NMPA				To initiate type testing in 2026Q1	
	Upgraded model ^{(f)(g)}	China	Urologic, gynecologic, general and thoracic surgery	Class III	To apply for registration modification with NMPA				To initiate type testing in 2026Q1	
		Europe	Urologic, gynecologic, general and thoracic surgery	Class II(b)	To obtain CE Marking from EMA				To initiate type testing in 2026Q3	
★ Edge Single-Port Endoscopic Surgical Robot	SP1000 (base product)	China	Gynecologic surgery	Class III	Approved by NMPA in November 2023				-	
			Urologic, general surgery	Class III	Approved by NMPA in October 2024				-	
		China	Otorhinolaryngology (ENT), head and neck surgery	Class III	Submitted the NMPA application in August 2025				To be approved in 2026Q2	
		China	Thoracic surgery	Class III	To apply for registration modification with NMPA				To submit NMPA application in 2026Q1	
	Upgraded model ^{(f)(g)}	Europe	Urologic, gynecologic, general and thoracic surgery	Class II(b)	Obtained CE Marking from EMA in October 2025				-	
		China	Pediatric surgery	Class III	To apply for registration modification with NMPA				To initiate type testing in 2026Q4	
		China	Urologic, gynecologic and general surgery	Class III	To apply for registration modification with NMPA				To complete type testing by end of 2025 and submit NMPA application in 2026Q1	
		Europe	Urologic, gynecologic, general, thoracic and pediatric surgery	Class II(b)	To obtain CE Marking from EMA				To initiate design and development in 2026Q3	
	Edge Bronchoscope Robot	CP1000 (base product)	China	Diagnosis and treatment of bronchus and pulmonary lesions	Class III	Approved by NMPA in January 2025				-
		Upgraded model	China	Diagnosis and treatment of bronchus and pulmonary lesions	Class III	To apply for registration modification with NMPA				To initiate type testing in 2026Q3
						★ Core Product	■ Clinical Trials Required	■ Clinical Trials Exempted		

Notes:

1. Pursuant to the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》), each model of Edge Multi-Port Endoscopic Surgical Robot, Edge Single-Port Endoscopic Surgical Robot and Edge Bronchoscope Robot in China is regulated as the same product under the same registration number on the medical device registration certificate.
2. The clinical evaluations are carried out through analysis and evaluation of clinical literature materials and clinical data of medical devices of the same kind to prove the safety and effectiveness of medical devices instead of clinical trials.
3. As of the Latest Practicable Date, MP1000 was approved by the EMA in March 2025 and we plan to submit applications to the EMA for our other models.
4. Telesurgery is an emerging mode of surgical care whereby surgeons can perform surgical procedures on remotely located patients.
5. MP1000 Plus refers to an updated version of MP1000 with fluorescence imaging function and dual console control. For details, see “Business—Our Products and Product Candidates—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product.”
6. MP2000 series, the next-generation of our MP1000, comprises three models with improved ergonomics, improved computer power, advanced algorithms, full-phase fluorescence imaging and a full-stack technological design. For details, see “Business—Our Products and Product Candidates—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product.”
7. Once the expansion of a surgical application is approved by the NMPA, it will apply to all of the then-existing models on the registration certificate.
8. The upgraded model of our Edge Multi-Port Endoscopic Surgical Robot will offer more comprehensive functions and features compared to the base product. It will incorporate higher-resolution fluorescence imaging to improve visual clarity and enhance ergonomics to facilitate operational handling. The upgraded model will also support new types of surgical instruments for pediatric surgery and cardiac surgery. Additionally, the upgraded model will integrate advanced safety algorithms, including collision alerts, and employ enhanced data transmission capacity that reduces latency. These product modifications constitute a substantial change in the design, raw materials, and/or manufacturing process of a medical device under the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》). Accordingly, we will be required to submit an application for registration modification for the upgraded model of the Edge Multi-Port Endoscopic Surgical Robot to the NMPA.
9. The upgraded model of our Edge Single-Port Endoscopic Surgical Robot will enhance performance of existing surgical instruments and introduce new types of instruments, which can improve instrument maneuverability for procedures using single-port endoscopic robots and enable surgical operations with delicate tissue handling required in pediatric surgery. These product modifications constitute a substantial change in the design, raw materials, and/or manufacturing process of a medical device under the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》). Accordingly, we will be required to submit an application for registration modification for the upgraded model of the Edge Single-Port Endoscopic Surgical Robot to the NMPA.

Our strong portfolio of surgical robot products and product candidates supports a wide spectrum of MIS procedures. It is also noteworthy that the compatibility between Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot by sharing the same surgeon's console and 3DHD vision system allows surgeons to easily switch between the two and facilitates the adoption of both by hospitals.

As we build up our product portfolio, we have developed a synergistic platform that integrates our strong R&D, clinical development, manufacturing and commercialization capabilities.

- *R&D.* We possess strong R&D capabilities supported by our R&D team and proprietary robotics technology platform. Led by our founders, Dr. Wang and Dr. Gao, we had an interdisciplinary R&D team of 265 members as of the Latest Practicable Date with extensive industry experience and multi-disciplinary expertise. We have established a comprehensive technology platform underpinned by our seven proprietary core technology modules. As a testimony of our robust R&D capabilities, we completed the design and major R&D work of both MP1000 and SP1000, in only four years. Our strong R&D capabilities are also proven by our comprehensive intellectual property portfolio. As of the Latest Practicable Date, we had 453 issued patents and 213 patent applications in China. According to Frost & Sullivan, as disclosed by China National Intellectual Property Administration, we ranked the first among Chinese surgical robotics companies in terms of both the number of issued patents and patent applications in China as of the same date. We continue to innovate by updating our Core Products with better visibility, precision, functionality and controllability, and developing our surgical robots that support telesurgery.
- *Clinical Development.* Our clinical development capability has been proven by the rapid clinical development progress and superior results of clinical studies. For example, in the registrational clinical trial of MP1000 in urologic surgery, it delivers satisfactory clinical performance, demonstrating non-inferiority in terms of efficacy and safety in the head-to-head comparison with da Vinci Surgical Systems, the globally leading surgical robots. As of the Latest Practicable Date, none of our clinical trials had failed or encountered any unexpected events including suspension or delay that had material adverse impact on our clinical trials or business operations.
- *Manufacturing.* We currently have manufacturing facilities with an aggregate gross floor area of approximately 10,000 sq.m. in Shenzhen, China. Over the years, we have accumulated expertise and know-how in the manufacturing of surgical robots. We uphold strict quality control and supply chain management, which improves our cost efficiency while ensuring high reliability and consistency in the quality of our surgical robots. We formulated our quality control system in accordance with the ISO13485 standard, which covers substantially every aspect of our operations, including product design, procurement and manufacturing.

- *Commercialization.* We have built an in-house commercialization team and formulated efficient strategies to support the commercialization of our products and product candidates. Our in-house commercialization team members have extensive experience in the sales of medical devices, and are led by Mr. Zongxi Chen, who has over 20 years of relevant sales and marketing experience at several globally leading companies. We have established a number of training centers in collaboration with top Class III Grade A hospitals in China and plan to continue to expand our training center network through partnership with the Chinese Urological Association and Class III Grade A hospitals.

Additionally, we have been supported by a group of renowned investors that share our commitment to developing surgical robots. Our investors include leading institutional investors such as Boyu, Temasek, HongShan, 3H Health, LYFE Capital, China State-owned Enterprise Mixed Ownership Reform Fund and OrbiMed.

OUR COMPETITIVE STRENGTHS

The first in China and the second in the world having received the registration approval of all of multi-port endoscopic, single-port endoscopic and natural orifice surgical robots

Founded in 2017, we are an advanced surgical robot company in the medical device industry, dedicated to designing, developing and manufacturing surgical robots. We are the first in China and the second in the world having received the registration approval of all of multi-port endoscopic, single-port endoscopic and natural orifice surgical robots, according to Frost & Sullivan. We completed the design and major R&D work of both MP1000 and SP1000, initial models of our Core Products, in only four years. MP1000 is the first domestically-developed endoscopic surgical robot approved by the NMPA for applications in multiple surgical specialties, and SP1000 is the first (but currently not the only) domestically-developed single-port endoscopic surgical robot approved by the NMPA covering three or more major surgical specialties, according to Frost & Sullivan.

Leveraging our deep insights into clinical needs, we have built a synergistic product portfolio for MIS, including our Core Products, Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot.

Edge Multi-port Endoscopic Surgical Robot. Edge Multi-port Endoscopic Surgical Robot is a robot-assisted device that is applied to perform MIS using robotic, imaging and digital technologies. With its assistance, trained surgeons can easily manipulate the robotic arms that are positioned inside the patient through small incisions to perform surgery while seated comfortably at a console viewing a high resolution 3D image of the surgical field. In December 2022, we received the registration approval from the NMPA for MP1000, its first model, for application in urologic surgery. In August 2023, we received the registration approval from the NMPA for expansion of MP1000's clinical application in gynecology, general surgery and thoracic surgery.

In October 2023, we received the registration approval from the NMPA for an updated version of MP1000, also known as MP1000 Plus, incorporating new features that enhance the vision system and enable dual console control. In July 2024, we received the registration approval from the NMPA for MP2000 series, the second generation of our MP1000, which enable surgeons to perform surgical procedures with higher precision and accuracy. Our multi-port endoscopic surgical robot lineup provides capabilities for a wide range of clinical and surgical requirements. Through product iterations and upgrades, we constantly enhance user experience, deliver better image quality, and provide more comprehensive functions and features. As of the Latest Practicable Date, over 12,000 cases of robot-assisted clinical surgeries in China were completed using our Edge Multi-Port Endoscopic Surgical Robot.

Edge Single-port Endoscopic Surgical Robot. Edge Single-Port Endoscopic Surgical Robot is a robot-assisted device that is applied to perform MIS through a single small incision or natural orifice, and is complementary to our Edge Multi-Port Endoscopic Surgical Robot. All instruments are incorporated in a single robotic arm that operates through a cannula. In November 2023, we received the registration approval from the NMPA for SP1000, its first model, for application in gynecology. In October 2024, we received the registration approval from the NMPA for expansion of SP1000's clinical application in urologic surgery and general surgery.

As of the Latest Practicable Date, over 2,000 cases of robot-assisted clinical surgeries in China were completed using our Edge Single-Port Endoscopic Surgical Robot. We have been extending the clinical applicability of Edge Single-Port Endoscopic Surgical Robot as well as upgrading its functions and features to enhance user experience and deliver better image quality.

Beyond MIS, we also expand our product offering into non-invasive surgery by developing natural orifice surgical robots. The Edge Bronchoscope Robot is a natural orifice surgical robot for natural orifice transluminal endoscopic surgery that is designed for diagnostic and therapeutic bronchoscopic procedures by navigating the lung periphery with a flexible robotic endoscope. As our robotic technology overcomes limitations of the reach of conventional bronchoscopy and allows the localization and diagnosis of the most difficult-to-reach lesions, it provides an effective method of taking biopsy of lung lesions and diagnosing smaller lung lesions at an earlier stage in lung disease, in particular peripheral lung cancer.

A comprehensive and synergistic surgical robot portfolio

We believe there are significant technology and commercialization synergies among our product candidates.

Commercialization synergy. Our multi-port and single-port endoscopic surgical robots share the same surgeon's console and 3DHD imaging system (except for the 3D electronic endoscope), but features different structures of patient-side cart. They complement each other by providing surgeons with a wide range of options based on their clinical needs in different surgical procedures.

With multiple robotic arms, Edge Multi-port Endoscopic Surgical Robot enables surgeons to perform complex surgical procedures in a wide range of specialties, including but not limited to urologic, general, gynecologic and thoracic surgery. It provides various instrument selection, flexible port placement and large range of motion. The single-arm structure of the patient-side cart of Single-port Endoscopic Surgical Robot enables surgeons to perform surgeries in narrower workspaces. In addition, Single-port Endoscopic Surgical Robot causes only a single small incision, making it suitable for surgical procedures where delicate and dexterous operations are required. We believe hospitals benefit from deploying both systems, as this combination addresses a broader spectrum of surgical needs while maximizing patient outcomes. In addition, Sharing the same surgeon console and 3DHD imaging system (excluding the 3D electronic endoscope) reduces procurement costs of hospitals and optimizes operating room space, further enhancing hospital adoption.

Technology synergy. The transferability of core proprietary technologies among our product and product candidates creates R&D synergies. Leveraging such R&D synergies, we are able to achieve fast and cost-efficient product development in major surgical specialties and roll out innovative and comprehensive surgical robot systems catered to the clinical needs in minimally invasive and non-invasive surgery. For example, our bronchoscope robot is synergistic with our endoscopic surgical robots through sharing certain key technologies, such as robotic arm control, imaging techniques, precise steel wire transmission and teleoperation control. In addition, we have self-developed a series of core technologies that are tailored for the bronchoscope robot and related instruments, such as flexible catheter design and imaging and navigation technologies.

Strong R&D capability and advanced robotics technology platform

Our strong R&D capabilities lay a solid foundation for our rapid growth. We have established a comprehensive technology platform that comprises seven core proprietary technology modules. They span across robot body design, multiple DOF minimally invasive mechanism design, hardware-specific electrical system engineering, control algorithm and software engineering, imaging techniques, system integration engineering, and AI-enabled imaging and navigation. Leveraging such technology platform, we are capable of engineering new surgical robot systems and expanding the applications of our surgical robots within a short timeframe and in an efficient manner.

As a testament of our R&D capabilities, we completed the design and major R&D work of MP1000 and SP1000 within only four years. In addition, it only took us approximately eight months to expand the clinical applications of our MP1000 from urologic surgery to a full spectrum of surgical specialties, including urologic surgery, gynecologic surgery, general and thoracic surgery.

Our strong in-house R&D capabilities are also showcased by our comprehensive intellectual property portfolio, successful launch of the upgraded models, as well as the expansion to the telesurgery functions. According to Frost & Sullivan, as disclosed by China National Intellectual Property Administration, we ranked the first among Chinese surgical robotics companies in terms of both the number of issued patents and patent applications in China as of Latest Practicable Date. Specifically, we had a strong portfolio of 453 issued patents, including 251 invention patents and 213 patent applications in China. They encompass robotics design, hardware design, software design, imaging technology, system integration engineering and other relevant fields, establishing a significant technological barrier to entry.

The development of surgical robots is a novel and interdisciplinary area that involves cutting-edge knowledge in multiple fields and demands a strong R&D team that covers all such fields. Our strong R&D team has been instrumental to our strong position in the surgical robot industry. Led by our founders, Dr. Wang and Dr. Gao, we established a R&D team of 265 members as of the Latest Practicable Date with extensive industry experience and multi-disciplinary expertise. Dr. Wang and Dr. Gao are the pioneers in China's surgical robot industry and have extensively participated in multiple surgical robotics research projects, through which they have accumulated profound academic knowledge. Dr. Wang obtained a Ph.D. degree in Mechanical Engineering from Tianjin University-MIT Joint Program, and Dr. Gao obtained a Ph.D. degree in Mechanical Engineering from Tianjin University-Harvard University Joint Program. Both Dr. Wang and Dr. Gao have more than ten years of experience in surgical robot research. As the principal inventors of our surgical robots, they have been leading our R&D activities for robot-assisted MIS. Our R&D team members possess engineering and technical expertise in a wide range of disciplines, including, among others, mechanics, medicine, medical engineering, computer graphics, computer science, electronics, material science and artificial intelligence.

Robust manufacturing capabilities

We adopt a flexible and flat organizational structure, which affords us an integrated delivery management approach and an expedited decision-making process. Benefiting from the efficiency brought by our organization structure, we are able to establish our robust manufacturing capabilities and quickly translate our R&D results to commercial-ready products.

Manufacturing capacity. We currently have manufacturing facilities in Shenzhen, China with an aggregate gross floor area of approximately 10,000 sq.m. and an annual production capacity of approximately 80 units of endoscopic surgical robots and approximately 20 units of bronchoscope surgical robots. By designing and optimizing our manufacturing processes and procedures, we are able to monitor and continuously improve the manufacturing efficiency and quality, and achieve significant cost advantages.

Quality control. The manufacturing process for surgical robots is highly complex and technologically challenging. Over the years, we have accumulated extensive expertise and know-how in quality control during the manufacture of surgical robots. Our comprehensive and stringent quality management and control system was formulated in accordance with the ISO13485 standard in China, covering substantially every aspect of our operations, which enables us to maintain high reliability and consistency in quality and outstanding first pass yield of our surgical robots and instruments. All of our existing manufacturing facilities comply with, and the planned manufacturing center is expected to comply with, the GMP standard of medical device manufacturing quality management norms in China. Our surgical robots have received positive feedback from surgeons and leading experts as a result of the stable and error-free performance of our products, which helped to establish our brand image and enhance our reputation in the industry.

Strong commercialization capabilities

Our proprietary technologies, product synergies and production capacity have laid a solid foundation for our commercialization and we have formulated efficient commercialization strategies.

Comprehensive mix of surgical robot systems. Our comprehensive product mix of surgical robot systems with complementary features has well-positioned us towards commercialization. Our Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot complement each other by providing surgeons with versatile capabilities to address their diverse clinical needs, thus equipping them both empowers surgical teams to select the optimal approach for each patient. We believe the complementary nature will enhance the penetration of our products in hospitals and accelerate the domestic substitution process encouraged by the PRC government.

Distribution network. We have formed a distribution network of a total of 30 distributors as of June 30, 2025 and maintained a strict distributor screening process. We entrust the responsibility of the screening process to our dedicated in-house commercialization team led by Mr. Chen Zongxi, who has over 20 years of relevant sales and marketing experience at globally leading companies. This screening process helps to ensure that our distributors possess strong experience in the medical device industry and have established relationships with hospitals and surgeons in their designated territories. By partnering with these resourceful distributors, we are able to effectively penetrate the market.

Expanding collaboration. We are committed to cultivating the surgical robot markets in China and overseas by providing training programs to surgeons and establishing long-term partnerships with hospitals. For instance, we have established a training center network with medical institutions in different regions across China, such as the Chinese People's Liberation Army General Hospital, and have cooperated with Dornier MedTech/Meden-Inmed to form a joint training center in Poland. These collaborations enable us to maintain close relationships with leading experts in the MIS field, thus increasing exposure of our brands and boosting loyalty of our products.

Since the commercialization of Edge Multi-Port Endoscopic Surgical Robot in December 2022, in terms of contractual sales volume, we have entered into agreements for sales of 60 units of Edge Multi-Port Endoscopic Surgical Robot globally as of June 30, 2025, including 32 units in China and 28 units in overseas countries. We sold 20 units of Edge Multi-Port Endoscopic Surgical Robot in China in 2024, ranking first among domestic surgical robot manufacturers, according to Frost & Sullivan. In terms of contractual sales volume, we have entered into agreements for sales of 31 units of Edge Multi-Port Endoscopic Surgical Robot in the six months ended June 30, 2025. As a result of our continuous commercialization efforts, our revenue grew from RMB48.0 million for the year ended December 31, 2023 to RMB160.0 million for the year ended December 31, 2024 and grew from RMB30.2 million in the six months ended June 30, 2024 to RMB149.4 million in the six months ended June 30, 2025.

A management team and investors comprised of industry pioneers and veterans, endorsed by renowned investors

Led by Dr. Wang and Dr. Gao, who are experts in the surgical robot industry, we have assembled a management team with significant experience and expertise in the surgical robot field. Our management team has extensive industry experience, unique foresight as well as valuable strategic vision. Our management team members have proven track record in medical device R&D, commercialization, supply chain and other related fields, and certain management team members served as senior management in leading medical or precision instrument companies in China and globally prior to joining us.

Dr. Wang, our founder and CEO, is not only an accomplished surgical robotics expert, but also an entrepreneur. With his strategic foresight, industry insights and leadership, we have experienced a rapid growth since our inception. Dr. Gao, our co-founder, COO and CTO, who has extensive experience in the surgical robots research and development, leads our R&D activities and clinical trials.

We benefit tremendously from the support and investment from renowned investors who have deep insights in the medical technology field, such as Boyu, Temasek, HongShan, 3H Health, LYFE Capital, China State-owned Enterprise Mixed Ownership Reform Fund and OrbiMed. We believe the support from our renowned investors indicates our strong position and growth potential, and such financial support and industry resources will further drive our continued growth.

OUR STRATEGIES

We plan to implement the following strategies to achieve our mission and vision:

Continue to upgrade our products and expand clinical applications of our products and product candidates

We intend to broaden our product pipeline through expansion of clinical applications, advancement and upgrading of our current products, and our continual efforts to seek regulatory approval of our product candidates in China and overseas. We will continue to accelerate product development and expand our product portfolio to offer a more diversified range of surgical robots. We aim to achieve this through iterative product development cycle whereby we continuously optimize and upgrade our existing products and product candidates in response to clinical feedback. In the meantime, we plan to expand the clinical applications of our surgical robots in order to position ourselves to meet a wider range of customer needs, thereby deepening the market penetration of our surgical robots.

Endoscopic surgical robots. With our accumulated R&D experience and proprietary technologies, we intend to upgrade our existing endoscopic surgical robots, incorporate innovative structural design, enhance user experience, deliver better image quality and provide more comprehensive functions and features.

In addition, we seek to expand the clinical application of our endoscopic surgical robots. With respect to our Edge Multi-Port Endoscopic Surgical Robot, we plan to expand its clinical application in telesurgeries. We have completed the registrational clinical trials for urologic, general and gynecologic telesurgeries in China in August 2025, and are currently finalizing the registrational clinical trial for thoracic telesurgery, which is expected to be completed by the end of 2025. We plan to submit to the NMPA the registration modification applications for urologic, general, gynecologic and thoracic telesurgeries in the first quarter of 2026. With respect to our Edge Single-Port Endoscopic Surgical Robot, we seek to expand its clinical applications in otorhinolaryngology (ENT), head and neck surgery and thoracic surgeries in China. With respect to the application in thoracic surgery, we completed the clinical trial in China in December 2025 and plan to submit the registration modification application to the NMPA in the first quarter of 2026. With respect to the application in ENT, head and neck surgery, we completed a prospective, multicenter, single-group clinical trial for ENT, head and neck surgery in China in February 2025. We submitted the NMPA application for ENT, head and neck surgery in August 2025 and expect to obtain the NMPA approval in the second quarter of 2026.

Bronchoscope robots and others. We plan to continue investing in the R&D of our bronchoscope robots. We intend to incorporate innovative structural designs and introduce more comprehensive functions and features into our bronchoscope robot. We expect our innovations to ultimately reduce incidence of post-operative complications and lead to improved patient outcomes. In addition, we intend to leverage our technological strength and expertise accumulated during the development of our bronchoscope robot to develop other natural orifice surgical robots in the future. In addition, we will continue investing in the

improvement of other products and product candidates, such as insufflators and operating tables. We believe that this approach will enable us to expand our product portfolio and address the diverse needs in a wide spectrum of clinical applications.

Boost R&D innovation and enhance technological entry barrier

We constantly push boundaries of our R&D capabilities to boost the performance of our surgical robots and maintain our competitive advantages. For example, to expand the clinical application of our Edge Multi-Port Endoscopic Surgical Robot in telesurgeries, we have been researching, and will continue deepening our research, in high-performance communication modules and low-latency control systems. We have also been constantly iterating and upgrading our surgical robots to incorporate innovative structure design, enhance user experience and provide more functions and features.

In addition, we plan to enhance technological barrier through patent protection of our proprietary technologies. We intend to further invest in innovative R&D activities, which will lead to an increase in patent applications and grants. To maximize the value of our product portfolio, we will enhance patent protection globally for our innovative technologies, inventions, and breakthroughs that we consider important or potentially important for our business, which we believe will solidify our technological barrier and enhance our competitiveness.

We strive to stay at the forefront of clinical innovation. Our R&D team will engage leading experts and surgeons on a regular basis, which is intended to assist us to identify the evolving clinical challenges. We will also closely monitor emerging technological breakthroughs and align our innovation and R&D strategies with high-potential clinical applications. Furthermore, we plan to strengthen our R&D capabilities by expanding our team with top-tier talent, enhancing our ability to successfully develop and commercialize our surgical robot systems.

Enhance our manufacturing capabilities and operational efficiency to support future growth

We intend to expand our production capacity in China, in particular to support the ongoing commercialization of our surgical robots. For example, we plan to establish a new manufacturing center in Longgang, Shenzhen to complement our existing manufacturing facilities. The new center will house cleanroom facilities, smart production lines and other production workshops. By upgrading our manufacturing infrastructure, we expect to further boost our production capacity, enhance automation and cost-efficiency, and improve our intelligent manufacturing capabilities. The new manufacturing center is expected to cover a total area of approximately 10,000 sq.m. and it is designed with an annual production capacity of approximately 350 units of surgical robots with an anticipated capacity utilization rate of approximately 90% by 2029, including 221 units of Edge Multi-Port Endoscopic Surgical Robot, 63 units of Edge Single-Port Endoscopic Surgical Robot, and 31 units of Edge Bronchoscope Robot, enabling us to meet the rising demand for our products. We plan to establish the new Shenzhen manufacturing center in the second quarter of 2026 and put it in operation in 2027.

We will leverage favorable policies, a strong talent pool, and strategic location advantages. Leveraging the favorable policies, extensive talent pool and location convenience, coupled with our commercialization efforts and our adoption of intelligent manufacturing initiatives, we intend to position our new Shenzhen manufacturing center as a leading surgical robot production base in China and a major clinical application training center. Besides, we intend to further increase production efficiency by upgrading our infrastructure and enhancing automation of our manufacturing facilities.

To boost our operational efficiency, we will implement comprehensive supply chain management strategies designed to enhance reliability, reduce waste, and maximize cost efficiency. These includes closely monitoring and dynamic optimizing inventory levels to align with market demand and production cycles. By deploying advanced analytics and automated supply management systems, we will streamline procurement, minimize lead times and mitigate disruptions. As we expand our production capacity, these measures will enable us to achieve greater economies of scale, reduce per-unit costs, and improve overall competitiveness in the market.

Enhance commercialization efforts to promote our surgical robots and solidify our strong market position in endoscopic surgical robots

Our Edge Multi-Port Endoscopic Surgical Robot achieved the first winning sales bid in the same month as it received regulatory approval in December 2022. As of the June 30, 2025, we have made 60 sales of Edge Multi-Port Endoscopic Surgical Robot globally, including 32 sales in China and 28 sales in other countries. We are dedicated to capturing substantial market share against competing domestic brands leveraging the inherent advantages of our products to gain greater market acceptance at a faster pace.

We plan to strengthen our commercialization efforts. These efforts are designed to grow our business and leverage our market position. Key initiatives include:

Training center network. In recent years, PRC government has issued several encouraging policies on procurement of domestically developed medical devices. In response, we intend to expand our training center network by collaborating with Class III Grade A hospitals to establish more regional training centers and gradually cover primary hospitals in China. Our training program with leading hospitals in China will cover the testing, usage, and maintenance of our products. Within the next two or three years, we plan to establish around 15 additional regional training centers to cover additional regions in China through collaboration with top-tier hospitals. In addition, we are committed to delivering a comprehensive training program tailored to different levels of hospital staff from surgeons, surgical team members, to staff for managing medical devices and hospital management team. By supporting surgeon training and strengthening our cooperation with hospitals and medical institutions, we expect to effectively enhance our brand awareness and product visibility in the medical community. We also plan to establish five training centers abroad by collaborating with renowned overseas hospitals.

Academic promotion. We will strengthen our academic promotion efforts on more product-centric promotional activities. We plan to sponsor and participate in academic conferences to increase the awareness of our brand and value propositions of our products. We also plan to establish collaborations with industry-leading surgeons, key experts, and hospitals to stay updated on the latest industry trends, clinical needs and collect clinical feedback on our surgical robots. We believe these academic promotion initiatives will ultimately translate to a higher adoption of our products.

Sales team and distribution network. We intend to further scale up our in-house sales team by recruiting high-caliber staff with extensive experience in the medical device industry. We expect to expand our commercialization team to include approximately 150 to 170 members with two or three years. In addition, we expect to broaden our distribution network and cooperate with distributors who have outstanding track records and extensive hospital coverage. Our in-house sales team will work closely with these distributors and provide them with professional support and trainings, enabling them to better understand our products and implement an effective distribution.

With the successful commercialization of our surgical robots, we aim to bring significant clinical value to more surgeons and patients, promote an optimal use of healthcare resources, reduce overall healthcare expenditures, and help alleviate the uneven distribution of medical resources.

Pursue strategic collaborations and acquisitions

We may identify strategic investment and acquisition opportunities globally with a view to achieving synergies, broadening our product pipeline, enhancing clinical value of our products and solidifying our market positioning. We may prudently conduct horizontal and vertical expansion along the surgical robot industry value chain to enhance our competitiveness and technological capabilities. We intend to acquire one or more businesses with products or services that can either optimize our pipeline, offer us access to innovative and disruptive technologies, or has potential to unlock value through synergies with us. As advised by Frost & Sullivan, our industry consultant, there are target businesses available in the market that meet such criteria. As of the Latest Practicable Date, we have not identified any specific acquisition or investment target, nor have we entered into any agreements, letters of intent, commitments or understandings with respect to any such transactions.

OUR PRODUCTS AND PRODUCT CANDIDATES

As a fast-growing surgical robot company, we focus on surgical robots and instruments for minimally invasive surgery, or MIS, including multi-port endoscopic surgical robots and single-port endoscopic surgical robots. Beyond MIS, we also expand our product offering into non-invasive surgery by developing natural orifice surgical robots. Leveraging our proprietary core technology modules, we have built a comprehensive suite of surgical robot systems addressing a wide range of surgeons' and patients' clinical needs.

As of the Latest Practicable Date, we had commercialized our Core Products, obtained the regulatory approval from the NMPA for Edge Bronchoscope Robot, and had a pipeline of three products and product candidates covering various models at different development stages. All of our commercialized products and product candidates have been developed by us independently. The following chart provides a summary of our major products and product candidates as of the Latest Practicable Date:

Product Name ^(a)	Model/Version	Region	Surgical Application	Classification	Design and Development	Type Testing	Clinical Trial/ Clinical Evaluation ^(b)	Registration	Upcoming Key Milestone (Expected)
★ Edge Multi-Port Endoscopic Surgical Robot	MP1000 (base product)	China	Urologic surgery	Class III	Registration approved by NMPA in December 2022				-
			Gynecologic, general and thoracic surgery		Registration modification approved by NMPA in August 2023				-
		Europe ^(c)	Urologic, gynecologic, general and thoracic surgery	Class II(b)	Obtained CE Marking from EMA in March 2025				-
		China	Urologic, gynecologic, general and thoracic telesurgery ^(d)	Class III	To apply for registration modification with NMPA				To be approved in 2026Q3
	MP1000 Plus ^(e)	China	Urologic, gynecologic, general and thoracic surgery	Class III	Registration modification approved by NMPA in October 2023				-
	MP2000 series ^(e)	China	Urologic, gynecologic, general and thoracic surgery	Class III	Registration modification approved by NMPA in July 2024				-
		China	Urologic, gynecologic, general and thoracic telesurgery ^(d)	Class III	To apply for registration modification with NMPA				To be approved in 2026Q3
		China	Pediatric and cardiac surgery	Class III	To apply for registration modification with NMPA				To initiate type testing in 2026Q1
		China	Urologic, gynecologic, general and thoracic surgery	Class III	To apply for registration modification with NMPA				To initiate type testing in 2026Q1
	Upgraded model ^{(f)(g)}	Europe	Urologic, gynecologic, general and thoracic surgery	Class II(b)	To obtain CE Marking from EMA				To initiate type testing in 2026Q3
★ Edge Single-Port Endoscopic Surgical Robot	SP1000 (base product)	China	Gynecologic surgery	Class III	Approved by NMPA in November 2023				-
			Urologic, general surgery	Class III	Approved by NMPA in October 2024				-
		China	Otorhinolaryngology (ENT), head and neck surgery	Class III	Submitted the NMPA application in August 2025				To be approved in 2026Q2
		China	Thoracic surgery	Class III	To apply for registration modification with NMPA				To submit NMPA application in 2026Q1
	Upgraded model ^{(f)(g)}	Europe	Urologic, gynecologic, general and thoracic surgery	Class II(b)	Obtained CE Marking from EMA in October 2025				-
		China	Pediatric surgery	Class III	To apply for registration modification with NMPA				To initiate type testing in 2026Q4
		China	Urologic, gynecologic and general surgery	Class III	To apply for registration modification with NMPA				To complete type testing by end of 2025 and submit NMPA application in 2026Q1
		Europe	Urologic, gynecologic, general, thoracic and pediatric surgery	Class II(b)	To obtain CE Marking from EMA				To initiate design and development in 2026Q3
	CP1000 (base product)	China	Diagnosis and treatment of bronchus and pulmonary lesions	Class III	Approved by NMPA in January 2025				-
	Upgraded model	China	Diagnosis and treatment of bronchus and pulmonary lesions	Class III	To apply for registration modification with NMPA				To initiate type testing in 2026Q3

Core Product

Clinical Trials Required

Clinical Trials Exempted

Notes:

1. Pursuant to the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》), each model of Edge Multi-Port Endoscopic Surgical Robot, Edge Single-Port Endoscopic Surgical Robot and Edge Bronchoscope Robot in China is regulated as the same product under the same registration number on the medical device registration certificate.
2. The clinical evaluations are carried out through analysis and evaluation of clinical literature materials and clinical data of medical devices of the same kind to prove the safety and effectiveness of medical devices instead of clinical trials.
3. As of the Latest Practicable Date, MP1000 was approved by the EMA in March 2025 and we plan to submit applications to the EMA for our other models.
4. Telesurgery is an emerging mode of surgical care whereby surgeons can perform surgical procedures on remotely located patients.
5. MP1000 Plus refers to an updated version of MP1000 with fluorescence imaging function and dual console control. For details, see “Business—Our Products and Product Candidates—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product.”
6. MP2000 series, the next-generation of our MP1000, comprises three models with improved ergonomics, improved computer power, advanced algorithms, full-phase fluorescence imaging and a full-stack technological design. For details, see “Business—Our Products and Product Candidates—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product.”
7. Once the expansion of a surgical application is approved by the NMPA, it will apply to all of the then-existing models on the registration certificate.
8. The upgraded model of our Edge Multi-Port Endoscopic Surgical Robot will offer more comprehensive functions and features compared to the base product. It will incorporate higher-resolution fluorescence imaging to improve visual clarity and enhance ergonomics to facilitate operational handling. The upgraded model will also support new types of surgical instruments for pediatric surgery and cardiac surgery. Additionally, the upgraded model will integrate advanced safety algorithms, including collision alerts, and employ enhanced data transmission capacity that reduces latency. These product modifications constitute a substantial change in the design, raw materials, and/or manufacturing process of a medical device under the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》). Accordingly, we will be required to submit an application for registration modification for the upgraded model of the Edge Multi-Port Endoscopic Surgical Robot to the NMPA.
9. The upgraded model of our Edge Single-Port Endoscopic Surgical Robot will enhance performance of existing surgical instruments and introduce new types of instruments, which can improve instrument maneuverability for procedures using single-port endoscopic robots and enable surgical operations with delicate tissue handling required in pediatric surgery. These product modifications constitute a substantial change in the design, raw materials, and/or manufacturing process of a medical device under the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》). Accordingly, we will be required to submit an application for registration modification for the upgraded model of the Edge Single-Port Endoscopic Surgical Robot to the NMPA.

The following chart sets our details of each model or version of our major products and product candidates as of the Latest Practicable Date:

Product Name ⁽¹⁾	Model/Version	Region	Surgical Application(s)	Clinical Trial Required/Exempted	Classification	Stage of Clinical Development	Regulatory Pathway and Competent Authorities	Key upcoming milestone(s)	Major differences in the next generation or upgraded model as compared to the base product
Edge Multi-Port Endoscopic Surgical Robot . . .	MP1000 (base product)	China	Urologic surgery	Required	Class III	Registration	Registration approved by NMPA in December 2022	-	-
			Gynecologic, general and thoracic surgery	Required			Registration modification approved by NMPA in August 2023		
		Europe	Urologic, gynecologic, general and thoracic surgery	Exempted	Class II(b)	Registration	Obtained CE Marking from EMA in March 2025	-	-
		China	Urologic, gynecologic, general and thoracic telesurgery	Required	Class III	Clinical Trial	To apply for registration modification with NMPA	Expected to be approved in 2026Q3	-

BUSINESS

Product Name ⁽¹⁾	Model/Version	Region	Surgical Application(s)	Clinical Trial Required/Exempted	Classification	Stage of Clinical Development	Regulatory Pathway and Competent Authorities	Key upcoming milestone(s)	Major differences in the next generation or upgraded model as compared to the base product
	MP1000 Plus	China	Urologic, gynecologic, general and thoracic surgery	Exempted	Class III	Registration	Registration modification approved by NMPA in October 2023	-	Updated version of MP1000 with fluorescence imaging function and dual console control capabilities
	MP2000 series	China	Urologic, gynecologic, general and thoracic surgery	Exempted	Class III	Registration modification	Registration modification approved by NMPA in July 2024	-	Next-generation of MP1000 comprising three models with improved ergonomics, improved computer power, advanced algorithms, full-phase fluorescence imaging and full-stack technological design
		China	Urologic, gynecologic, general and thoracic telesurgery	Exempted	Class III	Clinical Evaluation	To apply for registration modification with NMPA	Expected to be approved in 2026Q3	
	Upgraded model	China	Pediatric and cardiac surgery	Required	Class III	Design and Development	To apply for registration modification with NMPA	To initiate type testing in 2026Q1	Upgraded model will incorporate innovative structural design, enhanced ergonomics for improved user experience, superior image quality with higher imaging resolution, and provides more comprehensive functions and features ⁽²⁾
		China	Urologic, gynecologic, general and thoracic surgery	Exempted	Class III	Design and Development	To apply for registration modification with NMPA	To initiate type testing in 2026Q1	
		Europe	Urologic, gynecologic, general and thoracic surgery	Exempted	Class II(b)	Design and Development	To obtain CE Marking from EMA	To initiate type testing in 2026Q3	

BUSINESS

Product Name ⁽¹⁾	Model/Version	Region	Surgical Application(s)	Clinical Trial Required/Exempted	Classification	Stage of Clinical Development	Regulatory Pathway and Competent Authorities	Key upcoming milestone(s)	Major differences in the next generation or upgraded model as compared to the base product
Edge Single-Port Endoscopic Surgical Robot . . .	SP1000 (base product)	China	Gynecologic surgery	Required	Class III	Registration	Approved by NMPA in November 2023	-	-
			Urologic, general surgery	Required			Approved by NMPA in October 2024		
		China	Otorhinolaryngology (ENT), head and neck surgery	Required	Class III	Registration	To apply for registration modification with NMPA	Expected to be approved in 2026Q2	
		China	Thoracic surgery	Required	Class III	Clinical Trial	To apply for registration modification with NMPA	To submit NMPA application in 2026Q1; Expected to be approved in 2026Q2	
		Europe	Urologic, gynecologic, general and thoracic surgery	Exempted	Class II(b)	Registration	Obtained CE Marking from EMA in October 2025	-	
	Upgraded model	China	Pediatric surgery	Exempted	Class III	Design and Development	To apply for registration modification with NMPA	To initiate type testing in 2026Q4	Upgraded model will be empowered with new types of surgical instruments and high- precision endoscopic
		China	Urologic, gynecologic and general surgery	Exempted	Class III	Type Testing	To apply for registration modification with NMPA	To submit NMPA application in 2026Q1; Expected to be approved in 2026Q3	tracking technology that delivers superior image guidance and a compact design of robotic
		Europe	Urologic, gynecologic, general, thoracic and pediatric surgery	Exempted	Class II(b)	-	To obtain CE Marking from EMA	To initiate design and development in 2026Q3	system, reducing bulky external components that lead to instrument crowding and collisions ⁽³⁾ .

Product Name ⁽¹⁾	Model/Version	Region	Surgical Application(s)	Clinical Trial Required/Exempted	Classification	Stage of Clinical Development	Regulatory Pathway and Competent Authorities	Key upcoming milestone(s)	Major differences in the next generation or upgraded model as compared to the base product
Edge Bronchoscope Robot	CP1000 (base product)	China	Diagnosis and treatment of bronchus and pulmonary lesions	Exempted	Class III	Registration	Approved by NMPA in January 2025	-	-
	Upgraded model	China	Diagnosis and treatment of bronchus and pulmonary lesions	Exempted	Class III	Design and Development	To apply for registration modification with NMPA	To initiate type testing in 2026Q3	Upgraded model of CP1000 will be empowered with ultra- thin endoscope technology, multimodal fusion positioning technology and an integrated diagnostic and therapeutic robotic surgery system

- Note:*
- (1) Pursuant to the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》), each model of Edge Multi-Port Endoscopic Surgical Robot, Edge Single-Port Endoscopic Surgical Robot and Edge Bronchoscope Robot in China is regulated as the same product under the same registration number on the medical device registration certificate.
 - (2) The upgraded model of our Edge Multi-Port Endoscopic Surgical Robot will offer more comprehensive functions and features compared to the base product. It will incorporate higher-resolution fluorescence imaging to improve visual clarity and enhance ergonomics to facilitate operational handling. The upgraded model will also support new types of surgical instruments for pediatric surgery and cardiac surgery. Additionally, the upgraded model will integrate advanced safety algorithms, including collision alerts, and employ enhanced data transmission capacity that reduces latency. These product modifications constitute a substantial change in the design, raw materials, and/or manufacturing process of a medical device under the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》). Accordingly, we will be required to submit an application for registration modification for the upgraded model of the Edge Multi-Port Endoscopic Surgical Robot to the NMPA.
 - (3) The upgraded model of our Edge Single-Port Endoscopic Surgical Robot will enhance performance of existing surgical instruments and introduce new types of instruments, which can improve instrument maneuverability for procedures using single-port endoscopic robots and enable surgical operations with delicate tissue handling required in pediatric surgery. These product modifications constitute a substantial change in the design, raw materials, and/or manufacturing process of a medical device under the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》). Accordingly, we will be required to submit an application for registration modification for the upgraded model of the Edge Single-Port Endoscopic Surgical Robot to the NMPA.

Our surgical robots provide the following benefits to patients, surgeons and hospitals:

(1) Value to Patients

- *Reliable Operation Procedure Efficacy.* Our surgical robots offer a more efficacious operation procedure by precise control and programmatic operation, providing more consistent results than human hands. Therefore, the difference in operation results caused by individual surgeon's experience is, to some extent, controlled.
- *Less Surgical Trauma and Pain.* Our surgical robots create smaller incisions to patients compared to the open surgery. A patient will typically only have one to four, six to 27 mm surgical wounds after the surgery. Such minimal invasiveness makes surgical wounds neater, reduces the incidence of post-surgical complications, causes less pain and blood loss, and enables shorter hospitalization period and faster recovery.
- *Flexible Surgical Options.* Our multi-port endoscopic surgical robot, complemented by our single-port endoscopic surgical robot, allows surgeons to perform surgery with a broader range of options based on patients' clinical needs. Surgeons, in turn, provide flexibility to patients in selecting effective and less invasive surgical approaches.
- *Widen Access to Advanced Surgical Care.* Our surgical robots equipped with telesurgery technologies will enable surgeons to perform surgical operations on patients remotely. With telesurgery capabilities, our surgical robots can break geographical barriers and deliver advanced surgical care from expert surgeons to patients who would otherwise be underserved.

(2) Value to Surgeons

- *Enhanced Precision, Dexterity and Control with Intuitive Operation.* Leveraging on our robotic and mechanical technologies, our proprietary instruments possess dexterity of a human hand and wrist, allowing surgeons to precisely and efficiently interact with tissue, just as they can in open surgery. Our intuitive operation design and motion scaling function allow surgeons to easily control micro-movements of instruments to perform complex procedures and delicate tasks that are difficult to accomplish in open surgery. Tremor filtration function embedded in our surgical robots overcomes the physiological limits that constrain human capability, thereby realizing performance enhancement. The comprehensive vision system of our surgical robots provides enhanced high-resolution 3D visualization of the surgical field, accurately displaying images of patient anatomy to the surgeon. Our surgical robots complement and extend a surgeon's capabilities, helping to deliver the highest quality surgical result to patients.

- *Ergonomically Beneficial Design to Reduce Surgeon Fatigue.* Our surgical robot is designed to allow surgeons to sit comfortably during procedures. The robotic arms can hold instruments steadily and carry out tasks under the surgeon's control. This ergonomically beneficial design can reduce the physical stress on surgeons from standing for prolonged time and performing repetitive motions, which effectively helps reduce fatigue of surgeons.
- *Facilitate Surgical Competency Advancement.* Due to the enhanced precision and ease of use provided by our surgical robots, it will be easier for surgeons to acquire surgical skills and become competent in surgery. This will in turn yield more consistent surgical outcomes and reduce the incidence of postoperative complications which is commonly associated with surgeons' experience and skill level. Compared to conventional endoscopic surgery, surgeons' learning curve for robot-assisted endoscopic surgery will be shortened. With telesurgery capabilities, our surgical robots can be employed to widen access to expert surgical training and education by allowing expert surgeons to remotely teach junior doctors and medical students surgical techniques and skills.
- *Facilitate Surgical Collaboration between Specialists.* With telesurgery capabilities, we expect our next generation of surgical robots to contribute to improved surgical expertise for complex cases by fostering surgical collaboration among specialists surgeons from various medical specialties and geographical locations.

(3) Value to Hospitals

- *Increased Efficiency in Resource Utilization.* Due to the lower incidence of postoperative complications and less blood loss involved in robot-assisted surgery, the length of patient hospitalization time is shorter as compared to that of conventional surgery. This improves the hospital bed turnover and thus increases the efficiency in resource utilization of hospitals.
- *Reduced Staffing Costs.* Robot-assisted endoscopic surgery typically requires fewer staff in the operating room than open surgery. This not only addresses labor shortages in hospitals, but also reduces staffing costs.
- *Provision of Better Quality of Care.* In certain procedure types, our surgical robots enable more surgeons to perform complex operations and deliver surgical outcomes that are superior to conventional surgery approaches. Therefore, the adoption of our surgical robots alleviates the uneven distribution of medical resources among different tiers of hospitals and contributes to better quality of care for patients.

- *Continuity of Care.* Adoption of our surgical robots with telesurgery capabilities would allow specialized surgeries to proceed in-house rather than relying on outpatients' referrals to specialist medical providers, thus allowing hosting hospitals to provide a consistent and seamless ongoing care to their patients, ensuring higher standards of patient care.

Despite the values brought by the surgical robots, there are certain disadvantages of robot-assisted surgery. Robot-assisted surgery typically involves higher pricing and lower reimbursement coverage. Compared to conventional MIS and open surgery, fewer patients are able to afford robot-assisted surgery. For surgeons, additional training is required, and the learning curve varies depending on the complexity of the specific procedure and the individual surgeon's skills and experience. With respect to hospitals, the procurement of surgical robots which are the Category B large medical devices is subject to the provincial authority's approval. Therefore, robot-assisted surgery is only available at hospitals that have obtained the procurement approval, can afford the surgical robot technology and have specially-trained surgeons.

Edge Multi-Port Endoscopic Surgical Robot—Our Core Product

Overview

Edge Multi-Port Endoscopic Surgical Robot is a robot-assisted device that is applied to perform MIS using robotic, imaging and digital technologies. With its assistance, trained surgeons can easily manipulate the robotic arms that are positioned inside the patient through small incisions to perform surgery while seated comfortably at a console viewing a high resolution 3D image of the surgical field. The motions of Edge Multi-Port Endoscopic Surgical Robot in the surgical field are analogous to the motions of a human wrist with tremor inherent in a surgeon's hand filtered out. It enables surgeons to perform complicated procedures with precision in narrow workspaces.

The following is a summary of regulatory milestones of our Edge Multi-Port Endoscopic Surgical Robot:

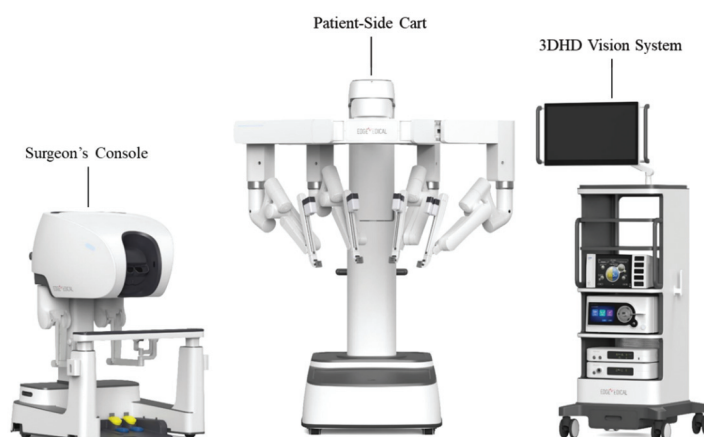
- In December 2022, we obtained the Class III medical device registration certificate of MP1000, the first model of our Edge Multi-Port Endoscopic Surgical Robot. MP1000 was approved by the NMPA for application in urologic surgery of adults.
- In August 2023, the NMPA approved our registration modification to expand the clinical applications of MP1000 in gynecologic surgery, general surgery and thoracic surgery of adults. MP1000 was the first domestically-developed endoscopic surgical robot approved by the NMPA for applications in multiple surgical specialties, according to Frost & Sullivan.

- In October 2023, the NMPA further approved our registration modification to include (i) the fluorescence imaging function that enables visible light and near-infrared (NIR) fluorescence imaging at the surgical site, with NIR imaging requiring use in combination with NMPA-approved indocyanine green (ICG) at the same location, and (ii) the dual console control. As of the Latest Practicable Date, five NMPA-approved ICG products are available to end customers from approved manufacturers. We refer to the MP1000 with these new features as an updated version of the MP1000, also known as MP1000 Plus.
- In July 2024, the NMPA further approved our registration modification to include our MP2000 series, comprising three models with improved ergonomics, improved computer power, advanced algorithms, full-phase fluorescence imaging and full-stack technological design.
- In March 2025, we obtained the CE Marking of MP1000 in the EU. As of the Latest Practicable Date, we have obtained registration approvals for MP1000 in 14 overseas jurisdictions in Europe, Asia Pacific, Middle East, Africa and South America, including the CE Marking of MP1000 in the EU.

We started to commercialize Edge Multi-Port Endoscopic Surgical Robot in China in December 2022. As of the Latest Practicable Date, over 12,000 cases of robot-assisted clinical surgeries in China were completed using our Edge Multi-Port Endoscopic Surgical Robot. We sold 20 units of Edge Multi-Port Endoscopic Surgical Robot in China in 2024, ranking first among domestic surgical robot manufacturers, according to Frost & Sullivan. In terms of contractual sales volume, we entered into agreements for sales of 31 units of Edge Multi-Port Endoscopic Surgical Robot in the six months ended June 30, 2025.

Product Structure

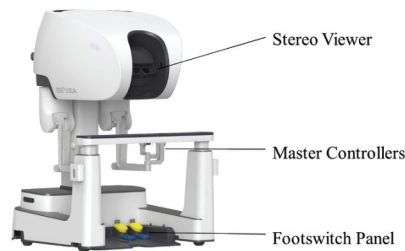
The following picture illustrates the product structure of Edge Multi-Port Endoscopic Surgical Robot:



Equipment

Edge Multi-Port Endoscopic Surgical Robot comprised the following components: the surgeon's console, the patient-side cart and the 3DHD vision system.

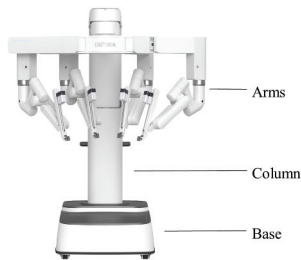
1. Surgeon's Console



The console allows surgeons to operate and manipulate the robotic arms by viewing the surgical field in real-time through a 3DHD vision system. Surgeons can comfortably sit at an ergonomic console and do not need to enter the sterile field of the operating room. The surgeon's console has three major components: the master controllers, the footswitch panel and the stereo viewer.

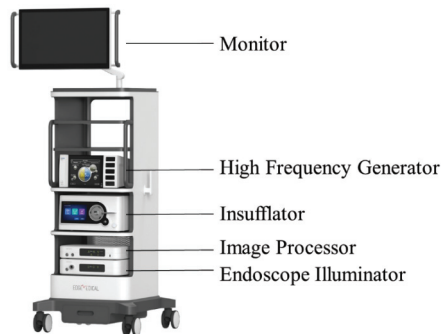
- *Master controllers:* By manipulating master controllers, surgeons control and move the robotic arms, endoscope and instruments intuitively. Similar to the operation procedures in open surgery, movements of the index (or middle) finger and thumb through the master controller can control the grasp-release motion of instruments, and movements of hands and arms will adjust the angle and position of the endoscope, instruments and robotic arms. The surgeon's natural hand movements through the master controller will be transformed into corresponding micro-movements of instruments inside the patient's body. In addition, our technology filters the tremor inherent in the surgeon's hands.
- *Footswitch panel:* The footswitch panel is used to suspend movements of the instruments and robotic arms, control the movements of the endoscope to adjust the surgeon's visual field, control and adjust power output of instruments to perform surgical techniques such as electrodesection and electrocoagulation, and switch the control among the robotic arms and instruments.
- *Stereo viewer:* The stereo viewer, coupled with the 3D endoscope, provides 3D magnified endoscopic vision for surgeons and connects surgeons to the surgical field and their instruments through immersive visualization. The ergonomically designed structure provides support to the head and neck, adding comfort during prolonged procedures.

2. Patient-Side Cart



The patient-side cart is used for port positioning, port placement and manipulation of four robotic arms under the surgeon's control at the console. Among the four robotic arms, two arms act as the surgeon's left and right hands respectively and are installed with surgical instruments, such as surgical scissors, bipolar separation forceps, bipolar grasping forceps, ultrasonic shears and staplers. A third arm holds and positions the endoscope, which is connected to the vision system. To meet clinical needs of more complex surgery, additional instruments can be added to the fourth arm. The flexibility and comprehensive functionality of the patient-side cart can extend the surgeon's capabilities and enable the surgeon to perform tailored surgery tasks.

3. 3DHD Vision System



The 3DHD vision system has the following major components:

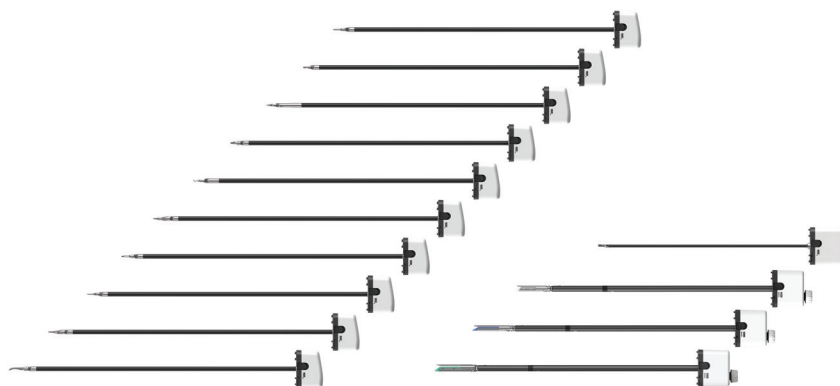
- *3D electronic endoscope:* Our 3D electronic endoscope accurately captures images that will be transformed to 3D visualization. The endoscope allows the surgeon to easily move, zoom and rotate the surgeon's visual field. Through innovative optical imaging technologies, the 3D high definition endoscope provides surgeons with improved orientation and superb depth perception, which helps minimize invasion to surrounding blood vessels and nerves.
- *Image processor:* Our powerful image processor delivers 3DHD signal to monitors in a 1080P format, while ensuring high image quality. Through our unique image processing algorithms, we provide surgeons with images with minimal display lag as low as 40ms.
- *Monitor:* Multiple color monitors can be connected in the vision systems, enabling surgical team members to view surgical field images.

Instruments and Accessories

1. Instruments

We develop and manufacture a variety of instruments to meet diversified clinical surgical needs and ensure completion of various surgical techniques, including cutting, suturing and hemostasis. Our instruments for Edge Multi-Port Endoscopic Surgical Robot include bipolar grasping forceps, bipolar separation forceps, needle holder forceps, monopolar scissors, monopolar electric hooks, ultrasonic shears and other surgical tools that are specifically designed for Edge Multi-Port Endoscopic Surgical Robot.

As of the Latest Practicable Date, we had developed 35 types of instruments that are compatible with Edge Multi-Port Endoscopic Surgical Robot. In addition, we have prescribed the number of procedures for which each instrument can be used, in order to help ensure that our instruments' performance meets specifications during each procedure.



2. Accessories

Accessories to be used in conjunction with Edge Multi-Port Endoscopic Surgical Robot include the following and other items that facilitate its use:

- *Sterile drapes*: Devices that help ensure a sterile field during surgery.
- *Trocars*: Devices that pierce through the body for subsequent placement of other surgical instruments.
- *End effector changers*: Devices that ensure fast installation and removal of instruments.

Features and Technical Advantages

MP1000

Our MP1000 has the following features and technical advantages:

- *Dexterity.* The four-robotic-arm structure can satisfy the clinical needs in complex procedures which require easy switch among robotic arms. The seven degrees of freedom of each robotic arm and the seven degrees of freedom of an instrument attached to such robotic arm provide a broad range of motion for port placement and docking and ensure natural dexterity to satisfy requirements of different procedure types. According to Frost & Sullivan, the total degrees of freedom of a single robotic arm and a single instrument connected to the robotic arm of our MP1000 represent the highest level in the endoscopic surgical robots industry globally.
- *Superb master-slave control experience.* Accurate transformation of surgeons' hand movements into corresponding micro-movements of instruments, coupled with dexterous instruments with wristed articulation, provides superb master-slave control experience to surgeons to ensure consistent surgical results.
- *Low latency and immersive 3DHD visualization.* Our advanced imaging technique is capable of producing high-resolution images of patient anatomy with only 40 milliseconds latency. The high resolution stereo endoscope, coupled with the immersive 3DHD visualization system, allows surgeons to perform surgery with clear images and reliable precision.
- *Various extensible proprietary instruments.* We have developed a wide array of 35 types of instruments that are compatible with MP1000, which allows MP1000 to be applied in different procedure types.
- *Safety and reliability.* The innovative mechanical and electric design and the hardware, software and algorithms used in our MP1000 contribute to its strong safety and reliability performance.

MP1000 Plus

In October 2023, the NMPA approved our registration modification for an updated version of MP1000, also known as MP1000 Plus. This registration modification involved updating the model description of MP1000 and did not involve any registrational clinical trials. Our MP1000 Plus is an updated version of MP1000, which we believe will strengthen our market competitiveness, enrich our product pipeline and generate growth in both customer base and value. For the product iteration from MP1000 to MP1000 Plus, we have incorporated the following innovations and capabilities:

- *Enhanced 3DHD vision system.* Our MP1000 Plus features a fully self-developed fluorescence imaging system. Its integrated proprietary fluorescence cold light sources and fluorescence endoscopy enables intraoperative fluorescence imaging, establishing it as the first domestic endoscopic surgical robot with this approved imaging functionality. The application of fluorescence imaging in our MP1000 Plus addresses the clinical challenge of visualizing blood vessels and tumor boundaries during surgery. It enhances intraoperative tissue identification by providing surgeons with real-time visual guidance, enabling them to accurately locate specific anatomical structures and boundaries. This visual aid helps prevent accidental damage to vital tissues and facilitates the optimization of surgical procedures.
- *Enhanced surgical field.* Our MP1000 Plus supports a split-screen mode, establishing it as the first domestic endoscopic surgical robot with this approved functionality. This mode integrates patient data from other diagnostic sources directly into the main console. Surgeons can simultaneously view multiple contents on one screen, enabling a comprehensive visual navigation and diagnostic assistance to support more informed decision-making during surgery.
- *Dual console control system.* Our MP1000 Plus features dual surgeon's console control, establishing it as the first and only domestic endoscopic surgical robot with this approved functionality. This system addresses the limitations of single-person operation by allowing two surgeons to operate the MP1000 Plus surgical robot simultaneously from separate consoles. This enhanced capacity enables seamless execution of collaborative surgical procedures during complex surgical operations and facilitates hands-on training.
- *Surgical simulator.* Our self-developed surgical simulator provides surgeons with optimal surgical planning through advanced human-machine interaction.
- *One-button intelligent controller.* Our MP1000 Plus features a one-button intelligent controller that is capable of (i) automatic deployment and retraction of sterile surgical instrument drapes and (ii) an automated sterile storage and retrieval system. These features optimize surgical workflow efficiency.

MP2000 series

In July 2024, the NMPA approved our registration modification for our MP2000 series. This registration modification involved updating the model description of MP1000 and did not involve any registrational clinical trials. The second generation of our MP1000—MP2000 series—comprises three models with varying brightness uniformity control and color tone adjustment functions. We believe the product iteration from our MP1000 to the MP2000 series will strengthen our market competitiveness, enrich our product pipeline and generate growth in both customer base and value. Based on the clinical feedback from surgeons using the MP1000, we have developed the following features and capabilities that enable surgeons to perform surgical procedures with higher precision and accuracy.

- *Improved ergonomics.* Prolonged surgical duration strains surgeons' posture and focus. Our MP2000 series counters this with refined ergonomics designed to reduce operator fatigue while maintaining sustained comfort and control. It features (i) a 10.3-inch touchscreen with fast response time that allows surgeons a deeper field of view for greater immersion and focus during operation, (ii) a redesigned armrest assembly covered with skin-friendly fabric, and (iii) repositioned control buttons for more responsive and intuitive control. These upgrades are complemented with optimized computing power and algorithms that enhance system responsiveness, ensuring the platform meets the demands of high-precision surgeries.
- *Improved computing power.* Our MP2000 series has advanced computing power that enables (i) a smoother motion control of the main controller that aims to reduce surgeon fatigue during prolonged use, (ii) a more effective device jitter suppression that results in a smoother and more natural instrument trajectory and thus enhanced safety, and (iii) improved process-switching performance that ensures more seamless operation and improves the overall surgical experience.
- *Advanced algorithms.* Our MP2000 series is empowered with advanced algorithms that improve image resolution and ensure accurate color reproduction. The enhanced picture quality of the imaging system of the MP2000 series facilitates clearer differentiation between tissues and anatomical structures, enabling surgeons to achieve higher surgical precision.
- *Full-phase fluorescence imaging.* Our MP2000 series allows three fluorescence imaging mode—single, fused and gradient fluorescence. The full-phase fluorescence imaging system allows surgeons to visualize anatomical structure, facilitating the identification of occult lesions.
- *Full-stack technological design.* Our MP2000 series adopted a full-stack technological design that seamlessly integrates the on-board robotic system with remote control systems for telesurgery. In particular, the remote control systems features: (i) real-time, scenario-wide voice synchronization and UI prompt synchronization for immediate awareness of the counterpart site's status; (ii) rapid

configuration switching between remote and local procedures to ensure seamless integration; and (iii) remote collaboration and training capabilities that support the dual-console virtual pointer function for effective remote mentoring and instruction.

- *Comprehensive surgical compatibility.* Our MP2000 series provides over 30 types of surgical instruments that are designed to meet the requirements of diverse procedures across various anatomical regions. This comprehensive surgical compatibility allows surgeons across multiple disciplines to tailor the MP2000 series to their specific surgical techniques and preferences.

Operation Procedure

The key steps of operation procedure of Edge Multi-Port Endoscopic Surgical Robot are set forth below:

- *Preoperative steps.* The surgeon adjusts the master controllers, the footswitch panel and the stereo viewer to comfortable heights and positions. The assistant installs sterile drapes to the robot to create a sterile operative field and ensures connection of the endoscope to the image processor. The assistant uses trocars to pierce through the body to prepare the ports. The patient-side cart is moved beside the patient to position and dock the robotic arms. After docking the robot, the assistant installs and inserts the endoscope and surgical instruments to reach the surgical field.
- *Intraoperative steps.* The surgeon activates the master controllers at the console and starts controlling the movements of the robotic arms and instruments to perform the procedure. During the surgery, the surgeon can use the footswitch panel to switch the control among surgical instruments, adjust the position of the endoscope and carry out other functions. Surgical instruments can be changed during surgery as needed.
- *Postoperative steps.* After the surgery, the assistant removes the surgical instruments from the patient's body and withdraws trocars.

Summary of Clinical Trial Results

Driven by the significant market potential, we chose to initiate MP1000's clinical trial in urologic surgery, as the procedure volume of urologic surgery was the largest among all robot-assisted endoscopic surgeries in China in 2022, according to Frost & Sullivan.

Clinical Trial for Urological Surgery

In December 2021, we completed a multi-center, randomized and parallel-controlled clinical trial in China to evaluate the efficacy and safety of MP1000 in urologic surgery. The clinical trial was conducted through comparison with the third generation of the da Vinci Surgical System (da Vinci Si) developed and commercialized by Intuitive Surgical Inc.

According to Frost & Sullivan, da Vinci Surgical Systems was then the most widely used multi-port endoscopic surgical robots in the world, and its third generation (da Vinci Si) and fourth generation (da Vinci Xi) were approved by the NMPA in 2011 and 2018, respectively. Da Vinci Xi Surgical Systems feature upgrades in various functionalities compared to da Vinci Si Surgical Systems, such as improved vision and dexterity, but they are not radically different products, according to Frost & Sullivan. At the time when we commenced the MP1000 clinical trial, a limited number of da Vinci Xi Surgical Systems had been installed in China, and surgeons were more proficient in operating the da Vinci Si Surgical Systems. Our clinical protocol is well-designed and has passed the review of the participating hospitals' ethics committees and obtained clinical trial approval, and thus a head-to-head clinical trial with the da Vinci Si Surgical System can serve the purpose of evaluating MP1000's efficacy and safety.

The procedures that were evaluated in the trial included radical prostatectomy, partial nephrectomy and radical nephrectomy, which are Level 4 surgeries. Level 4 surgeries represent the highest level of surgical complexity in China. For the clinical trial, we have enrolled certain patients who were diagnosed with T3 or T4 prostate cancer. T3 and T4 prostate cancer refers to late stage cancer with a tumor that has spread to tissues next to the prostate. According to Frost & Sullivan, we are the first Chinese company that included T4 late stage cancer in the pivotal clinical trial in urology conducted in China.

We commenced the patient enrollment for the clinical trial in May 2021, completed patient enrollment in September 2021 and completed the trial in December 2021. A total of 104 patients were enrolled in four sites, and randomized in each of the study group (52 patients, using MP1000) and the control group (52 patients, using da Vinci Si), and all completed the surgeries. The key inclusion criteria for the study included but not limited to: (1) male or female patients aged ≥ 18 years and ≤ 80 years at screening; (2) patients with body mass index (BMI) of ≥ 18 kg/m² and ≤ 30 kg/m²; (3) patients who had clinical indications requiring urological surgery; (4) patients who were medically fit to undergo laparoscopic surgery; (5) patients who were willing to comply with study follow-ups and complete required examinations; and (6) patients who voluntarily provide their written informed consent. The key exclusion criteria for the study included but not limited to: (1) patients who had been diagnosed with severe cardiovascular or circulatory disorders; (2) patients who were in pregnancy or lactation; (3) patients who had medical history of epilepsy or psychiatric disorders; (4) patients who had prior surgical procedures at the target anatomical site; (5) patients who had severe allergies or suspected/confirmed alcohol or drug dependence; and (6) patients who had abdominal/pelvic infections, peritonitis, intestinal obstruction, severe systemic infection, or metastatic disease.

1. Efficacy Results

The results from the trial demonstrated MP1000's non-inferiority to the da Vinci Si Surgical System in terms of efficacy.

BUSINESS

The primary efficacy endpoint, which is the overall surgery success rate, is 100% for MP1000, higher than da Vinci Si. Except for the average surgical robot installation time and the mean operative time, the other secondary efficacy endpoints have no statistically significant difference between the study group and the control group. MP1000's average installation time is shorter than that of da Vinci Si.

Primary Efficacy Endpoint	FAS		PPS		P-value ⁽¹⁾
	Study Group	Control Group	Study Group	Control Group	
	n=52	n=52	n=52	n=52	
Overall surgery success rate ⁽²⁾	52 (100.00%)	51 (98.08%)	52 (100.00%)	51 (98.08%)	p = 0.294

Notes:

- (1) A *p*-value greater than 0.05 indicates no statistically significant difference between the study group and the control group. The *p*-values for FAS and PPS are identical.
- (2) A surgery would be deemed successful when (i) the robot-assisted surgery was completed without conversion to open surgery or conventional laparoscopic surgery and (ii) with respect to partial nephrectomy, the intraoperative warm ischemia time was less than 30 minutes if the RENAL nephrometry score was four to six, and the intraoperative warm ischemia time was less than 40 minutes if the RENAL nephrometry score was seven to nine. The RENAL nephrometry scoring system is a comprehensive standardized system for quantitating renal tumor size, location and depth. Renal masses with a score of four to six are considered low complexity, and renal masses with a score of seven to nine are considered moderate complexity.

The secondary efficacy endpoints include, among others, the intraoperative complication rate, intraoperative blood loss volume, average surgical robot installation time, rate of positive circumferential resection margin, mean operative time, and non-recurrence rate in three months after surgery.

Secondary Efficacy Endpoint	FAS		PPS		P-value ⁽¹⁾
	Study Group	Control Group	Study Group	Control Group	
	n=52	n=52	n=52	n=52	
Intraoperative complication rate . . .	0.00%	0.00%	0.00%	0.00%	–
Intraoperative blood loss volume (ml)	93.75±109.84	81.73±134.26	93.75±109.84	81.73±134.26	p = 0.223
Average surgical robot installation time (min)	19.77±3.18	21.06±3.76	19.77±3.18	21.06±3.76	p = 0.007
Rate of positive circumferential resection margin	3 (5.77%)	7 (13.46%)	3 (5.77%)	7 (13.46%)	p = 0.319
Mean operative time (min) ⁽²⁾	153.44±54.47	128.56±41.10	153.44±54.47	128.56±41.10	p = 0.027
Non-recurrence rate in 3 months after surgery	50 (98.04%)	51 (98.08%)	50 (98.04%)	51 (98.08%)	p = 1.000

Notes:

- (1) A *p*-value greater than 0.05 indicates no statistically significant difference between the study group and the control group. The *p*-values for FAS and PPS are identical.
- (2) Operative time refers to the total time from the start of the operation after the surgical robot installation to the completion of the incision suture. Although the operative time of MP1000 and da Vinci Si have a statistically significant difference, the longer operative time is not a material disadvantage of MP1000 compared to da Vinci Si, as the procedure duration may be affected by the patient's and surgeon's conditions, and did not materially affect the safety or health of the subjects or the surgeon. Surgeons' proficiency in operating the da Vinci Si Surgical System may also be a reason for the shorter operative time in the control group. The difference in the operative time is not material for the review of registrational approval of MP1000 and will not adversely impact the commercialization opportunities of MP1000 in material aspects. We believe that the operative time may be shortened as surgeons receive more proficiency-based training in the future.

2. *Safety results*

The safety profile is assessed by the occurrence of AEs and serious AEs. There was no occurrence of system failure and no safety risk to surgeons, patients and others in either the study group or the control group, which demonstrates MP1000's excellent safety profile.

	Study Group (n=52)			Control Group (n=52)			<i>P</i> -value ⁽¹⁾
	Occurrences	Number of Subjects	Occurrence Rate	Occurrences	Number of Subjects	Occurrence Rate	
AE.	144	47	90.38%	104	42	80.77%	<i>p</i> = 0.264
Medical device-related AE.	0	0	0.00%	0	0	0.00%	–
Serious AE ⁽²⁾	4	4	7.69%	3	2	3.85%	<i>p</i> = 0.678
Medical device-related serious AE.	0	0	0.00%	0	0	0.00%	–

Notes:

- (1) A *p*-value greater than 0.05 indicates no statistically significant difference between the study group and the control group.
- (2) The occurrences in the study group are due to death caused by the traffic accident, incomplete small bowel obstruction, urethral stricture, and moderate wound infection, all of which are not related to the medical device. The occurrences in the control group are due to the bacteremia, urinary incontinence, and urethral anastomotic stricture, all of which are not related to the medical device.

Clinical Trials for Gynecological Surgery

In July 2022, we completed a multi-center, randomized and parallel-controlled clinical trial in China to evaluate the efficacy and safety of MP1000 in gynecologic surgery. The clinical trial was initiated in December 2021, and we completed the patient enrollment in June 2022. A total of 42 patients were enrolled in two sites, and randomized in each of the study group (21 patients, using MP1000) and the control group (21 patients, using the da Vinci Si

Surgical System (Model IS3000)), and 41 patients completed the surgeries. The primary efficacy endpoint was the surgery success rate, and the secondary efficacy endpoints included, among others, the incidence of perioperative complications, installation time, operation time, intraoperative blood loss and doctor satisfaction. The safety endpoints included the occurrence of system failures, adverse events and serious adverse events during the clinical trial process. The key inclusion criteria for the study included but not limited to: (1) female patients aged ≥ 18 years and ≤ 85 years at screening; (2) patients with body mass index (BMI) of $\geq 18 \text{ kg/m}^2$ and $\leq 30 \text{ kg/m}^2$; (3) patients who had clinical indications requiring gynecologic surgery; (4) patients who were medically fit to undergo laparoscopic surgery; (5) patients who were willing to comply with study follow-ups and complete required examinations; and (6) patients who voluntarily provide their written informed consent. The key exclusion criteria for the study included but not limited to: (1) patients who had been diagnosed with severe cardiovascular or circulatory disorders; (2) patients who were in pregnancy or lactation or have requirements for fertility preservation; (3) patients who had medical history of epilepsy or psychiatric disorders; (4) patients who had prior surgical procedures at the target anatomical site; (5) patients who had severe allergies or suspected or confirmed alcohol or drug dependence; and (6) patients who had abdominal/pelvic infections, peritonitis, diaphragmatic hernia, severe systemic infection, or metastatic disease. In this clinical trial, MP1000 demonstrated non-inferiority in the primary efficacy endpoint of surgery success rate to the da Vinci Si Surgical System (Model IS3000), with a good safety profile.

In January 2023, we completed a multi-center, randomized, single-blind, and parallel-controlled clinical trial in China. The clinical trial was initiated in May 2022, and we completed the patient enrollment in June 2022. A total of 42 patients were enrolled in two sites, and 41 patients completed the surgeries. The primary efficacy endpoint was the successful completion of the surgery, and the secondary efficacy endpoints included, among others, the blood loss volume, mean operative time and postoperative complication rate after surgery. The safety endpoints included system failures, adverse events and serious adverse events during the clinical trial process. The key inclusion criteria for the study included but not limited to: (1) female patients aged ≥ 18 years and ≤ 85 years at screening; (2) patients with body mass index (BMI) of $\geq 18 \text{ kg/m}^2$ and $\leq 30 \text{ kg/m}^2$; (3) patients who had clinical indications requiring gynecologic surgery; (4) patients who were medically fit to undergo laparoscopic surgery; (5) patients who were willing to comply with study follow-ups and complete required examinations; and (6) patients who voluntarily provide their written informed consent. The key exclusion criteria for the study included but not limited to: (1) patients who had been diagnosed with severe cardiovascular or circulatory disorders; (2) patients who were in pregnancy or lactation or have requirements for fertility preservation; (3) patients who had medical history of epilepsy or psychiatric disorders; (4) patients who had prior surgical procedures at the target anatomical site; (5) patients who had severe allergies or suspected or confirmed alcohol or drug dependence; and (6) patients who had abdominal/pelvic infections, peritonitis, diaphragmatic hernia, severe systemic infection, or metastatic disease. The results from the trial demonstrated that our MP1000 met all the efficacy and safety requirements for gynecological surgery.

Clinical Trial for General Surgery and Thoracic Surgery

In March 2023, we completed a prospective, multi-center, and single-arm objective performance criteria clinical trial in China to evaluate the efficacy and safety of MP1000 in general surgery and thoracic surgery. The clinical trial was initiated in May 2022, and we completed patient enrollment in November 2022. A total of 62 patients were enrolled in four sites, and 61 patients completed the surgeries. The primary efficacy endpoint was the surgery success rate, and the secondary efficacy endpoints included, among others, peri-procedural complication rate, installation time, operative time, intraoperative blood loss, positive margin rate and postoperative pain. The safety endpoints included the occurrence rates of system failure, adverse events and serious adverse events during the clinical trial process. The key inclusion criteria for the study included but not limited to: (1) female patients aged ≥ 18 years and ≤ 85 years at screening; (2) patients with body mass index (BMI) of $\geq 18 \text{ kg/m}^2$ and $\leq 30 \text{ kg/m}^2$; (3) patients who had clinical indications requiring gynecologic surgery; (4) patients who were medically fit to undergo laparoscopic surgery; (5) patients who were willing to comply with study follow-ups and complete required examinations; and (6) patients who voluntarily provide their written informed consent. The key exclusion criteria for the study included but not limited to: (1) patients who had been diagnosed with severe cardiovascular or circulatory disorders; (2) patients who were in pregnancy or lactation or have requirements for fertility preservation; (3) patients who had medical history of epilepsy or psychiatric disorders; (4) patients who had severe allergies or suspected or confirmed alcohol or drug dependence; and (5) patients who had abdominal/pelvic infections, peritonitis, diaphragmatic hernia, severe systemic infection, or metastatic disease. The results from the trial demonstrated that our MP1000 met all the efficacy and safety requirements for general surgery and thoracic surgery.

Market Opportunity and Competition

The research and development of our Edge Multi-Port Endoscopic Surgical Robot are focused on offering wider applications, improving surgical outcomes, and increasing patients' access to robotic-assisted surgery. As compared to peer products, Edge Multi-Port Endoscopic Surgical Robot has the following competitive advantages:

- *Performance*—The clinical trial results have demonstrated Edge Multi-Port Endoscopic Surgical Robot's performance comparable to da Vinci Surgical Systems. In the registrational clinical trial for urologic surgery, Edge Multi-Port Endoscopic Surgical Robot achieved the overall surgery success rate of 100%. A total of 52 surgeries, including very complex surgeries such as radical prostatectomy for a patient with T4 prostate cancer, were performed using Edge Multi-Port Endoscopic Surgical Robot, with no intraoperative complication and no conversion to open procedures. For further details regarding the performance in clinical applications, see “—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product—Summary of Clinical Trial Results.”
- *Design*—Edge Multi-Port Endoscopic Surgical Robot uses the advanced master-slave robotic platform technology and has a four-arm structure design. Each instrument has seven degrees of freedom, and each robotic arm has seven degrees

of freedom. We have developed, and are continuously developing, a variety of instruments that will facilitate the application expansion to other surgical specialties, such as general and thoracic surgery. Unique features include the lightweight endoscope featuring fog prevention and image noise reduction, which provides better manoeuvrability and visualization.

- *Competitive cost*—Edge Multi-Port Endoscopic Surgical Robot, as a domestically developed and manufactured surgical robot, has lower costs of production and therefore enables patients to receive affordable robot-assisted surgery. For further details regarding expected pricing, see “—Sales and Marketing—Pricing.”

The aforementioned developments and advantages showing the success of Edge Multi-Port Endoscopic Surgical Robot will make it very competitive in the surgical robot field.

As compared to the surgical robots developed by our competitors, Edge Multi-Port Endoscopic Surgical Robot is able to complete the procedures for late stage (T4) cancer as a result of the following specific functions:

- The minimal master-slave replication delay and accurate instrument movements of Edge Multi-Port Endoscopic Surgical Robot enable surgeons to perform complex surgeries, such as lymph node dissection next to great vessels and separation of tight adhesions between late stage tumors and surrounding tissues. Surgeons’ hand movements can be accurately transformed into corresponding micro-movements of instruments;
- Edge Multi-Port Endoscopic Surgical Robot’s advanced imaging technology can produce high-resolution images of patient anatomy with only 40ms latency. The lightweight endoscope provides better maneuverability. This helps reduce the possibility of causing damage to peripheral blood vessels and nerves;
- The endoscope features fog prevention and ensures a smooth surgery;
- Each robotic arm and an instrument attached to such robotic arm has seven degrees of freedom, providing flexible port placement and large range of motion for complex surgeries; and
- The four-arm structure and easy switch between instruments allow performance of complex surgical procedures.

According to Frost & Sullivan, the procedure volume of multi-port robot-assisted endoscopic surgery in China grew from 38,877 in 2019 to 143,153 in 2024 at a CAGR of 29.8% and is expected to grow further, reaching 1.5 million in 2033 at a CAGR of 29.5% from 2024 to 2033. Correspondingly, the market size of multi-port endoscopic surgical robots in China grew from RMB2,022.6 million in 2019 to RMB4,105.8 million in 2024 at a CAGR of 15.2% and is expected to reach RMB35,350.8 million by 2033 at a CAGR of 27.0% from 2024 to 2033.

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Globally and in the U.S., Intuitive Surgical's da Vinci Surgical Systems are currently the dominant robotic platform for robot-assisted surgery. Except for its da Vinci SP Surgical System which is a single-port endoscopic surgical robot, all of its da Vinci Surgical Systems are multi-port endoscopic surgical robots. In addition to the da Vinci Surgical Systems, as of the Latest Practicable Date, there were eight other major multi-port endoscopic surgical robots that were approved globally, including Asensus's Senhance, Avatera Medical's Avatera, CMR Surgical's Versius, Meere Company's Revo-I, Medtronic's Hugo, Medcaroid's Hinotori Surgical Robot System, Moon Surgical's Maestro System and SS Innovations International Inc.'s SSI Mantra/Mantra 3 Surgical Robotic System.

The following table lists the products of Intuitive Surgical Da Vinci surgical robot:

Manufacturer	Intuitive Surgical			
product	Da Vinci Si Systems	Da Vinci Xi Systems (IS4000)	Da Vinci X Systems	Da Vinci 5 Systems (IS5000)
First approval time	2009 (FDA) 2009 (CE)	2014 (FDA) 2014 (CE)	2017 (FDA) 2017 (CE)	2024 (FDA)
Approved Indications in US	Mainly used for maintenance and upgrades, some countries have stopped selling new systems	- Urologic surgical - General thoracoscopic surgical, - General and Gynecologic laparoscopic surgical - Thoracoscopically-assisted cardiectomy surgical;		- Urologic surgical - General thoracoscopic surgical - General and Gynecologic laparoscopic surgical
Numbers of Robotic Arms	4	4	4	4
Degrees of freedom of Single robotic arm	12	12	12	12
Key features	4 robotic arms, 12 degrees of free EndoWrist surgical Systems Shock preventable	intraoperative fluorescence visualization, Single hole surgical equipment, endoluminal specific ultrasound assistance	Most of the features are the same as Da Vinci Si, but it is not suitable for multi-quadrant surgery and does not have integrated table motion	Da Vinci 5 is a modification to Da Vinci Xi with the same core features, with an additional set of force feedback instruments designed specifically
Factory Price/USD	0.5 million to 2.5 million			
Cumulative installed base in 2024	9,629			
New Installed base in 2024	1,430			
Revenue in 2024/USD	858.8 million			

Source: Literature research, Frost & Sullivan Report

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The following table sets forth the competitive landscape of major multi-port endoscopic surgical robots globally other than our products and the products of Intuitive Surgical Da Vinci surgical robot:

Manufacturer	Medtronic	Asensus	CMR Surgical	Riverfield
Product	Hugo	Senhance	Versius surgical robot	Saroa
First approval time	2021 (CE) 2022 (Ministry of Health, Labour and Welfare of Japan) 2022 (Health Canada)	2012 (CE) 2017 (FDA) 2019 (Ministry of Health, Japan PMDA) 2020 (Russian Federation)	2019 (CE) 2024 (FDA)	x
Approved Indications in US	X	- General and gynecological laparoscopy surgery - Urologic and Pediatric Urology	Cholecystectomy	x
Numbers of Robotic Arms	4	3/4 (Adaptive mode)	5	3
Degrees of freedom of Single robotic arm	7	7	7	–
Key features	Modular design empowers surgeons to choose the surgical approach for each patient Turns the surgeon console into a 3D HD simulated environment, enabling surgeons to learn and practice Wristed instruments provides versatility and quality	- Open remote control station - Ocular tracking software - Free standing cart - High precision tactile feedback Systems - Shock preventable	- Stand operation console - Free standing and small size - Tactile feedback Systems	Real-time control and feedback of forces are possible
Ex-factory Price/USD	ND ¹	~ 0.82 million ¹	~ 1.30 million ¹	ND ¹
Cumulative installed base in 2024	70+	–	186	NA
New Installed base in 2024	NA	–	23	NA
Revenue in 2024/USD	NA	–	38.2 million	NA

Notes:

3. ND=Not Publicly Disclosed
7. The ex-factory price is calculated as the sum of product and service revenue divided by the number of robots placed in 2023

Source: Literature research, Company Website, Frost & Sullivan Analysis

According to Frost & Sullivan, in 2024, a total of 1,726 multi-port endoscopic surgical robots were sold globally. Intuitive Surgical sold 1,430 multi-port endoscopic surgical robots, which accounted for approximately 83% of the total global market share. Since the commercialization of Edge Multi-Port Endoscopic Surgical Robot in December 2022, in terms of contractual sales volume, we have entered into agreements for sales of 60 units of Edge Multi-Port Endoscopic Surgical Robot globally as of June 30, 2025, including 32 units in China and 28 units in overseas countries.

In China, among the international surgical robotics companies, Intuitive Surgical's fourth generation da Vinci Xi Surgical System and third generation da Vinci Si Surgical System were the only products that had been approved by the NMPA as of the Latest Practicable Date, according to Frost & Sullivan. For details, see "Industry Overview—Endoscopic Surgical Robot Market."

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The following table sets forth the competitive landscape of multi-port endoscopic surgical robots of Intuitive Surgical and us in China:

Manufacturer	Intuitive Surgical		Edge Medical
Product	Da Vinci Si Systems	Da Vinci Xi Systems	Edge Multi-Port Endoscopic Surgical Robotic System ²
NMPA Approval First Obtained	2011	2018	2022
NMPA Approved Indications	Urologic, General, Gynecologic, Thoracic surgeries, Thoracoscopic assisted cardiomy, Coronary anastomosis combined with mediastinotomy in cardiac revascularization		Urologic Surgery, Gynecologic Surgery, General Surgery and Thoracic Surgery
Bidding Price/RMB	/	~ 22 million ¹	~15 million
Numbers of Robotic Arms	4	4	4
Fluorescence imaging mode types	2	2	3
Degrees of Freedom of a single arm	12	12	12
Degrees of freedom of a single instrument connected to robot	7	7	7
Image transmission delay	<80ms	<80ms	40ms
Trial Locations	Global	Global	CN

Notes:

1. According to Intuitive Surgical annual report and website, industry expert, interview and China Government Procurement (中國政府採購網), da Vinci Si system is no longer sold in China since 2019, the average price of da Vinci Xi system is about RMB22 million.
2. Edge Medical's Edge Multi-Port Endoscopic Surgical Robot is a 4-arm endoscopic surgical robot, and the more surgical arms suggest a higher flexibility.

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The following table sets forth the competitive landscape of major multi-port endoscopic surgical robots in China other than our products and the products of Intuitive Surgical Da Vinci surgical robot:

Manufacturer	Wego	MedBot	Cornerstone	Sagebot		
Product	MicroHand	Toumai surgical robot	Sentire (C1000)	Kangduo (SR-1000)	Kangduo (SR-1500)	Kangduo (SR-2000)
NMPA Approval Obtained	October 2021	January 2022 ⁶	September 2024	June 2022	April 2024	July 2024
NMPA Approved Indications	General Surgery ¹²	Urologic Surgery, Gynecologic, General surgery, Thoracic Surgery ¹³	Urology surgery, General surgery, Gynecology, Thoracic Surgery	Urology Surgery, Gynecologic, General surgery, Thoracic Surgery		
Bidding Price/RMB	Not Publicly Available	~ 15 million ¹⁰	Not Publicly Available	5.4~9.9 million ¹¹		
Numbers of Robotic Arms ¹	3	4	4	3	3	4
Fluorescence imaging mode types	NA	NA	NA	NA	NA	NA
Degrees of Freedom of a single arm	7	11	Unknown	12	12	12
Degrees of freedom of a single instrument connected to robot	7	7	Unknown	4	4	4
Image transmission delay	NA	NA	NA	NA	NA	NA

Source: Company Website, Frost & Sullivan Analysis

Considering recent policies promulgated by the Chinese government, in particular domestic substitution policies, it is expected that domestically developed and manufactured surgical robots, including Edge Multi-Port Endoscopic Surgical Robot, will have increasing market opportunities. Furthermore, we believe that the non-inferiority of the clinical data of Edge Multi-Port Endoscopic Surgical Robot compared to da Vinci Surgical Systems and the competitive price of Edge Multi-Port Endoscopic Surgical Robot as a domestically developed and manufactured product will help us to compete with international peer products. To compete with other domestic peer products, we plan to enhance commercialization by demonstrating Edge Multi-Port Endoscopic Surgical Robot's performance to more surgeons and rapidly bringing Edge Multi-Port Endoscopic Surgical Robot to hospitals nationwide. Edge Multi-Port Endoscopic Surgical Robot has gained acceptance and appreciation among a number of top surgeons and hospitals through our collaboration with them in clinical trials. We believe this will further increase the exposure of our brand and products among surgeons.

Sales of surgical robots in China are subject to quota limits under the national allocation plans. Pursuant to the 2023 National Allocation Plan issued by the National Health Commission of the PRC in June 2023, a total quota of 819 units of endoscopic surgical robots is planned for deployment by the end of 2025, starting from 2006. Out of 819 units, a quota of 559 units is planned to be deployed for the period of the 14th Five-year Plan (2021 to 2025). It has been proved that the planned quota under the 2023 National Allocation Plan can adequately meet the market demand. According to Frost & Sullivan, the number of issued deployment permits under the 2023 National Allocation Plan was approximately 104 in 2023 and 230 in 2024. The total number of both multi-port and single-port endoscopic surgical robots newly installed was 75 in 2023 and 118 in 2024. A quota of 559 units is planned to be

deployed for the period of the 14th Five-year Plan (2021 to 2025) under the 2023 National Allocation Plan. As 2025 is the final year of the 14th Five-year Plan, it is anticipated that all 599 units of deployment permits will be issued by the end of 2025. Therefore, the number of issued deployment permits under 2023 National Allocation Plan will be approximately 225 in 2025. According to Frost & Sullivan, the total number of both multi-port and single-port endoscopic surgical robots newly installed in 2025 is expected to be 192. As such, the number of deployment permits available for 2024 and 2025 far exceeds the number of endoscopic surgical robots newly installed in those years. During the second half of 2023, the time taken for hospitals to apply for and receive the deployment permits from the National Health Commission was longer than expected, resulting in a delay of issuance of such permits and subsequently a decrease in the actual purchase volume of surgical robots by hospitals in certain regions. As such, hospitals preferred to allocate their limited deployment permits to more mature products with lengthier presence in the market. As such, our sales volume was negatively affected in the second half of 2023. In light of the quota limits, we continuously monitor the eligibility requirements for deployment permit applications for hospitals. Our sales and marketing teams subsequently focus on these pre-qualified hospitals to promote our products and build early-stage demand. In addition, for hospitals that have already obtained deployment permits but have not yet made purchases, we strengthen our promotional outreach and direct our marketing activities toward these hospitals. Based on the above and taking into account of the forecasted market size of multi-port and single-port endoscopic surgical robots in China, our Directors are of the view, and the Joint Sponsors concur, that the quota limit under the national allocation plan (i) did not have a material adverse impact on our business, results of operations and financial condition during the Track Record Period and up to the Latest Practicable Date, and (ii) will not have a material adverse impact on our business, results of operations and financial condition for the years ending December 31, 2025 and 2026. However, there is a uncertainty as to whether sales of surgical robots will be subject to any stricter quota limits in the future. See “Risk Factors—Risks Relating to the Commercialization and Distribution of Our Products—Sales of surgical robots in China are subject to quota limits under the national allocation plan, which may restrain the market size of surgical robots and adversely affect the commercialization of our products.”

Further Development Plans

We plan to further devote resources to the expansions of surgical applications for our Edge Multi-Port Endoscopic Surgical Robot. As of the Latest Practicable Date, we have not received any objections from any regulatory authorities with respect to these application expansions.

Application Expansion in Telesurgery

We plan to expand the application of Edge Multi-Port Endoscopic Surgical Robot for use in urologic, gynecologic, general and thoracic telesurgeries.

- *General telesurgery.* We have completed a prospective, multi-center, and single-group clinical trial in China in August 2025 to evaluate the efficacy and safety of our Edge Multi-Port Endoscopic Surgical Robot for general telesurgery. The clinical trial was initiated in August 2024, and we completed enrollment of 20 patients in April 2025. The primary endpoint was overall surgical surgery success rate, and the secondary efficacy endpoints include, amongst other, the interoperative complication rate, intraoperative blood loss volume, rate of positive circumferential resection margin and mean operative time. The safety profile was assessed by the occurrence of AEs and serious AEs. As of the Latest Practicable Date, no AEs or serious AEs related to our Edge Multi-Port Endoscopic Surgical Robot had reported.
- *Urological telesurgery.* We have completed a prospective, multicenter, and single-group clinical trial in China in August 2025 to evaluate the efficacy and safety of our Edge Multi-Port Endoscopic Surgical Robot for urological telesurgery. The clinical trial was initiated in January 2024, and we completed enrollment of 18 patients in July 2024. The primary endpoint was overall surgical surgery success rate, and the secondary efficacy endpoints include, amongst other, the interoperative complication rate, intraoperative blood loss volume, rate of positive circumferential resection margin and mean operative time. The safety profile was assessed by the occurrence of AEs and serious AEs. As of the Latest Practicable Date, no AEs or serious AEs related to our Edge Multi-Port Endoscopic Surgical Robot had reported.
- *Gynecological telesurgery.* We have completed a prospective, multicenter, and single-group clinical trial in China in August 2025 for gynecological telesurgery. The clinical trial was initiated in September 2024, and we are in the process of enrolling 22 patients. The primary endpoint was overall surgical surgery success rate, and the secondary efficacy endpoints include, amongst other, the interoperative complication rate, intraoperative blood loss volume, rate of positive circumferential resection margin and mean operative time. The safety profile was assessed by the occurrence of AEs and serious AEs. As of the Latest Practicable Date, no AEs or serious AEs related to our Edge Multi-Port Endoscopic Surgical Robot had been reported.
- *Thoracic telesurgery.* We are conducting a prospective, multicenter, single-group clinical trial in China to evaluate the efficacy and safety of our Edge Multi-Port Endoscopic Surgical Robot for thoracic telesurgery, which is anticipated to be completed by the end of 2025. The clinical trial was initiated in March 2025, and we are in the process of patient enrollment. The primary endpoint was overall surgical surgery success rate, and the secondary efficacy endpoints include, amongst other, the interoperative complication rate, intraoperative blood loss volume, rate of

positive circumferential resection margin and mean operative time. The safety profile was assessed by the occurrence of AEs and serious AEs. As of the Latest Practicable Date, no AEs or serious AEs related to our Edge Multi-Port Endoscopic Surgical Robot had been reported.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR EDGE MULTI-PORT ENDOSCOPIC SURGICAL ROBOT WITH APPLICATION EXPANSION IN TELESURGERY SUCCESSFULLY.

Application Expansion in Pediatric and Cardiac Surgeries

We plan to expand the application of Edge Multi-Port Endoscopic Surgical Robot for use in pediatric and cardiac surgeries. We are currently at the design and development stage, and plan to initiate type testing in the first quarter of 2026 and the clinical trial in 2027.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR EDGE MULTI-PORT ENDOSCOPIC SURGICAL ROBOT WITH APPLICATION EXPANSION IN PEDIATRIC AND CARDIAC SURGERIES SUCCESSFULLY.

Product Iterations and Upgrades

We continue improving the performance of Edge Multi-Port Endoscopic Surgical Robot based on the feedback collected from the prior clinical trials and ongoing clinical studies.

Our upgraded model of Edge Multi-Port Endoscopic Surgical Robot will incorporate innovative structural design, enhance user experience, deliver better image quality, and provide more comprehensive functions and features. The improvements will include (i) ultra-smooth motion control with enhanced jitter suppression, (ii) high-fidelity 3D imaging that delivers enhanced stereoscopic vision; (iii) sensors with high-sensitivity force feedback that measure tissue interaction forces and relays them to surgeons via haptic algorithms for safer maneuvers; (iv) multi-platform integration that unifies insufflation system, electrosurgical system, and robotic systems into a streamlined surgical workflow; and (v) improved computing power that enables seamless integration of virtual simulator integration for real-time intraoperative support.

With respect to the application in pediatric and cardiac surgeries in China, we plan to initiate the type testing for the upgraded model of Edge Multi-Port Endoscopic Surgical Robot in the first quarter of 2026, complete the type testing in the second quarter of 2026, and commence the clinical trial during the second half of 2026. With respect to the application in urological, gynecologic, general and thoracic surgeries in China, we plan to initiate the type testing for the upgraded model of Edge Multi-Port Endoscopic Surgical Robot in the first quarter of 2026. With respect to the application in urological, gynecologic, general and thoracic surgeries in the EU, we plan to initiate the type testing for the upgraded model of Edge Multi-Port Endoscopic Surgical Robot in the third quarter of 2026. For the details regarding the upgraded model of Edge Multi-Port Endoscopic Surgical Robot, also see the pipeline chart disclosed under “—Our Products and Product Candidates.”

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR UPGRADED EDGE MULTI-PORT ENDOSCOPIC SURGICAL ROBOT SUCCESSFULLY.

Commercialization in Overseas Markets

We have received CE Marking for MP1000 in the EU in March 2025 and plan to obtain CE Marking for the upgraded model of our Edge Multi-Port Endoscopic Surgical Robot. We expect that different models of our Edge Multi-Port Endoscopic Surgical Robot will be regulated as one product under the same CE Marking. We have also received registration approvals in several other countries in Europe, Asia Pacific, Middle East, Africa and South America. For example, in August 2025, we obtained the registrational approval from the Brazilian National Health Surveillance Agency (Agência Nacional de Vigilância Sanitária) for MP1000 for urologic, gynecologic, general and thoracic surgeries through clinical evaluation.

Leveraging our existing global market entry capabilities, we plan to continue to strategically enter into other overseas markets that present significant market potential, taking into account various factors such as per capita GDP, recognition of CE Marking and NMPA registration, sales volume of da Vinci Surgical Systems and eligibility for one-belt-one-road initiatives. For example, we plan to commercialize the MP1000 for urologic, gynecologic, general, and thoracic surgeries in Japan and South Korea. For Japan, we expect to submit the registration application to PMDA in the first quarter of 2026. For South Korea, we expect to submit the registration application to MFDS in the first quarter of 2026. We intend to obtain the requisite regulatory approvals in these markets through clinical evaluation.

For commercialization in the EU, pursuant to the MDR, we are exempt from conducting registrational clinical trials for obtaining registration approvals for the expansion in surgical applications for MP1000, including telesurgeries, and improvements in functionalities as we meet the conditions prescribed in the MDR, including that our existing clinical trial data satisfy the applicable requirements. However, clinical evaluation are required during this process in accordance with the MDR.

For commercialization in other overseas countries, subject to our communication with the relevant regulatory authorities, we may be requested to carry out clinical trials, clinical evaluations or local clinical studies to generate further clinical data for the registration application.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR EDGE MULTI-PORT ENDOSCOPIC SURGICAL ROBOT IN OVERSEAS MARKETS SUCCESSFULLY.

Material Communications with the NMPA in China***Green Path for Innovative Medical Device***

In April 2022, MP1000 became eligible for expedited regulatory review pursuant to Special Procedures for Examination and Approval of Innovative Medical Devices (創新醫療器械特別審查程序), or Green Path, in China. The Green Path is an elite program under which the NMPA grants priority review and accelerated approval to medical device candidates which meet stringent innovation criteria, including self-developed and owned core intellectual property, internationally advanced technologies and clear clinical value, and being in an advanced development state. For details, see “Regulatory Overview—Overview of the Major Laws, Rules and Regulations Relating to Our Business in the PRC—Innovative Medical Device Special Review and Approval Procedure.” Due to the selectivity, entering the Green Path is expected to increase the possibility of a product candidate to receive the NMPA approval.

Compared to peer products, our MP1000 is designed with an innovative structure, utilizes micro-joint design, precise steel wire transmission and necessary multiple degrees of freedom to mimic the movements of the human wrist, provides immersive 3DHD visualization with low latency and is embedded with advanced system safety control software. On such basis, the NMPA considers that MP1000 has demonstrated its fundamental improvement compared with similar products, technological innovation at an international leading level and met the above-mentioned eligibility requirements for Green Path.

The Green Path is a selective program under which the NMPA grants priority review and accelerated approval to medical device candidates which meet stringent innovation criteria. Since MP1000, the first model of Edge Multi-Port Endoscopic Surgical Robot, has been granted expedited review under the Green Path, all of its advanced models—regardless of intended surgical applications or improvements in functionalities—are eligible for expedited regulatory review under the Green Path.

Communications on Approved Clinical Applications

With respect to the registration application of MP1000 indicated for use in urologic surgery of adults, we had several rounds of official communications and consultations with the NMPA, and had no material difficulty in address comments of the NMPA during the process.

In August 2021, we initially submitted the registration application of MP1000 indicated for use in urologic surgery of adults to the NMPA. After review of such initial application, the NMPA requested additional information. We subsequently provided the NMPA with two rounds of revised applications and supplemental materials including, among others, preclinical studies, precautionary measures for adverse events, further details of master-slave control algorithms, performance metrics of the da Vinci Surgical System and additional comparative analysis regarding the differences between MP1000 and the da Vinci Surgical System. In December 2021, we conducted a consultation with the NMPA and provide them with more

information regarding the clinical trial, development plan and application process of MP1000. In the same month, we submitted the further revised registration application with full clinical trial data after completion of the registrational clinical trial in urologic surgery. In January 2022, we provided additional materials as requested by the NMPA, including but not limited to the clinical trial protocol and quality control system documents. In the same month, the NMPA accepted our registration application of MP1000 indicated for use in urologic surgery of adults. Thereafter, we conducted another consultation with the NMPA to confirm that our registration application was complete and under review.

According to the Administration of Registration and Record-filing of Medical Devices (醫療器械註冊與備案管理辦法), after the NMPA's acceptance of the Company's registration application, the NMPA shall within three business days transfer the application to the CMDE for technical review. Where an applicant is required to supplement or correct application materials during the process of technical review, the CMDE shall inform the applicant of all the contents to be supplemented or corrected in a one-off manner. We received the CMDE's supplemental request notice in April 2022 and submitted additional materials in May 2022. In December 2022, the NMPA granted the registration approval of MP1000 for its application in urologic surgery of adults and in the same month, we received the NMPA manufacturing permit of MP1000.

Applications for Registration Modification for Expansion of Clinical Applications and Product Upgrades

Pursuant to the relevant provisions of the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》), in the event of a substantial change in the design, raw materials, manufacturing process, scope of clinical application, or usage method of any registered Class II or Class III medical device and such change may affect the safety or efficacy of such medical device, the registrant shall apply to the original registration authority for an application for modification of the original registration certificate. Such change in the design, raw materials, manufacturing process, scope of clinical application, or usage method shall be reflected in the modified medical device registration certificate. In addition, according to our consultation with the NMPA, upon the completion of the registration modification, the modifications will be specified in the current medical device registration certificate. The NMPA will not issue a new medical device registration certificate and the registration number and the validity period remain unchanged before and after the registration modification.

In December 2022, our MP1000 received NMPA approval for urological surgery. Subsequently, clinical trial data supported our MP1000's safety and efficacy for gynecological surgery, general surgery and thoracic surgery. Accordingly, we applied to the NMPA to modify our MP1000's Class III medical device registration certificate, expanding the clinical application of MP1000 in gynecological, general and thoracic surgeries. We obtained NMPA approval for the registration modification in August 2023.

In May 2024, we submitted the application for registration modifications to the NMPA regarding our expansion of the application of Edge Multi-Port Endoscopic Surgical Robot for use in urologic, gynecologic, general and thoracic telesurgeries, which was accepted by the NMPA. In September 2024, we received a notice from the NMPA requesting us to provide certain supporting and verification documents, including clinical trial reports for surgical application expansion in gynecological and thoracic telesurgeries.

The upgrades to the upgraded model of our Edge Multi-Port Endoscopic Surgical Robot will constitute a substantial change in the design, raw materials, and/or manufacturing process of a medical device under the Measures for the Registration and Filing of Medical Devices. As such, we will be required to submit an application for registration modification for the upgraded model of our Edge Multi-Port Endoscopic Surgical Robot to the NMPA.

See “—PRC Regulation regarding Various Models and Expansion of Clinical Application of our Core Products” for more details.

Material Communications with Authorities in Overseas Markets

As of the Latest Practicable Date, we have received registration approvals for MP1000 in 14 overseas jurisdictions in Europe, Asia Pacific, Middle East, Africa and South America, including the CE Marking of MP1000 in the EU. In entering into each market, we proactively communicated with local authorities with power and responsibilities similar to the NMPA in China or the EMA in the EU, and conducted clinical evaluation as required by the local rules. In addition, as of the Latest Practicable Date, we have submitted applications for registration approvals for MP1000 in four overseas jurisdictions. As of the Latest Practicable Date, we have commercialized MP1000 in 25 overseas countries and we plan to enter into over 20 additional overseas countries.

If there is any change in the design or scope of clinical application, a medical device that has obtained the CE Marking in the EU will be classified as a new medical device. Therefore, each new model of our Core Products or any expansion of clinical application is required to submit a new registration application, demonstrating compliance with all relevant regulatory requirements for safety and performance before it can be commercialized in the EU.

Edge Single-Port Endoscopic Surgical Robot—Our Core Product

Overview

Edge Single-Port Endoscopic Surgical Robot is a robot-assisted device that is applied to perform MIS through a single small incision or natural orifice. All instruments are incorporated in a single robotic arm that operates through a cannula. It is complementary to Edge Multi-Port Endoscopic Surgical Robot with the following features and benefits:

- The instruments and the camera all emerge through a single cannula and are triangulated around the target anatomy, enabling surgeons to access narrow workspaces; and

- Procedures conducted with our single-port endoscopic surgical robot have fewer incisions and therefore minimize surgical wounds on patients and are less invasive. Patients are expected to have less blood loss, less pain during procedures with faster recovery, and shortened hospitalization time.

See also “—Relationships Between Edge Multi-Port and Single-Port Endoscopic Surgical Robots.”

The following is a summary of regulatory milestones of our Edge Single-Port Endoscopic Surgical Robot:

- In November 2023, we obtained the Class III medical device registration certificate of SP1000, the first model of our Edge Single-Port Endoscopic Surgical Robot, which was approved by the NMPA for application in gynecologic surgery.
- In October 2024, the NMPA further approved our registration modification to expand the clinical applications of SP1000 in urologic surgery and general surgery. SP1000 is China’s first (but currently not the only) single-port endoscopic surgical robot approved by the NMPA covering three or more major surgical specialties.
- In October 2025, we obtained the CE Marking of SP1000 in the EU.

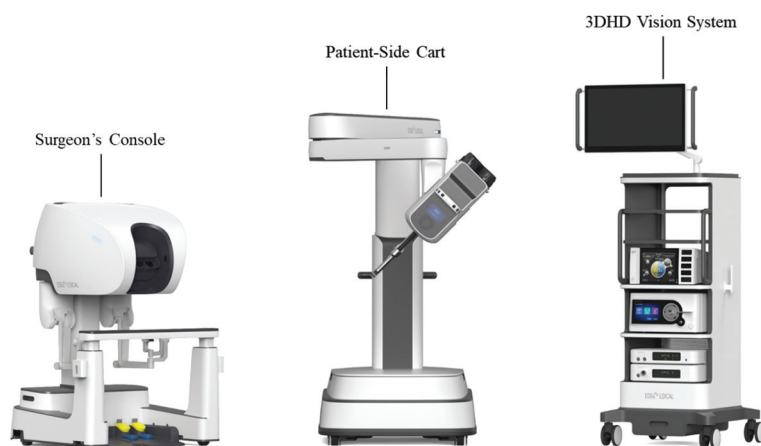
We started to commercialize Edge Single-Port Endoscopic Surgical Robot in China in 2024. As of the Latest Practicable Date, over 2,000 cases of robot-assisted clinical surgeries in China were completed using our Edge Single-Port Endoscopic Surgical Robot.

Product Structure

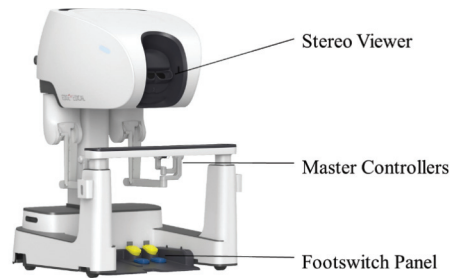
The following picture illustrates the product structure of Edge Single-Port Endoscopic Surgical Robot:

Equipment

Edge Single-Port Endoscopic Surgical Robot comprised the following components:

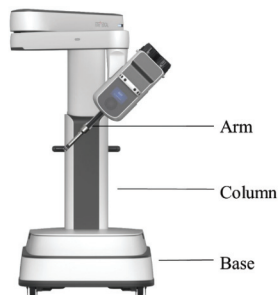


1. Surgeon's Console



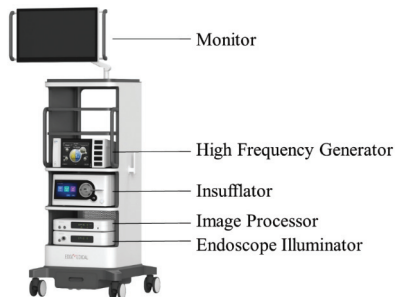
The surgeon's console is compatible between Edge Multi-Port and Single-Port Endoscopic Surgical Robots. For details of its structure and function, see “—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product—Product Structure.”

2. Patient-Side Cart



The patient-side cart is used for port positioning, port placement and manipulation of the single robotic arm under the surgeon's control at the console. There is only one robotic arm, and all instruments are incorporated in a single robotic arm that operates inside the patient through a 27mm cannula. As compared to the da Vinci SP Surgical System, our much smaller sized and more lightweight patient-side cart requires less installation space. The tools that can be attached to the robotic arm include an endoscope and three instruments. The endoscope with a diameter size of 10mm has five degrees of freedom and can provide a flexible visual field to surgeons during operation. The various instruments include, among others, monopolar surgical scissors, bipolar separation forceps, bipolar grasping forceps and needle holders. During procedures, the surgeon can switch the control among three instruments through pressing the footswitch pedal at the surgeon's console. The single-cannula and four-channel design ensures the competent performance of Edge Single-Port Endoscopic Surgical Robot in complex surgeries. The flexibility and comprehensive functionality of the patient-side cart can extend the surgeon's capabilities and enable the surgeon to perform tailored surgery tasks.

3. 3DHD Vision System



Except for the 3D electronic endoscope described below, the 3DHD vision system is compatible between Edge Multi-Port and Single-Port Endoscopic Surgical Robots. For details of its structure and function, see “—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product—Product Structure.”

The 3D electronic endoscope for Edge Single-Port Endoscopic Surgical Robot has five degrees of freedom, enabling surgeons to flexibly adjust the visual field during the surgery. It accurately captures images that will be transformed to 3D visualization and allows the surgeon to easily change, move, zoom and rotate the surgeon’s visual field. Through innovative optical imaging technologies, the 3D high definition endoscope provides surgeons with improved orientation and superb depth perception, which helps minimize invasion to surrounding blood vessels and nerves.

Instruments and Accessories

1. Instruments

We develop and manufacture a variety of instruments to meet diversified clinical needs and to ensure access to narrow surgical workspaces. Our instruments of Edge Single-Port Endoscopic Surgical Robot include monopolar surgical scissors, bipolar grasping forceps, bipolar separation forceps, needle holder forceps, monopolar electric hooks and other surgical tools that are specifically designed for Edge Single-Port Endoscopic Surgical Robot. In addition, we have prescribed the number of procedures for which each instrument can be used, in order to help ensure that our instruments’ performance meets specifications during each procedure. As of the Latest Practicable Date, we had developed 20 types of instruments that are compatible with Edge Single-Port Endoscopic Surgical Robot.



2. Accessories

Accessories to be used in conjunction with Edge Single-Port Endoscopic Surgical Robot include the following and other items that facilitate its use:

- Sterile drapes: Devices that help ensure a sterile field during surgery.
- Trocars: Devices that pierce through the body for subsequent placement of other surgical instruments.
- End effector changers: Devices that ensure fast installation and removal of instruments.

Features and Technical Advantages

SP1000

- *Single arm and single incision.* For SP1000, only a single incision on the patient is required for a small cannula to be inserted. All articulating instruments, including one 3D endoscope and three surgical instruments, are incorporated in a single robotic arm that operates through a small cannula in a patient's body. This creates less trauma and provides safer surgical approaches to patients.
- *Dexterity.* The *endoscope* compatible with SP1000 has five degrees of freedom, and certain instruments have up to seven degrees of freedom. This enables SP1000 to possess dexterity of a human hand and wrist and provides surgeons with greater control. According to Frost & Sullivan, the total degrees of freedom in total of the endoscope and the instruments of our SP1000 represent the highest level in the endoscopic surgical robots industry globally.
- *High level of integration and smaller size.* Due to the unique design of integrated structure, SP1000 has much *smaller* size as compared to the da Vinci SP Surgical System.
- *Superb master-slave control experience.* Accurate transformation of surgeons' hand movements into *corresponding* micro-movements of instruments, coupled with dexterous instruments with wristed articulation, provides superb master-slave control experience and lowers the requirements for surgeons' skills in complex surgeries.
- *Low latency and immersive 3DHD visualization.* Our advanced imaging technique is capable of producing high-resolution images of patient anatomy with only 40 milliseconds latency. The high resolution stereo endoscope, coupled with the immersive 3DHD visualization system, allows surgeons to perform surgery with clear images and reliable precision.

- *Various extensible proprietary instruments.* We are developing a wide range of surgical instruments that can be attached to the single robotic arm, which allows SP1000 to be applied in different procedure types.

Pursuant to the relevant provisions of the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》), in the event of a substantial change in the design, raw materials, manufacturing process, scope of clinical application, or usage method of any registered Class II or Class III medical device and such change may affect the safety or efficacy of such medical device, the registrant shall apply to the original registration authority for an application for modification of original registration certificate. Such change in the design, raw materials, manufacturing process, scope of clinical application, or usage method shall be reflected in the modified medical device registration certificate. Therefore, for MP1000 Plus, MP2000 series and the upgraded model, the Company is required to apply for registration modifications instead of separate registrations with the NMPA.

Operation Procedure

The key steps of operation procedure of Edge Single-Port Endoscopic Surgical Robot are generally the same as Edge Multi-Port Endoscopic Surgical Robot. For details, see “—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product—Operation Procedure.”

Summary of Clinical Trial Results

Clinical Trial for Gynecological Surgery

In December 2022, we completed a prospective, multi-center, and single-arm objective performance criteria clinical trial in China to evaluate the efficacy and safety of SP1000 in gynecological surgery. The clinical trial was initiated in November 2021. We commenced patient enrollment for the clinical trial in March 2022 and completed patient enrollment in July 2022. A total of 58 patients were enrolled in four sites, and all completed the surgeries. Considering the *da Vinci SP* developed and commercialized by Intuitive Surgical Inc. was the only comparable surgical robot in China, but has not received the NMPA’s approval as of the Latest Practicable Date, the clinical trial adopted a single-arm design, consistent with the FDA-registered clinical trials for the *da Vinci SP*. The key inclusion criteria for the study included but not limited to: (1) female patients aged ≥ 18 years and ≤ 85 years at screening; (2) patients with body mass index (BMI) of ≥ 18 kg/m² and ≤ 30 kg/m²; (3) patients who had clinical indications requiring gynecological surgery using laparoscopy; (4) patients who were medically fit to undergo laparoscopic surgery; (5) patients who were willing to comply with study follow-ups and required examinations; and (6) patients who voluntarily signed the informed consent form. The key exclusion criteria for the study included but not limited to: (1) patients who had been diagnosed with severe cardiovascular or circulatory disorders; (2) patients who were in pregnancy or lactation; (3) patients who had medical history of epilepsy or psychiatric disorders; (4) patients who had prior surgical procedures at the target anatomical site; (5) patients who had severe allergies or suspected/confirmed alcohol or drug dependence; and (6) patients who had abdominal/pelvic infections, peritonitis, diaphragmatic hernia, severe

systemic infections, or metastatic disease. Our clinical trial protocol is well-designed and has passed the review of the participating hospitals' ethics committees and obtained clinical trial approval. The clinical trial protocol was filed with the Guangdong Provincial Medical Products Administration and thus the clinical trial can serve the purpose of evaluating SP1000's efficacy and safety. The procedures that were evaluated in the trial included total hysterectomy, ovarian lesion excision, uterine lesion resection, adnexectomy, tuboplasty/salpingo-oophoroplasty and radical hysterectomy.

The results from the trial demonstrated that our SP1000 met all the efficacy and safety requirements for gynecological surgery. The primary efficacy endpoint, which is the overall surgery success rate, is 100% in both FAS and PPS for SP1000. The secondary efficacy endpoints include the perioperative complication rate, rate of positive circumferential resection margin, average surgical robot installation time, mean operative time, intraoperative blood loss volume, postoperative pain score, surgeon satisfaction score, postoperative length of hospital stay and scar satisfaction assessment. The safety profile is assessed by the occurrence rates of system failure, adverse events and serious adverse events. There was no occurrence of system failure, adverse events or serious adverse events during the clinical trial process, demonstrating our SP1000's excellent safety profile.

Clinical Trial for Urological Surgery and General Surgery

In February 2024, we completed a prospective, multi-center, and single-arm objective performance criteria clinical trial in China to evaluate the efficacy and safety of SP1000 in urological surgery and general surgery. SP1000 was recognized as an "innovative medical device" by the NMPA in April 2021, qualifying it for expedited approval. Following consultations with NMPA's Center for Medical Device Evaluation, the clinical trial adopted a single-arm clinical trial design to align with the FDA-approved clinical trial of the comparable da Vinci SP Surgical System (Model SP1098) (*da Vinci SP*) that similarly employed a single-arm approach. The clinical trial was initiated in August 2023, and we completed the patient enrollment in December 2023. A total of 45 patients were enrolled in six sites, and all completed the surgeries. The primary efficacy endpoint was the surgery success rate, and the primary safety endpoint was the average incidence rate of serious (grade 3 or higher) surgery-related complications. The secondary efficacy endpoints included, among others, the average surgical robot installation time, mean operative time, intraoperative blood loss and rate of positive circumferential resection margin. The secondary safety endpoints included the occurrence rates of system failure, adverse events and serious adverse events during the clinical trial process. The key inclusion criteria for the study included but not limited to: (1) male or female patients aged ≥ 18 years and ≤ 80 years at screening; (2) patients with body mass index (BMI) of ≥ 18 kg/m² and ≤ 30 kg/m²; (3) patients who had been diagnosed with clinical indication for laparoscopic surgery requiring surgical intervention; (4) patients who were medically fit to undergo laparoscopic surgery; (5) patients who were to comply with study follow-up and required examinations; and (6) patients who voluntarily provide their written informed consent. The key exclusion criteria for the study included but not limited to: (1) patients with severe or poorly controlled systemic diseases; (2) patients with pregnancy or lactation; (3) patients who had history of epilepsy or psychiatric disorders; (4) patients who had

severe allergies or suspected/confirmed alcohol/drug dependence; and (5) patients who had contraindications for laparoscopic surgery. The results from the trial demonstrated that our SP1000 met all the efficacy and safety requirements for urological surgery and general surgery.

Market Opportunity and Competition

Frost & Sullivan has conducted market research on both the demand side and the supply side on the relevant marketed or under-study single-port endoscopic surgical robot via multi-channel sources, including literature research, secondary industry reports, company annual reports, expert interviews, profiles of major and other competitors, and market trends. Based on these studies, Frost & Sullivan has collected the procedure volumes of marketed single-port endoscopic surgical robots and their revenues, and has estimated the market size of the single-port endoscopic surgical robots under research and relevant disclosure of global competitors to calculate the market size of single-port endoscopic surgical robots in China. Compared to multi-port endoscopic surgical robots, single-port endoscopic surgical robots are more suitable for surgeries that require access to a narrow working space and further reduce patient wounds with fast postoperative recovery and high patient acceptance, especially for young patients with certain aesthetic requirements. Single-port endoscopic surgical robots are one of the major directions for the development of next generation surgical robots. Based on the above advantages and trends, as the overall acceptance and penetration of robot-assisted endoscopic surgery in China increases, and as single-port endoscopic surgical robots are approved in China in the future, their surgical volume and market size will continue to grow in the future.

According to Frost & Sullivan, the procedure volume of single-port robot-assisted endoscopic surgery in China is expected to grow from 90 in 2024 to 92,131 in 2033. Correspondingly, it is expected that the market size of single-port endoscopic surgical robots in China will grow from RMB79.7 million in 2024 to RMB5,192.0 million in 2033 at a CAGR of 59.1%. See “Industry Overview—Endoscopic Surgical Robot Market—Market Size of Multi-Port and Single-Port Endoscopic Surgical Robots—China Market Size of Multi-Port and Single-Port Endoscopic Surgical Robots” for more details on the forecast CAGR for the single-port endoscopic surgical robot market in China from 2024 to 2033.

Globally, Intuitive Surgical’s da Vinci SP Surgical System is one of the earliest single-port endoscopic surgical robots that have been approved by the FDA, which was commercialized in the third quarter of 2018. According to Frost & Sullivan, in 2024, a total of 105 single-port endoscopic surgical robots were sold globally, most of which were da Vinci SP sold by Intuitive Surgical.

BUSINESS

In China, the single-port endoscopic surgical robot developed by Surgerii and Medbot had been approved by the NMPA as of the Latest Practicable Date. The following table sets forth the major competitive landscape of single-port endoscopic surgical robots in China.

Manufacturer	Intuitive Surgical	Edge Medical	MedBot	Surgerii	Vicarious Surgical
Product	da Vinci SP Surgical System	Edge Single-Port Endoscopic Surgical Robotic System (SP1000)	Toumai Single-Port Laparoscopic Surgical Robot	Surgerii Modular Endoscopic Surgery Robot ¹	Vicarious Surgical System
NMPA Approval	x	November 2023	February 2025	June 2023 (Urologic Surgery) February 2024 (Urologic and Gynecologic Surgery) May 2025 (Urologic, Gynecologic, General and Thoracic Surgery)	x
Single-armed Single Port or not	√	√	x	x	x
NMPA Approved Indications/Clinical Trial in China	• Patient Enrolling: Urologic, otorhinolaryngologic, Gynecologic and General surgery (Mainland) • Trial Initiated: Otorhinolaryngology, Head and Neck, Urologic, Colorectal surgery (Hong Kong)	• Approved: Gynecologic, Urologic and General Surgery	• Approved: Cholecystectomy, liver cyst fenestration, sleeve gastrectomy, fundoplication, hiatal hernia repair, inguinal hernia surgery, appendectomy, laparoscopic surgery of upper urinary tract in urology (except malignant lesions), gynecology (except malignant lesions)	• Approved: Gynecologic Surgery, Urologic and Thoracic Surgery	x
Device Price	NA	NA	NA	NA	NA
Number of Endoscopic Camera(s) + Number of Instruments	1+3	1+3	1+3	1+3	1+2
Degrees of Freedom of the Endoscope	4	5	4	Unknown	4
Degrees of Freedom of Instruments	7	7	7	7	13
Trial Locations	CN	CN	CN	CN	Global

Source: NMPA website, Frost & Sullivan Report

Edge Single-Port Endoscopic Surgical Robot and MedBot's products adopt the single-arm single-port structure which is the same as that of the da Vinci SP Surgical System. Because the single-arm single-port structure requires all the instruments and the endoscope to emerge through a single cannula while at the same time ensuring that the instruments are properly triangulated around the target anatomy, more technologies and techniques are necessary to overcome the challenges related to the single-port surgery. For further details regarding the single-arm structure, see “—Relationships Between Edge Multi-Port and Single-Port Endoscopic Surgical Robots—Complementary Functions.” Compared to MedBot's product, Edge Single-Port Endoscopic Surgical Robot obtained the approval from the NMPA earlier and can be applied in total hysterectomy.

Further Development Plans

We plan to further devote resources to the expansions of surgical applications for our Edge Single-Port Endoscopic Surgical Robot. As of the Latest Practicable Date, we have not received any objections from any regulatory authorities with respect to these application expansions.

Application Expansion in Thoracic and Pediatric Surgeries

We plan to expand the application of Edge Single-Port Endoscopic Surgical Robot for use in thoracic surgery and pediatric surgery. With respect to application in thoracic surgery, we initiated a prospective, multicenter, single-arm objective performance clinical trial in China in April 2024 and have completed it in December 2025. Patient enrollment commenced in May 2024 and concluded in September 2025, when we reached our enrollment target of 26 subjects, which is sufficient for purposes of conducting this clinical trial. The limited clinical history of single-port surgical robots in thoracic surgery led to two factors that extended the trial's patient enrollment timeline. First, potential participants often favored proven alternatives, such as conventional laparoscopic techniques and multi-port robotic systems, which resulted in low enrollment rates. Second, the novel application of the Edge Single-Port Endoscopic Surgical Robot necessitated stringent eligibility criteria to ensure trial integrity and patient safety. These criteria required investigators to demonstrate proficiency in both multi-port and single-port robotic techniques, a highly specialized skillset that restricted the number of eligible clinical sites, and consequently, constrained the patient pool and extended the patient enrollment timeline. The primary endpoint was overall surgical surgery success rate, and the secondary efficacy endpoints include, amongst other, the intraoperative complication rate, intraoperative blood loss volume, rate of positive circumferential resection margin and mean operative time. The safety profile was assessed by the occurrence of AEs and serious AEs. As of the Latest Practicable Date, no AEs or serious AEs related to our Edge Single-Port Endoscopic Surgical Robot had been reported. We plan to submit the application for the registration modification to the NMPA in the first quarter of 2026. The Directors are of the view that this clinical trial has been conducted in accordance with the Good Clinical Practice issued by the NMPA as well as other applicable industry standard such as safety. For further details regarding patient safety, see “—Environmental, Social and Governance Matters—Patient Safety.” Please also see “Risk Factors—Risks Relating to the Development of our Product Candidates—If we fail to complete required clinical trials or clinical evaluation or experience delays or unexpected events during clinical trials or clinical evaluations, we may experience delays or incur additional costs in completing, or ultimately be unable to complete, the development of our product candidates.”

With respect to application in pediatric surgery in China, we are at the design and development stage, and expect to initiate type testing in the fourth quarter of 2026 and the clinical trial in 2027. In addition, we plan to initiate the design and development for use of Edge Single-Port Endoscopic Surgical Robot in pediatric surgery in the EU in the third quarter of 2026.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR EDGE SINGLE-PORT ENDOSCOPIC SURGICAL ROBOT FOR THORACIC AND PEDIATRIC SURGERIES SUCCESSFULLY.

Application Expansion in Otorhinolaryngology, Surgery and Head and Neck Surgery

We plan to expand the clinical application of Edge Single-Port Endoscopic Surgical Robot for use in otorhinolaryngology, head and neck surgery. In February 2025, we completed a prospective, multicenter, single-group clinical trial in China. The clinical trial was initiated in April 2024, and we completed enrollment of 33 patients in two sites in January 2025, and all completed the surgeries. The primary efficacy endpoint was the non-conversion rate of surgery, and the secondary efficacy endpoints included the operative time, the rate of positive circumferential resection margin, the patients' pain score, the surgeons' satisfaction rate, and the length of hospital stay. The primary safety endpoint was the incidence of postoperative complications classified as Grade 3 or higher. The key inclusion criteria for the study included but not limited to: (1) male or female patients aged ≥ 18 years and ≤ 80 years at screening; (2) patients with pharyngeal or laryngeal tumors or thyroid diseases requiring surgical resection who meet the one of the following conditions: (i) benign pharyngeal or laryngeal tumors; or (ii) T1 or T2 stage malignant pharyngeal or laryngeal tumors; or (iii) thyroid diseases meeting the indications for endoscopic surgery; (3) patients with no prior history of tumor treatment; (4) patients who were willing to comply with the study protocol requirements; and (5) patients who voluntarily provide their written informed consent. The key exclusion criteria for the study included but not limited to: (1) patients with prior history of head and neck radiation therapy (with or without chemotherapy); (2) patients with evidence of other primary cancers, distant metastases, or synchronous primary tumors (excluding skin cancer); (3) patients who anticipated need for microvascular soft tissue reconstruction preoperatively; (4) patients who had tumor invasion and/or adherence to the internal carotid artery and/or external carotid artery; (5) patients who had retropharyngeal carotid artery with concurrent tonsillar cancer or posterior pharyngeal wall cancer; (6) patients who had tumor invasion into the mandible; (7) patients who had Eastern Cooperative Oncology Group (ECOG) performance status score of ≥ 2 ; (8) patients who were on anticoagulant medications that cannot be discontinued prior to surgery; (9) patients who had contraindications to general anesthesia or surgery; (10) patients who had mental disability, psychological disorders, or severe systemic diseases compromising protocol compliance or informed consent capacity; (11) patients who were pregnant or suspected to be pregnant; (12) patients who with restricted mouth opening (trismus); and (13) patients who had thyroid tumor invasion of the trachea or esophagus, or extensive lymph node metastasis, with preoperative indications of medullary carcinoma, poorly differentiated carcinoma, anaplastic carcinoma, and aggressive papillary thyroid carcinoma subtypes. We submitted the NMPA application in August 2025 and expect to obtain the NMPA approval for the registration modification in the second quarter of 2026.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR EDGE SINGLE-PORT ENDOSCOPIC SURGICAL ROBOT WITH APPLICATION EXPANSION IN OTORHINOLARYNGOLOGY, HEAD AND NECK SURGERY SUCCESSFULLY.

Product Iterations and Upgrades

We continue improving the performance of Edge Single-Port Endoscopic Surgical Robot based on feedback collected from prior clinical trials and ongoing clinical studies. We seek to develop high-precision endoscopic tracking technology that delivers superior image guidance. In addition, we will continue pursuing a compact design of robotic system, reducing bulky external components that lead to instrument crowding and collisions. Certain iterations and upgrades of our Edge Multi-Port Endoscopic Surgical Robots also apply to our Edge Single-Port Endoscopic Surgical Robots.

With respect to the application in urological, gynecologic and general surgeries in China, we have initiated the type testing for the upgraded model of Edge Single-Port Endoscopic Surgical Robot in September 2025, and plan to complete it by the end of 2025 and submit the application for registration modification to the NMPA in the first quarter of 2026. With respect to the application in pediatric surgery in China, we plan to initiate the type testing for the upgraded model of Edge Single-Port Endoscopic Surgical Robot in the fourth quarter of 2026. With respect to the application in urological, gynecologic, general, thoracic and pediatric surgeries in the EU, we plan to initiate the design and development for the upgraded model of Edge Single-Port Endoscopic Surgical Robot in the third quarter of 2026. For the details regarding the upgraded model of Edge Single-Port Endoscopic Surgical Robot, also see the pipeline chart disclosed under “—Our Products and Product Candidates.”

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR UPGRADED EDGE SINGLE-PORT ENDOSCOPIC SURGICAL ROBOT SUCCESSFULLY.

Commercialization in Overseas Markets

We have received CE Marking for SP1000 in the EU in October 2025 and plan to obtain CE Marking for the upgraded model of our Edge Single-Port Endoscopic Surgical Robot. We expect that different models of our Edge Single-Port Endoscopic Surgical Robot will be regulated as one product under the same CE Marking. We also plan to continue to register and commercialize our Edge Single-Port Endoscopic Surgical Robot in other overseas markets that present significant market potential, especially emerging markets, taking into account various factors such as per capita GDP, recognition of NMPA registration, sales volume of da Vinci Surgical Systems and eligibility for one-belt-one-road initiatives. For example, we plan to commercialize the SP1000 for urologic, gynecologic, general, and thoracic surgeries in Japan, South Korea and Brazil. For Japan, we expect to submit the registration application to PMDA in the first quarter of 2026. For South Korea, we expect to submit the registration application to MFDS in the first quarter of 2026. For Brazil, we expect to submit the registration application to the Brazilian National Health Surveillance Agency (ANVISA) in the first quarter of 2026. We intend to obtain the requisite regulatory approvals in these markets through clinical evaluation.

For commercialization in the EU, pursuant to the MDR, we are exempt from conducting registrational clinical trials for obtaining CE marking for our SP1000 as we meet the conditions prescribed in the MDR, including that our existing clinical trial data satisfy the applicable requirements. However, clinical evaluation are required during this process in accordance with the MDR.

For commercialization in other overseas countries, subject to our communication with the relevant regulatory authorities, we may be requested to carry out clinical trials, clinical evaluations or local clinical studies to generate further clinical data for the registration application.

Material Communications with the NMPA in China

Green Path for Innovative Medical Device

In April 2021, SP1000 became eligible for expedited regulatory review under the Green Path for innovative medical devices. SP1000 adopts the innovative single-arm single-port structure, possesses necessary degrees of freedom to mimic the movements of the human wrist, provides immersive 3DHD visualization with low latency, ensures real-time master-slave replication, and is embedded with a reliable safety system to prevent instruments from collision. On such basis, the NMPA considers that SP1000 has demonstrated its fundamental improvement compared with similar products, technological innovation at an international leading level and met the above-mentioned eligibility requirements for Green Path.

The Green Path is a selective program under which the NMPA grants priority review and accelerated approval to medical device candidates which meet stringent innovation criteria. The Company therefore considers that the SP1000's admission into the Green Path confirms that the Edge Single-Port Endoscopic Robot satisfied the NMPA's stringent innovation criteria. Since SP1000, the first model of Edge Single-Port Endoscopic Surgical Robot, has been granted expedited review under the Green Path, all of its advanced models—regardless of intended surgical applications or improvements in functionalities—are eligible for expedited regulatory review under the Green Path.

Communications on Approved Clinical Applications

In November 2023, our SP1000 received NMPA approval for gynecological surgery. Subsequently, we completed clinical trials for the application expansion in urological surgery and general surgery, which supported our SP1000's safety and efficacy. We applied to the NMPA to modify the SP1000's Class III medical device registration certificate, expanding the clinical application in both urological surgery and general surgery, and obtained NMPA approval for the registration modification in October 2024.

Applications for Registration Modification for Expansion of Clinical Applications and Product Upgrades

We applied to the NMPA to modify the SP1000's Class III medical device registration certificate, expanding the clinical application in both urological surgery and general surgery, and obtained NMPA approval for the registration modification in October 2024.

We plan to expand the clinical application of our SP1000 in otorhinolaryngology, head and neck surgery. We submitted the application for registration modification to the NMPA in August 2025 and expect to obtain the NMPA approval for the registration modification in the second quarter of 2026.

The upgrades to the upgraded model of our Edge Single-Port Endoscopic Surgical Robot will constitute a substantial change in the design, raw materials, and/or manufacturing process of a medical device under the Measures for the Registration and Filing of Medical Devices. As such, we will be required to submit an application for registration modification for the upgraded model of our Edge Single-Port Endoscopic Surgical Robot to the NMPA.

See “—PRC Regulation regarding Various Models and Expansion of Clinical Application of our Core Products” for more details.

Material Communications with Authorities in Overseas Markets

In October 2025, we obtained the CE Marking of SP1000 in the EU. As of the Latest Practicable Date, we have not received any other registration approval in overseas markets for our Edge Single-Port Endoscopic Surgical Robot. In entering into each market, we will proactively communicate with local authorities with power and responsibilities similar to the NMPA in China or the EMA in the EU, and conduct clinical evaluation as required by the local rules. As of the Latest Practicable Date, we plan to enter into over 20 overseas countries.

PRC Regulation regarding Various Models and Expansion of Clinical Application of our Core Products

Each of our Core Products is regulated as a Class III medical device in China, and a Class IIb medical device in the EU. According to the Guidelines for the Division of Medical Device Registration Units (《醫療器械註冊單元劃分指導原則》) issued by the NMPA in November 2017 (the “**Division Guidelines**”), different models of medical devices with the basically the same scope of application, product performance and structural composition shall be divided into the same registration unit in principle. Furthermore, pursuant to the Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》) and the anonymous consultation with the NMPA conducted by our PRC Legal Advisor, the update of product models is one of the modified items specified in the medical device registration certificates of the Core Products, and the same registration certificate number shall apply. Therefore, all models of each Core Product in China is regulated as the same product under the same registration number on the medical device registration certificate. For details, see “Regulatory Overview—Overview of the Major Laws, Rules and Regulations Relating to Our Business in the PRC—Regulations and Classification of Medical Devices”.

According to the Technical Guidance Principles for Decision on Whether to Conduct Medical Device Clinical Trials (《決策是否開展醫療器械臨床試驗技術指導原則》) (the “**Technical Guidance**”), clinical trials are required for applying for the registration of Class III medical devices such as Multi-Port Robot and Single-Port Robot, including expansion of clinical applications. The Company engaged in communications with the NMPA and the NMPA raised no objection to each of the clinical trial exemption for model upgrades and/or commencement of clinical trials in connection with the expansion of surgical applications.

Post-Market Surveillance

The registrational approvals we have obtained in China, EU and other jurisdictions are unconditional approvals. Each approved model of our Core Products is subject to standard post-market requirements that are applicable to medical devices in general in China, EU and other jurisdictions. For instance, in China, pursuant to the Registration Measures, medical device registrants shall proactively conduct post-market studies of the medical device to further confirm its safety, efficacy, and quality controllability. In addition, in the EU, according to the Medical Device Directive, we are required to gather post-market surveillance data throughout our products’ lifecycle and generate a periodic safety update report on an annual basis, which is available for review by the notified body and competent authorities. We are also obligated to report serious incidents and field safety corrective actions, as well as any trend reports indicating a statistically significant increase in the frequency or severity of non-serious incidents. For details, see “Regulatory Overview—Overview of the Major Laws, Rules and Regulations Relating to Our Business in the PRC—Registration and Filings of Medical Device Products” and “Regulatory Overview—European Union Regulatory Overview—Post Market Surveillance and Vigilance.”

During the Track Record Period and up to the Latest Practicable Date, we have been in compliance with all standard post-market requirements that are applicable to medical devices in general in China, EU and other jurisdictions and have not been notified by any regulatory authorities for non-compliance incidents.

Relationships Between Edge Multi-Port and Single-Port Endoscopic Surgical Robots

Complementary Functions

Our self-developed multi-port and single-port endoscopic surgical robots complement each other by providing surgeons with a wide range of options based on their clinical needs in different surgical procedures. They share the same surgeon’s console and 3DHD imaging system (except for the 3D electronic endoscope), but feature different structures of patient-side cart. According to Frost & Sullivan, there is no substitution relationship between multi-port endoscopic surgical robots and single-port endoscopic surgical robots, as they are providing available options for surgeons when performing surgeries in different clinical departments according to their respective advantages.

With multiple robotic arms, Edge Multi-Port Endoscopic Surgical Robot enables surgeons to perform complex surgical procedures in a wide range of specialties, including but not limited to urologic, general, gynecologic and thoracic surgery. It provides the various instrument selection, flexible port placement and large range of motion.

One of the major issues for robot-assisted surgery performed in very narrow surgical workspaces is instrument collisions. The single-arm structure of the patient-side cart of Single-Port Endoscopic Surgical Robot enables surgeons to perform surgeries in narrower workspaces. It effectively avoids such collision because its instruments and endoscope all emerge through a single cannula and are properly positioned around the target anatomy. It is more suitable for surgeries in which concentrated lesions typically need to be removed in a highly focused and narrow space, such as ovariectomy and ureterectomy. In addition, Single-Port Endoscopic Surgical Robot causes only a single small incision, which is suitable for surgical procedures where patients seek less trauma and little scarring, such as female patients who need to undergo gynecologic surgery.

In practice, whether to use multi-port endoscopic surgical robots or single-port endoscopic surgical robots in surgeries also depends on other factors, such as the location of lesion, surgeons' techniques and skills in performing robot-assisted surgery and patients' postoperative recovery requirements.

Selling Opportunities

With respect to single-port endoscopic surgical robots, certain current limitations on applicable surgical procedures and technological constraints have resulted in a significantly smaller market size of single-port endoscopic surgical robots than multi-port endoscopic surgical robots. In addition, the market of single-port endoscopic surgical robots, being a newer type of surgical robots, is still at an early stage of development, especially in the China market. Additional marketing and promotion is needed to educate the hospitals of single-port robots' unique ability to conduct certain types of surgeries and its superior performance over multi-port surgical robots in other types of surgeries. We have overcome the current challenges in the following aspects:

- *Integrated functionality.* By combining medical science with engineering, we systematically studied single-port applications across surgical specialties. Our analysis of the visual-to-operational workspace relationship, including the 7-DOF arm, 3D vision system, and lesion location, enabled data-driven control of the arm's distal end and instruments. These patented technologies resolve the core challenge of consolidating multi-arm functionality into a single arm.

- *Dexterous multi-DOF robotic arm design.* The difficulty of designing the dexterous multi-DOF robotic arm is how to design steel wire drive mechanism. We overcame the complexity by innovating instruments with 24 stainless steel wires, optimizing flexibility, resistance, and strength. Our advanced patent-protected wire transmission mechanism in the SP1000 ensures precise, stable movement within the patient's body.
- *Advanced modeling and control.* We have formulated mathematical models and algorithms that fully consider the complex features of 7-DOF arm, the power transmission of the 24 stainless steel wires, the master-slave structure, and the locational relations between visual workspace and operational space.

More importantly, we market our multi-port and single-port endoscopic surgical robots, together, as a package. We believe equipping them both provides hospitals and medical institutions with versatile capabilities to address diverse clinical needs, empowering surgical teams to select the optimal approach for each patient while expanding access to minimally invasive treatment options.

In practice, hospitals purchasing Edge Multi-Port Endoscopic Surgical Robots often prefer our Edge Single-Port system over competitors'. Since both our multi-port and single-port systems share the same surgeon console and 3DHD vision system (excluding the 3D electronic endoscope), hospitals only need to acquire the Edge Single-port patient-side cart and any additional required components.

Telesurgery

Telesurgery is an emerging mode of surgical care whereby surgeons can perform surgical procedures on remotely located patients. Such plan of application expansion was primarily due to the following reasons:

- *The demand for enhanced access to surgical expertise.* Use of telesurgery systems also enhances patients' access to surgical capabilities of surgical experts who would otherwise be unable to participate for an in-person surgery. Telesurgery addresses significant geographic barriers that prevent patients from accessing treatment by enabling patients who are unable to travel due to health risks, restrictions, or logistical delays to access surgical care. Telesurgery also allows surgeons who otherwise would be separated by distance to collaborate on complex surgical operations. Such real-time collaborations between surgical professionals can benefit patients who require complicated microsurgical techniques and other complex surgeries, and promotes the sharing of advanced surgical technologies. This capability promotes the sharing of specialized surgical expertise and advanced surgical technologies.

- *Significant growth potential after achieving market acceptance.* Being a novel concept for delivering surgical care, telesurgery is still in its nascent stage in China. The widespread use of telesurgery is facing hindrance such as inaccuracies in instrument handling due to latency in data transmission. To enable remote surgical procedures, we are seeking to equip Edge Multi-Port Endoscopic Surgical Robot with high-performance communication modules and low-latency control systems. We believe that we are well-positioned to strengthen our first-mover advantages and establish the recognition of Edge Multi-Port Endoscopic Surgical Robot in enabling remote surgical procedures among the community of patients, surgeons and hospitals.
- *Low-latency control:* Technical standards recommend a maximum acceptable delay of 10 to 50 milliseconds for telesurgery and time lag of more than 150 – 200 milliseconds can lead to harmful outcomes during remote surgery. To ensure safe telesurgery services, our telesurgery robotic systems use ultra-low latency communication technologies that reduce the network latency down to as low as approximately 48 to 52 milliseconds per 3,000 kilometers, ensuring a stable and reliable connection between the surgeon and the patient, regardless of their geographical locations. Our low-latency control is empowered by the optimization of ultra-low latency codec algorithms, innovative design of intraoperative network fault protection mechanisms, and the optimization of bandwidth design.
- *Multi-network integration:* Our telesurgery system adopts a multi-network approach that combines 5G wireless and fiber-optical communications for signal transmission. This allows for maximum flexibility between mobility and stability to meet the stringent demands of telesurgery. High latency or jitter can degrade the quality of streamed video and haptic feedback that is crucial for surgical precision. Our proprietary network jitter smoothing algorithm allocate the optimal amount of network and computing resources to meet specific user requirements, which ensures minimum end-to-end signal interference.

We have been developing our Edge Cloud Telesurgery System since 2021 and have reached major milestones. We completed animal studies in 2022, successfully performed the first remote human surgery in 2023, achieved the first intercontinental remote human surgery in 2024, and performed the world’s first ultra-remote livestreamed human surgery across two continents in 2025. As of the Latest Practicable Date, we had established remote control centers in eight provinces in China and performed telesurgeries in most provinces in China. For example, in July 2025, Sun Yat-sen Memorial Hospital of Sun Yat-sen University and the First People’s Hospital of Kashgar Region collaborated to complete a robotic urological telesurgery spanning over 5,000 kilometers using our Edge Cloud Telesurgery System, establishing a successful robotic telesurgery connecting Guangdong to Xinjiang. This is a breakthrough by domestically manufactured surgical robots in overcoming regional barriers, making it a reality for patients in Kashgar, Xinjiang to enjoy “zero-distance” access to high-quality medical

services from top-tier experts in major cities. This achievement also demonstrates the capability of our Edge Cloud Telesurgery System to overcome significant geographic barriers while ensuring safe and effective surgery, addressing a core technical challenge in the telesurgery field.

As advised by our PRC Legal Advisor, the clinical trials for telesurgeries are subject to general clinical trial requirements in China, and as of the Latest Practicable Date, no formal PRC laws or regulations specifically governing telesurgery clinical trial have been issued. In the absence of specific regulatory guidance, we have established and complied with our own internal standards for such clinical trials. Pursuant to these standards, all participating surgeons, whether operating from the local and remote end, must possess prior operational experience with endoscopic surgery systems. We have defined specific trial protocol parameters, including permitted network deployment modes, gateway connection interface requirements, the maximum number of concurrent users, and permitted concurrency forms. Our telesurgery clinical trials must also meet specified network performance benchmarks for minimum bandwidth, maximum latency, maximum jitter, maximum packet loss rate, and maximum bit error rate. Additionally, prior to initiating a telesurgery clinical trial that is triggered by upgrades to the surgical robot's parameters, we require a third-party test report confirming network performance.

Edge Bronchoscope Robot

Overview

The Edge Bronchoscope Robot is a natural orifice surgical robot for natural orifice transluminal endoscopic surgery, or NOTES. It is designed for diagnostic and therapeutic bronchoscopic procedures by navigating the lung periphery with a flexible robotic endoscope. As our robotic technology overcomes limitations of the reach of conventional bronchoscopy and allows the localization and diagnosis of the most difficult-to-reach lesions, it provides an effective method of taking biopsy of lung lesions and diagnosing smaller lung lesions at an earlier stage in lung disease, in particular peripheral lung cancer. Our bronchoscope robot has the following features:

- *Precise location of the lesion.* Our bronchoscope robot can accurately locate the lesion under the guidance of the image navigation and positioning systems to provide surgeons with real-time visualization, which allows surgeons to precisely take biopsy for diagnosis. After the diagnosis, surgical instruments can be inserted to perform treatment procedures.
- *Integration of diagnosis with treatment.* Our bronchoscope robot can reach peripheral lung, allowing surgeons to navigate through small and tortuous airways to reach lesions in most airway segments within the lung. Our bronchoscope robot integrates diagnosis with treatment, allowing surgeons to take biopsy and remove lesions with greater accuracy and safety. Our bronchoscope robot uses an ultra-thin articulating robotic catheter which consists of (i) a bronchoscope sheath with a 6.0

mm outer diameter and (ii) a bronchoscope with a 4.2 mm outer diameter and a 2.0 mm working channel. The high maneuverability of the robotic catheter allows surgeons to navigate far deeper into the lung tissue than traditional lung biopsy.

- *Access deeper into lung periphery.* Our bronchoscope robot can access to deeper segments of the lung. By designing a bronchoscope with a smaller outer diameter, the bronchoscope can reach most airway segments within the lung covering the sixth and seventh order segmental bronchi, enabling the surgeon to diagnose lung lesions at an earlier stage in disease.
- *Ease of operation.* Our bronchoscope robot is easy to operate. The surgeon uses the controller to insert and withdraw the bronchoscope sheath and the bronchoscope's inner tube to perform the biopsy and treatment procedures.

Edge Bronchoscope Robot is regulated as a Class III medical device in China. In January 2025, we obtained the Class III medical device registration certificate of CP1000, the first model of our Edge Bronchoscope Robot and the first domestically-developed dual-arm bronchoscope robot. It was approved by the NMPA for application in preoperative planning of natural orifice bronchoscopy procedures and treatments. CP1000 provides bronchoscopic visualization of the patient's airways and access routes to assist physicians in navigating and positioning the bronchoscope.

Product Structure

The following picture illustrates the product structure of the bronchoscope robot:



Our bronchoscope robot is comprised of the following components:

- Controller



The physician uses the controller to easily control the bronchoscope robot to make precise movements needed when driving a bronchoscope through airways.

- Two-arm robot cart



The two-arm robot cart is mainly designed to move, stabilize and steadily hold the catheter that will be inserted through the patient's mouth. It has two robotic arms with seven degrees of freedom for each. One of the robotic arms controls the bronchoscope sheath, and the other robotic arm controls the bronchoscope's inner tube. After the navigation system plans the pathway for a procedure, the two robotic arms simultaneously deliver the bronchoscope sheath and the bronchoscope's inner tube to the location of the lesion by following the prescribed pathway.

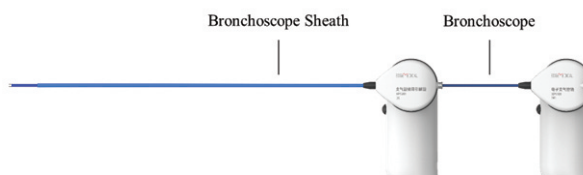
- Image navigation cart



The image navigation cart provides direct vision and navigation features, which effectively guide the surgeon to safely operate the catheter through the airway. The integrated camera provides a 86° field of view for navigation and high-definition images to aid the surgeon in biopsy and other treatment procedures.

The image navigation cart contains an image host computer to operate the navigation program. By importing patients' CT scans into the navigation system, the navigation system can reconstruct the 3D image of the lung, show the location of the lesion and plan a pathway for the catheter to reach the lesion.

- Patient-side system and catheter



The patient-side system contains a magnetic navigation system, which provides the precise location with real-time observation of the position and orientation of the catheter end in the lung. The bronchoscope sheath, which has a relatively larger diameter, creates a stable base to support the bronchoscope's inner tube to advance beyond the bronchoscope sheath to enter deeper into the lung under the control by one of the robotic arms.

Operation Procedure

The key steps of operation procedure of our bronchoscope robot are set forth below:

- *Preoperative steps.* The surgeon uses patient CT scans for procedure planning, including the creation of a 3D plan of the lung and navigation pathways. The patient's bronchi will be segmented by algorithms to identify and locate the lesion. The two robotic arms will be positioned and docked.
- *Intraoperative steps.* The surgeon will use the patient-side two-arm robot to insert a bronchoscope through the patient's mouth and throat into the lung. During the procedure, the surgeon uses the controller to navigate to the target along the pre-planned path and takes a tissue sample of the lesion. For the primary bronchi through the tertiary bronchi, the bronchoscope sheath and the bronchoscope's inner tube move synchronously under the control of the two robotic arms, during which the bronchoscope sheath leads the direction the movements. After entering the fourth and above order segmental bronchi, the bronchoscope sheath will create a stable base to support the bronchoscope's inner tube to move towards the lesion. Once reached the lesion, the surgeon will manually insert the surgical instruments through the catheter to take biopsy.
- *Postoperative steps.* After the procedure, the bronchoscope sheath and the bronchoscope's inner tube will be removed from the patient's body.

Features and Technical Advantages

The first model of our Edge Bronchoscope Robot, CP1000, has the following features and technical advantages:

- *Improved Visualization and Surgical Access.* Our CP1000 is equipped with a highly maneuverable catheter, ultra-flexible robotic arms controlling the catheter, and a multi-modal, real-time navigation system guided by an AI-based algorithm for optimizing surgical paths, which in turn assists surgeons to achieve greater surgical precision. During surgery, surgeons control the robotic bronchoscope to advance towards the target lung lesions along the planned surgical path using the joystick. Our CP1000 provides surgeons real-time visual guidance throughout the operation so that the surgeons can safely pass through the bronchoscopy and biopsy tools without damaging the lung airway, allowing for accurate diagnosis and improved access to hard-to-reach lung areas.
- *Enhanced User Control and Dexterity.* Our CP1000 has a gimbal steering control system and ergonomical handles designed to optimise the surgeon's dexterity. In particular, our CP1000 provides surgeons with a high degree of precise motion control over the direction and orientation of the catheter when executing surgical procedures. We believe that the intuitive user experience of our CP1000 empowers

surgeons with the finesse required to achieve peak efficiency and performance for optimal surgical outcomes. We also believe that the relative ease of use allows novice surgeons to achieve competence at earlier points in their career.

- *High Precision for Targeted Lung Biopsies.* Our CP1000 uses our AI algorithm to assist the positioning of its catheter during surgery. Such AI algorithm is deeply integrated with other intraprocedural 3D imaging technologies, including cone beam computed tomography (CBCT) and radial-probe endobronchial ultrasound (RP-EBUS). These imaging technologies provide accurate real-time 3D confirmation of the relationship between the biopsy catheter and the lung lesion during surgery and thus prevent surgeons from missing target lung lesions.

Market Opportunity and Competition

In China, the first natural orifice surgical robot was commercialized in 2024. According to Frost & Sullivan, the overall market size of natural orifice surgical robots in China was RMB22.7 million in 2024 and is expected to grow to RMB9,599 million by 2033 at a CAGR of 95.8%.

Globally, three major natural orifice surgical robots were approved by the FDA as of the Latest Practicable Date, including Intuitive Surgical's Ion endoluminal system for peripheral lung lesion biopsy, Johnson & Johnson's Monarch for lung biopsy and Noah Medical's Galaxy System. According to Frost & Sullivan, Intuitive Surgical's Ion Platform, Johnson & Johnson's Monarch Platform and Noah Medical's Galaxy System have received approval from the NMPA in China as of the Latest Practicable Date. Edge Medical is the major domestic company that is developing natural orifice surgical robots. For details, see "Industry Overview—Natural Orifice Surgical Robot Market."

We started to commercialize our Edge Bronchoscope Robot in China in September 2025 and have sold one unit of Edge Bronchoscope Robot as of the Latest Practicable Date.

Further Development Plans

We continue improving the clinical performance of our Edge Bronchoscope Robot, which will incorporate technologies that further enhance the safety and accuracy of the bronchoscopy operation, to reach deeper regions within the lungs, as well as enhance operational precision, expand instrument compatibility, and improve user-friendliness.

The improvements will include (i) ultra-thin endoscope technology to reach more distal lung lesions and expand the range of surgical tasks; (ii) multimodal fusion positioning technology that is capable of more comprehensive and accurate intraoperative spatial information of the lung lesions; and (iii) an integrated diagnostic and therapeutic robotic surgery system that maximize success rates of lung lesion ablation with lower occurrence of complications. We are currently at the design and development stage and plan to initiate the type testing in the third quarter of 2026 and conduct the clinical trial in the fourth quarter of 2026.

Material Communications with the NMPA

In January 2025, we obtained the Class III medical device registration certificate of CP1000, the first model of our Edge Bronchoscope Robot.

OUR PLATFORM

We have developed an integrated platform for the development of robot-assisted devices for MIS. The integration of our platform enables smooth collaboration among different functional groups at key points in the lifecycle of a product candidate with the goal of shortening development time, increasing success rate and reducing development cost. In addition, our platform has been stress tested throughout the development of our product candidates by requiring each functional group to improve their process, approach and collaboration skills.

RESEARCH AND DEVELOPMENT

We focus on developing innovative technologies for MIS. We believe that the success of our operations depends to a large extent on our ability to design and develop advanced surgical robots. We are engaged in ongoing research and development activities to deliver clinically advanced new products, to enhance our surgical robots' effectiveness, ease of use, safety, reliability, and to expand the applications of our surgical robots.

Since our inception in 2017, we have been establishing a synergistic R&D platform covering internal scientific research, clinical development, quality control and regulatory administration for complex high-performance medical devices with strong barriers to entry. This platform organically integrates talents from diversified professional backgrounds, covering mechanics, medicine, medical engineering, computer graphics, computer science, electronics, hylology and artificial intelligence. With this platform, we are able to accelerate development processes, achieve cost-efficiency and promote product innovation.

The time required from developing to commercializing a new product varies by product candidate and can be affected by various factors which may be beyond our control, such as complexity of the products, regulatory requirements of clinical studies, clinical trial results and government policies and approvals. In 2023 and 2024 and six months ended June 30, 2024 and 2025, we incurred research and development expenses of RMB171.2 million, RMB226.2 million, RMB95.6 million and RMB96.5 million, respectively, representing 58.0%, 59.5%, 55.9% and 49.6% of the total operating expenses (being research and development expenses, administrative expenses and selling and marketing expenses). The increase for the year ended December 31, 2024 as compared to the year ended December 31, 2023 was primarily attributable to an increase of RMB38.4 million in materials and consumables used and an increase in equity-settled share-based payment expenses of RMB26.8 million, which was partially offset by a decrease in salaries, wages and other benefits of RMB10.2 million. In 2023 and 2024 and six months ended June 30, 2024 and 2025, we incurred research and development expense of RMB121.8 million, RMB172.0 million, RMB71.3 million and RMB82.7 million,

respectively, in relation to our Core Products, representing 71.1%, 76.0%, 74.6% and 85.7% of the total research and development expenses. The increase for the year ended December 31, 2024 as compared to the year ended December 31, 2023 was primarily attributable to an increase in materials and consumables used of RMB40.4 million, which was partially offset by a decrease in salaries, wages and other benefits of RMB7.2 million. The increase from the six months ended June 30, 2024 to the six months ended June 30, 2025 was primarily due to an increase in materials of RMB10.3 million. We expect our research and development expenses to further increase in the second half of 2025 due to the ongoing or planned clinical trials for expanding the clinical application of our Edge Multi-Port Endoscopic Surgical Robots in telesurgeries and expanding the clinical application of our Edge Single-Port Endoscopic Surgical Robots in thoracic surgery.

Core Technologies

We have established a comprehensive technology platform underpinned by our seven proprietary core technology modules to support our research and development efforts, including robot body design, multiple degrees of freedom (DOF) minimally invasive mechanism design, hardware-specific electrical system engineering, control algorithm and software engineering, imaging techniques and system integration engineering. Our transferable and scalable proprietary technologies can be applied among our multi-port and single-port endoscopic surgical robots and our bronchoscope robots, creating R&D synergies. Our seven proprietary core technology modules include the following:

- Robot body design, including high-precision module design, precise transmission mechanism, and highly reliable and dexterous robotic arms;
- Multiple DOF minimally invasive mechanism design, including micro-joint design, precise steel wire transmission, and integration of multiple DOF instruments;
- Hardware-specific electrical system engineering, including multimodal sensing applications, multi-axis driver and controller, and decentralized electrical systems;
- Control algorithm and software engineering, including master-slave heterogeneous kinematics algorithm, teleoperation control, force-position hybrid control algorithm, and mass software architecture;
- Imaging techniques, including design of miniature optical lens, CMOS sensing and signal transmission technology, and real-time image processing technology;
- System integration engineering, including integration of optical, mechanical, electrical and software designs, reliability control of series-connection system, and medical robot standards and inspection technology; and
- AI-based real-time imaging and intraoperative navigation technologies, including AI-based bronchial tree segmentation, integration of imaging, electromagnetic and robot precise positioning, and respiratory motion compensation algorithm.

Our R&D Team

As of the Latest Practicable Date, we had a strong in-house research and development team of 265 members, 220 of whom are primarily responsible for the research and development of our Core Products. Our R&D team is primarily based in Shenzhen. Our R&D team is led by Dr. Wang and Dr. Gao who have more than 10 years of industry experience in the research and development of robot-assisted medical devices. They started their research on surgical robots in 2011 and 2010, respectively. Dr. Wang obtained a Ph.D. degree in mechanical engineering from Tianjin University-MIT Joint Program, and Dr. Gao obtained a Ph.D. degree in mechanical engineering from Tianjin University-Harvard University Joint Program. They have published a number of papers on globally and nationally renowned journals, have been deeply involved in the development of inventions and actively participated in research projects at both national and provincial levels.

As of the Latest Practicable Date, over 70% of our R&D personnel held bachelor or above degrees, and over 35% of our R&D personnel held the master's degree or Ph.D. The core members of our R&D team have solid education background with degrees from reputable universities, as well as extensive experience in the medical device development field. Our R&D team members possess expertise covering the entire development cycle of complex medical devices from R&D, clinical trial, registration to quality control. Our R&D team includes talents specializing in our seven core technology modules. During the Track Record Period and up to the Latest Practicable Date, substantially all key R&D personnel involved in the development of our Core Products remained employed by us.

Our R&D team works along the full lifecycle of a product candidate, spanning scientific discovery and research, clinical development, quality control and regulatory administration, with the goal of resource integration and experience accumulation for the whole team. We appoint a project manager to each product development program for the organization and resource coordination, while engineers are assigned to each program according to the R&D characteristics of the product for technical research and realization.

In addition, our R&D team utilizes cross-department communication and cooperation with quality control, regulatory registration, and clinical affairs departments to ensure efficient and high-quality R&D process, while forming a mechanism for cultivating research and development talents to fuel long-term development.

We have entered into confidentiality and non-compete agreements with our key employees who are involved in our research and development activities, pursuant to which any intellectual property conceived and developed during their employment belongs to us and they waive all relevant rights or claims to such intellectual property.

Our research and development team closely collaborates with leading experts in the industry, who provide invaluable guidance and insights that significantly contribute to the development, positioning, applications and performance of our products and technologies.

Product Design and Preclinical Development

In-House Plan and Design

Over the years, we have accumulated extensive expertise and know-how in developing and manufacturing surgical robots and related instruments and obtained a number of patents for our proprietary technologies. Our in-house plan and design generally include the following two stages:

- Pre-research stage. This stage typically lasts three to six months. At this stage, we formulate a product development protocol covering the key technologies, features and specification, performance requirements, product structure and intended applications by taking into account clinical trial feasibility and our business strategies. At this stage, we also prepare budgets based on the prototype and resources we expect to invest.
- Execution stage of pipeline product development. Upon completion of the design of a pipeline product, we transform our product development protocol into technical requirements. At this stage, our research and development team members develop and assemble hardware and software components to produce the pipeline product. We also conduct multiple verification tests and make adjustments constantly in order to achieve the desired function and performance of the pipeline product.

Preclinical Animal Studies

To evaluate the functions safety and efficacy of our pipeline products in a cost-effective way with controllable risk exposures, we typically perform preclinical animal studies before our products reaching clinical trial stage. Our clinical affairs team collects experimental needs and formulates an animal study plan. We generally engage experienced institutions to perform preclinical studies.

Before commencing animal studies, our clinical affairs team first formulates a detailed animal study protocol which specifies the goals and requirements for animal studies, and then send the protocol to other departments to determine the study design and development plan. We have contracted with qualified institutions to conduct animal studies. The institutions are responsible for conducting the animal study accordingly. Our experienced product engineers work together with our skillful clinical personnel to perform surgeries on animals.

CLINICAL TRIALS

We have a sophisticated clinical trial team with significant experience in conducting clinical trials, responsible for the day-to-day operation and management of the clinical trials of our product candidates. As of the Latest Practicable Date, we had 11 staff in our clinical trial department, which is responsible for: (i) the clinical training and onsite work; (ii) new product development, including the design of research and clinical plans; and (iii) the compliance of clinical trials, including clinical supervision and review.

We conduct clinical trials of our products in order to test the clinical efficacy and safety. Primary parameters for clinical trials are selected on basis of our anticipated uses of products. Further clinical trials might be conducted to upgrade the features or expand the application coverage of our product candidates. In addition, robust clinical data are an important marketing tool for increasing credibility for our brand and products.

Collaborations with Clinical Trial Centers

The NMPA maintains a catalog of hospitals that it has approved as clinical trial centers, from which we select several leading hospitals with relevant expertise, academic and clinical reputation, sufficient patients eligible for trial enrollment, and clinical trial capacity to conduct our clinical trials. We meet with the selected hospitals to discuss the goals and requirements of clinical trials, as well as to select the lead institutions, which typically are the most authoritative and reputable institutions in relevant clinical areas. Our clinical trial centers include, but not limited to, Chinese PLA General Hospital, the First Affiliated Hospital of Zhengzhou University, Sun Yat-Sen Memorial Hospital, and Sun Yat-sen University Cancer Center.

We normally select two to four trial sites for each clinical trial. According to the relevant PRC laws and regulations, hospitals are required to be registered with the NMPA to qualify for trial sites. For each trial site and investigator team, we consider the following factors to ensure a high quality clinical trial: (i) hospital trial sites and clinical trial qualifications; (ii) whether the control products of our clinical trials have already laid a relatively good research foundation in the selected trial sites; and (iii) whether members of the clinical trial team are familiar with our product candidates, procedures and usage specifications to ensure objective and effective evaluation. We only select reputable and experienced surgeons for our clinical trials.

We typically enter into an agreement with each selected hospital trial site, under which we and the participating hospitals prepare a clinical trial protocol following GCP standards that describes in detail the goal of the clinical trial, the risks involved, the overall design, the methods and the procedures of the trial. We submit the relevant documents to the ethics committee of each participating hospital for review. Such documents typically include our clinical trial protocol, draft informed consent to be filled out by subjects, draft case report forms to be completed by investigators supervising the clinical trial, and agreement with the hospital to perform the clinical trial. The ethics committees may ask us to revise the clinical

trial protocol or other documents before their approval. Once the protocol is approved, any amendment thereafter is required to be reviewed and consented by the ethics committees and the clinical trials are required to be conducted strictly pursuant to the approved protocol.

Pursuant to the agreement, each participating hospital is obligated to conduct clinical trials following the protocol and at the end of the clinical trial, issues a case report based on the collected data and keep trial records for ten years after trial completion. The lead institution gathers case report forms from all participating hospitals, and prepares formal reports of the clinical trial. We make payments according to the agreed schedules and items for the hospitals' services. Under the agreement, we own all related intellectual property and results from the trial.

The participating trial institutions have the right to publish information in connection with this trial for academic research. The participating trial institutions shall obtain our written consent prior to publishing their paper. Before the primary results are officially published at an academic conference, such institutions shall obtain our written consent in advance. We retain the intellectual property rights.

In addition to our collaboration with clinical trial institutions, we also maintain continuous communications with leading principal investigators, surgeons and hospitals, who are informed of our latest research and development progress. The principal investigators we work with not only provide us with important feedback on clinical needs but also present the clinical use of our tests in academic settings, which can invite wider discussion of our product candidates and in turn contribute to our research and development efforts. Furthermore, we participate in industry conferences with respect to our research and development efforts and product candidates. We have presented our tests in multiple industry conferences, where we keep industry participants updated of our latest research and development progress.

Relationships with SMOs

During the Track Record Period and up to the Latest Practicable Date, we collaborated with reputable SMOs for the support of our clinical trials. SMOs provide services such as trial site management and subject enrollment support.

For each new clinical trial, we typically enter into an agreement with the SMOs. Key terms of our service agreements with SMOs are summarized below:

- *Services.* The SMOs provide us with services related to clinical trials in certain phases as specified in the agreement or work order.
- *Term.* The SMOs are required to complete the work on a project basis and within the prescribed time limit.
- *Payments.* We are required to make payments to the SMOs by installments according to milestones of respective services during the clinical trials.

- *Intellectual property rights.* Intellectual property rights arising from the clinical trials conducted by the SMOs in accordance with the agreements are exclusively owned by us.
- *Confidentiality.* The SMOs are required to keep confidential any information, documents, materials or data relating to our pipeline products and clinical trials. The confidentiality provision typically remains effective after termination or expiration of the agreement.
- *Dispute resolution.* In the event of any dispute related to the agreement, both parties shall negotiate amicably. If an agreement cannot be reached, the parties have the right to sue.

We closely monitor our SMOs to help ensure their performance will comply with all applicable laws and regulations as well as following our protocols, which in turn protects the integrity and authenticity of the data from our clinical trials and studies.

We mainly determine the service fees paid to the SMOs in accordance with the then prevailing market prices of similar services, the number of service cycles, the number of centers monitored, and the quality and contents of the services provided. During the process of our clinical trials, SMOs primarily involve in and contribute to the following aspects, among others: (i) coordinating with surgeons and subjects with respect to the collection and processing of patients' consents and clinical and testing information, (ii) coordinating the research meetings, report submission and document filings, and (iii) other services such as assisting in the subject recruitment, and traveling as well as daily coordination.

We provide our SMOs with their required materials and information and make payments in accordance with the payment schedule agreed by parties. They are obligated to keep all non-public information and data from the trials confidential, and return related materials to us at the end of our contract term.

During the Track Record Period, we engaged eight SMOs headquartered in Shanghai, Beijing, Guangdong, Jiangsu, Shandong, Hubei and Heilongjiang, who are qualified service providers providing clinical trial management and operation services for drugs and medical devices. During the Track Record Period, none of them or principal investigators has any other past or present relationships (including, without limitation, business, employment, family, trust, financing, fund flow or otherwise) with us, our subsidiaries, our shareholders, directors or senior management, or any of their respective associates.

MANUFACTURING AND SUPPLY CHAIN**Manufacturing**

As of the Latest Practicable Date, our in-house manufacturing and quality assurance team consisted of 171 members, covering manufacturing, supply and logistics management. We purchase certain parts and units from our selected qualified suppliers, and our manufacturing and quality assurance team completes the assembly, verification and testing work in our own facilities. The manufacturing of endoscopic surgical robots and bronchoscope surgical robots is standardized and typically is not customized to hospitals' specifications.

We currently have manufacturing facilities in Longgang, Shenzhen, which occupy an aggregate gross floor area of approximately 10,000 sq.m. These manufacturing facilities are designed with an annual production capacity to manufacture (i) approximately 80 units of endoscopic surgical robots, including 60 units of Edge Multi-Port Endoscopic Surgical Robot and 20 units of Edge Single-Port Endoscopic Surgical Robot, subject to adjustment based on actual needs of production, and (ii) approximately 20 units of bronchoscope surgical robots. These units were manufactured for commercial sales as well as for marketing purposes that include establishing training centers and providing sample products to surgeons. In 2023, we manufactured 23 units of Edge Multi-Port Endoscopic Surgical Robot, eight units of Edge Single-Port Endoscopic Surgical Robot, and 2 units of Edge Bronchoscope Robot. In 2024, we manufactured 31 units of Edge Multi-Port Endoscopic Surgical Robot, 10 units of Edge Single-Port Endoscopic Surgical Robot, and five units of Edge Bronchoscope Robot. In 2023 and 2024, approximately 39% and 51% of the overall endoscopic robots manufacturing capacity was utilized, respectively, and approximately 10% and 25% of the manufacturing capacity for bronchoscope surgical robots was utilized, respectively.

We believe the production capacity of our existing manufacturing facilities can meet our manufacturing needs at the initial stage of commercialization. However, as our business grows, we plan to expand the production capacity by establishing a new manufacturing center in Shenzhen. All of our existing manufacturing facilities comply with, and the planned manufacturing center is expected to comply with, the GMP standard of medical device manufacturing quality management norms in China.

Suppliers

Our procurement department is responsible for the screening and selection of potential qualified suppliers. Our R&D team typically submits detailed procurement requests, including specifications and quality standards, to our procurement department. Upon receipt, our procurement team conducts a comprehensive supplier evaluation, assessing technical capabilities, production scale, customer portfolio, quality control systems, and collaborative alignment. Our procurement department has established stringent rules for selection of supplier candidates and maintenance and management of suppliers. We also conduct annual review of our suppliers based on their delivery, quality, price, and service.

We do not have any critical components imported directly from overseas supplier, and we procure such components through domestic suppliers. Our raw materials, which require long delivery time from the suppliers, are stocked in advance based on estimated demands. In addition, there are adequate alternative sources for these supplies and we have developed corresponding sourcing strategies. We will cooperate with alternative suppliers based on our supply continuity risk assessment. Therefore, we believe we would not be impacted by U.S.-China trade tensions under such arrangements. Please see “Risk Factors—Risks Relating to Government Regulation—Changes in international trade policies may affect our business operations.”

During the Track Record Period, our suppliers mainly comprise raw material suppliers, equipment and facility providers, clinical trial service and other professional service providers. For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025, purchases from our five largest suppliers in aggregate in each year/period amounted to RMB43.7 million, RMB50.8 million and RMB24.3 million, accounting for 18.0%, 24.5% and 20.9% of our total purchases (including value added tax), respectively, and purchases from our largest supplier amounted to RMB15.9 million, RMB20.3 million and RMB5.7 million in each year/period, accounting for 6.6%, 9.8% and 4.9% of our total purchases for the same periods (including value added tax), respectively.

To the best knowledge of our Directors, in each year/period during the Track Record Period, all of our five largest suppliers during the Track Record Period are Independent Third Parties. None of our Directors or any Shareholder who, to the knowledge of our Directors, owns more than 5% of our issued share capital immediately following completion of the Global Offering (but without taking into account the exercise of the Over-allotment Option) nor any of their respective associates had any interest in any of our five largest suppliers during the Track Record Period.

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The tables below set forth certain details of our five largest suppliers in each year/period during the Track Record Period:

For the Year Ended December 31, 2023

Rank	Supplier	Products/ Services Purchased or Obtained	Supplier Background	Year of Commencing Business Relationship	Purchase Amount <i>(RMB million)</i>	As a Percentage of Our Total Purchases <i>(%)</i>
1 . . .	Supplier A	Motion controller	A private company with its principal business located in China and focused on the manufacture of automation equipment	2019	15.9	6.6
2 . . .	Supplier B	Hotel and flight booking service	A private company with its principal business located in China and focused on travel agency related services	2022	8.5	3.5
3 . . .	Supplier C	Automation programming software and CPU module	A private company with its principal business located in China and focused on the wholesale and trading of industrial automation software and hardware products	2020	8.2	3.4
4 . . .	Supplier D	Compact drives, mechatronic drive system and brushed DC motors	A private company with its principal business located in China and focused on the R&D, manufacture and sale of CNC high-tech equipment and automation control equipment	2017	6.4	2.6
5 . . .	Supplier E	Office rental service	A private company with its principal business located in China and focused on real estate development and property management	2019	4.7	1.9
Total					<u><u>43.7</u></u>	<u><u>18.0</u></u>

BUSINESS

For the Year Ended December 31, 2024

Rank	Supplier	Products/ Services Purchased or Obtained	Supplier Background	Year of Commencing Business Relationship	Purchase Amount	As a Percentage of Our Total Purchases
					<i>(RMB million)</i>	<i>(%)</i>
1 . . .	Supplier F	Servo motors, motor drivers and magnetic field generator	A private company with its principal business located in China and focused on the sales of video surveillance systems and network equipment	2023	20.3	9.8
2 . . .	Supplier B	Hotel and flight booking service	A private company with its principal business located in China and focused on travel agency related services	2022	8.2	3.9
3 . . .	Supplier G	Decoration service	A private company with its principal business located in China and focused on construction project management services	2023	7.8	3.8
4 . . .	Supplier E	Office rental service	A private company with its principal business located in China and focused on real estate development and property management	2019	7.7	3.7
5 . . .	Supplier H	Surgical equipment	A private company with its principal business located in China and focused on the sales of sanitary ware and optical instruments	2024	6.8	3.3
Total					<u>50.8</u>	<u>24.5</u>

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For the Six Months Ended June 30, 2025

Rank	Supplier	Products/ Services Purchased or Obtained	Supplier Background	Year of Commencing Business Relationship	Purchase Amount <i>(RMB million)</i>	As a Percentage of Our Total Purchases <i>(%)</i>
1 . . .	Supplier B	Hotel and flight booking service	A private company with its principal business located in China and focused on travel agency related services	2022	5.7	4.9
2 . . .	Supplier I	Raw material	A private company with its principal business located in China and focused on the rubber and plastic products industry	2023	5.6	4.8
3 . . .	Supplier C	Automation programming software and CPU module	A private company with its principal business located in China and focused on the wholesale and trading of industrial automation software and hardware products	2020	5.3	4.6
4 . . .	Supplier A	Motion controller	A private company with its principal business located in China and focused on the manufacture of automation equipment	2019	4.7	4.0
5 . . .	Supplier E	Office rental service	A private company with its principal business located in China and focused on real estate development and property management	2019	3.0	2.6
Total					<u><u>24.3</u></u>	<u><u>20.9</u></u>

Raw Materials

For the production of our products, our principal raw materials include electric motors, speed reducers, optical devices, stainless steel wires and polymer materials.

We primarily engage a limited number of suppliers for our principal raw materials, although there are alternate suppliers available for most of such materials. Our principal suppliers for raw materials of our surgical robots are mainly based in China, from whom we purchased raw materials on an as-needed basis.

Prior to entering into supply agreements with our raw material suppliers, we perform background checks on the operating history, track record and market reputation of a list of potential suppliers, procure different product samples from the potential suppliers for inspection and testing by our quality management department, conduct site visits and examine the production facilities of the potential suppliers to ensure that the suppliers meet our quality requirements.

We normally enter into a quality assurance agreement with our suppliers together with the purchase agreement, which sets out our qualification requirements, quality standards and inspection procedures to ensure quality manufacturing and compliance of regulatory requirements. Our quality assurance department is responsible for inspections on the raw materials we purchased. We conduct evaluation for our suppliers and assess their performance annually based on criteria such as delivery, quality, price, and service. We are typically entitled to conduct on-site audits at the suppliers' premises to monitor their compliance with agreed quality assurance standards (including system, process and product audits). We also conduct off-site information assessments to evaluate the suppliers' performance. Upon receiving supplies, we retain the right to reject or return based on our inspection and examination results. The payment terms with our suppliers are negotiated on a case-by-case basis and vary significantly depending on various factors, including the nature of the raw materials and our relationships with the suppliers.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material difficulties in procuring our major raw materials. To the best knowledge of our Directors, there were no material breach of procurement agreements with our suppliers during the Track Record Period. Our Directors believe that, after taking into consideration the impact of U.S.-China trade tensions, we would not experience any material difficulties in procuring our major raw materials.

Inventory Management

We have set up comprehensive standard operating procedures for inventory tracking and record retention practices related to inventory, as well as procedures for performing inventory reconciliation and ensuring the accuracy of inventory tracking and record keeping.

We intend to maintain an appropriate level of inventory of the products and raw materials to ensure timely delivery pursuant to the customers' orders. There are no legal requirements as to the shelf life for Edge Multi-Port Endoscopic Surgical Robot, Edge Single-Port Endoscopic Surgical Robot and Edge Bronchoscope Robot.

We typically manufacture our surgical robots on demand, which is estimated taking into account the number of surgical robots actually manufactured in the preceding quarter, an estimated number of surgical robots needed in the current quarter based on customer orders and bidding process, and the production cycle. The general timeframe required from manufacturing, delivery to installation of Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot is both approximately one to three months.

QUALITY MANAGEMENT

Quality control and assurance are crucial to us. We have a quality management department to control the quality of our products. We devote significant attention to ensure the quality of the designing, R&D manufacturing, testing and transportation of our product candidates. Our management team is actively involved in setting quality policies and managing our internal and external quality performance. We have established a sound quality management system and refined production management system, including quality control of key nodes, standardized management of key processes, reliability testing of key functions and a standardized process management system, to ensure the consistency of quality and high reliability of our products. Our comprehensive quality management system was formulated in accordance with the ISO13485 standard in China, covering substantially every aspect of our operations including product design, purchases and manufacturing, among other things.

As of the Latest Practicable Date, our quality management department consisted of 44 employees. Our quality management department is responsible for raw material inspection, assembly and production process inspection, and finished product quality inspection, for which corresponding standards are established and designated personnel are specifically trained. For details regarding our quality control in terms of raw material supply and manufacturing, see “—Manufacturing and Supply Chain.”

SALES AND MARKETING

We have adopted commercialization strategies and market penetration approaches that will effectively present the product features and reliable performance of our surgical robots to surgeons and enhance surgeons' proficiency and safety in performing robot-assisted surgery. Training and education programs for surgeons and surgical team staff are critically important for delivering quality surgical care and building surgeons' trust in our brand and product performance. Through our sales and marketing efforts, including establishment of training centers, organization of product trial events and live streaming of surgery, our Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot have been accepted and recognized by a number of renowned surgeons. Since the commercialization of our Edge Multi-Port Endoscopic Surgical Robot in December 2022 and Edge Single-Port Endoscopic Surgical Robot in December 2024, in terms of contractual sales volume, we have entered into agreements for sales of 61 units of our Core Products globally as of June 30, 2025, including 33 units in China and 28 units in overseas countries.

We have a competent in-house commercialization team consisting of members who generally have medical background to ensure that our commercialization team has the ability to conduct academic-driven and technology-driven marketing activities, including five overseas regional commercialization teams. As of the Latest Practicable Date, our in-house commercialization team consisted of 122 members, led by Mr. Chen Zongxi, who has over 20 years of relevant sales and marketing experience at globally leading companies. We expect to expand our in-house commercialization team to approximately 150 to 170 members within two or three years. We aim to establish a well-trained and fully committed team to deliver integrated performance, covering sales and marketing, client services and ongoing training.

Sales and Distribution Arrangements

We use a combination of our in-house commercialization team and a network of independent distributors to sell or distribute our products. Our in-house commercialization generates new business by contacting current and prospective hospitals, sending product proposals and quotes, making presentations to physicians or healthcare executives about our product offerings, understanding admission requirements for medical device, and monitoring market demand and competitor activity.

Our in-house commercialization team tracks and analyzes applicable local laws and regulations and government policies as well as market data of our products in order to formulate national and regional marketing strategies more effectively. After a sale is made, our sales team continues to support the customer by addressing any questions or concerns about the product and providing the necessary training to hospital staff on how to use the product.

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Sales Model

We primarily sell our products through third-party distributors in China and overseas, who, in turn, sell our products to third parties, including hospitals. All of our overseas sales during the Track Record Period were through distributors. We believe this distribution model helps extend our coverage in a cost-effective manner while retaining proper control over our distribution network and the marketing and promotion process. We also sell a small portion of our products directly to hospitals in China. Our commercialization team is responsible for both direct sales and distributor management. As of the Latest Practicable Date, we had a commercialization team of 122 members.

As of June 30, 2025, we had a diversified network of 30 distributors, consisting of 20 domestic distributors and 10 overseas distributors. The following table sets forth a breakdown of our revenue generated through sales to distributors and from direct sales for the periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>							
Sales to distributors	48,042	100.0	114,022	71.3	28,520	94.3	125,427	84.0
Direct sales	—	—	45,972	28.7	1,725	5.7	23,956	16.0
Total	<u>48,042</u>	<u>100.0</u>	<u>159,994</u>	<u>100.0</u>	<u>30,245</u>	<u>100.0</u>	<u>149,383</u>	<u>100.0</u>

Sales through distributors

Selection and management of distributors

Our commercialization team is in charge of selecting distributors. We screen and select our distributors based on criteria, including their respective experience (particularly their experience in medical device industry and established relationships with hospitals and physicians within their designated territories), service capabilities, non-competing product portfolio and coverage in geographical areas or markets. In addition, they must possess the requisite business licenses and permits to sell medical devices in the respective jurisdictions. We also assess the distributors' financial conditions and marketing capabilities.

Roles of our distributors

Our global sales strategy is primarily implemented through a distribution network, comprising dedicated distributors for domestic and overseas markets, which we believe is critical to ensuring optimal product performance, building long-term customer relationships and mitigating operational risks across all regions. In general, our distributors provide essential local market intelligence and support to execute the hospital tender process.

In China, we collaborate with domestic distributors to design distribution strategies, which include identifying hospitals that may potentially purchase our products, creating marketing and promotional plans, and determining logistical arrangements. Our domestic distributors also assist us in academic promotion activities by connecting us with renowned physicians for product educations and medical communications.

In overseas markets, apart from the roles generally assumed by our domestic distributors, our overseas distributors undertake a broader and more integrated role, extending from initial market development to comprehensive post-market support, managing end-to-end logistics, on-site product installation, clinical staff training, and the provision of ongoing technical support and maintenance for our products at hospital sites.

Arrangements with our distributors

We have a seller-buyer relationship with our distributors under the buy-out sale model. We retain no ownership over the products that we sell to them, and all significant risks and rewards associated with these products are transferred to them upon delivery to and/or acceptance by them.

(i) Domestic distributors

We typically enter into sales agreements with our distributors, and the distributors enter into relevant agreements with sub-distributors and/or hospitals for the sale of our products. Our distributors are allowed to engage sub-distributors upon our prior authorization. We do not have contractual relationships with these sub-distributors. During the Track Record Period and up to the Latest Practicable Date, we collaborated with our distributors on an ad hoc basis and generally did not enter into fixed-term distribution agreements with them. As we only engaged the distributors on an ad hoc basis, the sales agreements we entered into with these distributors did not have terms that were typically included in the fixed-term distribution agreements, such as minimum purchase amount or minimum sales target, recommended or mandatory selling price to end-customers, or designated distribution area. However, it is specified in our sales agreements with domestic distributors that these distributors are required to sell our products to the relevant hospitals in China from which our distributors/sub-distributors won the sales bids. We typically collaborate with one distributor to distribute our products in a specific region in China. We generally do not control the prices at which the distributors resell our products to end-customers. We offer a minimum one-year warranty on our products for free, or the minimum period mandated by applicable law, whichever is longer, and charges customers for warranty services beyond this period. We require our distributors to comply with all applicable laws and regulations, including anti-bribery and anti-kickback laws and regulations. We also require our distributors to comply with our internal anti-bribery policies. Our distributors may not return products to us or exchange products except for quality issues. However, as we engaged our distributors on an ad hoc basis, our historical sales may not be

recurring in the future. For details, see “Risk Factors—Risks Relating to the Commercialization and Distribution of Our Products—The future growth and success of our business may depend on the performance of our domestic distributors in hospital tender processes.”

According to Frost & Sullivan, China’s surgical robot industry is currently at an early stage and the distribution model adopted by different players varies. It is not uncommon to engage distributors in an ad hoc manner in China’s surgical robot market. Due to diverse bidding requirements across different hospitals, even within the same region, it is difficult for a single distributor to meet all the criteria necessary to participate in the bidding or winning the sales bids. In addition, although we have successfully commercialized two surgical robot products, we are still at the early stage of product commercialization and plan to roll out more commercialized products.

While we target to gradually establish a distribution network in the long term, we expect to continue to engage distributors on an ad hoc basis in the near future. We believe that this arrangement allows us to efficiently identify and select distributors who can effectively advance the marketing and sale of our products, while allowing us to screen distributors based on their capabilities at the same time.

Our commercialization team works closely with distributors to ensure that they have a thorough understanding of our products and can effectively communicate their benefits to potential customers. Our commercialization team also advises distributors on order management and after-sale services.

We require our distributors to have well-established local sales channels and connections with hospitals and physicians within their designated geographic areas. Distributors sell our products to hospital end-customers through their coverage of medical institutions, and our in-house team delivers and installs the surgical robots at the hospital pursuant to a schedule agreed by the hospital. We receive payments from the distributors directly. We are working with our distributors to achieve more winning bids from hospitals. According to Bidding Law of the People’s Republic of China (中華人民共和國招標投標法), the winning bids are legally binding on both the bid winner and the tenderer, and are not pending materialization of relevant sales contracts. We recognize revenue when the corresponding hospital takes possession of and accepts the products. According to Frost & Sullivan, domestic surgical robot companies normally recognize revenue when end-customer hospitals issue acceptance confirmations, and our aforementioned revenue recognition policy is in line with industry norm. A hospital normally issues acceptance confirmations after the product is installed by the medical device company and tested by the hospital.

Hospitals’ procurement of surgical robots is subject to the provincial authority’s approval and the quota specified in regulations. In March 2018, the National Health Commission released the Catalog of Large Medical Devices Subject to Administration on Deployment Permit (2018) (《大型醫用設備配置許可管理目錄(2018年)》), pursuant to which the endoscopic surgical instrument control systems, which refer to endoscopic surgical robots,

were adjusted from the original category A to category B. This recategorization indicates that endoscopic surgical robots, which were originally subject to the deployment administration by the National Health Commission, is currently subject to the administration by the Health Commission at the provincial level. This change has streamlined the approval process and shortened the procurement approval cycle to generally two to three months if the application is complete and the expert review meeting can be held as scheduled. We expect this shortened timeline will facilitate the sales of our surgical robots to hospitals in China. Pursuant to the Catalog of Large Medical Devices Subject to Administration on Deployment Permit (2023) (《大型醫用設備配置許可管理目錄(2023年)》) issued in March 2023 by the National Health Commission, endoscopic surgical robots remained as category B large medical devices. Additionally, pursuant to the Notice of the National Health Commission on Release of the “14th Five-year” Large-scale Medical Equipment Allocation Plan (國家衛生健康委關於發佈“十四五”大型醫用設備配置規劃的通知) issued by the National Health Commission of the PRC in June 2023, a total quota of 819 units of endoscopic surgical robots is planned to be deployed by the end of 2025, starting from 2006. Out of 819 units, a quota of 559 units is planned to be deployed for the period of the 14th Five-year Plan, namely from 2021 to 2025.

(ii) Overseas distributors

We have also been engaging distributors for our overseas sales since August 2024, as these overseas distributors have their own sales force that focuses on marketing in their particular approved jurisdictions. Our relationship with the overseas distributors is not that of a principal and an agent, but that of a customer and a supplier with no obsolete stock arrangements. We do not prohibit our distributors to procure sub-distributors in the designated distribution regions. However, we do not have contractual relationships with sub-distributors.

We entered into standard fixed-term distribution agreements with most of our overseas distributors during the Track Record Period and also signed individual sales with these distributors subsequently to set out specific purchase volume and unit prices. The following table summarizes the salient terms of the standard distribution agreement with our overseas distributors.

- **Term.** Generally three to five years.
- **Designated product distribution area.** The distributor is only allowed to sell designated products in designated distribution regions which are specified in the distribution agreement.
- **Sales target requirement.** We set a minimum annual sales target. We are entitled to terminate the distribution agreement with the distributor when such distributor, among other things, fails to meet the sales target.
- **Pricing.** We contractually fix the selling price to our distributors.

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- **Resale price management.** We generally do not control the prices at which our distributors resell our products to end-customers.
- **Product return and exchange.** Our distributors are required to inspect the products on delivery. We do not accept product returns and exchanges except for products with quality defects caused by us, which is in line with the industry practice.
- **Payment and credit terms.** For a majority of our distributors, we require full payment of the purchase price from them before the delivery of products. Other distributors make payments to us in installments.
- **Warranty.** We generally do not provide warranty service to end-customers. Instead, we provide training to our distributors and they provide warranty service to end-customers directly. In addition, we provide 24/7 remote technical guidance services to distributors.
- **Regulatory compliance.** Our distributors are required to comply with all applicable laws and regulations, and obtain relevant government approvals, licenses and permits required to sell and distribute medical devices in their designated distribution area.
- **Termination.** We may terminate the distribution agreements in the event of, among others, any material breach by our distributors, such as sales outside of their designated distribution areas and failure to meet target purchase amount.

For other overseas distributors during the Track Record Period, we signed sales agreements with them. We apply substantially similar key terms of the sales agreements signed with domestic distributors to the sales agreements with our overseas distributors. However, we do not designate hospitals for our overseas distributors.

We believe that our sales generally correspond to actual market demand and therefore our products are at low risk of channel stuffing in our distribution network, because (i) returns and exchanges are generally not allowed, unless there are product quality issues caused by us, and (ii) the selling prices of our products are relatively high compared to other medical products, which encourages distributors to purchase our products on an as-needed basis. In addition, we have a diversified distributor network and do not rely on any single distributor.

Distribution network

We are in the process of expanding and optimizing the distribution network as we roll out more commercialized products. We had a diversified network of 30 distributors as of June 30, 2025, consisting of 20 domestic distributors and 10 overseas distributors.

During the Track Record Period, all of our distributors are Independent Third Parties, and none of our distributors were controlled by our former or current employees, uses our brand or name, or has received any material advance or financial assistance from us. In addition, we do not have any other relationship or arrangement (including family, business, financing, guarantee or otherwise in the past or present) with our distributors during the Track Record Period.

We intend to maintain long-term and stable business relationships with our distributors. During the Track Record Period and as of the Latest Practicable Date, there were no disagreements or business implications among the distributors, our distributorship network and our Group.

Customers

Our customers consist of (i) third-party distributors in China and overseas, who, in turn, sell our products to third parties, including hospitals and (ii) hospitals in China. All of our distributors are private companies that are engaged in the distribution of medical devices. In each of the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025, we generated revenue of RMB46.9 million, RMB74.0 million and RMB68.9 million from our five largest customers, respectively, representing 97.7%, 46.3% and 46.1% of our total revenue for the respective periods. We require payment in advance from, and/or provided credit term to, our five largest customers. The credit terms were determined on a case-by-case basis and varied significantly depending on the scale and bargaining power of the specific customer, as we are at the early stage of commercialization and had a limited number of sales of our Core Products. This is in line with the industry practice as advised by Frost & Sullivan.

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The following table sets forth the details of our five largest customers in each year/period during the Track Record Period:

For the Year Ended December 31, 2023

Rank	Customer	Products/ Services Provided	Customer Background	Year of Commencing Business Relationship	Revenue Contribution (RMB million)	As a Percentage of Our Total Revenue (%)
1 . . .	Customer A	Medical devices and accessories	Distributor: a subsidiary company of a state- owned holding company with its principal business located in China and focused on the sales of Class II and Class III medical devices	2023	21.8	45.3
2 . . .	Customer B	Medical devices and accessories	Distributor: a subsidiary company of a public company listed on the Hong Kong Stock Exchange, with its principal business located in China and focused on the operation of Class III medical devices	2023	7.0	14.5
3 . . .	Customer C	Medical devices and accessories	Distributor: a subsidiary company of a state- owned holding company with its principal business located in China and focused on the wholesale of medicine and medical devices	2023	6.4	13.3
4 . . .	Customer D	Medical devices and accessories	Distributor: a private company with its principal business located in China and focused on the wholesale, R&D and technology transfer of medical devices	2022	6.1	12.6
5 . . .	Customer E	Medical devices and accessories	Distributor: a private company with its principal business located in China and focused on the sales of medicine and medical devices	2023	5.8	12.0
Total					<u><u>46.9</u></u>	<u><u>97.7</u></u>

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For the Year Ended December 31, 2024

Rank	Customer	Products/ Services Provided	Customer Background	Year of Commencing Business Relationship	Revenue Contribution (RMB million)	As a Percentage of Our Total Revenue (%)
1 . . .	Customer F	Medical devices and accessories	Distributor: a private company with its principal business located in China and focused on the manufacturing and sales of Class II medical devices	2024	27.0	16.9
2 . . .	Customer G	Medical devices and accessories	Distributor: a private company with its principal business located in China and focused on the operation and leasing of Class III medical devices	2024	15.0	9.4
3 . . .	Customer H	Medical devices and accessories	Hospital: A municipal Class III Grade A hospital in China	2024	14.0	8.8
4 . . .	Customer I	Medical devices and accessories	Hospital: A municipal Class III Grade A hospital in China	2024	9.2	5.7
5 . . .	Customer J	Medical devices and accessories	Distributor: a private company with its principal business located in China and focused on the sales, operation and leasing of medical devices	2024	8.8	5.5
Total					<u>74.0</u>	<u>46.3</u>

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For the Six Months Ended June 30, 2025

Rank	Customer	Products/Services Provided	Customer Background	Year of Commencing Business Relationship	Revenue Contribution <i>(RMB million)</i>	As a Percentage of Our Total Revenue <i>(%)</i>
1 . . .	Customer F	Medical devices and accessories	Distributor: a private company with its principal business located in China and focused on the manufacturing and sales of Class II medical devices	2024	26.0	17.4
2 . . .	Customer K	Medical devices and accessories	Distributor: a private company with its principal business located in Poland, it is a manufacturer and distributor of professional medical equipment and is focused on areas such as massage, hydrotherapy and balneotherapy, patient care, wellness, physiotherapy, cardiac stress tests, limb therapy and other medical equipment	2025	15.1	10.1
3 . . .	Customer L	Medical devices and accessories	Hospital: a provincial Class III Grade A hospital in China	2025	9.5	6.4
4 . . .	Customer M	Medical devices and accessories	Distributor: a private company with its principal business located in China and focused on the sales and operations of Class III medical devices	2025	9.4	6.3
5 . . .	Customer N	Medical devices and accessories	Hospital: a provincial Class III Grade A hospital in China	2025	8.7	5.8
Total					<u>68.7</u>	<u>46.0</u>

To the best knowledge of our Directors, each of our customers during the Track Record Period was an Independent Third Party. None of our Directors and, to the best knowledge of our Directors, none of our Shareholders who owns more than 5% of the Shares in issue, nor any of their respective associates, had any interest in any of our customers during the Track Record Period.

Academic Promotion

We believe ongoing training programs held among surgeons, assistants and operation nurses at hospitals will help promote the adoption and acceptance of our surgical robots. We cooperate with top Class III Grade A hospitals in all the major regions within China, such as Sun Yat-sen University, the First Affiliated Hospital of Zhejiang University School of Medicine, West China Medical School of Sichuan University and Longgang Central Hospital of Shenzhen, to establish regional training centers in cities where medical resources are concentrated. We plan to establish partnership with the Chinese Urological Association or the hospitals or surgeons that belong to this association in terms of the product trial, establishment of training centers, organization of promotion activities, and launch of marketing campaign.

For each training center, we typically enter into a cooperation agreement with the hospitals. Key terms of our partners agreements with the hospitals are summarized below:

- *Services.* We provide surgical robots for training and trial purposes to the hospitals, while the hospitals supply clinical sites.
- *Term.* Generally one to five years, subject to extension if agreed upon by both parties.
- *Intellectual property rights.* Intellectual property rights arising from collaborations that are developed jointly by the hospital and us, or developed by the hospital with our prompting, will be owned jointly.
- *Confidentiality.* The hospitals are required to keep confidential any information, documents, materials or data relating to our products. The confidentiality provision typically remains effective after termination or expiration of the agreement.
- *Dispute resolution.* In the event of any disputes related to the agreement, both parties shall negotiate amicably. If an agreement cannot be reached, the matter will either be resolved through arbitration or through a court of law.

As of the Latest Practicable Date, we had established 9 training centers with the hospitals which we cooperate with in 8 major cities in China. Within the next two or three years, we plan to establish around 15 additional regional training centers to cover additional regions in China through collaboration with top-tier hospitals. The training centers established at hospitals will increase exposure of our brands and products among surgeons and also enable surgeons to gain valuable experience in robot-assisted surgery through training. In addition to the training

centers in collaboration with hospitals, we also plan to establish training centers at our facilities in Shenzhen to provide training programs to surgeons. We also plan to establish five training centers abroad with overseas hospitals within the next two to three years.

We will introduce a training system that contains training contents and is composed of individual modules to ensure that surgeons can comprehend the use of our surgical robots and other surgical instruments. Training contents include theoretical study, operation skills, and clinical observation and practice, which are designed with different objectives for surgeons, assistants and nurses. Training programs will be provided in training centers at both collaborated hospitals and our facilities. For further details, see “Future Plans and Use of Proceeds.”

Pricing

We have developed a set of effective pricing strategies for our endoscopic surgical robots. In general, the pricing power of endoscopic surgical robot manufacturers, including us, is subject to market demand from hospitals and competitive dynamics among major players. In addition, the pricing offered to distributors is determined on a case-by-case basis, depending on the scale and bargaining power of each specific distributor.

We believe we can enjoy more flexibility in pricing and strive for a balance between the profitability and price competitiveness. For example, compared to the currently most widely used da Vinci Surgical Systems, our domestically manufactured endoscopic surgical robots enjoy various cost advantages, such as lower logistics costs and tariffs compared to international transportation costs and tariffs for imported products.

In China, we normally provide free maintenance of our endoscopic surgical robots covering at least the first year after purchase and will charge certain percentage of the equipment retail price for subsequent maintenance each year. For these products, the useful life is expected to be ten years if periodic maintenance is performed. The frequency of preventive maintenance inspections for each key component, namely the surgeon’s console, the patient-side cart and the 3DHD vision system, is expected to be four times per year. As a comparison, according to Frost & Sullivan, the frequency of preventive maintenance inspections for da Vinci Surgical Systems is typically one to four times per year; and the annual maintenance fee for da Vinci Surgical Systems in China ranges from RMB1.2 million to RMB3.0 million. The information regarding the useful life of da Vinci Surgical Systems and the pricing range of consumables is not publicly available.

Our revenue model of endoscopic surgical robots consists of three parts, namely the equipment itself (including surgeon’s console, the patient-side cart and the 3DHD vision system), its instruments and accessories (also known as consumables, including a variety of instruments such as forceps and scissors, and accessories such as drapes and trocars), and maintenance fees. As a result, the final selling price of each order may vary depending on the specific configuration, selected accessories and instruments, warranty period, and service package requested by customers. There is no material difference in pricing for our Edge

Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot and their consumables in different surgical applications. To ensure the reliability of robotic systems, each of the instruments and accessories needs to be changed at certain frequencies. For details of the equipment, instruments and accessories, please see “—Our Products and Product Candidates—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product—Product Structure” and “—Our Products and Product Candidates—Edge Single-Port Endoscopic Surgical Robot—Our Core Product—Product Structure.” We generally charge separately for each of the equipment, instruments and accessories of surgical robots sold, and services provided to our customers. Our revenue include equipment sales revenue, consumables sales revenue, and maintenance and service revenue. Equipment sales revenue refers to the revenue generated from sales of surgical robots and our other product candidates upon commercialization. Consumables sales revenue refers to the revenue generated from sales of instruments and accessories that are compatible with the surgical robots. Maintenance and service revenue refers to revenue generated from rendering after-sale services, including provision of maintenance and support services, and spare parts. We charge hospitals directly for the products sold and the services provided to the hospitals.

We maintain strict anti-bribery and anti-corruption policies. Such policies explicitly require that all employees comply with any applicable anti-corruption laws, regulations and policies and that all employees are prohibited from making illegal or improper payments to any government official, including hospital staff, either on their own or via third parties. Additionally, our employees are not allowed to offer or give gifts, hospitality or anything of value that are not an appropriate type or beyond the value limit set forth in the policy. After the commercialization of our product candidates, we plan to closely monitor to ensure that our sales and marketing personnel comply with applicable promotion and advertising requirements. Under our firm-wide whistle-blowing policy, we make our internal reporting channel open and available for our employees to report, on an anonymous basis, any noncompliance incidents and acts, including bribery and corruption. In addition, our current contract templates for procurement, sales, and distributors all include compliance clauses covering anti-bribery and anti-corruptions. For details on our internal control policies, see “—Risk Management and Internal Control—Internal Control.” Our Directors confirmed that as of the Latest Practicable Date, there had been no bribery acts, including but not limited to rebates to distributors or customers which may be deemed bribery, involved in the Company’s sales activities. Based on the Joint Sponsors’ due diligence, while noting that the Joint Sponsors are not experts in internal control, nothing has come to the attention of the Joint Sponsors to disagree with the views of the Company.

The likelihood that Edge Multi-Port Endoscopic Surgical Robot, Edge Single-Port Endoscopic Surgical Robot and Edge Bronchoscope Robot will be included in the centralized procurement scheme is low. According to Frost & Sullivan, even though the centralized procurement related rules in a few provinces, such as Anhui Province and Fujian Province, have included category B large medical devices which cover endoscopic surgical robots, in practice the centralized procurement has only been implemented on certain large medical devices such as CT and MRI equipment, and no centralized procurement of surgical robots and related consumables (including instruments and accessories for endoscopic surgical robots) has

been implemented in China. Furthermore, the centralized procurement is typically applicable to medical devices that a large number of hospitals will purchase in bulk. Given the innovative nature of surgical robots and the limited number of surgical robots approved by the NMPA so far, the likelihood for surgical robots to be included in the centralized procurement scheme is low.

For risks related to commercialization of our product candidates, see “Risk Factors—Risks Relating to the Commercialization and Distribution of Our Products” and “Risk Factors—Risks Relating to the Commercialization and Distribution of Our Products—Sales of surgical robots in China are subject to quota limits under the national allocation plan, which may restrain the market size of surgical robots and adversely affect the commercialization of our products.”

Cost-Benefit Analysis of Robot-Assisted MIS for Patients and Hospitals

For patients:

The surgical expense of endoscopic robot-assisted surgery varies with procedure types, ranging from a total of RMB30,000 to RMB120,000. According to Frost & Sullivan, as compared to conventional MIS, there are addition charges for robotic-assisted MIS, which vary among provinces. As advised by Frost & Sullivan, as of the Latest Practicable Date, robotic-assisted surgery has been admitted to the medical insurance reimbursement list in Beijing for orthopedic surgery and robotic-assisted surgery using da Vinci Surgical Systems has been admitted to the medical insurance reimbursement list in Shanghai. Therefore, our surgical robots have not been admitted to the medical insurance reimbursement regime in China.

Despite the higher costs, patients may still benefit from robot-assisted MIS. This technique is associated with shorter hospital stays, reduced blood loss, less surgical trauma and pain, and faster recoveries. These benefits may translate into reduced overall healthcare costs over time, as patients require fewer follow-up visits and experience fewer complications. See “—Our Products and Product Candidates” for more details on our value to patients.

For hospitals:

Hospitals that adopt robot-assisted MIS must invest in expensive robotic equipment and undergo training to use it effectively, as well as incur ongoing costs for maintenance and upgrades to the equipment.

However, such advanced technique may attract more patients who are willing to pay for the perceived benefits of robot-assisted MIS, leading to increased revenue. Additionally, robot-assisted MIS may reduce the length of hospital stays, which improves the hospital bed turnover, decreases staffing costs, and thus increases the efficiency in resource utilization of

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hospitals. Furthermore, the precision of robot-assisted MIS may lead to fewer complications and readmissions, which can result in lower patient complaints and overall healthcare costs. See “—Our Products and Product Candidates” for more details on our value to hospitals.

In conclusion, the higher upfront costs of robot-assisted MIS can be weighed over by its long-term benefits for both patients and hospitals, especially given the favorable regulatory trend that more clinical applications performed by robot-assisted MIS may be covered by medical insurance reimbursement programs of more provinces and cities in the near future.

PRODUCT RETURN AND QUALITY COMPLAINTS

We do not allow our distributors to return products unless there are quality defects or in the event of a product recall. Generally, we are not responsible for product sale or return once our products are sold to the distributors. We will dispose of any defective products that have been returned, and will not resell these products. Our industry consultant Frost & Sullivan believes that our product return policy is in line with industry norm. We did not experience any product returns or product recalls during the Track Record Period.

We receive feedback from our distributors and have implemented detailed procedures on how to handle quality complaints. We have dedicated personnel who take complaint calls and regularly review and analyze the feedback and complaints received. With respect to any approved product returns, our dedicated personnel will coordinate with relevant distributors for the subsequent transportation and product inspection. In addition, our commercialization team will actively follow up on the product related complaints to ensure that they are dealt with appropriately. During the Track Record Period and up to the Latest Practicable Date, we had not received any material customer complaints due to problems associated with the quality of our products.

INTELLECTUAL PROPERTY

Intellectual property rights are essential to the operation of our business. Our future commercial success depends, in part, on our ability to obtain and maintain patents and other intellectual properties and proprietary protections for commercially important technologies, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties.

As of the Latest Practicable Date, we had in aggregate 734 granted patents and patent applications globally, including 421 patents (including 408 in China, seven in the U.S., three in Japan, two in South Korea, and one in India) and 225 patent applications (including 174 in China, 25 in Europe, 17 in the U.S., eight under the Patent Cooperation Treaty (PCT) and one in Brazil) in relation to our Core Products, and 31 patents and 43 patent applications in relation to the Edge Bronchoscope Robot. Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot share certain patents and patent applications, such as the ones for the design of the master controller used by the surgeon to freely rotate the surgical

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instruments, as well as an adapter structure used to connect surgical instruments or endoscopes to the power unit of the robotic arm. Shared patents and patent applications of Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot also include the ones for the connection between surgical platform and patient-side cart, which allows the surgical instruments to maintain static positioning even when the robotic arm is being adjusted, minimizing the risk of inadvertent injury to the patient. As of the same date, we had 453 granted patents in China, including 251 invention patents, 145 utility models and 57 appearance designs, and we also had 213 patent applications pending in China. As of the same date, we had 13 granted foreign patents (including seven in the U.S., three in Japan, two in South Korea, and one in India) and 55 foreign patent applications (including 27 in Europe, 17 in the U.S., one in Brazil, and 10 under the Patent Cooperation Treaty (PCT)). As of the Latest Practicable Date, our Directors were of the view that there was no legal impediment to obtain approval for pending patent applications globally. As advised by our PRC intellectual property legal advisor, as of the Latest Practicable Date, there was no pending opposition by any third party against, nor any other circumstances which has any material adverse effect on, our patent applications filed in the PRC. In addition, as of the Latest Practicable Date, we had 28 trademarks registered in China and 18 trademarks registered overseas. As of the same date, we also had four trademarks pending in China and one trademarks pending overseas. For further information, see “Appendix VI—Statutory and General Information—Further Information about Our Business—Intellectual Property Rights.”

The tables below list the portfolio of patents and patent application that are material to our business operations as of the Latest Practicable Date.

No.	Name of Patent	Application/ Patent Number	Type	Status	Date of Application	Expiration Date	Covered Region	Registered Owner	Associated Product and Product Candidate
1	Operating arm with rotatable end, secondary operating equipment and surgical robot	201810196214.9	Invention Patent	Granted	March 9, 2018	March 9, 2038	China	Our Company	Edge Single-Port Endoscopic Surgical Robot
2	Secondary operating equipment of surgical robot and surgical robot	201810199276.5	Invention Patent	Granted	March 12, 2018	March 12, 2038	China	Our Company	Edge Single-Port Endoscopic Surgical Robot
3	Tensioning method for operating arm drive mechanism	201810199215.9	Invention Patent	Granted	March 12, 2018	March 12, 2038	China	Our Company	Edge Single-Port Endoscopic Surgical Robot
4	Connecting assembly with drive wire, operating arm and surgical robot	201810210917.2	Invention patent	Granted	March 14, 2018	March 14, 2038	China	Our Company	Edge Single-Port Endoscopic Surgical Robot
5	Secondary operating equipment assembly with endoscope and surgical robot	201811229153.8	Invention patent	Granted	October 22, 2018	October 22, 2038	China	Our Company	Edge Single-Port Endoscopic Surgical Robot

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No.	Name of Patent	Application/ Patent Number	Type	Status	Date of Application	Expiration Date	Covered Region	Registered Owner	Associated Product and Product Candidate
6	Surgical instruments	201910338549.4	Invention patent	Granted	April 25, 2019	April 25, 2039	China	Our Company	Edge Single-Port Endoscopic Surgical Robot
7	Image processing method, device and storage medium of endoscope	202010770523.X	Invention patent	Granted	August 4, 2020	August 4, 2040	China	Our Company	Edge Multi-Port Endoscopic Surgical Robot and Edge Single- Port Endoscopic Surgical Robot
8	Surgical robot and its control method and device	202010901495.0	Invention patent	Granted	September 10, 2019	September 10, 2039	China	Our Company	Edge Multi-Port Endoscopic Surgical Robot and Edge Single- Port Endoscopic Surgical Robot
9	Methods, robotic arms, equipment, robots and media to keep RC points unchanged	202111334158.9	Invention patent	Granted	November 11, 2021	November 11, 2041	China	Our Company	Edge Multi-Port Endoscopic Surgical Robot
10	Bandwidth allocation method, system and storage medium for remote surgical robot	202411291040.6	Invention patent	Granted	September 14, 2024	September 14, 2044	China	Our Company	Edge Multi-Port Endoscopic Surgical Robot and Edge Single- Port Endoscopic Surgical Robot (Telesurgery)
11	Remote surgical robot and corresponding stereo vision effect generation method and medium	202411471884.9	Invention patent	Granted	October 22, 2024	October 22, 2044	China	Our Company	Edge Multi-Port Endoscopic Surgical Robot and Edge Single- Port Endoscopic Surgical Robot (Telesurgery)
12	Endoscope, image processing device, and surgical robot	202011509658.7	Invention patent	Granted	December 19, 2020	December 19, 2040	China	Our Company	Edge Single-Port Endoscopic Surgical Robot
13	Surgical instruments, secondary operating equipment and surgical robot	202011063674.8	Invention patent	Granted	September 30, 2020	September 30, 2040	China	Our Company	Edge Multi-Port Endoscopic Surgical Robot
14	Surgical instruments, secondary operating equipment and surgical robot	202011063671.4	Invention patent	Granted	September 30, 2020	September 30, 2040	China	Our Company	Edge Multi-Port Endoscopic Surgical Robot

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No.	Name of Patent	Application/ Patent Number	Type	Status	Date of Application	Expiration Date	Covered Region	Registered Owner	Associated Product and Product Candidate
15 . .	Surgical instruments and surgical robot	202111482124.4	Invention patent	Granted	December 6, 2021	December 6, 2041	China	Our Company	Edge Multi-Port Endoscopic Surgical Robot
16 . .	Surgical instruments, secondary operating equipment and surgical robot	202111482180.8	Invention patent	Granted	December 6, 2021	December 6, 2041	China	Our Company	Edge Multi-Port Endoscopic Surgical Robot
17 . .	Surgical robot, surgical instruments and the jaw opening and closing drive system	202111480884.1	Invention patent	Granted	December 6, 2021	December 6, 2041	China	Our Company	Edge Multi-Port Endoscopic Surgical Robot

No.	Name of Patent Application	Application Number	Type	Status	Date of Application	Covered Region	Registered Owner	Associated Product and Product Candidate
1 . .	Surgical robot system	PCT/CN2024/108818	Invention patent	Application submitted	July 31, 2024	PCT member states	Our Company	Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot

None of the patented technologies that are critical to the development of our product candidates have been licensed to or from third parties, and we do not expect to license in or license out any patents that are critical to the development of our product candidates.

Our intellectual property legal advisor has conducted the freedom-to-operate (FTO) analysis with respect to our Core Products in China and confirmed that the risk of other third-party patent rights blocking the freedom to operate for our Core Products is low, as of the Latest Practicable Date. The FTO analysis includes search results for the issued invention patents, utility model patents and design patents in China and is performed by the lawyer who has experience in the FTO analysis accumulated from a number of IPOs and has around nine years experience in patent prosecution, together with his team members who also have extensive experience in medical device and healthcare industry. We have also conducted FTO analysis in Poland, Spain, and Italy, which are material to our overseas business, and did not note any material risk of infringing the relevant intellectual property rights in respect of our commercialization of our products in these countries. Poland, Spain, and Italy were identified for our FTO analysis mainly due to (i) we view the EU as a key market for our overseas sales because as advised by Frost & Sullivan, the EU represents the second largest market for endoscopic surgical robots after the U.S.; (ii) the revenue contribution from customers located in these jurisdictions being relatively significant as compared with other overseas jurisdictions during the Track Record Period. The aggregate revenue generated from our sales in Poland,

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Spain, and Italy accounted for approximately 13% of our total revenue globally for the six months ended June 30, 2025 and approximately 32% of our total revenue in overseas markets for the same period; and (iii) the relatively advanced IP right protections in these jurisdictions as compared with other overseas jurisdictions that the Group has recorded overseas sales in, which have less advanced IP right protections. Based on the above, our Directors are of the view that the FTO analysis is sufficient to cover our operations and commercialization plan in the overseas markets. Based on the independent due diligence conducted by the Joint Sponsors (including but not limited to reviewing the FTO analysis conducted in the aforementioned countries and considering the materiality and contribution of such countries in terms of the Company's overall commercialization plan), nothing has come to the attention of the Joint Sponsors that would reasonably cast doubt on the Directors' view above in respect of the Group's operation and commercialization plan in the overseas markets.

We have also entered into confidentiality and non-competition agreements with our senior management, the members of our research and development team and other employees who have access to trade secrets or confidential information in relation to our business. Under such agreement, our employees are required to keep our technology know-how, intellectual property rights, trade secrets and other related information confidential. Our standard employment contract contains an assignment clause, under which we own all the rights to all inventions, technology, know-how and trade secrets derived during the course of such employee's work. In addition, we include a confidentiality clause in our agreements with our research partners and other third parties who may have access to our proprietary information.

We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. Despite any measures taken to protect our data and intellectual property, unauthorized parties may attempt to or successfully gain access to and use information that we regard as proprietary. See "Risk Factors—Risks Relating to Our General Operations—Our internal IT systems may fail or suffer security breaches."

We have adopted certain measures with respect to intellectual property risk management, including assessing violation risks relating to third-party rights from time to time, identifying potential disputes and formulating precautionary measures, to avoid potential infringement against our competitors' products. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material proceedings in respect of, and we had not received notice of any material claims of infringement of, any intellectual property rights that are threatened or pending, in which we may be a claimant or a respondent.

COMPETITION

The surgical robots market and the minimally invasive surgical instruments market in which we operate are characterized by rapid changes resulting from technological advances and scientific discoveries. In addition, it is subject to changes in the overall medical device industry in China and globally. While we believe that our product development experience and research and development, testing and manufacturing capabilities provide us with competitive advantages, we face potential competition from various sources, including major international and domestic companies which are also developing surgical robots and minimally invasive surgical instruments.

We compete primarily on the basis of the proven prospect of our product candidates, our first-mover advantage in the China market, brand recognition among hospitals and surgeons, solid clinical data and the level of technical support and training we provide to surgeons. We believe that our continued success depends on our ability to (i) successfully commercialize and effectively market our product candidates; (ii) innovate and develop advanced technology; (iii) develop a broad portfolio of proprietary products; (iv) maintain high quality standards; and (v) obtain and maintain regulatory approvals.

Several of our competitors may have significantly greater financial and other resources and may have longer track records and greater expertise in research and development, clinical trial, obtaining regulatory approvals and commercialization of approved products and may enjoy wide brand name recognition globally. Mergers and acquisitions in the medical device industry may result in even more resources being concentrated among a small number of our competitors. Smaller or early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and subject registration for clinical trials, as well as in acquiring technologies or products complementary to, or necessary for, our products.

Our competitors dedicate, and we believe they will continue to dedicate, significant resources to promote their products aggressively. They may develop technologies and products that are safer, more effective, easier to use or less expensive than ours. They may also obtain NMPA or other regulatory approval for their products earlier than we obtain approval for ours, which could result in our competitors establishing a strong market position ahead of us. We may encounter surgeons, especially in the global market, who are committed to or prefer the products offered by our competitors due to existing relationships with our competitors. Any of these events could reduce or eliminate our commercial opportunities.

According to Frost & Sullivan, there had been no blog posts by key opinion leaders, comments at conferences, papers or industry associations which suggested that the globally-used da Vinci Surgical Systems were far superior to our surgical robots or put us at a disadvantage as of the Latest Practicable Date, based on public information.

For competitive landscape of our product candidates, see “—Our Products and Product Candidates” in this section and “Industry Overview” in this Prospectus. In particular, for further details regarding the competitive landscape of our Core Products, see “Industry Overview—Endoscopic Surgical Robot Market—Competitive Landscape—Competitive Landscape for Multi-Port Endoscopic Surgical Robots” and “Industry Overview—Endoscopic Surgical Robot Market—Competitive Landscape—Competitive Landscape for Single-Port Endoscopic Surgical Robots.”

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EMPLOYEES

As of the Latest Practicable Date, we had 604 employees in total. The table below sets forth our employees by function as of the Latest Practicable Date.

Function	Number
Research and Development	265
Manufacturing and Quality Assurance	171
Management and Administration	46
Commercialization	<u>122</u>
Total	<u>604</u>

All of our employees are based in China. In compliance with the applicable labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. These employment contracts typically have terms of three years.

To remain competitive in the labor market, we provide competitive salaries and various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge.

We require all of our employees, especially those involved in sales and marketing and business development activities, to abide by our anti-bribery and anti-corruption compliance requirements and applicable laws and regulations to reduce bribery and corruption risks. We closely monitor our employees' compliance with anti-bribery and anti-corruption policies.

According to Article 19(1) of the Judicial Interpretation (II), if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Furthermore, the relevant employee has the right to terminate the labor contract and claim economic compensation from the employer pursuant to Article 38(3) of the Labor Contract Law. See "Regulatory Overview—Other Laws and Regulations—Regulations on Labor Protection and Social Security" for details.

Pursuant to the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilising the Levy of Social Insurance Payment (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated on 21 September 2018 by the Ministry of Human Resources & Social Security, administrative enforcement authorities are prohibited from organising and conducting centralised collection of enterprises' historical social insurance arrears.

BUSINESS

The Group and the Group's Directors confirmed that, during the Track Record Period and as of the Latest Practicable Date, (i) the Group has not signed any written document with any employee in which the employee undertakes to the Group that social insurance contributions need not be paid, and the Group has made social insurance contributions for all employees; and (ii) no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance contributions. Based on legal provisions and confirmations from the Group and the Group's Directors, our PRC Legal Advisor is of the view that (i) the risk that the Group will be subject to paying material compensation for not making social insurance contributions under the Judicial Interpretation (II) is remote, and (ii) if there is no employee reports or complaints filed against us, the likelihood that we are subject to centralized collection of historical arrears and any material penalties due to our failure to provide full social insurance and housing provident funds contributions for our employees is remote, according to the currently applicable regulatory policies. We did not make any provision regarding the shortfall of our social insurance and housing provident fund contributions during the Track Record Period. If the relevant regulatory authorities order us to pay the shortfall of social insurance and/or housing provident funds or take rectification measures in accordance with applicable laws and regulations, we will make such payments or make such rectification measures promptly as soon as practicable.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any strikes, labor disputes or industrial actions which had a material effect on our business, and we consider our relations with our employees to be good.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. We provide social security insurance including pension funds, unemployment insurance, work-related injury insurance and medical insurance for our employees. We maintain clinical trial liability insurance policies for medical devices that cover losses arising from expected adverse events and unexpected severe adverse events occurred during clinical trials of our product candidates. We also maintain general liability insurance for our operation activities.

PROPERTIES AND FACILITIES

We are headquartered in Shenzhen, China. As of the Latest Practicable Date, we leased properties in major cities in China with an aggregate gross floor area of approximately 17,280 sq.m for our business operations. The relevant lease agreements were valid and legally binding as of the Latest Practicable Date. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance,

which requires a valuation report with respect to all our interests in land or buildings, for the reason that, as of the Latest Practicable Date, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets.

As of the Latest Practicable Date, six lease agreements with respect to our leased properties were not filed with the relevant regulatory authorities. With respect to such failure of filing lease agreements, our PRC Legal Advisor is of the view that the failure to file lease agreements will not affect the validity of such lease agreements, but the relevant local housing administrative authorities can require us to complete filings within a specified timeframe and we may be subject to a fine between RMB1,000 and RMB10,000 per lease. Therefore, we have the right to use such properties in accordance with the lease agreements but we may be subject to fines. In addition, as of the Latest Practicable Date, the actual land use of a property we leased in Beijing was inconsistent with its approved land use as specified in its title certificate. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material dispute arising out of our leased properties and were not subject to any penalties imposed by regulatory authorities. For details regarding risks relating to our leased properties, see “Risk Factors—Risks Relating to Our General Operations—We do not own the real property for our current major operation sites and may be subject to risks relating to leased properties.”

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

We are subject to various health, safety, social and environmental laws and regulations and our operations are regularly inspected by local government authorities. We believe we have adequate corporate governance policies ensuring compliance with all material health, safety, social and environmental protection regulations. We have established comprehensive internal governance regarding environmental, social and climate-related issues or risks, and have assigned designated personnel to manage ESG matters. In particular, our Directors assume the responsibilities of identifying and addressing risks and opportunities that may affect our operations and performance with respect to environment, climate and social matters, including but not limited to, developing and adopting our ESG policies, strategies and targets, reviewing our performance against ESG-related targets, and revising relevant strategies when we discover significant deviations from the ESG targets.

Our Directors consider that the annual cost of compliance with the applicable health, safety, social and environmental laws and regulations was not material during the Track Record Period and we do not expect the cost of such compliance to be material going forward. During the Track Record Period and up to the Latest Practicable Date, we complied with the relevant environmental protection and occupational health and safety laws and regulations in all material aspects and did not have any incidents or complaints which had a material adverse effect on our business, financial condition or results of operations.

We estimate and assess the potential impact of environment and climate-related issues on our operations. Our supply chain and transportation of raw materials and products could be disrupted by extreme weather conditions. Our business, results of operation and financial condition had not been materially adversely impacted by any climate-related incident during the Track Record Period and up to the Latest Practicable Date.

Metrics and Targets on Environmental Matters

We strictly abide by the relevant national environmental protection laws and regulations in the production and operation, have established and strictly implemented the internal control system of environmental protection, and have been constantly optimizing the process and equipment, and reducing the pollution in the production process. The Board of Directors oversees the assessment and management of our ESG-related risks, opportunities, and objectives. While our business expansion is expected to increase total resource consumption and emissions, we are committed to enhancing our environmental performance across our entire value chain. This includes our office operations, supplier selection, raw material sourcing, experimental processes, and waste management.

Because our total pollutant emissions are relatively low, we are focusing our efforts on monitoring rather than setting separate reduction targets. We will continuously evaluate our partners' emission levels and environmental impacts throughout commercialization and localized production to minimize adverse effects.

Pollutant Disposals

The waste we produce is divided into hazardous waste (such as chemical waste and liquid) and non-hazardous waste (such as waste from general office operations). In 2023, 2024 and for the six months ended June 30, 2025, our solid hazardous waste discharge levels were approximately 8.4 tons, 11.6 tons and 4.8 tons, respectively. We mainly generated more solid hazardous waste in line with the growth of our research, development and manufacturing activities. To the extent feasible, we plan to further improve our operational efficiency to reduce the amount of solid waste generated from our operations.

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Greenhouse Gases Emissions

Air pollution is treated at appropriate gas treatment facilities and then discharged in compliance with standards. We aim to reduce our greenhouse gases (“GHG”) emissions and contribute to the transition to a low-carbon economy. Our greenhouse gas emissions primarily consist of Scope 1, Scope 2 and Scope 3 emissions. Scope 1 emissions mainly include the direct greenhouse gas emissions from our own R&D and other facilities. Scope 2 emissions primarily include the indirect greenhouse gas emissions from our usage of purchased electricity. Scope 3 emissions mainly consist of indirect emissions outside of Scope 2 emissions that occur in our value chain. The following table sets the forth the quantitative disclosure of GHG emissions during the Track Record Period of our operation in the PRC:

Indicator	Unit	Year Ended December 31,		Six Months Ended June 30,
		2023	2024	2025
GHG emissions (Scope 1) . . .	tons of CO ₂ equivalent	–	17.33	7.32
GHG emissions (Scope 2) . . .	tons of CO ₂ equivalent	764.59	856.30	387.15
GHG emissions (Scope 3) . . .	tons of CO ₂ equivalent	424.35	482.72	277.61
Total GHG emissions	tons of CO ₂ equivalent	1,188.94	1,356.35	672.08
Total GHG emissions intensity	equivalent/employee number	1.89	2.36	1.24

Notes:

- (1) Scope 1 greenhouse gas emissions refer to direct emissions from equipment and operations owned or controlled by the Company, primarily resulting from the use of gasoline in the Company’s fleet vehicles.
- (2) Scope 2 greenhouse gas emissions refer to emissions generated from the consumption of purchased or acquired electricity within the Company.
- (3) Scope 3 greenhouse gas emissions primarily include emissions generated from waste produced in operations (Category 5) and those resulting from business travel activities (Category 6).

Resource Consumption

In pursuit of our sustainable development objectives, we rigorously oversee our environmental protection performance across various domains, including resource efficiency and energy consumption. We closely monitor our electricity and water consumption levels and actively implement strategies to enhance energy efficiency and promote water conservation. During the Track Record Period, we actively monitored our resource consumption for our operations, which mainly consist of water and electricity.

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The following table sets out the energy consumption during the Track Record Period:

Indicator	Unit	Year Ended December 31,		Six Months Ended June 30,
		2023	2024	2025
Purchased electricity	MWh	1,424.87	1,595.78	721.49
Total energy consumption . .	MWh	1,424.87	1,651.35	744.96
Energy consumption	MWh/employee			
Intensity	number	2.27	2.88	1.37

The following table sets out the water usage indicator during the Track Record Period:

Indicator	Unit	Year Ended December 31,		Six Months Ended June 30,
		2023	2024	2025
Municipal water use	m ³	3,942.00	5,914.00	1,847.00
Water use intensity	m ³ /employee number	6.27	10.30	3.41

Diversity and Equal Opportunity

We hire employees based on their merits and we strive to offer equal opportunities to our employees regardless of gender, age, race, religion or any other social or personal characteristics. In compliance with the applicable labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, confidentiality obligations, non-competition and grounds for termination. We emphasize career growth, mentorship and professional development for our employees. We strive to provide a safe working environment to our employees by implementing work safety guidelines, which set out safety practices, accident prevention and accident reporting. In terms of corporate governance, we consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control. We also embrace the benefits of having a diverse board with a view to achieving sustainable and balanced development.

Product Safety

Ensuring the safety of our products is our highest priority. We have implemented a comprehensive quality management system that includes the adoption of GMP to ensure the safety and efficacy of our surgical robots and consumables, and we have obtained certification of ISO 13485 quality management systems. We also have a dedicated team of experts responsible for monitoring and maintaining the safety of our products throughout their lifecycle.

Patient Safety

We are committed to safeguarding patient safety through continuous improvement of our quality management system in accordance with evolving regulatory standards. We have established internal procedures for adverse event monitoring, risk assessment, and product recall to promptly identify and mitigate potential risks to patients. We also regularly collect feedback from medical institutions and end-users to enhance both product safety and patient experience.

Pricing

It is important to us that our products are fairly priced and accessible to all who need them. We are committed to responsible pricing that reflects the value our products bring to patients, healthcare providers and society.

We determine our product prices by holistically evaluating four key factors: market conditions, clinical value, production costs, and patient affordability. Our internal guidelines and review mechanisms ensure this pricing is both rational and compliant.

In China, hospitals set surgical procedure prices within ranges established by provincial medical insurance authorities. By introducing our products at competitive prices, we help lower procurement costs for healthcare institutions and reduce the financial burden on patients.

Currently, most robot-assisted surgeries are not covered by standard medical insurance. We are actively advocating with relevant authorities for their inclusion. Simultaneously, we are exploring flexible collaboration models, including leasing and pay-per-use options, to meet the diverse needs of hospitals and patients, thereby improving treatment accessibility.

We believe that our pricing policies and practices are fair and reasonable, taking into account the value our products and services bring to our customers and their patients. We work with our customers to make our products and services more accessible and affordable so that patients have access to the care they need.

Access to Healthcare

Improving access to healthcare is a key priority for us. We are committed to expanding access to our surgical robotics and consumables, particularly in areas where they are needed most. We are committed to increasing access to robotic surgery, which we believe can improve patient outcomes and reduce overall healthcare costs. See “—Sales and marketing—Pricing—Cost-Benefit Analysis of Robot-Assisted MIS for Patients and Hospitals” for more details. We also work with hospitals and physicians to make our products and services more widely available to ensure that patients have access to the advanced technology.

Privacy Protection

Privacy and responsible supply chain management are critical issues for us. We are committed to protecting the privacy and security of our customer, employee and third parties and have implemented policies and protocols with the purpose to ensure data and information security, optimize data governance, protect the benefits of our customers, employees and third parties and ensure compliance with applicable laws and regulations in all material respects. We also engage external professionals to review and update our internal control policies and strategies to ensure our implementation of data protection policies and ensure continuous compliance with applicable laws and regulations in all material respects.

Manufacturing Process

We are committed to reducing waste and minimizing the environmental impact of our operations. We maintain a dedicated team responsible for monitoring and enforcing the compliance of our operations with environment, health and safety laws and regulations. For example, according to Medical Waste Management Regulations (醫療廢物管理條例), the obsolete consumables of surgical robots should be regarded as medical wastes and unitedly disposed by medical waste centralized disposal departments, which indicates the industry norm that the obsolete consumables (including a variety of instruments and accessories) shall be discarded and cannot be recycled by manufacturers, as confirmed by Frost & Sullivan. We have adopted various measures in addressing the health concerns and potential harmful impact arising from our usage of materials and wastes, including (i) using environment-friendly materials to the extent possible; (ii) training employees about environmental and health impact arising from the usage of the relevant waste and materials; (iii) formulating and implementing company-wide strategies, policies and standards in managing environment-related or health-related risks; and (iv) planning and implementing incident response mechanisms.

Supply Chain Management and Sourcing Raw Materials

We integrate environmental, social, and governance (ESG) principles into our supply chain management to enhance risk resilience, improve supplier quality, and build a sustainable partnership network.

We have established a Supplier Development and Management Procedure. This framework defines clear requirements for every stage of the supplier lifecycle, from selection and evaluation to contracting, performance review, and exit mechanisms. We require all suppliers to adhere strictly to our policies on anti-bribery, confidentiality, and conflict-of-interest avoidance.

Our onboarding process mandates that new suppliers submit qualification documents for multi-departmental review by our procurement, R&D, and quality assurance teams before they are added to our Qualified Supplier List. We also conduct annual evaluations of our suppliers

based on quality, delivery, pricing, and service. In addition, we also perform regular audits on our suppliers, both scheduled and ad-hoc, to ensure continued compliance. We require suppliers with identified issues to implement corrective actions and remove those who fail to improve.

Furthermore, we formalize our expectations through procurement and quality agreements that clarify standards, compliance obligations, and confidentiality requirements. We maintain thorough records of all qualifications and audits to ensure our partners consistently meet our standards.

Targets

Concurrently, we are actively working to reduce our greenhouse gas emissions. Our goal for the next three years is to maintain our annual energy consumption and emission intensity within $\pm 10\%$ of our 2024 baseline levels. Specifically, in the next three years, we plan to maintain our total GHG emissions intensity, energy consumption intensity and water use intensity in the range of approximately 2.12 to 2.60 equivalent/employee number, 2.60 to 3.17 MWh/employee number, 9.27 to 11.33 m³/employee number, respectively. In the initial phase (1-3 years), we will invest in energy-saving upgrades and advanced data monitoring systems. These necessary investments will result in capital expenditures and a short-term increase in costs. As we implement energy and water conservation measures over the medium term (3-5 years), improved resource efficiency will stabilize our operating costs and begin to offset the initial investments. In the long term (5-10 years), these efforts will generate sustained savings on energy and water expenses while significantly reducing our environmental and compliance risks. This commitment will strengthen investor confidence and have a positive impact on our long-term financial performance and market competitiveness.

Tackle with climate change

In terms of major climate change related impact that may affect us, we make reference to the Task Force on Climate-Related Financial Disclosures (“**TCFD**”) framework to evaluate the magnitude of the climate impact. The potential climate change risks can be categorized into (a) transition risks: being the risks arising from compliance with the applicable environmental laws and regulations and the stringent environmental protection standards; and (b) physical risks: being the risks for the damages arising from acute weather-related events and longer-term chronic shifts in climate patterns.

In response to transition risks, particularly (i) the evolving environmental and climate regulatory requirements and (ii) the shifts in customer preferences that could lead to negative financial impact such as increase our environmental compliance costs and decrease in revenue due to reduced demand for our products, we have adopted a series of measures to minimize the risks of environment pollution and non-compliance with the applicable environmental laws and regulations. For details, please refer to the paragraph headed “Environmental, Social and Governance Matters—Metrics and Targets on Environmental Matters” in this section.

BUSINESS

During the Track Record Period, we had not experienced any material impact on our business operations or financial performance as a result of climate change or extreme weather conditions.

LICENSES, PERMITS AND CERTIFICATES

We are subject to regular inspections, examinations and audits by local regulators and are required to maintain or renew the necessary permits, licenses and certificates for our business. As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from the government authorities that are material for our business operations in China.

The following table sets forth material licenses, permits and certificates required for our operation in the PRC:

<u>Licenses/Permits/ Certificates</u>	<u>Issuing Authority</u>	<u>Applicable Product(s)</u>	<u>Initial Grant/Filing Date</u>	<u>Expiration Date</u>
Medical Device License (醫療器械註冊證).	NMPA	Edge Multi-Port Endoscopic Surgical Robot (Model: MP1000 ⁽¹⁾ and MP2000 series)	December 14, 2022	December 13, 2027
Medical Device License (醫療器械註冊證).	NMPA	Edge Single-Port Endoscopic Surgical Robot (Model: SP1000)	November 24, 2023	November 23, 2028
Medical Device License (醫療器械註冊證).	NMPA	Edge Bronchoscope Robot (Model: CP1000)	January 26, 2025	January 25, 2030
Medical Device License (醫療器械註冊證).	NMPA	Electronic Bronchoscope (Model No.: XP1101); Bronchoscope Sheath (Model No.: XP1201)	February 26, 2025	February 25, 2030
Medical Device Manufacturing Permit (醫療器械生產許可證) . . .	Guangdong MPA	Class II Cat-02 Inactive Surgical Devices, Class II Cat-01 Active Surgical Devices, Class III Cat-01 Active Surgical Devices, Class II Cat-14 Infusion, Nursing and Protection Devices, Class II Cat-06 Medical Imaging Devices	July 14, 2022 ⁽²⁾	July 13, 2027

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Licenses/Permits/ Certificates	Issuing Authority	Applicable Product(s)	Initial Grant/Filing Date	Expiration Date
Business License for Medical Devices of Class II Medical Devices (醫療器械 經營許可證)	Shenzhen Municipal Market Supervision and Regulation Bureau	–	October 21, 2022	October 20, 2027
Recordation Certificate for Business Activities involving Class II Medical Devices (第二類醫療器械 經營備案憑證)	Shenzhen Municipal Market Supervision and Regulation Bureau	–	February 7, 2023	N/A

Notes:

- (1) Including an updated version of MP1000, also known as MP1000 Plus.
- (2) We were granted a manufacturing permit for infusion, nursing and protection devices (Class II) by the Guangdong MPA on July 14, 2022, which was subsequently modified on December 15, 2022, June 9, 2023, December 26, 2023 and April 3, 2024.

COMPLIANCE AND LEGAL PROCEEDINGS

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we are not a party to, and we are not aware of any threat of, any legal, arbitral or administrative proceeding, which, in our opinion, is likely to have a material and adverse effect on our business, financial conditions or results of operation. During the Track Record Period and up to the Latest Practicable Date, we did not have any non-compliance incidents which our Directors believe would, individually or in the aggregate, have a material operational or financial impact on our business as a whole. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied with the applicable laws and regulations in all material respects. However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. We are committed to maintaining the highest standards of compliance with the laws and regulations applicable to our business.

RISK MANAGEMENT AND INTERNAL CONTROL**Risk Management**

We recognize that risk management is critical to the success of our business. Key operational risks faced by us include changes in the general market conditions and the regulatory environment of the Chinese and global medical device markets, our ability to develop, manufacture and commercialize our products, and our ability to compete with other medical device companies. For details of various risks and uncertainties we face, see “Risk Factors.” We also face various financial risks. In particular, we are exposed to credit, liquidity, interest rate and foreign exchange risks that may arise in the normal course of our business.

We have adopted a consolidated set of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an on-going basis. Our senior management, and ultimately our Directors, supervise the implementation of our risk management policies. Risks identified by our management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by our Group and reported to our Directors.

The following key principles outline our approach to risk management and internal control:

- Our Audit Committee oversees and manages the overall risks associated with our business operations, including: (i) reviewing policies with respect to accounting, risk assessment and risk management; (ii) discussing with management major issues regarding adequacy and effectiveness of procedures and internal control over financial reporting and internal control; (iii) monitoring our compliance with respect to the legal and regulatory policies; and (iv) reporting regularly to the Board.
- Our management is responsible for: (i) formulating and updating our compliance management policy and objectives; (ii) implementing policies with respect to risk assessment and risk management; (iii) providing guidance regarding compliance with regulations and policies; (iv) identifying and evaluating major risk management issues; (v) supervising and inspecting operating activities of subsidiaries and departments to ensure compliance; (vi) organizing and providing compliance trainings; (vii) providing guidance on our risk management approach to the relevant departments; (viii) reviewing and handling the reporting of wrongdoing; and (ix) reporting to our risk management leader on our material risks.
- The relevant departments in our Company, including the internal audit department, the finance department, the legal department and the human resources department, are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. In order to formalize risk management across our Group and set a common level of transparency and risk management performance, the relevant departments shall: (i) gather information about the risks

relating to their operation or function; (ii) conduct risk assessments, which include the identification, prioritization, measurement and categorization of all key risks that could potentially affect their objectives; (iii) prepare a risk management report annually; (iv) monitor the key risks relating to their operation or function; (v) implement appropriate risk responses where necessary; and (vi) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework.

Internal Control

Our Board of Directors is responsible for establishing and ensuring effective internal controls to safeguard our Shareholders' investment at all times. Our internal control policies set out a framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis.

Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have adopted various measures and procedures regarding our business operations, and we provide training about these measures and procedures to new employees. We also constantly monitor the implementation of these measures and procedures.
- We maintain strict anti-bribery and anti-corruption policies. Such policies explicitly require that all employees comply with any applicable anti-corruption laws, regulations and policies and that all employees are prohibited from making illegal or improper payments to any government official, including hospital staff, either on their own or via third parties. Additionally, our employees are not allowed to offer or give gifts, hospitality or anything of value that are not an appropriate type or beyond the value limit set forth in the policy. After the commercialization of our product candidates, we plan to closely monitor to ensure that our sales and marketing personnel comply with applicable promotion and advertising requirements. Under our firm-wide whistle-blowing policy, we make our internal reporting channel open and available for our employees to report, on an anonymous basis, any noncompliance incidents and acts, including bribery and corruption. In addition, our current contract templates for procurement, sales, and distributors all include compliance clauses covering anti-bribery and anti-corruptions.
- With respect to the data and privacy protection, the original medical documents relating to patients in clinical trials are kept by the clinical trial institutions. To improve the privacy protection and data security from our end, we engaged a third-party service provider to manage clinical trial data and other important materials, which are encrypted and desensitized in a standalone system to avoid any incidental-data leakage.

- Our Directors (who are responsible for monitoring the corporate governance of our Group), with help from our Compliance Advisor, will also periodically review our compliance status with all relevant laws and regulations after the Listing.
- We have established an Audit Committee, which is to (i) make recommendations to our Directors on the appointment and removal of external auditors; and (ii) review the financial statements and render advice in respect of financial reporting, as well as oversee internal control procedures of our Group.

During the Track Record Period, we have regularly reviewed and enhanced our internal control system. We believe that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

Control of Agent Payment Arrangements

We have been expanding our overseas distribution network since 2025. In the first half of 2025, four of our overseas distributors (individual or collectively, the “**Relevant Overseas Distributor(s)**”) settled their payments with us through accounts of four third-party payors designated by these Relevant Distributors at their request (the “**Agent Payment Arrangement(s)**”). The third-party payors include certain international payment service providers and one hospital as our end customer. In the six months ended June 30, 2025, the aggregate amount of payments from designated third parties to us was approximately USD1.0 million, representing approximately 4.8% of our total revenue during the same period.

Our Directors confirm that, during the Track Record Period, (i) the Agent Payment Arrangements were solely initiated by the Relevant Overseas Distributors. We did not propose any such arrangement and, except for accepting the payments, did not participate in such arrangement in any other way; (ii) we did not provide any discount, commission, rebate or other benefits to any of the Relevant Overseas Distributors to facilitate or encourage the Agent Payment Arrangements, (iii) the pricing and payment terms of the distribution agreements we entered into with the Relevant Overseas Distributors were in line with those of overseas distributors not involved in the Agent Payment Arrangements, (iv) all payments received by us under the Agent Payment Arrangements were duly booked and recorded following accounting procedures and policies, (v) we were not aware of any commercial bribery, money laundering, tax evasion or existing or potential disputes existing under the Agent Payment Arrangements, and were not subject to any disputes, legal proceedings or administrative penalties related to the Agent Payment Arrangements; (vi) each of the third-party payors designated by the Relevant Overseas Distributors during the Track Record Period is an Independent Third Party and is independent from any of our Directors, senior management and Shareholders; and (vii) to the best knowledge of our Directors, each of the third-party payors is independent from such Relevant Overseas Distributors.

All Relevant Overseas Distributors also confirmed that, among others: (i) all settlements through the Agent Payment Arrangements were backed by genuine transactions; (ii) settlement amounts were consistent with the relevant transaction amounts; (iii) the funds used for the settlements originated from legitimate sources, and the Agent Payment Arrangements are not used for money-laundering or other illegitimate purposes; (iv) there were no instances of money laundering, tax evasion, or existing or potential disputes with us related to the Agent Payment Arrangements; (v) each of the Relevant Overseas Distributors and their designated third-party payors has neither claimed nor will request the return of funds paid to us through the Agent Payment Arrangements; and (vi) we are not bound by any agreement of rights and obligations relating to the Agent Payment Arrangements between the Relevant Overseas Distributors and their designated third-party payors.

Reasons for Using Agent Payment Arrangements

The Agent Payment Arrangements were initiated by the Relevant Overseas Distributors, and we did not propose any such arrangement and, except for accepting the payments, did not participate in such arrangement in any other way. The use of the Agent Payment Arrangements is primarily due to the following reasons:

- *Payment through third-party international payment service providers.* We require full payment of the purchase price in US dollars from our overseas distributors before we deliver our products to them. As advised by the Relevant Overseas Distributors, using third-party payors to settle transaction amounts with us has shortened the settlement cycle, ensuring prompt payments and timely receipt of our products. As advised by Frost & Sullivan, it is a common commercial practice for overseas distributors engaged in international trade to use third-party payors, such as international payment service platforms, to settle corporate transactions with their suppliers, as this offers convenience and flexibility for cross-border settlements. In addition, the Relevant Overseas Distributors are located in developing countries with a longer processing time for payments made in foreign currencies and through their local financial institutions, and the Agent Payment Arrangements may alleviate these difficulties.

The third-party payors designated by the Relevant Overseas Distributors are currency exchange and cross-border payment service providers. These third-party payors solely exchanged local currencies to U.S. dollars for the Relevant Overseas Distributors and conducted cross-border payments on behalf of the Relevant Overseas Distributors; they did not participate in sales negotiations, logistics arrangement, or customs clearance. The Relevant Overseas Distributors assume rights and obligations under the distribution agreements and/ or sales contracts.

- *Payment through hospital as our end customer.* One of the Relevant Overseas Distributors authorized the hospital, which is both its customer and our end customer, to settle transaction amounts with us directly, which has streamlined the entire settlement process and ensured timely receipt of our products.

Internal Control Measures for Agent Payment Arrangements

To safeguard our interest against risks associated with the Agent Payment Arrangements, we have implemented the following internal control measures to mitigate the relevant risks:

- (i) we request our existing and new customers not to settle their payments with us through the third-party agents and we will not accept payments made by third parties in the future, except in special circumstances where the customers have genuine practical difficulties;
- (ii) when accepting payments from third-party agents, we verify the payment details with the relevant customers to ensure that such payments are settled through the third-party payors authorized by our customers; and
- (iii) our standard distribution agreements include anti-corruption and anti-money laundering clauses allowing us to terminate the agreements if the customer or third-party payor engages in any corruption or money-laundering activities.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board of Directors comprises nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors. Our Directors serve a term of not more than two years and may be re-elected for successive reappointments.

The following table sets out information in respect of the Directors.

Name ⁽¹⁾	Age	Position/Title	Date of Appointment	Date of Joining our Group	Role and Responsibility
Executive Directors					
Dr. Wang Jianchen (王建辰)	36	Chairman of the Board	May 4, 2017	May 4, 2017	Overall strategic planning, business direction and operational management of our Group
Dr. Gao Yuanqian (高元倩)	39	Executive Director	January 5, 2022		
		Executive Director	January 5, 2022	May 4, 2017	Overall operational management and R&D management, as well as overseeing corporate finance, accounting matters and financial reporting of our Group
Ms. Wu Mengyuan (吳夢媛)	34	Executive Director	January 5, 2022	February 11, 2019	Overall reporting and disclosure issues and compliance management of our Group
Name	Age	Position/Title	Date of Appointment	Date of Joining our Group	Role and Responsibility
Non-executive Directors					
Mr. Sheng Li (盛利)	46	Non-executive Director	January 5, 2022	September 10, 2020	Overseeing Board affairs and giving strategic advice and guidance on the business operation of our Group
Mr. Chen Gang (陳剛)	42	Non-executive Director	January 5, 2022	January 12, 2021	Overseeing Board affairs and giving strategic advice and guidance on the business operation of our Group
Mr. Qiu Xiang (邱翔)	35	Non-executive Director	January 5, 2022	October 20, 2021	Overseeing Board affairs and giving strategic advice and guidance on the business operation of our Group

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position/Title	Date of Appointment	Date of Joining our Group	Role and Responsibility
Independent Non-executive Directors					
Mr. Yang Fan (楊帆)	45	Independent Non-executive Director	Date of this Prospectus	Date of this Prospectus	Providing independent advice on issues relating to corporate governance, audit and the remuneration and assessment of our Directors, Supervisors and senior management
Mr. Zhang Guoguang (張國光)	45	Independent Non-executive Director	Date of this Prospectus	Date of this Prospectus	Providing independent advice on issues relating to corporate governance, audit and the remuneration and assessment of our Directors, Supervisors and senior management
Mr. Lau Ying Kit (劉英傑)	51	Independent Non-executive Director	Date of this Prospectus	Date of this Prospectus	Providing independent advice on issues relating to corporate governance, audit and the remuneration and assessment of our Directors, Supervisors and senior management

Note:

- (1) Other than the spousal relationship between Dr. Wang and Dr. Gao, there is no other relationship among each Director, Supervisor and member of senior management of the Company.

Executive Directors

Dr. Wang Jianchen (王建辰), aged 36, is the chairman of our Board, an executive Director, CEO and General Manager of our Company and co-founded our Company with Dr. Gao in May 2017. He was re-designated as our executive Director in January 2022. Dr. Wang has also been the executive director of Jingfeng Zhizao, Shanghai Jingfeng, Beijing Jingfeng and Edge Medical (Hong Kong) Limited, our wholly-owned subsidiaries since their incorporations. He is primarily responsible for the overall strategic planning, business direction and operational management of our Group.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Dr. Wang has over 12 years of experience in aggregate in product research, development and team management in surgical robots industry. Dr. Wang is recognized as Shenzhen High-level Talent (深圳市高層次人才). He was also awarded the first prize of “Guangdong Province Science and Technology Progress Award” in 2021 and the second prize of “National Science and Technology Progress Award” in 2023.

Dr. Wang received a master’s degree in mechanical engineering from Tianjin University (天津大學) in the PRC in July 2013. During the period from January 2016 to June 2017, he completed a joint PhD program in Tianjin University and the School of Mechanical Engineering at Massachusetts Institute of Technology in the U.S., and received a doctorate degree in mechanical engineering from Tianjin University.

Dr. Gao Yuanqian (高元倩), aged 39, is an executive Director, Chief Operating Officer, Chief Technology Officer, Associate General Manager and Finance Director of our Company and co-founded our Company with Dr. Wang in May 2017. Dr. Gao was appointed as our Director in November 2018 and was re-designated as our executive Director in January 2022. Dr. Gao has been the executive director of Jingfeng Zhizao and Jingfeng Kechuang, our wholly-owned subsidiaries since their incorporations. She is primarily responsible for the overall operational management and R&D management and overseeing corporate finance, accounting matters and financial reporting of our Group.

Dr. Gao has approximately 13 years of experience in aggregate in product research, development and team management in surgical robots industry.

Dr. Gao received a master’s degree in mechanical engineering from Tianjin University (天津大學) in the PRC in January 2013. During the period from February 2016 to June 2016, she was a visiting researcher in Robotics Laboratory of Department of Informatics at King’s College London in the United Kingdom. Dr. Gao completed a joint PhD program in Tianjin University and Surgical Navigation and Robotics Laboratory at Harvard Medical School in the U.S., and received a doctorate degree in mechanical engineering from Tianjin University in June 2017.

Dr. Wang and Dr. Gao have remarkable academic achievements and pioneering experience in the development of surgical robots. According to Frost & Sullivan, the decade from 2010 to 2021 is a breakthrough period for surgical robot development in China. Dr. Wang and Dr. Gao embarked their research of surgical robots at Tianjin University, one of the most prestigious robotics research institutes in China, in 2011 and 2010, respectively.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During their study at Tianjin University, Dr. Wang and Dr. Gao were directly supervised by and collaborated with a renowned robotic expert, Dr. Shuxin Wang (王樹新), an academican of the Chinese Academy of Engineering, and one of the earliest developers of endoscopic surgical robots in China. Through such studies, Dr. Wang and Dr. Gao as the pioneer generation of surgical robot developers achieved exceptional academic accomplishments. Dr. Wang and Dr. Gao were also funded by the PRC government to further develop academically at globally leading institutes. Dr. Wang studied in the School of Mechanical Engineering at Massachusetts Institute of Technology from 2016 to 2017 through the joint Ph.D. program, and Dr. Gao studied at King's College London in 2016 and in the Surgical Navigation and Robotics Laboratory at Harvard Medical School from 2016 to 2017 through the joint Ph.D. program.

During their research experience, Dr. Wang and Dr. Gao have made significant progress on the development of surgical robots which generated pioneering results in an early time. Their research at Tianjin University has laid a solid foundation for the development of novel surgical robots used in minimally invasive surgery. They have systematically mastered the fundamental theories that are commonly applied to both multi-port and single-port endoscopic surgical robots, as evidenced in multiple papers published by them, such as Dr. Wang's papers published in 2017 (Wang Jianchen et al., Development of a Novel Robotic Platform with Controllable Stiffness Manipulation Arms for Laparoendoscopic Single-site Surgery (LESS), The International Journal of Medical Robotics and Computer Assisted Surgery 2017; Wang Jianchen et al., Design and Evaluation of a Variable Stiffness Manual Operating Platform for Laparoendoscopic Single Site Surgery (LESS), The International Journal of Medical Robotics and Computer Assisted Surgery, 2017). During the period when they were studying abroad, they had also generated substantial research results. For example, Dr. Gao worked on the project "Technical Development and Clinical Research of Endoscopic Robot" and has successfully developed the evaluation method for continuum robot for neurosurgery. In her time in the laboratory of Harvard Medical School, she has set up a surgical path planning method to guide the robot through tortuous approach paths in a small cavity and measured the path deviation of the robot for bending arrangement and clinical relevant trajectories in combined endoscopic third ventriculostomy and endoscopic tumor biopsy. Regarding this research, Dr. Gao published a paper in 2019 (Gao Yuanqian et al., Continuum Robot With Follow-the-Leader Motion for Endoscopic Third Ventriculostomy and Tumor Biopsy, IEEE Transactions on Biomedical Engineering, 2019). Dr. Wang systematically studied and deeply researched the core techniques of single-port surgical robots and the algorithms for surgical robots during his time at Massachusetts Institute of Technology. With such academic achievements, Dr. Wang and Dr. Gao founded the Company in 2017 and successfully developed our Core Products. As of the Latest Practicable Date, our Edge Multi-Port Endoscopic Surgical Robot received approvals from the NMPA for applications in urologic, gynecologic, general and thoracic surgery, and our Edge Single-Port Endoscopic Surgical Robot received approvals from the NMPA for applications in urologic, gynecologic and general surgery.

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Dr. Wang and Dr. Gao have published in aggregate 16 research papers on globally and nationally renowned publications since as early as 2011, among which five articles were published on *The International Journal of Medical Robotics and Computer Assisted Surgery*, one of the most authoritative and influential journals in the field of robotics and computer assisted technologies for medical applications. Below is a summary of the 16 research papers published by Dr. Wang and Dr. Gao.

No.	Name of Paper	Authors	Publish Year	Publications
1. . .	Feasibility study of EDGE SP1000 single hole surgical robot assisted laparoscopic partial ureterectomy with end-to-end anastomosis in pigs	Liu Cheng, Lai Cong, Huang Jian, Wang Jianchen, Luo Xiyun, Xu Kewei	2023	Chin J Endourol
2. . .	First Preclinical Experience with the Newly Developed EDGE SP1000 Single- Port Robotic Surgical System-Assisted Transanal Total Mesorectal Excision	Kang L, Liu H, Zeng Z, Luo S, Zhang X, Huang L, Dr. Wang, Lan P	2021	Gastroenterology Report
3. . .	Robot-assisted Endoscopic Airway Reconstruction Using the Newly Developed Chinese Uniportal Robotic Surgical System	Guo X, Cai S, Deng Y, Yang C, Liu W, Yao X, Wu X, Dr. Wang, Wu J	2021	IASLC 2020 World Conference on Lung Cancer
4. . .	Robot-Assisted Nephrectomy Using the Newly Developed EDGE SP1000 Single- port Robotic Surgical System: A Feasibility Study in Porcine Model	Liu C, Lai C, Yao X, Li K, Dr. Wang, Huang J, Xu K	2020	Journal of Endourology
5. . .	Robot-assisted Endoscopic Airway Reconstruction Using the Newly Developed Chinese Uniportal Robotic Surgical System-EDGE SP: A Preclinical Experiment in Rabbits	Guo X, Cai S, Yao X, Wu X, Dr. Wang, Mu J	2019	The 19th Annual Scientific Meeting of Chinese Society for Thoracic and Cardiovascular Surgery
6. . .	Continuum Robot with Follow the Leader Motion for Endoscopic Third Ventriculostomy and Tumor Biopsy	Dr. Gao, Takagi K, Kato T. Shono N, and Hata N	2019	The IEEE Transactions on Biomedical Engineering

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

No.	Name of Paper	Authors	Publish Year	Publications
7. . .	Development of a Novel Robotic Platform with Controllable Stiffness Manipulation Arms for Laparoendoscopic Single-site Surgery (LESS)	Dr. Wang, Wang S, Li J, Ren X, Briggs RM	2017	The International Journal of Medical Robotics and Computer Assisted Surgery
8. . .	Modeling and Evaluation of Hand-eye Coordination of Surgical Robotic System on Task Performance.	Dr. Gao, Wang S, Li J, Li A, Liu H, Xing Y	2017	The International Journal of Medical Robotics and Computer Assisted Surgery
9. . .	Modeling the Convergence Accommodation of Stereo Vision for Binocular Endoscopy.	Dr. Gao, Li J, Li J, Wang S	2017	The International Journal of Medical Robotics and Computer Assisted Surgery
10. . .	Design and Evaluation of a Variable Stiffness Manual Operating Platform for Laparoendoscopic Single Site Surgery (LESS).	Li J, Li X, Dr. Wang, Xing Y, Wang S, Ren X	2017	The International Journal of Medical Robotics and Computer Assisted Surgery
11. . .	A laparoendoscopic single-site surgery robot with stiffness-controllable manipulation arms	Dr. Wang, Wang S, Ren X, Xing Y	2016	Hamlyn Symposium on Medical Robotics
12. . .	Modelling and quality control of robot-assisted gastrointestinal assembly	Wang S, Dr. Wang, Li J	2015	CIRP Annals-Manufacturing Technology
13. . .	Design of an integrated master-slave robotic system for minimally invasive surgery	Li J, Zhou N, Wang S*, Dr. Gao, Liu D	2012	The International Journal of Medical Robotics and Computer Assisted Surgery
14. . .	Development of a Teleoperation System Based on Virtual Environment	Dr. Gao, Li J, Su H, and Li J*	2011	The 2011 IEEE International Conference on Robotics and Biomimetics

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No.	Name of Paper	Authors	Publish Year	Publications
15.	Control System Design of a Novel Minimally Invasive Surgery Robot	Liang K, Li J*, Kong K, Dr. Gao, Liu D	2011	The IEEE/ICME International Conference on Complex Medical Engineering (CME)
16.	Development of a Robotic Arm for Minimally Invasive Surgery	Kong K, Li J, Li J*, Liang K, Dr. Gao	2011	The IEEE/ICME International Conference on Complex Medical Engineering (CME)

Since 2013, they had been named as the inventors of 370 patents in aggregate relating to the development breakthroughs of surgical robots as of the Latest Practicable Date, among which the Company was entitled to 370 patents. Additionally, they have also intensively involved in multiple research projects funded by the Ministry of Science and Technology of China and the National Natural Science Foundation of China regarding robotic minimally invasive surgery and advanced surgical instruments for minimally invasive surgery.

Ms. Wu Mengyuan (吳夢媛), alias Wu Yuan (吳媛), aged 34, is an executive Director, the secretary to the Board and our joint company secretary. Ms. Wu was appointed as our Director in March 2020 and was re-designated as our executive Director on January 5, 2022. Ms. Wu has also been the executive director of Jingfeng Zhizao, our wholly-owned subsidiary, since its incorporation. She is primarily responsible for the overall reporting and disclosure issues and compliance management of our Group.

Ms. Wu joined our Group as the assistant to the general manager of our Company in February 2019. She has been serving as the director of Jingfeng Zhizao since January 2021. Prior to joining our Group, Ms. Wu served in COMAC Shanghai Aircraft Design and Research Institute (上海飛機設計研究院) from August 2016 to May 2018 and served in Shenzhen ROBO Medical Technology Co., Ltd (深圳市羅伯醫療科技有限公司) from August 2018 to January 2019.

Ms. Wu received a double bachelor's degree in archival science and economics and a master's degree in library and information science from Wuhan University (武漢大學) in the PRC in June 2014 and June 2016, respectively.

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Non-executive Directors

Mr. Sheng Li (盛利), aged 46, joined as a Director of our Company in September 2020 and was re-designated as our non-executive Director in January 2022. He is primarily responsible for overseeing Board affairs and giving strategic advice and guidance on the business operation of our Group.

Mr. Sheng has over 19 years of extensive experience in healthcare investment in the China market. Since July 2016, Mr. Sheng has been the founding managing partner of 3H Health Investment (三正健康投資), a professional life science investment firm, specializing in life sciences and healthcare related equity investments. Prior to that, Mr. Sheng worked at Hony Capital (弘毅投資) from May 2006 to March 2016, where he first joined as an analyst and was promoted several times to the position of investment director of the health industry department.

Mr. Sheng received his bachelor's degree in biopharmaceutical from China Pharmaceutical University (中國藥科大學) in the PRC in July 2001 and a master's degree in business administration from Tsinghua University (清華大學) in the PRC in July 2006.

Mr. Chen Gang (陳剛), aged 42, joined as a Director of our Company in January 2021 and was re-designated as our non-executive Director in January 2022. He is primarily responsible for overseeing Board affairs and giving strategic advice and guidance on the business operation of our Group.

Mr. Chen joined LYFE Capital Equity Investment Management (Shanghai) Co., Ltd. (洲嶺私募基金管理(上海)有限公司) as a director in March 2017, and he has been its partner since March 2019. Mr. Chen is concurrently serving as the non-executive director in a number of other companies, including Shanghai Zhenge Biotechnology Co., Ltd (上海臻格生物技術有限公司) since 2020, Shenzhen Reetoo Biotechnology Co., Ltd (深圳市瑞圖生物技術有限公司) since 2020, Shanghai Shenqi Medical Technology Co., Ltd. (上海申淇醫療科技有限公司) since 2021, Shanghai HeartCare Medical Technology Corporation Limited (上海心瑋醫療科技股份有限公司) since November 2023.

Prior to his current positions, Mr. Chen served as a supervisor of Jiangsu Recbio Technology Co., Ltd. (江蘇瑞科生物技術股份有限公司) (HKEX: 2179) from November 2020 to September 2022. Mr. Chen served as a director since June 2020 and was appointed as a non-executive director of Shanghai HeartCare Medical Technology Corporation Limited (上海心瑋醫療科技股份有限公司) from November 2020 to August 2022 (HKEX: 6609). From March 2020 to April 2022, Mr. Chen served as a non-executive director of Kangji Medical Holdings Limited (康基醫療控股有限公司) (“**Kangji Medical Holdings**”). From June 2018 to August 2020, Mr. Chen served as a director in Hangzhou Kangji Medical Instrument Co., Ltd. (杭州康基醫療器械有限公司), a subsidiary of Kangji Medical Holdings. From June 2018 to December 2020, Mr. Chen served as a supervisor at Sino Medical Sciences Technology Inc. (賽諾醫療科學技術股份有限公司) (SHSE: 688108). From 2013 to 2015, Mr. Chen worked at Vivo

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Capital Equity Investment Management (Shanghai) Co., Ltd. (維梧股權投資管理(上海)有限公司). From 2007 to 2011, Mr. Chen served as a project leader at L.E.K. Consulting (Shanghai) Co., Ltd. (艾意凱諮詢(上海)有限公司).

Mr. Chen received his bachelor's degree in clinical medicine from Shanghai Medical College of Fudan University (復旦大學上海醫學院) in the PRC in July 2007 and master's degree in business administration from Kellogg School of Management of Northwestern University in the U.S. in June 2013.

Mr. Qiu Xiang (邱翔), aged 35, joined as a Director of our Company in October 2021 and was re-designated as our non-executive Director in January 2022. He is primarily responsible for overseeing Board affairs and giving strategic advice and guidance on the business operation of our Group.

Mr. Qiu joined Boyu Capital in July 2012, where he currently serves as executive director.

Mr. Qiu received a bachelor's degree in economics from Peking University in the PRC in July 2012.

Independent Non-executive Directors

Mr. Yang Fan (楊帆), aged 45, is an independent non-executive Director of our Company. He is primarily responsible for providing independent advice on issues relating to corporate governance, audit and the remuneration and assessment of our Directors, Supervisors and senior management.

Mr. Yang has over 20 years of management consulting experience, helping companies formulate development strategies and establish agile strategic management systems. Mr. Yang is the managing partner and has been working at StratOp (Beijing) Management Consulting Co., Ltd. (銳思銳拓(北京)管理諮詢有限公司) since March 2010, during which he manages the implementation of action plans through a PMO mechanism, continuously optimizes operational efficiency through research services and business analysis, promotes efficient commercial innovation through the establishment of agile innovation mechanisms, and assists companies in entering global markets through overseas market research and resource connections. Before that, Mr. Yang served at McKinsey & Company from July 2005 to July 2009, serving leading enterprises both domestically and internationally.

Mr. Yang received his bachelor's degree in Mechanical Engineering and Automation and master's degree in Management Science and Engineering from Tsinghua University (清華大學) in the PRC in July 2002 and July 2005, respectively. He also obtained a master's degree from RWTH Aachen University in Germany in July 2005.

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Mr. Zhang Guoguang (張國光), aged 45, is the lead independent non-executive Director of our Company. He is primarily responsible for providing independent advice on issues relating to corporate governance and regulatory compliance for our Directors, Supervisors and senior management.

Mr. Zhang has over 20 years of expertise in the capital markets. He has been serving as an independent non-executive director of Immunotech Biopharm Ltd (HKEX: 6978) since June 2025. He has been a senior partner of Hylands Law Firm (北京浩天律師事務所) since August 2021 and is also the leading partner of the capital markets committee and a member of the management committee. Mr. Zhang is well-versed in both domestic and international regulatory frameworks and excels in managing complex transactional projects. He has assisted numerous Chinese companies in entering domestic and international capital markets. Prior to his current positions, Mr. Zhang served at Commerce & Finance Law Office in Beijing (北京市通商律師事務所) as a partner until 2021.

Mr. Zhang graduated from the Law School of Peking University (北京大學) with a Bachelor of Laws degree in July 2002.

Mr. Lau Ying Kit (劉英傑), aged 51, is an independent non-executive Director of our Company. He is primarily responsible for providing independent advice on issues relating to corporate governance, audit and the remuneration and assessment of our Directors, Supervisors and senior management.

Mr. Lau has extensive experience in financial and accounting in China and Hong Kong. He is currently the finance and investor relations director and company secretary of Dalipal Holdings Limited (HKEX: 1921), an independent non-executive director of Kingdom Holdings Limited (HKEX: 528), United Strength Power Holdings Limited (HKEX: 2337), Kangli International Holdings Limited (HKEX: 6890), and Sinco Pharmaceuticals Holdings Limited (HKEX: 6833), and a director of KP3993 Resources Inc. (TSXV: KPEN.P). Mr. Lau served as the chief financial officer and company secretary of Great Harvest Maeta Holdings Limited (HKEX: 3683) from August 2010 to November 2017. Prior to that, Mr. Lau served as the chief financial officer and company secretary of C Y Foundation Group Limited (HKEX: 1182) from December 2008 to July 2010, the chief financial officer and company secretary of China Glass Holdings Limited (HKEX: 3300) from December 2004 to November 2008, and the finance director and company secretary at Sing Lee Software (Group) Limited (HKEX: 8076) from December 2003 to December 2004.

Mr. Lau graduated from the City University of Hong Kong with a master's degree in finance in November 2008. Mr. Lau is a fellow member of the Hong Kong Institute of Certified Public Accountants.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

SUPERVISORY COMMITTEE

The Supervisory Committee currently consists of three Supervisors as of the date of this Prospectus. Supervisors are elected at the staff representative assembly and the Shareholders' meetings, respectively, for a term of three years, subject to re-election upon their retirement or resignation.

The following table sets out information in respect of the Supervisors.

Name	Age	Position/Title	Date of Appointment	Date of Joining our Group	Role and Responsibility
Mr. Ye Guoqiang (葉國強)	38	Chairman of the Supervisory Committee Supervisor	December 13, 2021	July 2, 2018	Supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor
Mr. Zhang Xiangping (張相平)	39	Supervisor	May 31, 2023	May 14, 2019	Supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor
Mr. Lin Mincai (林民才)	34	Supervisor	May 31, 2023	December 24, 2018	Supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor

Supervisors

Mr. Ye Guoqiang (葉國強), aged 38, is the chairman of our Supervisory Committee and a Supervisor. He is primarily responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor.

Mr. Ye joined our Group in July 2018 as the manager of system control department and has been the system engineer of the R&D department of our Company since July 2021. He was appointed as the Supervisor of our Company in December 2021. Prior to joining our Company, Mr. Ye worked at the system control department of Shenzhen Zhaoke Zhikong Technology Co., Ltd. (深圳招科智控科技有限公司) from December 2017 to March 2018.

Mr. Ye received a bachelor's degree in mechanical design manufacture and automation from South China Agricultural University (華南農業大學) in the PRC in July 2009. He received a doctorate degree in mechanical manufacture and automation from South China University of Technology (華南理工大學) in the PRC in October 2017.

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Mr. Zhang Xiangping (張相平), aged 39, is a Supervisor. He is primarily responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor.

Mr. Zhang joined our Group in May 2019 and was appointed as the deputy director of research and development of our Company in April 2022. He was appointed as a Supervisor of our Company in May 2023. Prior to joining our Group, Mr. Zhang worked in the research and development department in BYD Company Limited (比亞迪股份有限公司) (HKEX: 1211, SZSE: 002594) from July 2010 to February 2012. Mr. Zhang worked in the research and development department in Fiberhome Telecommunication Technologies Co Ltd (烽火通信科技股份有限公司) (SHSE: 600498) from January 2014 to August 2016. Mr. Zhang then worked in the research and development department in ZTE Corporation (中興通訊股份有限公司) (HKEX: 0763, SZSE: 000063), from May 2018 to May 2019.

Mr. Zhang received a bachelor's degree in communication engineering from Taiyuan University of Technology (太原理工大學) in the PRC in July 2010.

Mr. Lin Mincai (林民才), aged 34, is a Supervisor. He is primarily responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor.

Mr. Lin joined our Group in December 2018 and was appointed as the R&D manager of our Company in September 2022. He was appointed as a Supervisor and a R&D director of our Company in May 2023 and January 2025, respectively. Prior to joining our Group, Mr. Lin worked in Foxconn Technology Group Co., Ltd. (富士康科技集團有限公司) from July 2013 to December 2017, where he was primarily responsible for engineering technology. Mr. Lin then worked in Shenzhen Yuzhan Precision Technology Co., Ltd. (富聯裕展科技(深圳)有限公司) in 2018, where he was primarily responsible for engineering technology.

Mr. Lin received a bachelor's degree in mechatronic engineering from South China University of Technology (華南理工大學) in the PRC in June 2013.

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SENIOR MANAGEMENT

The following table sets out information regarding the members of senior management of our Company.

Name	Age	Position/Title	Date of Appointment	Date of Joining our Group	Role and Responsibility
Dr. Wang Jianchen (王建辰)	36	CEO General Manager	May 4, 2017 June 16, 2025	May 4, 2017	Overall strategic planning, business direction and operational management of our Group
Dr. Gao Yuanqian (高元倩)	39	Chief Operating Officer and Chief Technology Officer Associate General Manager and Finance Director	May 4, 2017 June 16, 2025	May 4, 2017	Overall operational management and R&D management, as well as overseeing corporate finance, accounting matters and financial reporting of our Group
Mr. Chen Zongxi (陳宗希)	54	Chief Commercial Officer	January 4, 2022	January 4, 2022	The product marketing, sales and distribution management of our Group
Mr. Han Wenbin (韓文彬)	48	Vice President of Supply Chain	September 1, 2022	March 9, 2020	Overall supply chain management and production management of our Group

Dr. Wang Jianchen (王建辰), aged 36, is the chairman of our Board, an executive Director, the CEO and General Manager of our Company. For details of his biography, see “—Board of Directors” in this section.

Dr. Gao Yuanqian (高元倩), aged 39, is an executive Director, Chief Operating Officer, Chief Technology Officer, Associate General Manager and Finance Director of our Company. For details of her biography, see “—Board of Directors” in this section.

Mr. Chen Zongxi (陳宗希), aged 54, joined our Company in January 2022 and has been serving as the Chief Commercial Officer since then. He is primarily responsible for the product marketing, sales and distribution management of our Group.

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Prior to joining our Company, Mr. Chen served as the senior sales manager of Emerson Process Management Co., Ltd. (艾默生過程控制有限公司), a subsidiary of Emerson Electric Co. (NYSE: EMR), in China from January 1999 to March 2007. He served in GE Medical Systems Trade and Development (Shanghai) Co., Ltd. (通用電氣醫療系統貿易發展(上海)有限公司), a subsidiary of General Electric Company (NYSE: GE) (together with its subsidiaries and affiliates “**GE Group**”), in China from April 2008 to December 2021. During his employment with GE Group, he successively served as a national sales director of GE Energy Optimization and Control from April 2008 to August 2010, a general manager of government project department from September 2010 to December 2013, a regional general manager from January 2014 to July 2020 and a general manager of Greater China of CT business department from August 2020 to December 2021.

Mr. Chen received a bachelor’s degree in computer and automation engineering from Sichuan University (四川大學) in the PRC in July 1993 and studied for an executive master’s degree in business administration at Peking University (北京大學) from 2007 to 2009.

Mr. Han Wenbin (韓文彬), aged 48, joined as the manager of engineering department of our Company in March 2020 and was serving as the director of supply chain since October 2021. He has been serving as the Vice President of Supply Chain since September 2022. He is primarily responsible for overall supply chain management and production management of our Group.

Prior to joining our Company, Mr. Han once worked in Olympus (Shenzhen) Industrial Ltd. (奧林巴斯(深圳)工業有限公司) under the group of Olympus Corporation (TYO: 7733) as a R&D manager, during which he optimized production first-pass yield at Shenzhen/Vietnam factories and strengthened quality control for outsourced components. He led end-to-end new product introduction processes to achieve QCD targets, leveraged expertise in ISO 9000 and TS 16949 quality management systems. Prior to that, Mr. Han served as the R&D director of South Reed Technology Co., Limited (深圳葭南科技有限公司) from March 2018 to March 2020.

Mr. Han received a bachelor’s degree in optoelectronic engineering from Huazhong University of Science and Technology (華中科技大學) in the PRC in July 2000.

DIRECTORS’, SUPERVISORS’ AND SENIOR MANAGEMENT’S INTERESTS

Save as disclosed above, none of our Directors, Supervisors and members of senior management has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Prospectus.

Save as disclosed above, none of our Directors, Supervisors and members of the senior management is related to other Directors, Supervisors and members of the senior management.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Save as disclosed herein, to the best knowledge, information and belief of our Directors and Supervisors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors and Supervisors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors and Supervisors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

As of the Latest Practicable Date, save as disclosed in the section headed “Statutory and General Information—Further Information about Our Directors, Supervisors, Senior Management and Substantial Shareholders”, none of our Directors, Supervisors and senior management holds any interest in our Company as set out in Part XV of the Securities and Futures Ordinance as at the Latest Practicable Date.

JOINT COMPANY SECRETARIES

Ms. Wu Mengyuan (吳夢媛) was appointed as a joint company secretary on June 16, 2025 with effect from the Listing Date. For details of her biography, see “—Executive Directors” in this section.

Mr. Li Kin Wai (李健威) was appointed as the other joint company secretary of our Company in December 2025, with effect from the Listing Date. Mr. Li is a Senior Manager of Corporate Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services.

Mr. Li has over 10 years of experience in the corporate secretarial field. He has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Mr. Li is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Our Company has been granted a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Wu may be appointed as a joint company secretary of our Company. However, the waiver can be revoked if there are material breaches of the Listing Rules by our Company. For details, please see the section headed “Waivers and Exemption” in this Prospectus.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, Appendix C1 to the Listing Rules, our Company has formed three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Audit Committee consists of one non-executive Director, namely Mr. Sheng Li, and two independent non-executive Directors, namely Mr. Lau Ying Kit and Mr. Zhang Guoguang. Mr. Lau Ying Kit holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules and Mr. Zhang Guoguang serves as the chairman of the Audit Committee. The primary duties of the Audit Committee include, but not limited to, the following:

- proposing the appointment or change of external auditors to our Board, and coordinating the communication between internal audit and external audit;
- examining the financial information of our Company and disclosure related matters;
- supervising the financial reporting system, risk management and internal control system of our Company;
- monitoring the misconduct in the financial reports and internal control of our Company;
- performing corporate governance responsibilities;
- examining the scientificity, rationality, effectiveness and implementation of the internal control system of our Company and its subsidiaries and branches, and making recommendations on the accountability of those responsible for violations;
- reviewing major connected transactions according to the mandate granted by the Board; and
- dealing with other matters that are authorized by our Board or involved in laws, regulations, regulatory documents, Listing Rules, Articles of Association, and the rules of procedure of the Board.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Remuneration Committee consists of one executive Director, namely Ms. Wu Mengyuan, and two independent non-executive Directors, namely Mr. Yang Fan and Mr. Zhang Guoguang. Mr. Yang Fan serves as the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee include, but not limited to, the following:

- performing responsibilities set out in the relevant code provisions of the Corporate Governance Code in Appendix C1 of the Listing Rules (as amended from time to time);
- formulating individual remuneration plans for Directors, Supervisors and members of the senior management in accordance with the terms of reference of the job responsibilities, the importance of their positions as well as the remuneration benchmarks for the relevant positions in the other comparable companies;
- making recommendations to the Board on the overall remuneration policy and structure of the Directors and senior management of our Company, and formulating a remuneration policy on the establishment of formal and transparent procedures;
- examining and resolving remuneration proposals from the management in accordance with the corporate policies and objectives set by the Board;
- making recommendations to the Board on the remuneration package of individual executive Directors and senior management, which should include non-pecuniary benefits, pension rights and compensation amounts (including compensation for loss or termination of office or appointment);
- making recommendations to the Board on the remuneration of non-executive Directors (including independent non-executive directors);
- considering the salary, time and responsibilities of similar companies, and the employment conditions of other positions in our Group;
- examining and resolving the compensation payable to executive Directors and senior management for the loss or termination of their duties or appointments to ensure that such compensation is consistent with the terms of the contract;
- examining the criteria of performance evaluation of Directors, Supervisors and the senior management of our Company, and conducting annual performance evaluation;

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

- supervising the implementation of the remuneration plan of the Company;
- reviewing and/or approving matters relating to shares schemes under Chapter 17 of the Listing Rules; and
- dealing with other matters that are authorized by the Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Nomination Committee consists of one executive Director, namely Dr. Gao, and two independent non-executive Directors, namely Mr. Yang Fan and Mr. Zhang Guoguang. Mr. Zhang Guoguang serves as the chairman of the Nomination Committee. The primary duties of the Nomination Committee include, but not limited to, the following:

- researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board;
- conducting extensive search and providing to our Board suitable candidates for Directors, general managers and other members of the senior management;
- examining our Board candidates, general manager and members of the senior management and making recommendations to our Board;
- examining at least annually the structure, number, composition and diversity of members of the Board (including skills, knowledge, experience, gender, age, cultural and educational background, and service tenure), and making recommendations on any changes to the Board that are proposed to match the strategy of our Company;
- evaluating the structure of the committees under the Board, making recommendations on the directors to serve as members of relevant committees, and submitting to the Board for approval;
- formulating, examining, implementing and supervising (if applicable) Director nomination policies, and disclosing them in the corporate governance report of our Company every year;

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

- formulating, examining and implementing the Board diversity policy, monitoring the progress towards the goals set for the implementation of relevant policies, and disclosing relevant policies or policy summaries in the corporate governance report every year, including any measurable targets set for the implementation of the policies and their achievement progress towards these goals;
- implementing any related matters that enable the committee to perform the powers and functions delegated by the Board; and
- dealing with other matters that are authorized by our Board.

EMPLOYMENT ARRANGEMENT OF SENIOR MANAGEMENT

We normally enter into (i) an employment contract and (ii) a confidentiality, intellectual property and non-competition agreement with each of our senior management members. The key terms of such contracts are set forth below.

- *Terms:* We normally enter into three years' or non-fixed term employment contract with our senior management members.
- *No-competition:* the non-competition obligations shall subsist throughout the employee's period of employment and up to 3 months after termination of employment. During the non-competition period, without prior written consent or confirmation from the Company, the employee shall not (i) in his/her own name or in other identities, directly or indirectly participate in business related to developing or selling similar products developed or sold by the Company; (ii) instigate, induce, solicit or encourage any employee of the company to leave the Company, or solicit any client or the business of the client; (iii) engage in a business (self-owned or others') of the same industry as the Company, or hold any position (part time or full time) in any other entity which competes with our Company.

Confidentiality

- *Confidential information:* The employee shall keep confidential information, namely business-related information related information of our Company in confidence as follows: (i) technical information: including but not limited to research reports, models, plans, compilation, inventions, manufacturing methods, formulas, process flow, technical indicators, computer software (including source codes), database, test results, drawings, samples, experimental data, operation manuals, technical documents, corresponding faxes, correspondence; (ii) management information: including but not limited to management methods, customer lists, sales channels and networks, purchasing information, product prices, pricing policies, financial information, purchase channels, quality control information and production operation guides; (iii) production information: trial production information, important production links and locations; (iv) other information.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

- *Obligation and duration:* The employee shall not: (i) obtain any confidential information unrelated to his or her own occupation or business by any improper means; (ii) disclose any confidential information to any third party who does not undertake any confidential obligations to the Company; (iii) permit or assist any third party who does not undertake any confidential obligations to utilize the confidential information of our Company; (iv) utilize the confidential information of our Company for self-employed purposes. If the employee discovers any leakage of or negligent disclosure of the confidential information, the relevant employee shall take effective measures to prevent further leakage, and shall report to the Company timely. Such obligation of confidentiality shall subsist for the term of his or her employment and thereafter, and until the relevant information has become fully public.

Intellectual Property Rights

- *Acknowledgement:* Our Company owns the intellectual property rights such as patents, trademarks, copyrights, and any other activities involving relevant intellectual property rights conducted by the employees, inventors, designers, writers and signatories shall be authorized by the Company except for the rights legally owned by such persons.
- *Assignment:* When performing tasks of the Company, if the employees consider it necessary to apply for patents, trademarks, copyrights and other intellectual property rights, they shall apply in a timely manner after the approval of the legal representative of the Company. The employees shall comply with the confidential obligation before the public announcement or legal authorization in relation to any of the aforementioned applications.

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the Track Record Period, our non-executive Directors who did not hold management positions in our Company did not receive remuneration from us. Other Directors, Supervisors, and senior managers received their remuneration in the form of salaries, annual bonuses, share-based payments and retirement plan.

The aggregate amount of remuneration paid or payable to our Directors and Supervisors for the years ended December 31, 2023 and 2024 were RMB6.3 million and RMB20.2 million, respectively. The significant increase in the remuneration of the Directors and Supervisors for the year ended December 31, 2024 as compared to the year ended December 31, 2023 was mainly due to an increase of RMB13.4 million in equity-settled share-based payment.

Under the arrangement currently in force, we estimate the total compensation before taxation to be accrued to our Directors and our Supervisors for the year ending December 31, 2025 to be approximately RMB16.6 million.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The remuneration paid by our Company to the five highest paid individuals (including Directors and Supervisors) for the years ended December 31, 2023 and 2024 were RMB11.8 million and RMB33.8 million, respectively.

The significant increase in the remuneration of the five highest paid individuals for the year ended December 31, 2024 as compared to the year ended December 31, 2023 was mainly due to an increase of RMB23.8 million in equity-settled share-based payment.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of any subsidiary of our Company.

During the Track Record Period, none of our Directors or Supervisors waived any remuneration. Save as disclosed above and in the section headed “Appendix I—Accountants’ Report—Notes to The Historical Financial Information—8. Directors’ and Supervisors’ emoluments” no other payments have been paid, or are payable, by our Company or any of our subsidiary to our Directors, Supervisors or the five highest paid individuals during the Track Record Period.

CONFIRMATION FROM OUR DIRECTORS

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on May 28, 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors has confirmed (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his independence at the time of his appointments.

None of our Directors has any interests in any business, which competes or is likely to compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules. From time to time our non-executive Directors may serve on the boards of both private and public companies within the broader healthcare and biopharmaceutical industries. However, as these non-executive Directors are not members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which these Directors may hold directorships from time to time.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules after the Listing.

Pursuant to code provision set out in Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and CEO and Dr. Wang currently performs these two roles. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Dr. Wang is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our CEO. The Board also believes that vesting the roles of both chairman and CEO in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this arrangement will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the CEO of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the board diversity policy, we seek to achieve Board diversity through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural, education background, ethnicity and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, quality assurance and control, finance and accounting and corporate governance in addition to industry experience in healthcare and biotechnology. They obtained degrees in various majors including science, engineering and finance. We have three independent non-executive Directors with different industry backgrounds, representing one third of the members of our Board. Furthermore, our Board has a diverse age and gender representation. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the Listing, our Nomination Committee will review the board diversity policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

COMPLIANCE ADVISER

We have appointed Somerley Capital Limited as our Compliance Adviser pursuant to Rules 3A.19 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise our Company in certain circumstances including:

- (a) before the publication of any regulatory announcement, circular or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (c) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this Prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this Prospectus; and
- (d) where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Adviser will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Hong Kong Stock Exchange. The Compliance Adviser will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the Listing Date and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Our Company was founded by Dr. Wang and Dr. Gao back in 2017 and has been jointly controlled by Dr. Wang and Dr. Gao (by virtue of their relationship of being spouses) by themselves and/or through certain entities since then. Immediately prior to the Global Offering, our Company is owned as to (i) approximately 29.05% and 14.35% by Dr. Wang and Dr. Gao, respectively, and (ii) 2.97% by Xieli Chuangfeng, an investment holding limited partnership controlled by Dr. Wang by virtue of his position as its sole general partner. Therefore, Dr. Wang (by himself and through Xieli Chuangfeng) and Dr. Gao collectively controlled approximately 46.37% of our total issued share capital and constitute a group of Controlling Shareholders as of the Latest Practicable Date. Immediately following the completion of the Global Offering and assuming the Over-allotment Option is not exercised, our Controlling Shareholders will control approximately 43.06% of our total issued share capital and will remain as our group of Controlling Shareholders.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from our Controlling Shareholders and their close associates after the Listing, taking into consideration the factors below.

Management Independence

We are able to carry on our business independently from our Controlling Shareholders from a management perspective. Our Board consists of nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors.

- (a) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (b) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, see “Directors, Supervisors and Senior Management”;
- (c) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and
- (e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. For details, see “—Corporate Governance.”

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from our Controlling Shareholders and their close associates after the Listing.

Operational Independence

We do not rely on our Controlling Shareholders and their close associates for our business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and their close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Group's own business needs. We have internal control and accounting systems and an independent finance department for discharging the treasury function. We have sufficient capital to operate our business independently, and have adequate internal resources and working capital to support our daily operations. We do not expect to rely on our Controlling Shareholders and their close associates for financing after the Listing as we expect that our working capital will be funded by cash flows generated from operating activities, equity financing, bank loans as well as the proceeds from the Global Offering.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

In addition, we are capable of obtaining financing from independent third parties without relying on any guarantee or security provided by our Controlling Shareholders or their respective associates. As of the Latest Practicable Date, there was no outstanding loans or guarantees provided by or granted to our Controlling Shareholders or their respective associates. We also received a series of Pre-IPO Investments from third party investors independently. For details of the Pre-IPO Investments, see “History, Development and Corporate Structure.”

Based on the above, our Directors believe that we do not place undue reliance on our Controlling Shareholders upon the Listing.

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Save for the interests of our Controlling Shareholders in our Company and its subsidiaries, our Controlling Shareholders and the Directors confirm that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”), which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (a) where a Shareholders’ meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (b) our Company has established internal control mechanisms to identify connected transactions. Upon the Listing, if our Company enters into connected transactions with our Controlling Shareholders or any of their respective associates, our Company will comply with the applicable Listing Rules;
- (c) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between the Group and our Controlling Shareholders (the “**Annual Review**”) and provide impartial and professional advice to protect the interests of our minority Shareholders;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (d) our Controlling Shareholders will provide all information necessary as required by the independent non-executive Directors for the Annual Review;
- (e) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements;
- (f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and
- (g) we have appointed Somerley Capital Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders, and to protect minority Shareholders' interests after the Listing.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Global Offering and assuming the Over-allotment Option is not exercised, the following persons will have interests and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Nature of Interest	Number and class of shares held ⁽¹⁾	Approximate percentage of shareholding in H Shares/Unlisted Shares after the Global Offering ⁽¹⁾	Approximate percentage of shareholding in the total share capital of our Company after the Global Offering
			%	%
Dr. Wang	Beneficial Owner/Interest in controlled corporations ⁽²⁾ / Interest of Spouse ⁽³⁾	46,868,863 Unlisted Shares 121,043,497 H Shares	73.10 37.40	12.09 31.22
Dr. Gao	Beneficial Owner/Interest of Spouse ⁽³⁾	46,868,863 Unlisted Shares 121,043,497 H Shares	73.10 37.40	12.09 31.22
Xieli Chuangfeng ⁽²⁾	Beneficial Owner	10,708,126 H Shares	3.31	2.76
Guadalupe Peak Limited ⁽⁴⁾	Beneficial Owner	4,741,110 Unlisted Shares 14,223,330 H Shares	7.39 4.40	1.22 3.67
Chengdu Mingsheng Investment Co., Ltd. (成都明晟投資有限公司) (“Chengdu Mingsheng”) ⁽⁵⁾	Beneficial Owner	17,504,640 H Shares	5.41	4.51
Guangfa Xinde Zhongheng Huijin (Longyan) Equity Investment Partnership (Limited Partnership) (廣發信德中恒匯金(龍岩)股權投資合夥企業(有限合夥)) (“Zhongheng Huijin”) ⁽⁶⁾	Beneficial Owner	16,359,120 H Shares	5.06	4.22
Robust Edge Investments Limited (健稜投資有限公司) ⁽⁷⁾	Beneficial Owner	10,563,551 H Shares	3.26	2.72

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of Interest	Number and class of shares held ⁽¹⁾	Approximate percentage of shareholding in H Shares/Unlisted Shares after the Global Offering ⁽¹⁾	Approximate percentage of shareholding in the total share capital of our Company after the Global Offering
			%	%
Centroid Investments Limited (心健投資有限公司) ⁽⁷⁾	Beneficial Owner	8,386,920 H Shares	2.59	2.16
Intelligent Spark Investment Pte. Ltd. ⁽⁸⁾	Beneficial Owner	4,300,128 Unlisted Shares	6.71	1.11
		10,033,632 H Shares	3.10	2.59
Spark Plug Limited ⁽⁸⁾	Beneficial Owner	2,388,960 H Shares	0.74	0.62
Suzhou Junlian Xiangdao Equity Investment Partnership (Limited Partnership) (蘇州君聯相道股權投資合夥企業(有限合夥)) (“Suzhou Junlian”) ⁽⁹⁾	Beneficial Owner	701,778 Unlisted Shares	1.09	0.18
		11,787,990 H Shares	3.64	3.04
Social Security Fund Zhongguancun Independent Innovation Investment Fund (Beijing) Partnership Enterprise (Limited Partnership) (社保基金中關村自主創新投資基金(北京)合夥企業(有限合夥)) (“Social Security Fund”) ⁽⁹⁾	Beneficial Owner	272,913 Unlisted Shares	0.43	0.07
		4,584,216 H Shares	1.42	1.18

Notes:

- (1) The calculation is based on the total number of 64,119,252 Unlisted Shares in issue and 323,602,948 H Shares in issue immediately after completion of the Global Offering, and assuming that the Over-allotment Option is not exercised.
- (2) Dr. Wang, being the sole general partner of Xieli Chuangfeng, controls Xieli Chuangfeng. Therefore, Dr. Wang is deemed to be interested in the Shares in our Company held by Xieli Chuangfeng. Please refer to note (10) under “History, Development and Corporate Structure—Capitalization of our Company”.
- (3) Dr. Gao is the spouse of Dr. Wang and therefore, Dr. Gao is deemed to be interested in the equity interests in our Company held by Dr. Wang through Xieli Chuangfeng.

SUBSTANTIAL SHAREHOLDERS

- (4) Guadalupe Peak Limited is controlled by LYFE Capital Fund III (Dragon), L.P., which in turn is controlled by its general partner LYFE Capital Management Limited, a company controlled by Mr. Zhao Jin (趙晉). Therefore, LYFE Capital Fund III (Dragon), L.P., LYFE Capital Management Limited and Mr. Zhao Jin (趙晉) are deemed to be interested in the 18,964,440 H Shares held by Guadalupe Peak Limited under the SFO.
- (5) Chengdu Mingsheng is controlled by Mr. Zhao Kai (趙凱). Therefore, Mr. Zhao Kai (趙凱) is deemed to be interested in the 17,504,640 H Shares held by Chengdu Mingsheng under the SFO.
- (6) Zhongheng Huijin is managed by GF Xinde Investment Management Co., Ltd. (廣發信德投資管理有限公司) (“GF Xinde”), which is a wholly-controlled subsidiary of GF Securities Co., Ltd. (廣發證券股份有限公司) a PRC incorporated joint stock company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000776) and the Stock Exchange (stock code: 01776). Therefore, GF Xinde and GF Securities Co., Ltd. are deemed to be interested in the 16,359,120 H Shares held by Zhongheng Huijin under the SFO.
- (7) Each of Sanzheng Zhengyun, Robust Edge Investments and Centroid Investments (collectively “**3H Health Entities**”) is an investment vehicle operated under the brand of 3H Health Investment. Robust Edge Investments is wholly-owned by 3H Health Investment Fund II, L.P., with 3H Health Investment GP II Ltd. acting as its general partner. Centroid Investments is wholly-owned by 3H Health Investment Fund I, L.P. with 3H Health Investment GP I Ltd. acting as its general partner. Both 3H Health Investment GP I Ltd. and 3H Health Investment GP II Ltd. are wholly-owned by Dragon Warrior Investments Limited, which in turn is wholly-owned by Mr. Wang Shunlong (王順龍). Therefore, both Dragon Warrior Investments Limited and Mr. Wang Shunlong (王順龍) are deemed to be interested in an aggregate of 18,950,471 H Shares held by Robust Edge Investments and Centroid Investments under the SFO. Sanzheng Zhengyun is managed by its general partner, Hainan Sanzheng. Sanzheng Zhengyun has one limited partner, Nanjing Sanzheng. Nanjing Sanzheng is ultimately controlled by Mr. Sheng Li, our non-executive Director, and therefore Mr. Sheng Li is deemed to be interested in 11,691,424 H Shares held by Sanzheng Zhengyun under the SFO. In addition, due to the common management of the 3H Health Entities, Mr. Wang Shunlong is also deemed to be interested in the 11,691,424 H Shares held by Sanzheng Zhengyun. Likewise, Mr. Sheng Li is also deemed to be interested in an aggregate of 18,950,471 H Shares held by Robust Edge Investments and Centroid Investments.
- (8) Intelligent Spark is wholly-owned by Boyu Capital Growth Fund I, Pte. Ltd. and Spark Plug is wholly-owned by Boyu Capital Opportunities Master Fund. Boyu Capital Growth Fund I, Pte. Ltd. and Boyu Capital Opportunities Master Fund are both ultimately controlled by Mr. Xiaomeng Tong. Therefore, Mr. Xiaomeng Tong is deemed to be interested in the 16,722,720 H Shares held by Intelligent Spark and Spark Plug under the SFO.
- (9) Each of Suzhou Junlian and Social Security Fund is a limited partnership established in the PRC, managed by Legend Capital Co., Ltd. (君聯資本管理股份有限公司) and ultimately controlled by Mr. Zhu Linan (朱立南), Mr. Chen Hao (陳浩), Mr. Wang Nengguang (王能光) and Mr. Li Jiaqing (李家慶). Therefore, each of Mr. Zhu Linan (朱立南), Mr. Chen Hao (陳浩), Mr. Wang Nengguang (王能光) and Mr. Li Jiaqing (李家慶) is deemed to be interested in the 17,346,897 H Shares held by Suzhou Junlian and Social Security Fund under the SFO.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), have interests and/or short positions in Shares or underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the Global Offering.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the registered capital of our Company was RMB360,000,000, comprising 360,000,000 Unlisted Shares of nominal value RMB1.0 each.

IMMEDIATELY UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following completion of the Global Offering and conversion of Unlisted Shares into H Shares, assuming the Over-allotment Option is not exercised, the share capital of our Company will be as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage to total share capital</u> (%)
Unlisted Shares in issue	64,119,252	16.5
H Shares converted from Unlisted Shares	295,880,748	76.3
H Shares to be issued under the Global Offering. .	<u>27,722,200</u>	<u>7.2</u>
Total	<u>387,722,200</u>	<u>100.0</u>

OUR SHARES

The H Shares in issue following the completion of the Global Offering and the Unlisted Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares. However, apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong stock exchanges connectivity mechanism (Shanghai-Hong Kong Stock Connect) and the Shenzhen-Hong Kong stock exchanges connectivity mechanism (Shenzhen-Hong Kong Stock Connect) and other persons entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be subscribed for by, or traded between, legal or natural persons of the PRC.

RANKING

Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank pari passu with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Prospectus. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi. In addition to cash, dividends may be distributed in the form of Shares.

SHARE CAPITAL

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC, the holders of our Unlisted Shares may, at their own option, authorize the Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the required filings with the securities regulatory authorities of the State Council for the conversion, listing and trading of such converted Shares have been completed. Upon completion of the Global Offering, our Unlisted Shares are not listed or traded on any stock exchange. The holders of our Unlisted Shares may convert their Shares into H Shares provided such conversion shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and all the filing procedures with relevant Chinese mainland regulatory authorities, including the CSRC are followed. The listing of such converted Shares on the Stock Exchange will also require the approval of the Stock Exchange.

If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Stock Exchange, the filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the listing of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As any listing of additional Shares after our initial listing on the Hong Kong Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such prior application for listing at the time of our initial listing in Hong Kong.

No class Shareholder voting is required for the listing and trading of the converted Shares on the Stock Exchange. Any application for listing of the converted Shares on the Stock Exchange after our initial listing is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

After all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant Unlisted Shares will be withdrawn from the Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on our H Share register will be on the condition that (a) our H Share Registrar lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of H Share certificates and (b) the admission of the H Shares to trade on the Stock Exchange will comply with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on our H Share register, such Shares would not be listed as H Shares.

SHARE CAPITAL

Please refer to “Risk Factors—Risks Relating to the Global Offering—Future sales or perceived sales of a substantial number of our H Shares in the public market following the Global Offering could materially and adversely affect the price of our H Shares and our ability to raise additional capital in the future, and may result in dilution of your shareholding.”

TRANSFER OF SHARES ISSUED PRIOR TO THE GLOBAL OFFERING

Pursuant to the PRC Company Law, our Shares issued prior to the Listing shall not be transferred within one year from the Listing Date.

Shares transferred by our Directors, Supervisors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons hold in our Company cannot be transferred within one year from the Listing Date, nor within half a year after they leave their positions as Directors, Supervisors or members of the senior management in our Company.

For details of the lock-up undertaking given by our Controlling Shareholders pursuant to Rule 10.07 of the Listing Rules see “Underwriting—Underwriting Arrangements and Expenses—Undertakings to the Stock Exchange pursuant to the Listing Rules—Undertakings by Our Controlling Shareholders”.

GENERAL MANDATE TO ISSUE SHARES AND REPURCHASE MANDATE

Subject to the Global Offering becoming unconditional, our Directors have been granted general unconditional mandates to issue our Shares as well as repurchase our Shares. For further details, see “Appendix VI—Statutory and General Information—Further Information about our Company—Resolutions of our Shareholders”.

SHAREHOLDERS’ GENERAL MEETING

For details of circumstances under which our Shareholders’ general meeting is required, see “Appendix V—Summary of Articles of Association”.

FINANCIAL INFORMATION

You should read the following discussion and analysis with our consolidated financial information, including the notes thereto, included in the Accountants' Report in Appendix I to this Prospectus. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the sections headed "Forward-looking Statements" and "Risk Factors" in this Prospectus.

For the purpose of this section, unless the context otherwise requires, references to 2023 and 2024 refer to our financial year ended December 31 of such year. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

Founded in 2017, we are an advanced surgical robot company in the medical device industry, dedicated to designing, developing and manufacturing surgical robots. We have a pipeline of three products and product candidates covering various models at different development stages to capture the market potential in surgical robots, including multi-port endoscopic surgical robots and single-port endoscopic surgical robots for minimally invasive surgery ("MIS"), as well as natural orifice surgical robots for non invasive surgery. We have self-developed our two Core Products, Edge Multi-Port Endoscopic Surgical Robots and Edge Single-Port Endoscopic Surgical Robots. Edge Multi-Port Endoscopic Surgical Robot is a robot-assisted device that is applied to perform MIS, using robotic, imaging and digital technologies, covering applications in urologic, gynecologic, general and thoracic surgery. Edge Single-Port Endoscopic Surgical Robot, our Core Product, is a robot-assisted device that is applied to perform MIS through a single small incision or natural orifice, covering applications in urologic, gynecologic and general surgery.

WE MAY NOT BE ABLE TO SUCCESSFULLY MARKET OUR CORE PRODUCTS IN OVERSEAS MARKETS AS PLANNED, OR SUCCESSFULLY DEVELOP OR MARKET THE EXPANSION OF SURGICAL APPLICATIONS OF OUR CORE PRODUCTS AND OTHER PRODUCT CANDIDATES IN CHINA OR IN OVERSEAS MARKETS.

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We are the first in China and the second in the world that had received registration approvals of all of multi-port endoscopic surgical robots, single-port endoscopic surgical robots and natural orifice surgical robots, according to Frost & Sullivan. Currently, our product portfolio comprises two self-developed Core Products: Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot. Our product portfolio also includes Edge Bronchoscope Robot, which is not a Core Product.

We started to generate revenues and incur cost of sales in 2023, following the commercialization of our products and solutions. Our revenues increased from RMB48.0 million for the year ended December 31, 2023 to RMB160.0 million for the year ended December 31, 2024. We incurred cost of sales of RMB19.6 million for the year ended December 31, 2023 and RMB61.9 million for the year ended December 31, 2024. Our revenues increased from RMB30.2 million for the six months ended June 30, 2024 to RMB149.4 million for the six months ended June 30, 2025. We incurred cost of sales of RMB11.1 million for the six months ended June 30, 2024 and RMB55.5 million for the six months ended June 30, 2025. However, we were not profitable and incurred loss from operations in each year/period of the Track Record Period. We recorded a net loss of RMB212.9 million, RMB218.5 million, RMB132.6 million and RMB89.1 million for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, primarily due to our research and development expenses.

We expect our losses to fluctuate as we further our research and development efforts, continue the development of, seek regulatory approvals for, and commercialize our product candidates. We expect that our financial performance will fluctuate from period to period, as the success of the clinical trials, regulatory approval and commercialization of our pipeline products are subject to uncertainty.

BASIS OF PREPARATION

Our Company was incorporated in the PRC as a limited liability company on May 4, 2017 and was converted into a joint stock company with limited liability on December 13, 2021. For details, see “History, Development and Corporate Structure.”

The historical financial information has been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”). The consolidated financial information has been prepared under the historical cost basis, except financial assets measured at fair value through profit or loss are stated at fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying our accounting policies. All effective standards, amendments to standards and interpretations, are consistently applied to our Group throughout the Track Record Period.

FINANCIAL INFORMATION

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors, many of which may be beyond our control. A discussion of the key factors is set out below.

Growth and Competitive Landscape in China's Surgical Robot Market

Our business is primarily targeting the application of surgical robots and instruments for MIS. We are also in the process of developing other surgical robots and instruments for minimally invasive surgery and non-invasive surgery. The overall growth of surgical robotics market will affect our financial performance and future growth. The China surgical robotics market is emerging and rapidly evolving. According to Frost & Sullivan, the market size of the surgical robot market in China was RMB7,184.2 million in 2024 and is expected to reach RMB102,018.7 million by 2033 at a CAGR of 34.3%, mainly driven by the increasing clinical demands for and awareness of robot-assisted surgery and favorable government policies. The market for endoscopic surgical robots is a major segment in China's surgical robot market, and we expect this segment to continue to grow along with an expected increase in procedure volume of robot-assisted surgery. For details, see "Industry Overview."

The competitive landscape will affect our results of operations. We are a fast-growing surgical robot company. All of our Edge Multi-Port Endoscopic Surgical Robot, Edge Single-Port Endoscopic Surgical Robot and Edge Bronchoscope Robot have received registration approvals and we have commercialized Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot. However, we face intense competition from both international and domestic surgical robotics companies. With more players entering into the surgical robot industry, the development progress and performance of other market players' products and their sales strategies will affect our market share, the competitive advantages of our products and the demand for our products, which will in turn have an impact on our results of operations.

Our Ability to Successfully Develop and Commercialize Our Products and Product Candidates Across the Globe

The ability to develop and commercialize our pipeline products and diversify our product portfolio will significantly affect our results of operation in the upcoming years. Currently, our product portfolio comprises two self-developed Core Products: Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot. Our product portfolio also includes Edge Bronchoscope Robot, which is not a Core Product. In particular, we have been expanding, and plan to continue to expand, our global footprints of our Core Products by entering into overseas countries. While primarily targeting the market of robot-assisted endoscopic surgery, our product pipeline also covers natural orifice surgical robots and conventional MIS instruments. Our results of operations will depend on our ability to successfully obtain approval from the NMPA for our product candidates and commercialize them upon approval.

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The regulatory clearances of our product candidates depend on our clinical trial progresses and our development capabilities. The sales of our commercialized products will significantly affect our profitability and cash flow from operation. The commercial success of our products in turn depends upon the degree of market acceptance that each of such products achieves, particularly among hospitals and surgeons. Acceptance by surgeons and hospitals of our products in turn depends on, among others, our ability to convince them as to the safety, efficacy, distinctive characteristics, advantages and benefits of our products as compared to our competitors' products. If we are not able to obtain approval for our product candidates as anticipated or our products are not widely accepted by surgeons or hospitals, we may not be able to recover the significant investments we made in developing our product candidates, which will in turn affect our results of operations.

Our Ability to Continuously Optimize Product Mix and Improve Operating Efficiency

As our products gradually gain market and customer recognition, our branding strength is expected to strengthen, which may serve to enhance our pricing power and improve our margin. For instance, our MP2000 series have achieved better pricing capabilities and margin levels as they are increasingly recognized by more hospitals and benefit from economies of scale. In addition, we expect our upgraded models of Edge Multi-Port Endoscopic Surgical Robot and Edge Single-Port Endoscopic Surgical Robot, if approved, to achieve higher pricing and profitability especially when they are scaled up in the future. Furthermore, we continue to optimize our product mix to cater to the evolving market needs, which may have negative impact on our revenue growth in the near term but will improve our profitability in the long run. For instance, we strategically discontinued developing and selling certain non-Core Products during the Track Record Period as they generated relatively low financial returns. We believe such continuous product structure optimization will contribute to a leaner cost structure and improved profit margin in the future.

Our operating cost structure will significantly affect our business and results of operations. Our operating costs are comprised of research and development expenses, administrative expenses and selling and marketing expenses during the Track Record Period. Research and development activities are essential to our business. Our current research and development activities mainly relate to design and development, type testing and clinical trials of our product candidates. Our research and development expenses primarily consist of salaries, wages and other benefits, equity-settled share-based payment expenses, materials and consumables used, clinical trial expenses, depreciation and amortization, third-party service fees, and others. For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our research and development expenses accounted for 58.0%, 59.5%, 55.9% and 49.6% of our total operating expenses (being research and development expenses, administrative expenses and selling and marketing expenses), respectively. We expect that the amount of our research and development expenses will continue to contribute to a large proportion of our total operating expenses for the foreseeable future as the R&D activities of our product candidates are progressing.

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For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our administrative expenses accounted for 20.9%, 13.9%, 16.7% and 20.2% of our total operating expenses (being research and development expenses, administrative expenses and selling and marketing expenses), respectively. We expect the amount of our administrative expenses to continue to increase in the future as we continue to expand our management and other functional teams along with our business growth and continue to support our business.

For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our selling and marketing expenses accounted for 21.1%, 26.6%, 27.4% and 30.2% of our total operating expenses (being research and development expenses, administrative expenses and selling and marketing expenses), respectively. We expect the amount of our selling and marketing expenses to continue to increase in the future due to the continuous commercialization of our product portfolio.

We expect our cost structure to evolve as we continue to develop and expand our business. As we continue to progress and expand our pipeline and gradually bring assets of our product pipeline to commercialization, we expect to incur additional costs in relation to our R&D, manufacturing, sales and marketing, among other things. We also anticipate increasing legal, compliance, accounting, insurance, and investor and public relations expenses associated with being a public company in Hong Kong.

IMPACT OF COVID-19 PANDEMIC

On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization declared the novel coronavirus disease 2019 (the “COVID-19”) outbreak a public health emergency of international concern, and on March 11, 2020, the World Health Organization declared the global COVID-19 outbreak a pandemic. The COVID-19 virus continued to spread rapidly worldwide in 2022, including where we have business operations and where our customers, suppliers and business partners are located. To contain the virus spread within our office premises and manufacturing facilities and protect the well-being of our employees, we adopted various mitigation measures, such as remote working, social distancing and mask wearing, and other site-specific precautionary measures. As the COVID-19 has since subsided, our Directors believe that our operational and financial performance during the Track Record Period and up to the Latest Practicable Date had not been materially adversely affected by the pandemic.

MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. In each case, the determination of these items requires management judgment and estimates based on information and financial data that may change in future periods. When reviewing our consolidated financial information, you should consider (i) our critical accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions.

FINANCIAL INFORMATION

We set forth below those accounting policies that we believe are of critical importance to us or involve the most significant estimates and judgments used in the preparation of financial statements. Our material accounting policies, judgments and estimates, which are important for an understanding of our financial condition and results of operations, are set forth in detail in Notes 2 and 3 to the Accountants' Report in Appendix I to this Prospectus.

Material Accounting Policies

Revenue and other income

We classify income as revenue when it arises from the sale of goods or the provision of services in the ordinary course of our business.

Revenue from contracts with customers

We are the principal for our revenue transactions and recognizes revenue on a gross basis, including the sale of medical devices that are sourced externally. In determining whether we act as a principal or as an agent, we consider whether we obtain control of the products before they are transferred to the customers. Control refers to our ability to direct the use of and obtain substantially all of the remaining benefits from the products. We recognize revenue when control over a product or service is transferred to the customer at the amount of promised consideration to which we are expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Sale of medical devices

We recognize revenue when the customer takes possession of and accepts the products, depending on the terms set forth in the customer contract. The payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers. We take advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

In certain of our customer contracts, we participate in arrangements that include multiple performance obligations. We account for individual products and services as separate performance obligations if they are a distinct product or service that is separately identifiable from other items in the packages and if a customer can benefit from the product or service on its own or with other resources that are readily available to the customer. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognized is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis. Generally, we establish stand-alone selling prices with reference to the observable prices of products or services sold separately in comparable circumstances to similar customers. If the observable stand-alone selling prices are not available, we estimate the stand-alone selling price considering market conditions, entity-specific factors and information about the customer or type of the customer.

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Revenue from rendering of services

Revenue from rendering of services is recognized over time by measuring the progress of that performance obligation.

Interest income

We recognize interest income as it accrues using the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset.

Government grants

We recognize government grants in the statement of financial position initially when there is reasonable assurance that they will be received and that we will comply with the conditions attaching to them. Grants that compensate us for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate us for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognized in profit or loss over the useful life of the asset by way of reduced depreciation expense.

Contract liabilities

We recognize contract liabilities when the customer pays non-refundable consideration before we recognize the related revenue. Contract liabilities would also be recognized if we have an unconditional right to receive non-refundable consideration before we recognize the related revenue. In such cases, a corresponding receivable would also be recognized.

Employee Benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if we have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

FINANCIAL INFORMATION

(ii) Share-based payments

The grant-date fair value of restricted shares granted to employees is measured based on certain valuation models and the transfer price of our shares between independent third-party investors around the grant date. The amount is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when we can no longer withdraw the offer of those benefits and when we recognize costs for a restructuring.

Critical accounting judgements in applying accounting policies

Research and Development Expenses

Research and development expenses incurred on our pipelines are capitalized and deferred only when we can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, our intention to complete and our ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Research and development expenses which do not meet these criteria are expensed when incurred. Management will assess the progress of each of the research and development projects and determine the criteria met for capitalization. During the Track Record Period, our development expenditures incurred did not meet these capitalization principles for any products and were expensed as incurred.

Sources of estimation uncertainty

Notes 25 and 27(e) to the Accountants' Report set out in Appendix I to this Prospectus contains information about the assumptions and risk factors relating to fair value of restricted share granted and financial assets measured at FVPL. Other key sources of estimation uncertainty are as follows:

(i) Net realizable value of inventories

Net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and distribution expenses. The assessment of the net realizable value of inventories involves high degree of estimation uncertainties and judgement subjectively associated with the usage of the inventories, the estimated selling prices and the selling expenses, etc. Management reassesses these estimations at the balance sheet dates to ensure inventory is shown at the lower of cost and net realizable value.

FINANCIAL INFORMATION

(ii) Impairment of trade receivables and contract assets

We estimate the loss allowances for trade receivables and contract assets by assessing the ECLs. This requires the use of estimates and judgements. Expected credit loss rates are calculated based on probability of default, loss rate given default, and forward-looking adjustment factors. These probabilities and rates are evaluated based on credit ratings of counterparties, actual aging, project aging and regulatory rules. Forward-looking adjustment factors are to reflect expectations of future economic conditions at each reporting date, which allows macroeconomic impact be taken into consideration. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of trade receivables and contract assets and thus the impairment loss in the period in which such estimate is changed. We keep assessing the expected credit loss of trade receivables and contract assets during their expected lives.

(iii) Income tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The management carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of these transactions is reconsidered periodically to take into account changes in tax legislations. Deferred tax assets are recognized for deductible temporary differences and cumulative tax losses.

As those deferred tax assets can only be recognized to the extent that it is probable that future taxable profit will be available against which they can be utilized, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognized if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

(iv) Allocation of performance obligations in revenue recognition

As explained in Note 2(r)(i)(a) to the Accountants' Report set out in Appendix I, we participate in sales arrangements that include multiple performance obligations. The total transaction price is allocated to each performance obligations in an amount based on the estimated relative stand-alone selling prices of the goods or services underlying each performance obligation. We estimate stand-alone selling prices with reference to the observable prices of products or services sold separately in comparable circumstances to similar customers. If the observable stand-alone selling prices are not available, we estimate the stand-alone selling price considering market conditions, entity specific factors and information about the customer or type of the customer. We regularly review stand-alone selling prices and update these estimates, as necessary. Changes in facts and circumstances may result in revisions to the conclusion, which would affect profit or loss.

FINANCIAL INFORMATION

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The table below sets forth selected information from our consolidated statements of profit or loss for the year/period indicated, which have been extracted from the Accountants' Report set out in Appendix I to this Prospectus:

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2023	2024	2024	2025
	<i>(RMB in thousands)</i>			
	<i>(unaudited)</i>			
Revenue	48,042	159,994	30,245	149,383
Cost of sales.	(19,576)	(61,917)	(11,088)	(55,533)
Gross profit	28,466	98,077	19,157	93,850
Research and development expenses	(171,228)	(226,245)	(95,555)	(96,502)
Administrative expenses	(61,853)	(52,634)	(28,621)	(39,354)
Selling and marketing expenses . .	(62,284)	(101,206)	(46,857)	(58,727)
Impairment loss on trade receivables, other receivables and contract assets	(545)	(1,031)	108	(3,106)
Other net gain.	18,586	44,179	5,486	6,443
Fair value changes of financial assets measured at fair value through profit or loss ("FVPL").	36,974	21,214	14,193	8,709
Share of loss of an associate	—	—	—	(68)
Loss from operations	(211,884)	(217,646)	(132,089)	(88,755)
Finance costs	(985)	(863)	(478)	(310)
Loss before taxation	(212,869)	(218,509)	(132,567)	(89,065)
Income tax	—	—	—	(22)
Loss for the year/period	(212,869)	(218,509)	(132,567)	(89,087)
Attributable to equity shareholders of the Company .	(212,869)	(218,509)	(132,567)	(89,087)

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Revenue

We generate our revenue primarily from (i) sales of surgical robots, (ii) sales of instruments and accessories compatible with our surgical robots, and (iii) provision of maintenance and support services. We recorded revenue of RMB48.0 million, RMB160.0 million, RMB30.2 million and RMB149.4 million in 2023, 2024 and six months ended June 30, 2024 and 2025, respectively.

The following table sets forth a breakdown of our revenues attributable to our Core Products and other products and services in absolute amount and as percentage of our total revenues for the year/period indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>							
	<i>(Unaudited)</i>							
Sales of surgical robots* . . .	46,909	97.6	146,383	91.5	27,472	90.8	138,712	92.9
Sales of instruments and accessories	1,133	2.4	13,391	8.4	2,773	9.2	10,336	6.9
Provision of services.	—	—	220	0.1	—	—	335	0.2
Total	48,042	100.0	159,994	100.0	30,245	100.0	149,383	100.0

* Includes our Core Products and related consumables.

The following table sets forth a breakdown of our revenue by geography for the periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>							
	<i>(Unaudited)</i>							
China	48,042	100.0	159,994	100.0	30,245	100.0	88,687	59.4
EU	—	—	—	—	—	—	24,319	16.3
Other countries*	—	—	—	—	—	—	36,377	24.3
Total	48,042	100.0	159,994	100.0	30,245	100.0	149,383	100.0

* Each of the other countries contributes less than 6% of our total revenues for the six months ended June 30, 2025.

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Cost of Sales

We incurred cost of sales of RMB19.6 million, RMB61.9 million, RMB11.1 million and RMB55.5 million in 2023, 2024 and six months ended June 30, 2024 and 2025, respectively, all of which were related to the sale of surgical robots and the related instruments and accessories. The following table sets forth a breakdown of our cost of sales in absolute amount and as percentage of our total cost of sales for the periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>							
	<i>(unaudited)</i>							
Cost of sales:								
Raw materials and consumables used	6,522	33.3	37,049	59.8	4,194	37.8	35,841	64.5
Salaries, wages and other benefits	9,529	48.7	20,026	32.4	5,104	46.0	15,880	28.6
Utility and other expenses . .	616	3.1	3,300	5.3	719	6.5	3,343	6.0
Write-down of inventories . .	2,909	14.9	1,542	2.5	1,071	9.7	469	0.9
Total	19,576	100.0	61,917	100.0	11,088	100.0	55,533	100.0

Raw materials and consumables used increased significantly from RMB6.5 million in 2023 to RMB37.0 million in 2024 and from RMB4.2 million in the six months ended June 30, 2024 to RMB35.8 million in the six months ended June 30, 2025, primarily due to an increase in the sales volume of our Edge Multi-Port Endoscopic Surgical Robot in China. Salaries, wages and other benefit also increased from RMB9.5 million in 2023 to RMB20.0 million in 2024 and from RMB5.1 million in the six months ended June 30, 2024 to RMB15.9 million in the six months ended June 30, 2025, primarily because the increased production scale of our surgical robots. Due to increased sales volume and improved production efficiency since 2023, the proportion of salaries, wages and other benefit as percentage of total cost of sales has gradually declined.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue. Our gross profit increased significantly from RMB19.2 million in the six months ended June 30, 2024 to RMB93.9 million in the six months ended June 30, 2025, primarily due to a significant increase in the sales volume of Edge Multi-Port Endoscopic Surgical Robot as we continued to enhance our product appeal by upgrading the functionalities and performance of our surgical robots and penetrate the market through ongoing marketing campaigns and trial programs. Our gross profit margin remained the same level of 63.3% in the six months ended June 30, 2024 and

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62.8% in the six months ended June 30, 2025. Our gross profit increased from RMB28.5 million in 2023 to RMB98.1 million in 2024, primarily due to a significant increase in the sales volume of Edge Multi-Port Endoscopic Surgical Robot as we improved the market acceptance of our surgical robots through continuous sales and marketing efforts and launched our MP2000 series. Our gross profit margin slightly increased from 59.3% in 2023 to 61.3% in 2024 as we improved our production efficiency. The following table sets forth a breakdown of our gross profit and gross profit margin by the three categories for the periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
<i>(in thousands, except for percentages)</i>								
<i>(Unaudited)</i>								
Sales of surgical robots	27,568	58.8	92,859	63.4	17,209	62.6	86,137	62.1
Sales of instruments and accessories	898	79.3	5,060	37.8	1,948	70.2	7,532	72.9
Provision of services . .	—	—	158	71.8	—	—	181	54.1
Total	28,466	59.3	98,077	61.3	19,157	63.3	93,850	62.8

The following table sets forth a breakdown of our gross profit and gross profit margin by geography for the periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
<i>(in thousands, except for percentages)</i>								
<i>(Unaudited)</i>								
China	28,466	59.3	98,077	61.3	19,157	63.3	52,834	59.6
Overseas	—	—	—	—	—	—	41,016	67.6
Total	28,466	59.3	98,077	61.3	19,157	63.3	93,850	62.8

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Research and Development Expenses

Our research and development expenses incurred in connection with carrying out the research and development activities of our product candidates. Our research and development expenses primarily consist of salaries, wages and other benefits, materials and consumables used, third-party service fees, depreciation and amortization, clinical trial expenses, equity-settled share-based payment expenses, and others. The table below sets forth a breakdown of our research and development expenses in absolute amount and as percentage of our total research and development expenses for the periods indicated:

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>								
<i>(unaudited)</i>								
Research and development expenses:								
Salaries, wages and other benefits	108,498	63.4	98,282	43.4	48,785	51.1	41,018	42.5
Materials and consumables used	35,596	20.8	73,979	32.7	26,039	27.3	34,164	35.4
Third-party service fees	8,491	5.0	8,078	3.6	4,102	4.3	2,396	2.5
Depreciation and amortization	6,462	3.8	7,239	3.2	3,059	3.2	3,954	4.1
Clinical trial expenses	5,039	2.9	4,436	2.0	1,210	1.3	2,410	2.5
Equity-settled share-based payment expense	1,250	0.7	28,005	12.4	9,184	9.6	10,476	10.9
Others	5,892	3.4	6,226	2.7	3,176	3.2	2,084	2.1
Total	171,228	100.0	226,245	100.0	95,555	100.0	96,502	100.0

In 2023, 2024 and six months ended June 30, 2024 and 2025, our research and development expenses incurred for our Core Products were RMB121.8 million, RMB172.0 million, RMB71.3 million and RMB82.7 million, respectively, accounting for 71.1%, 76.0%, 74.6% and 85.7% of our total research and development expenses, and 41.2%, 45.3%, 41.7% and 42.5% of our total operating expenses (being research and development expenses, administrative expenses and selling and marketing expenses) for the corresponding year.

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Salaries, wages and other benefits primarily include salaries, bonuses, welfare and pension for our employees involved in research and development activities. Materials and consumables used mainly include cost of materials and consumables used in our research and development activities. Third-party service fees mainly include service fees paid to third parties in relation to our research and development activities. Depreciation and amortization expenses primarily consist of the depreciation of property, plant and equipment we purchased historically in relation to our research and development activities. Clinical trial expenses mainly include expenses incurred in relation to the registrational clinical trials of our surgical robots. Equity-settled share-based payment expenses mainly include share-based compensation for our employees involved in research and development activities.

Administrative Expenses

Our administrative expenses primarily consist of salaries, wages and other benefits, third-party service fees, office and utility expenses, depreciation and amortization, equity-settled share-based payment expenses, and others. The table below sets forth a breakdown of our administrative expenses in absolute amount and as percentage of our total administrative expenses for the periods indicated:

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>							
	<i>(unaudited)</i>							
Administrative expenses:								
Salaries, wages and other								
benefits	29,966	48.5	29,461	56.0	15,617	54.6	15,498	39.4
Office and utility expenses . .	4,232	6.8	2,431	4.6	1,434	5.0	842	2.1
Depreciation and								
amortization	5,521	8.9	4,458	8.5	3,532	12.3	838	2.1
Third-party service fees	3,263	5.3	2,093	4.0	1,378	4.8	478	1.2
Equity-settled share-based								
payment expense	1,797	2.9	8,635	16.4	4,253	14.9	2,176	5.5
Expense for previous listing								
applications	9,926	16.0	–	–	–	–	–	–
Listing expense	–	–	–	–	–	–	16,764	42.6
Other	7,148	11.6	5,556	10.5	2,407	8.4	2,758	7.1
Total	61,853	100.0	52,634	100.0	28,621	100.0	39,354	100.0

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Salaries, wages and other benefits primarily include salaries, bonuses, welfare and pension for our employees involved in management and administration activities. Third-party service fees mainly include service fees paid to professional parties in relation to our administrative activities. Equity-settled share-based payment expenses mainly include share-based compensation for our employees involved in management and administration activities.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of marketing expenses, salaries, wages and other benefits, depreciation and amortization, equity-settled share-based payment expenses, and others. The table below sets forth a breakdown of our selling and marketing expenses in absolute amount and as percentage of our total selling and marketing expenses for the periods indicated:

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>							
	<i>(unaudited)</i>							
Selling and Marketing expenses:								
Marketing expenses	23,905	38.4	19,116	18.9	8,927	19.1	12,697	21.6
Salaries, wages and other benefits	34,550	55.4	44,203	43.7	20,778	44.3	25,146	42.8
Depreciation and amortization	2,461	4.0	10,517	10.4	4,396	9.4	6,258	10.7
Equity-settled share-based payment expenses	(16,703)	(26.8)	3,391	3.3	1,509	3.2	1,323	2.3
Others	18,071	29.0	23,979	23.7	11,247	24.0	13,303	22.6
Total	62,284	100.0	101,206	100.0	46,857	100.0	58,727	100.0

Marketing expenses mainly include the expenses for academic conferences and training of surgeons in preparation for the commercialization of our product candidates. Salaries, wages and other benefits primarily include salaries, bonuses, welfare and pension for our employees involved in sales and marketing activities. Equity-settled share-based payment expenses mainly include share-based compensation for our employees involved in sales and marketing activities.

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Other net gain

Our other net gain primarily consist of investment income on financial assets measured at FVPL, interest income on financial assets measured at amortized cost, government grants, net foreign exchange gain/(loss), impairment loss on property, plant and equipment, impairment loss on prepayments and others. The table below sets forth a breakdown of our other net gain for the periods indicated:

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2023	2024	2024	2025
	<i>(RMB in thousands)</i>			
	<i>(unaudited)</i>			
Other net gain:				
Interest income on financial assets				
measured at amortized cost. . . .	5,364	5,222	2,902	2,333
Investment income on financial				
assets measured at FVPL	10,046	9,803	2,509	3,792
Government grants.	2,994	32,791	687	526
Net foreign exchange gain/(loss). .	178	(117)	10	(238)
Impairment loss on property, plant				
and equipment	–	(1,434)	–	–
Impairment loss on prepayments .	–	(1,000)	–	–
Others	4	(1,086)	(622)	30
Total.	<u>18,586</u>	<u>44,179</u>	<u>5,486</u>	<u>6,443</u>

Investment income on financial assets measured at FVPL mainly refers to investment return on the low-risk wealth management products. Interest income on financial assets measured at amortized cost mainly refers to interest on our bank deposits. Government grants mainly represent incentives received from the government for the purpose of compensation on research and development activities. Net foreign exchange gain/(loss) mainly resulted from the fluctuation in foreign exchange rate for our cash balance denominated in U.S. dollars and Hong Kong dollars.

Fair Value Changes of Financial Assets Measured at FVPL

Our fair value changes of financial assets measured at FVPL primarily refer to changes in fair value of our certificates of deposit and low-risk wealth management products. Such assets are re-measured to fair value at the end of each period to reflect any movement in that fair value. Our fair value changes of financial assets measured at FVPL amounted to RMB37.0 million, RMB21.2 million, RMB14.2 million and RMB8.7 million in 2023 and 2024 and six months ended June 30, 2024 and 2025, respectively.

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Finance Costs

Our finance costs consist of interest on lease liabilities, which amounted to RMB1.0 million, RMB0.9 million, RMB0.5 million and RMB0.3 million in 2023, 2024 and six months ended June 30, 2024 and 2025, respectively.

Income Tax

In 2023 and 2024, no provision of PRC income tax was made as we had no assessable profit. We recorded income tax expense of RMB22,000 in the six months ended June 30, 2025 primarily because our Hong Kong subsidiary recorded net profit in the first half of 2025. Under the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that are effective for the period from January 1, 2023 to June 30, 2025, enterprises engaging in research and development activities are entitled to claim additional 100% of their qualified research and development expenses incurred as tax deductible expenses when determining their assessable profits for a certain year/period.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Revenue

Our revenues increased from RMB30.2 million in the six months ended June 30, 2024 to RMB149.4 million in the six months ended June 30, 2025, primarily due to a significant increase in the sales volume of the Edge Multi-Port Endoscopic Surgical Robot in China and the commercialization of the Edge Multi-Port Endoscopic Surgical Robot in overseas markets since 2025. The increase in sales volume in China was primarily driven by our surgical robots' enhanced performance, proven clinical stability, as well as our successful marketing efforts that have increased awareness and adoption. We started to commercialize our Edge Multi-Port Endoscopic Surgical Robot in overseas markets in 2025, as we established an overseas sales team and finalized distributor agreements, which is in parallel to securing overseas regulatory approvals.

Cost of Sales

Our cost sales increased from RMB11.1 million in the six months ended June 30, 2024 to RMB55.5 million in the six months ended June 30, 2025, primarily due to a significant increase in the production scale of our surgical robots.

Gross profit and gross profit margin

Our gross profit increased significantly from RMB19.2 million in the six months ended June 30, 2024 to RMB93.9 million in the six months ended June 30, 2025, primarily due to a significant increase in the sales volume of Edge Multi-Port Endoscopic Surgical Robot as we

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continued to enhance our product appeal by upgrading the functionalities and performance of our surgical robots and penetrate the market through ongoing marketing campaigns and trial programs. Our gross profit margin remained the same level of 63.3% in the six months ended June 30, 2024 and 62.8% in the six months ended June 30, 2025.

Research and Development Expenses

Our research and development expenses increased from RMB95.6 million in the six months ended June 30, 2024 to RMB96.5 million in the six months ended June 30, 2025, primarily attributable to an increase of RMB8.1 million in materials and consumables used.

Administrative Expenses

Our administrative expenses increased from RMB28.6 million in the six months ended June 30, 2024 to RMB39.4 million in the six months ended June 30, 2025, primarily attributable to our listing expenses.

Selling and Marketing Expenses

Our selling and marketing expenses increased from RMB46.9 million in the six months ended June 30, 2024 to RMB58.7 million in the six months ended June 30, 2025, primarily attributable to the increased headcount of our sales staff in connection with our increased marketing and promotional activities.

Other net gain

Our other net gain increased from RMB5.5 million in the six months ended June 30, 2024 to RMB6.4 million in the six months ended June 30, 2025, primarily attributable to an increase of RMB1.3 million in investment income on financial assets measured at FVPL, partially offset by a decrease of RMB0.6 million in interest income on financial assets measured at amortized cost.

Fair Value Changes of Financial Assets Measured at FVPL

Our fair value changes of financial assets measured at FVPL decreased from RMB14.2 million in the six months ended June 30, 2024 to RMB8.7 million in the six months ended June 30, 2025, primarily attributable to a decrease in the total balance of the certificates of deposit and low-risk wealth management products as a result of the redemption of certain financial assets.

Finance Costs

Our finance costs consisted of interest on lease liabilities. We recorded finance costs of RMB0.5 million and RMB0.3 million in the six months ended June 30, 2024 and the six months ended June 30, 2025, respectively.

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Income Tax

We did not record any income tax expense in the six months ended June 30, 2024. We recorded income tax expense of RMB22,000 in the six months ended June 30, 2025 primarily because our Hong Kong subsidiary recorded net profit in the first half of 2025.

Net Loss

As a result of the above, we recorded a net loss of RMB132.6 million and RMB89.1 million for the six months ended June 30, 2024 and 2025, respectively. The decrease in net loss was primarily because a significant increase of revenues and enhanced production efficiency.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenues increased from RMB48.0 million in 2023 to RMB160.0 million in 2024, primarily due to a significant increase in the sales of our Multi-Port Endoscopic Surgical Robot, in relation to the launch of MP2000 series and enhanced market acceptance of our surgical robots.

Cost of Sales

Our cost sales increased from RMB19.6 million in 2023 to RMB61.9 million in 2024, primarily due to a significant increase in the production scale of our surgical robots.

Gross profit and gross profit margin

Our gross profit increased significantly from RMB28.5 million in 2023 to RMB98.1 million in 2024, primarily due to a significant increase in the sales volume of Edge Multi-Port Endoscopic Surgical Robot as we improved the market acceptance of our surgical robots through continuous sales and marketing efforts and launched our MP2000 series. Our gross profit margin slightly increased from 59.3% in 2023 to 61.3% in 2024 as we improved our production efficiency.

Research and Development Expenses

Our research and development expenses increased from RMB171.2 million in 2023 to RMB226.2 million in 2024, primarily attributable to an increase of RMB38.4 million in materials and consumables used and an increase in equity-settled share-based payment expenses of RMB26.8 million, which was partially offset by a decrease in salaries, wages and other benefits of RMB10.2 million.

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Administrative Expenses

Our administrative expenses decreased from RMB61.9 million in 2023 to RMB52.6 million in 2024, primarily attributable to the professional expense of RMB9.9 million incurred in the previous listing applications in 2022 and 2023.

Selling and Marketing Expenses

Our selling and marketing expenses increased from RMB62.3 million in 2023 to RMB101.2 million in 2024, primarily attributable to increases in equity-settled share-based payment expenses of RMB20.1 million, salaries, wages and other benefits of RMB9.7 million and depreciation and amortization of RMB8.1 million, which were in line with our market expansion strategy.

Other net gain

Our other net gain increased from RMB18.6 million in 2023 to RMB44.2 million in 2024, primarily attributable to an increase in government grants of RMB29.8 million.

Fair Value Changes of Financial Assets Measured at FVPL

Our fair value changes of financial assets measured at FVPL decreased from RMB37.0 million in 2023 to RMB21.2 million in 2024, primarily attributable to a decrease in the total balance of the certificates of deposit and low-risk wealth management products as a result of the redemption of certain financial assets.

Finance Costs

Our finance costs consisted of interest on lease liabilities. We recorded finance costs of RMB1.0 million and RMB0.9 million in 2023 and 2024, respectively.

Income Tax

We did not record any income tax expense in 2023 or 2024.

Net Loss

As a result of the above, we recorded a net loss of RMB212.9 million and RMB218.5 million for the years ended December 31, 2023 and 2024, respectively, which was basically flat.

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DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from the Accountants' Report set out in Appendix I to this Prospectus:

	As of December 31,		As of June 30,
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Total non-current assets	205,300	95,951	77,393
Total current assets	1,350,346	1,264,779	1,228,859
Total assets	1,555,646	1,360,730	1,306,252
Total non-current liabilities	(39,755)	(13,939)	(15,881)
Total current liabilities	(77,545)	(86,835)	(105,787)
Total liabilities	(117,300)	(100,774)	(121,668)
Net current assets	1,272,801	1,177,944	1,123,072
Net assets	1,438,346	1,259,956	1,184,584
Share capital	360,000	360,000	360,000
Reserves	1,078,346	899,956	824,584
Total equity	1,438,346	1,259,956	1,184,584

We recorded net assets of RMB1,184.6 million as of June 30, 2025, as compared to net assets of RMB1,260.0 million as of December 31, 2024. The change was primarily attributable to loss for the period of RMB89.1 million incurred for the six months ended June 30, 2025, partially offset by the increase in other reserve of RMB14.0 million arising from equity-settled share-based transactions.

We recorded net assets of RMB1,260.0 million as of December 31, 2024, as compared to net assets of RMB1,438.3 million as of December 31, 2023. The change was primarily attributable to loss for the year of RMB218.5 million incurred in 2024, partially offset by the increase in other reserve of RMB40.0 million arising from equity-settled share-based transactions.

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NET CURRENT ASSETS

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,		As of	As of
	2023	2024	June 30,	October 31,
			2025	2025
	<i>(RMB in thousands)</i>			<i>(Unaudited)</i>
Current assets				
Inventories	77,163	73,708	79,496	142,596
Contract assets	–	12,162	12,200	11,972
Trade and other receivables . .	18,538	48,105	86,661	68,656
Prepayments	17,296	11,896	19,274	23,293
Financial assets measured at				
FVPL	1,066,949	876,501	805,424	660,410
Cash and cash equivalents . . .	155,315	119,811	94,457	98,222
Other current assets	15,085	122,596	131,347	202,474
Total current assets	1,350,346	1,264,779	1,228,859	1,207,623
Current liabilities				
Trade and other payables	(62,793)	(66,152)	(78,362)	(94,488)
Contract liabilities	(4,624)	(5,817)	(9,121)	(34,302)
Lease liabilities	(8,012)	(7,698)	(6,762)	(5,105)
Current taxation	–	–	(22)	–
Provisions	(2,116)	(7,168)	(11,520)	(12,384)
Total current liabilities	(77,545)	(86,835)	(105,787)	(146,279)
Net current assets	1,272,801	1,177,944	1,123,072	1,061,344

We had net current assets of RMB1,123.1 million as of June 30, 2025, as compared to net current assets of RMB1,177.9 million as of December 31, 2024. The change was primarily due to a decrease in financial assets measured at FVPL of RMB71.1 million and a decrease of cash and cash equivalents of RMB25.4 million, partially offset by an increase in trade and other receivables of RMB38.6 million.

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We had net current assets of RMB1,177.9 million as of December 31, 2024, as compared to net current assets of RMB1,272.8 million as of December 31, 2023. The change was primarily due to a decrease of RMB190.4 million in financial assets measured at FVPL, and a decrease in cash and cash equivalents of RMB35.5 million, partially offset by an increase of RMB107.5 million in other current assets.

We assess whether there is any indication that an asset may be impaired at the end of each reporting period. The loss throughout the Track Record Period was mainly due to the short period of commercialization of its Core Products, and large amount of R&D expenses we incurred for the implementation of clinical plans at the early stage of business development. During each year/period of the Track Record Period, we did not identify any external or internal impairment indications such as declined asset value, adverse market conditions, unfavorable discount rate movements, distressed asset status or worse economic performance than expected either.

Inventories

Our inventories include raw materials, work in progress and finished goods. We intend to maintain an appropriate level of inventory of our products and raw materials to ensure timely delivery pursuant to customers' orders. For more details, see "Business—Manufacturing and Supply Chain." The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
Raw materials	37,738	44,583	41,214
Work in progress	8,136	10,009	13,789
Finished goods	31,289	19,116	24,493
Total	<u>77,163</u>	<u>73,708</u>	<u>79,496</u>

Our inventories slightly decreased from RMB77.2 million as of December 31, 2023 to RMB73.7 million as of December 31, 2024, and further increased to RMB79.5 million as of June 30, 2025.

As of the Latest Practicable Date, RMB53.5 million, or 67.3%, of our inventories as of June 30, 2025, had been utilized or sold.

We do not foresee any significant recoverability issue with our inventories, and do not believe further provision for impairment is necessary, considering that: (i) most of our inventories can be purchased in advance for more cost effective procurement, (ii) raw materials may also be re-purposed for R&D pipeline and prototype generation. We periodically review

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our inventory aging analysis and through our inventory management by promoting R&D and sales-driven initiatives and as a result, our inventory turnover days have been decreased from during the Track Record Period. The following table sets forth our inventory turnover days for the year/period indicated:

	For the Year Ended December 31,		For the Six Months Ended June 30,
	2023	2024	2025
Turnover days of inventories ⁽¹⁾	775	445	250

(1) Calculated using the average of the opening and closing balances of inventories for the relevant year/period divided by cost of sales and multiplied by 365 days for a full-year period or 181 days for a six-month period.

Trade and other receivables and contract assets

Our trade and other receivables consist of our trade receivables and other receivables. The following table sets forth the details of our trade and other receivables and contract assets as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
<i>(RMB in thousands)</i>			
Trade receivables	17,091	43,133	77,803
Contract assets	—	12,162	12,200
Other receivables	1,447	4,972	8,858
Total	<u>18,538</u>	<u>60,267</u>	<u>98,861</u>

Our trade and other receivables and contract assets increased from RMB60.3 million as of December 31, 2024 to RMB98.9 million as of June 30, 2025, primarily attributable to an increase in trade receivables of RMB34.7 million.

Our trade and other receivables and contract assets increased from RMB18.5 million as of December 31, 2023 to RMB60.3 million as of December 31, 2024, primarily attributable to an increase in trade receivables of RMB26.0 million.

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The following table sets forth our trade receivables turnover days for the year/period indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
Turnover days of trade receivables ⁽¹⁾ . . .	65	69	74

- (1) Calculated using the average of the opening and closing balances of trade receivables for the relevant year divided by revenue and multiplied by 365 days for a full-year period or 181 days for a six-month period.

The following table sets forth the aging analysis of our trade receivables, based on the invoice date and net of loss allowance, as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
<i>(RMB in thousands)</i>			
Within 1 month	17,091	38,974	59,734
1 to 3 months	–	18	6,406
3 to 6 months	–	402	1,044
6 to 12 months	–	2,968	8,865
Over 1 year	–	771	1,754
	<u>17,091</u>	<u>43,133</u>	<u>77,803</u>

As of the Latest Practicable Date, RMB36.5 million, or 42.4%, of our trade and other receivables as of June 30, 2025 had been subsequently settled.

We do not foresee any significant recoverability issue with our trade and other receivables because most of the subsequently unsettled trade and other receivables were not yet due. To assess the adequacy of the impairment of our trade receivables, our Directors have considered the recoverability of individual customers, including among others, probability of default, loss rate given default and forward-looking adjustment factors. These probabilities and rates are evaluated based on credit ratings of counterparties, actual aging, project aging and regulatory rules. Forward-looking adjustment factors are to reflect expectations of future economic conditions at each reporting date, which allows macroeconomic impact be taken into consideration. Based on the results of our Director's assessment, we recognised the impairment losses of our trade receivables in accordance with the accounting policies in Note 2(i)(i) to draft Accountants' Report set out in Appendix I to this prospectus. On the basis of each of the factors as assessed above, our Directors considered the impairment losses on trade receivables made as of the end of each year/period during the Track Record Period were sufficient.

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Prepayments

Our prepayments primarily include prepayments for materials and services. Our prepayments decreased from RMB23.8 million as of December 31, 2023 to RMB12.1 million as of December 31, 2024, which was primarily attributable to the prepaid orders in 2023 being fulfilled in 2024 and a decrease in prepayment of materials and services in 2024. Our prepayments increased from RMB12.1 million as of December 31, 2024 to RMB19.9 million as of June 30, 2025, which was primarily attributable to an increase in prepayment of materials.

Financial Assets Measured at FVPL

Our financial assets measured at FVPL primarily consist of our certificates of deposit and investment in short-term low-risk wealth management products. Our financial assets measured at FVPL decreased from RMB1,066.9 million as of December 31, 2023 to RMB876.5 million as of December 31, 2024. The decrease was primarily attributable to a decrease in the certificates of deposit as a result of redemption of such financial assets, partially offset by an increase in the investment in short-term low-risk wealth management products as a result of purchases of such financial assets using our cash and cash equivalents. Our financial assets measured at FVPL decreased from RMB876.5 million as of December 31, 2024 to RMB805.4 million as of June 30, 2025. The decrease was primarily attributable to a decrease in the certificates of deposit as a result of redemption of such financial assets.

Fair Value Measurement

The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of each of the reporting period in which they occur.

We manage our wealth management products in accordance with our investment management policies and internal control mechanism. In assessing the wealth management products, we apply a number of internal guiding principles which are approved by the chairman, the chief operating officer and the board secretary, including that (i) the proposed

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investments must not interfere with the cash needs for our ordinary business operations; (ii) our wealth management activities aim at maximizing returns while ensuring the safety of funds and liquidity; and (iii) the proposed investments shall be limited to the wealth management products with a risk level of R2 or below. We have a structured and stringent internal approval mechanism in which our management team, including our chief executive officer and chief operating officer, are actively involved. Purchases of any wealth management products must be approved by our chief executive officer and chief operating officer. After the Listing, our investments in wealth management products will be subject to compliance with Chapter 14 of the Listing Rules.

Cash and Cash Equivalents

Our cash and cash equivalents decreased from RMB155.3 million as of December 31, 2023 to RMB119.8 million as of December 31, 2024, primarily due to the net cash outflow used in operating activities, and further decreased to RMB94.5 million as of June 30, 2025, primarily due to the net cash outflow used in operating activities.

Trade and Other Payables

Our trade and other payables primarily consist of our trade payables to third-party suppliers and accrued payroll. The following table sets forth the details of our trade and other payables as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
	(RMB in thousands)		
Trade payables	5,877	8,301	9,177
Accrued payroll	34,874	32,825	23,337
Other payables and accrued charges . . .	22,042	25,026	45,848
Total	<u>62,793</u>	<u>66,152</u>	<u>78,362</u>

Our trade and other payables decreased from RMB66.2 million as of December 31, 2024 to RMB78.4 million as of June 30, 2025, which was primarily attributable to the accrual of listing expense. Our trade and other payables slightly increased from RMB62.8 million as of December 31, 2023 to RMB66.2 million as of December 31, 2024, which was primarily attributable to an increase of RMB2.4 million in trade payables and an increase of RMB3.0 million in other payables and accrued charges, partially offset by a decrease of RMB2.0 million in accrued payroll.

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The following table sets forth our trade payables turnover days for the year/period indicated:

	For the Year Ended December 31,		For the Six Months Ended June 30,
	2023	2024	2025
Turnover days of trade payables ⁽¹⁾ . . .	14	22	14

(1) Calculated using the average of the opening and closing balances of trade payables for the relevant year/period divided by total purchases for the relevant year and multiplied by 365 days for a full-year period or 181 days for a six-month period.

The following table sets forth the aging analysis of our trade payables, based on invoice date, as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
<i>(RMB in thousands)</i>			
Within 1 month	2,630	7,263	6,277
1 to 3 months	1,061	446	37
3 to 6 months	1,128	295	140
6 to 12 months	844	76	2,471
Over 1 year	214	221	252
	<u>5,877</u>	<u>8,301</u>	<u>9,177</u>

As of the Latest Practicable Date, RMB35.4 million, or 45.2%, of our trade and other payables as of June 30, 2025 had been subsequently settled.

Contract Liabilities

We had contract liabilities of RMB13.3 million as of June 30, 2025, as compared to contract liabilities of RMB9.1 million as of December 31, 2024. The change was primarily due to an increase in advanced receipts from customers for sales of medical devices of RMB2.7 million.

We had contract liabilities of RMB9.1 million as of December 31, 2024, as compared to contract liabilities of RMB5.4 million as of December 31, 2023. The change was primarily due to an increase in extended warranty of RMB2.9 million.

As of the Latest Practicable Date, RMB2.8 million, or 21.1%, of our contract liabilities as of June 30, 2025 had been subsequently settled.

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Provisions

We offer warranties for our surgical robots and made provisions for the best estimate of the expected costs within the warranty periods. We made provisions of RMB2.1 million, RMB7.2 million and RMB11.5 million as of December 31, 2023 and 2024 and June 30, 2025, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Overview

During the Track Record Period, we mainly relied on capital contributions by our shareholders and cash flows generated from operating activities as the major sources of liquidity. As our business develops and expands, we expect to gradually generate cash from operating activities upon the continuous commercialization of our product candidates through increasing marketing efforts and improving cost control and operating efficiency.

With respect to cash management, our objective is to optimize liquidity to gain a better return for Shareholders in a risk-averse manner. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows.

Cash Flows

The following table sets forth our cash flows for the periods indicated, which have been extracted from the Accountants' Report set out in Appendix I to this Prospectus:

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2023	2024	2024	2025
			<i>(unaudited)</i>	
Cash flows used in operating activities before movement in working capital	(255,827)	(180,791)	(121,989)	(72,033)
Changes in working capital	<u>(64,478)</u>	<u>(43,849)</u>	<u>(11,498)</u>	<u>(24,877)</u>
Net cash used in operating activities	(320,305)	(224,640)	(133,487)	(96,910)
Net cash generated from investing activities	383,733	196,248	91,416	75,948
Net cash used in financing activities	(9,184)	(7,343)	(3,481)	(4,225)
Net increase/(decrease) in cash and cash equivalents	54,244	(35,735)	(45,552)	(25,187)

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	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2023	2024	2024	2025
			<i>(unaudited)</i>	
Cash and cash equivalents at beginning of year/period	100,820	155,315	155,315	119,811
Effect of foreign exchange rate changes	251	231	95	(167)
Cash and cash equivalents at end of year/period	155,315	119,811	109,858	94,457

Net Cash Used in Operating Activities

Since the commencement of our business operation, we have incurred negative cash flows from our operations. Substantially all of our operating cash outflows have resulted from the purchase of raw materials and services, and labor cost expenses.

For the six months ended June 30, 2025, our net cash used in operating activities was RMB96.9 million, which was attributable to our loss before taxation of RMB89.1 million, primarily positively adjusted by equity-settled share-based payment expenses of RMB14.0 million, an increase in depreciation of RMB13.0 million and an increase in trade and other payables of RMB10.6 million. The amount was then adjusted downward primarily by an increase in prepayments, trade and other receivables of RMB48.5 million.

For the year ended December 31, 2024, our net cash used in operating activities was RMB224.6 million, which was attributable to our loss before taxation of RMB218.5 million, primarily positively adjusted by equity-settled share-based payment expenses of RMB40.0 million and depreciation of RMB26.0 million. The amount was then adjusted downward primarily by an increase in prepayments, trade and other receivables of RMB26.2 million, a change in fair value of financial assets measured at FVPL of RMB21.2 million and a decrease in deferred income of RMB20.0 million.

For the year ended December 31, 2023, our net cash used in operating activities was RMB320.3 million, which was attributable to our loss before taxation of RMB212.9 million, primarily positively adjusted by an increase in deferred income of RMB20.1 million and depreciation of RMB16.9 million. The amount was then adjusted downward primarily by an increase in inventories of RMB74.1 million, a change in fair value of financial assets measured at FVPL in an amount of RMB37.0 million, an increase in prepayments, trade and other receivables of RMB16.1 million, equity-settled share-based payment expenses of RMB13.7 million and an investment income of RMB10.0 million.

In view of our net operating cash outflow during the Track Record Period, we plan to improve our operating cash flow position by (i) continuing the commercialization of our endoscopic surgical robots and initiate the commercialization of our Edge Bronchoscope

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Robot, (ii) consistently advancing our pipeline products towards commercialization to generate revenue from product sales, and (iii) improving our working capital management efficiency. In addition, we plan to maintain an optimal level of inventories of our surgical robots after their commercialization, obtain better settlement terms from our suppliers and adopt measures to control costs and operating expenses, primarily including administrative expenses, to improve our cost efficiency. As our product candidates in the pipeline and our surgical robots advance further in clinical trials and may obtain regulatory approvals for commercialization in the near future, we expect to generate operating cash inflow from an increasing number of products, thereby improving our operating cash outflow position.

Net Cash Generated from Investing Activities

For the six months ended June 30, 2025, our net cash generated from investing activities was RMB75.9 million, mainly attributable to proceeds from financial assets of RMB677.6 million, partially offset by payment for purchase of financial assets of RMB600.4 million.

For the year ended December 31, 2024, our net cash generated from investing activities was RMB196.2 million, mainly attributable to proceeds from financial assets of RMB879.7 million, which was partially offset by payment for purchase of financial assets of RMB658.3 million.

For the year ended December 31, 2023, our net cash generated from investing activities was RMB383.7 million, mainly attributable to proceeds from financial assets of RMB530.4 million, which was partially offset by payment for purchase of financial assets of RMB85.0 million and purchase of property, plant and equipment of RMB61.3 million.

Net Cash Used in Financing Activities

During the Track Record Period, our cash flows used in financing activities primarily consisted of payment of capital element and interest element of lease liabilities as well as lease deposits paid.

For the six months ended June 30, 2025, our net cash used in financing activities was RMB4.2 million, mainly attributable to payment of capital element of lease liabilities of RMB3.5 million.

For the year ended December 31, 2024, our net cash used in financing activities was RMB7.3 million, mainly attributable to payment of capital element of lease liabilities of RMB7.0 million.

For the year ended December 31, 2023, our net cash used in financing activities was RMB9.2 million, mainly attributable to payment of capital element of lease liabilities of RMB7.4 million.

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WORKING CAPITAL

The Directors are of the opinion that, taking into account of the following financial resources available to us described below, we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, administrative expenses, selling and marketing expenses, finance costs and other expenses for at least the next 12 months from the date of this Prospectus:

- cash and cash equivalents;
- available equity financing and bank facilities; and
- our estimated net proceeds from the Global Offering.

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) capital expenditures and (iii) lease payments. We had cash and cash equivalents and the financial assets measured at FVPL of RMB899.9 million as of June 30, 2025. We estimate that we will receive net proceeds of approximately HK\$1,116.6 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK\$43.24 per Offer Share. We estimate that our cash and cash equivalents along with the financial assets measured at FVPL with high liquidity as of June 30, 2025 will be able to maintain our financial viability for 36 months without taking into account the estimated net proceeds from the Offering or, if we take into account the estimated net proceeds from the Global Offering, 75 months. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months. After making reasonable enquiries with the Company about the Company's working capital requirements, nothing has come to the Joint Sponsors' attention which would cause them to disagree with the Directors' view above.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the periods indicated:

	For the Years Ended December 31,		For the Six Months Ended June 30,	
	2023	2024	2024	2025
	(RMB in thousands)			
	(unaudited)			
R&D Costs				
<i>R&D Costs for Core Products</i>				
Clinical trial expenses	4,747	3,281	1,210	2,120
Staff costs ⁽¹⁾	73,849	66,651	33,945	32,808

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	For the Years Ended December 31,		For the Six Months Ended June 30,	
	2023	2024	2024	2025
	(RMB in thousands)		(unaudited)	
Materials and consumables used	27,956	68,319	21,791	32,138
Others	9,989	11,159	5,860	4,109
<i>R&D Costs for Other Product Candidates</i>				
Clinical trial expenses	292	1,155	–	290
Staff costs	34,649	31,631	14,840	8,210
Materials and consumables used	7,640	5,660	4,248	2,026
Others	4,394	3,145	1,418	371
Workforce Employment⁽²⁾	74,045	93,690	41,499	56,524
Direct Production Costs⁽³⁾	6,522	37,049	4,194	35,841
Non-Income Taxes, Royalties and Governmental Charges . .	59	92	50	63
Other Significant Costs⁽⁴⁾	66,947	55,293	25,873	49,352

Notes:

- (1) Represent staff cost excluding share-based payment expenses.
- (2) Represents non-research and development staff costs mainly including salaries and wages and other benefits.
- (3) Direct production costs including materials, represent the costs of sales (excluding employee benefit expenses and non-cash items under contract fulfillment costs).
- (4) Represent non-research and development costs mainly including third-party services fees and expenses for academic conferences and training of surgeons.

INDEBTEDNESS

The following table sets forth the breakdown of our financial indebtedness as of the dates indicated:

	As of December 31,		As of June 30,	As of October 31,
	2023	2024	2025	2025
	(RMB in thousands)		(Unaudited)	
Lease liabilities	26,729	18,029	13,621	11,407

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Save as disclosed in this Prospectus, we did not have any other material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of the Latest Practicable Date. During the Track Record Period and up to the indebtedness date, we did not maintain banking facilities, and we did not have unutilized banking facilities.

Lease Liabilities

We recognized right-of-use assets and the corresponding lease liabilities in respect of all leases, except for short-term leases. The table below sets forth our lease liabilities as of the dates indicated:

	As of December 31,		As of June 30,	As of October 31,
	2023	2024	2025	2025
	<i>(RMB in thousands)</i>			<i>(Unaudited)</i>
Current	8,012	7,698	6,762	5,105
Non-current	18,717	10,331	6,859	6,302
Total	<u>26,729</u>	<u>18,029</u>	<u>13,621</u>	<u>11,407</u>

Our total lease liabilities decreased from RMB26.7 million as of December 31, 2023 to RMB18.0 million as of December 31, 2024, and further decreased to RMB13.6 million as of June 30, 2025.

Our Directors confirm that, up to the Latest Practicable Date, there has been no material change in indebtedness of our Group since October 31, 2025, being the latest practicable date for the preparation of the indebtedness statement in this Prospectus.

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CAPITAL EXPENDITURES

We regularly make capital expenditures to expand our operations by upgrading our facilities for production and research and development in order to increase our manufacturing capacities and operating efficiency. The table below sets forth our capital expenditures for the periods indicated:

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2023	2024	2024	2025
	<i>(RMB in thousands)</i>			
	<i>(unaudited)</i>			
Payment for purchase of property, plant and equipment	61,334	26,392	24,020	1,572
Payment for purchase of intangible assets	<u>2,270</u>	<u>598</u>	<u>303</u>	<u>84</u>
Total	<u>63,604</u>	<u>26,990</u>	<u>24,323</u>	<u>1,656</u>

We expect to incur capital expenditures in 2025 primarily for expansion of manufacturing capacities and purchase of new equipment. For details, see “Future Plans and Use of Proceeds.” We expect to finance such capital expenditures through a combination of existing cash and cash equivalents, net proceeds from the Global Offering and bank and other borrowings. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CONTRACTUAL OBLIGATIONS

Capital Commitments

As of December 31, 2023 and 2024 and June 30, 2025, we had capital commitments of RMB0.4 million, RMB0.3 million and RMB0.2 million, respectively, primarily in connection with the renovation of our office space, our capital expenditure in respect of property, plant and equipment.

CONTINGENT LIABILITIES

As of December 31, 2023 and 2024 and June 30, 2025, we did not have any contingent liabilities. We confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

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OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

KEY FINANCIAL RATIOS

The table below sets forth the key financial ratio of our Group as of the dates indicated:

	<u>As of December 31,</u>		<u>As of June 30,</u>
	<u>2023</u>	<u>2024</u>	<u>2025</u>
Current ratio ⁽¹⁾	17.4	14.6	11.6

Note:

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

Our current ratio decreased from 14.6 as of December 31, 2024 to 11.6 as of June 30, 2025, which was primarily attributable to a decrease of RMB71.1 million in financial assets measured at FVPL and a decrease of RMB25.4 million in cash and cash equivalents, partially offset by an increase of RMB38.6 million in trade and other receivables and an increase of RMB12.2 million of trade and other payables.

Our current ratio slightly decreased from 17.4 as of December 31, 2023 to 14.6 as of December 31, 2024, which was primarily attributable to a decrease of RMB190.4 million in financial assets measured at FVPL and a decrease of RMB35.5 million in cash and cash equivalents, partially offset by an increase of RMB107.5 million in other current assets and an increase of RMB29.6 million in trade and other receivables.

MARKET RISK DISCLOSURE

We are exposed to a variety of financial risks, including currency risk, interest rate risk, credit risk and other price risk, as set out below.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to us. Our credit risk is primarily attributable to trade receivables and contract assets. Our exposure to credit risk arising from cash and cash equivalents and term deposits is limited because the counterparties are state-owned banks or reputable commercial banks for which we consider having low credit risk. For further details, see Note 27 to the Accountants' Report set out in Appendix I to this Prospectus.

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Liquidity Risk

Our policy is to regularly monitor its liquidity requirements to ensure that we maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet our liquidity requirements in the short and longer terms. For further details, see Note 27 to the Accountants' Report set out in Appendix I to this Prospectus.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are primarily exposed to interest rate risk from cash at bank. We currently do not have an interest rate hedging policy to mitigate interest rate risk. Nevertheless, our management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arises. For further details, including relevant sensitivity analysis, see Note 27 to the Accountants' Report set out in Appendix I to this Prospectus.

Currency Risk

We are exposed to currency risk primarily from cash and cash equivalents that are denominated in a currency other than the functional currency of the entity to which they relate. For further details, please see Note 27 to the Accountants' Report set out in Appendix I to this Prospectus.

DIVIDEND

We do not have a formal dividend policy, a pre-determined dividend pay-out ratio, or a numerical threshold for determining dividend distributions. Subject to our constitutional documents and the Company Law of the PRC, we may declare dividend mainly by way of cash dividends. The declaration of dividend shall be approved by our Board of Directors and Shareholders. No dividend has been paid or declared by our Company since our incorporation till the Latest Practicable Date. You should note that historical dividend distributions are not indicative of our future dividend distribution policy.

After completion of the Global Offering, our Shareholders will be entitled to receive dividends we declare. We intend to provide our Shareholders with interim or annual dividends as appropriate. We do not have a pre-determined dividend pay-out ratio or a numerical threshold for determining dividend distributions, which will be determined by our Board of Directors and Shareholders prior to each dividend distribution. Our Board of Directors is required to consider the following factors before declaring and paying dividends (including determining the dividend pay-out ratio):

- our actual and projected financial performance;
- our estimated working capital requirements, capital expenditure requirements and future business expansion plan;

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- our present and future cash flow;
- other internal and external factors that may have an impact on our business operations or financial performance and position; and
- other factors that our Board of Directors deem relevant.

Following the Listing and as our operations continue to grow, we may consider adopting a formal dividend policy with pre-determined dividend pay-out ratio to provide our Shareholders with more specific guidance regarding future dividend distributions. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, including the approval of Shareholders.

PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As confirmed by our PRC Legal Advisor, according to the PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. As a result, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders, even if we become profitable. Any distributable profits not distributed in a given year are retained and available for distribution in subsequent years. Our dividend distribution may also be restricted if we incur debt or losses or in accordance with any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that we or our subsidiaries may enter into in the future.

DISTRIBUTABLE RESERVES

As of June 30, 2025, we did not have any distributable reserves.

LISTING EXPENSE

The total Listing expenses (including underwriting commissions) payable by our Company are estimated to be approximately HK\$82.1 million (or approximately RMB74.4 million) or 6.8% of the gross proceeds of the Global Offering, assuming the Over-allotment Option is not exercised and based on an Offer Price of HK\$43.24 per Offer Share. These Listing expenses comprise legal and other professional fees paid and payable to the professional parties, commissions payable to the Underwriters, and printing and other expenses for their services rendered in relation to the Listing and the Global Offering.

We estimate that Listing expenses of approximately HK\$82.1 million (including underwriting commissions of approximately HK\$40.2 million, assuming the Over-allotment Option is not exercised and based on the Offer Price of HK\$43.24 per Offer Share) will be incurred by our Company. During the Track Record Period, we incurred approximately HK\$20.2 million in listing expenses, of which HK\$18.5 million were recognised in our

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consolidated statements of profit or loss and HK\$1.7 million were recognised as other current asset, which is expected to be accounted for as a deduction from equity upon Listing. We estimate that we will further incur listing expenses of HK\$61.9 million, approximately HK\$19.5 million of which is expected to be charged to our consolidated statements of profit or loss and other comprehensive income, and approximately HK\$42.4 million of which is directly attributable to the issue of H Shares and expected to be deducted from equity upon the completion of the Global Offering.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules is to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group as if the Global Offering had taken place on June 30, 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as at June 30, 2025 or any future date.

	Consolidated net tangible assets of the Group as of June 30, 2025 ⁽ⁱ⁾	Estimated net proceeds from the Global Offering ⁽ⁱⁱ⁾	Unaudited pro forma adjusted consolidated net tangible assets	Unaudited pro forma adjusted consolidated net tangible assets per Share ⁽ⁱⁱⁱ⁾	Unaudited pro forma adjusted consolidated net tangible assets per Share ^(iv)
	RMB'000	RMB'000	RMB'000	RMB	HK\$
Based on an Offer Price of					
HK\$43.24 per H Share . .	1,184,139	1,029,264	2,213,403	5.71	6.30

Notes:

- (i) The consolidated net tangible assets of the Group as of June 30, 2025 is calculated based on the consolidated net assets of our Group of RMB1,184,584,000 as of June 30, 2025 less intangible assets of RMB445,000 as of the same date, as extracted from the Accountants' Report as set out in Appendix I to this Prospectus.
- (ii) The estimated net proceeds from the Global Offering are based on the estimated Offer Prices of HK\$43.24 per H Share, after deduction of the estimated underwriting fees and other related expenses related to the Global Offering (excluding approximately RMB16,764,000 listing expenses which has been charged to the consolidated statements of profit or loss and other comprehensive income up to June 30, 2025) and assuming that the issuance of 27,722,200 H Shares had been completed on June 30, 2025, but takes no account of any shares that may be issued upon exercise of the Over-allotment Option, and excluding any shares which may be issued or repurchased by the Company pursuant to the general mandates. The estimated net proceeds from the Global Offering are converted into RMB at an exchange rate of HK\$1.1028 to RMB1. No representation is made that Hong Kong dollar amounts have been, could have been or may be converted into RMB, or vice versa, at that rate.

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- (iii) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at by dividing the unaudited pro forma adjusted consolidated net tangible assets of the Group by 387,722,200 Shares, which is calculated based on 360,000,000 Shares in issue at June 30, 2025 and 27,722,200 H Shares newly issued pursuant to the Global Offering, and does not take into account any Shares which may be issued upon the exercise of the Over-allotment Option and excluding any shares which may be issued or repurchased by the Company pursuant to the general mandates.
- (iv) The unaudited pro forma adjusted consolidated net tangible assets per Share is converted into Hong Kong dollars at an exchange rate of RMB1 to HK\$1.1028. No representation is made that RMB amounts have been, could have been or may be converted into Hong Kong dollars, or vice versa, at that rate.
- (v) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to June 30, 2025.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this Prospectus, there has been no material adverse change in our financial, operational or trading positions or prospects since June 30, 2025, being the end of the period reported on as set out in the Accountants' Report included in Appendix I to this Prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**”, and together, the “**Cornerstone Investment Agreements**”) with the cornerstone investors set out below (each a “**Cornerstone Investor**”, and together, the “**Cornerstone Investors**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) that may be purchased for an aggregate amount of US\$75.0 million (or approximately HK\$583.5 million, calculated based on the exchange rate set out in the section headed “Information about this Prospectus and the Global Offering—Exchange Rate Conversion”) (the “**Cornerstone Placing**”).

Based on the Offer Price of HK\$43.24 per Offer Share, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 13,494,600 H Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital
48.7%	3.5%	42.3%	3.4%

We believe that the Cornerstone Placing demonstrates our Cornerstone Investors’ confidence in our Company and its business prospect, and that the Cornerstone Placing will help to raise the profile of our Company. Our Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through the Group’s business network or through introduction by the Overall Coordinators in the Global Offering.

The Cornerstone Placing will form part of the International Offering, and, save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors and their respective close associates will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid H Shares in issue following the Global Offering of the Company and will be counted towards the public float of our Company under Rule 19A.13A of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors or their close associates will not, by virtue of their cornerstone investments, have any Board representation in our Company; and none of the Cornerstone Investors and their close associates will become a substantial Shareholder of our Company. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights under each of their respective Cornerstone Investment Agreements, as compared with

CORNERSTONE INVESTORS

other public Shareholders. There are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

To the best knowledge of the Company, among the Cornerstone Investors, (i) OrbiMed Genesis is an existing Shareholder holding 0.17% equity interest in the Company and is a close associate of OrbiMed New Horizons, which holds 0.17% equity interest in the Company; (ii) each of Mega Prime Development Limited and Poly Platinum Enterprises Limited is a close associate of GBA Fund, an existing Shareholder holding 0.33% equity interest in the Company; (iii) LYFE Capital Fund IV (Dragon), L.P. is a close associate of Guadalupe Peak Limited, an existing Shareholder holding 5.27% equity interest in the Company; and (iv) Sage Partners Master Fund is a close associate of Sage Partners, an existing Shareholder holding 0.20% equity interest in the Company, as of the Latest Practicable Date. The Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 1C(2) of Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders or their close associates. For further details, please refer to the section headed “Waivers and Exemption—Waiver and Consent Under Rule 10.04 and Paragraph 1C(2) of Appendix F1 to the Listing Rules in Respect of Subscriptions of Offer Shares by Existing Shareholder and Close Associates of Existing Shareholder as Cornerstone Investors”. Save for certain Cornerstone Investors who are existing Shareholders or their close associates, to the best knowledge of our Company, each of the Cornerstone Investors is (i) not accustomed to take instructions from our Company or any of our Directors, Supervisors, chief executive, substantial Shareholders or existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them; and (ii) not financed by our Company or any of our Directors, Supervisors, chief executive of our Company, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates. To the best knowledge of our Company, each of the Cornerstone Investors and their respective ultimate beneficial owners is independent of our Company and is not our connected persons or their respective associates. In addition, to the best knowledge of our Company, each of the Cornerstone Investors makes independent investment decisions.

As confirmed by each of the Cornerstone Investors, its subscription under the Cornerstone Placing would be financed by its own internal financial resources, financial resources of its shareholders or the assets managed for its investors (in the case of Cornerstone Investors which are funds or investment managers) and it has sufficient funds to settle its respective investment under the Cornerstone Placing. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant Cornerstone Placing. Save as disclosed below, each of the Cornerstone Investors and its ultimate beneficial owner are not listed on any stock exchange.

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The Cornerstone Investors have agreed to fully pay for the relevant Offer Shares that they have subscribed before dealings in the Company's H Shares commence on the Stock Exchange. Where delayed delivery takes place, each Cornerstone Investor that may be affected by such delayed delivery has agreed that it shall nevertheless fully pay for the relevant Offer Shares before the Listing.

The total number of Offer Shares to be subscribed by the Cornerstone Investors may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering. If the total demand for H shares in the Hong Kong Public Offering falls within the circumstance as set out in the section headed "Structure of the Global Offering—The Hong Kong Public Offering—Reallocation" in this prospectus, our Company and the Overall Coordinators have the absolute discretion, but not obliged, to deduct the number of Offer Shares to be subscribed by the Cornerstone Investors on a pro rata basis in accordance with the terms of the Cornerstone Investment Agreements to satisfy the public demands under the Hong Kong Public Offering. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around January 7, 2026.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

Abu Dhabi Investment Authority

Abu Dhabi Investment Authority ("ADIA") is a public institution established by the Government of the Emirate of Abu Dhabi in 1976 as an independent investment institution. ADIA's objective is to receive funds of the Government of Abu Dhabi allocated for investment, and invest and reinvest those funds, for the general benefit of the Emirate of Abu Dhabi.

ADIA manages a global investment portfolio that is diversified across more than two dozen asset classes and sub-categories including developed equities, emerging market equities, small cap equities, government bonds, credit, fixed income, real estate, infrastructure, private equity, cash and alternatives.

UBS Asset Management (Singapore) Ltd.

UBS Asset Management (Singapore) Ltd. ("UBS AM Singapore"), a company incorporated in Singapore in December 1993, has entered into a Cornerstone Investment Agreement with the Company and the Joint Sponsors, in its capacity as the investment manager for and on behalf of the following fund: (i) UBS (Lux) Equity Fund—Greater China (USD); (ii) UBS (Lux) Equity Fund—China Opportunity (USD); (iii) UBS (HK) Fund Series—China Opportunity Equity (USD); (iv) UBS (Lux) Equity SICAV—All China (USD); (v) UBS (Lux) Investment SICAV—China A Opportunity (USD); (vi) UBS (CAY) China A Opportunity; and (vii) certain other segregated accounts and mandates. As confirmed by UBS AM Singapore, no single ultimate beneficial owner holds 30% or more interest in those funds.

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UBS AM Singapore is a wholly owned subsidiary of UBS Asset Management AG, an investment management company, which is wholly ultimately owned by UBS Group AG, which is a company organized under Swiss law as a corporation that has issued shares of common stock to investors. UBS Group AG's shares are listed on the SIX Swiss Exchange (stock code: UBSG) and the New York Stock Exchange (stock code: UBS). UBS AM Singapore's shareholders' approval, New York Stock Exchange's approval and SIX Swiss Exchange's approval are not required for UBS AM Singapore's subscription for the Offer Shares pursuant to the relevant Cornerstone Investment Agreement.

OrbiMed Genesis Master Fund, L.P.,

OrbiMed Genesis Master Fund, L.P. ("**OrbiMed Genesis**") is an exempted limited partnership incorporated in the Cayman Islands. OrbiMed Genesis GP LLC ("**Genesis GP**") is the general partner of OrbiMed Genesis. OrbiMed Advisors LLC ("**OrbiMed Advisors**") is the managing member of Genesis GP. OrbiMed Advisors exercises voting and investment power through a management committee comprised of Carl L. Gordon, Sven H. Borho, and W. Carter Neild, each of whom disclaims beneficial ownership of the shares held by OrbiMed Genesis, except to the extent of its or his pecuniary interest therein if any. No single limited partner of OrbiMed Genesis, directly or indirectly, owns equal to or more than 30% of OrbiMed Genesis. OrbiMed Genesis invests primarily in innovative life sciences companies engaged in the discovery and development of novel products and services that may address significant unmet medical needs. Both OrbiMed Genesis and its close associate, OrbiMed New Horizons Master Fund, L.P., are existing Shareholders of our Company.

Huang River Investment Limited

Huang River Investment Limited is wholly owned by Tencent Holdings Limited ("**Tencent**"), a company listed on the Stock Exchange (stock code: 00700 (HKD Counter) and 80700 (RMB Counter)). Tencent is principally engaged in the provision of communication, social, digital content, games, marketing services, fintech and business services in the PRC.

China Asset Management (Hong Kong) Limited

China Asset Management (Hong Kong) Limited ("**ChinaAMC (HK)**") is a wholly-owned subsidiary of China Asset Management Co., Ltd., ("**ChinaAMC**"), which is owned as to 62.2% by CITIC Securities Company Limited (a company listed on the Shanghai Stock Exchange with stock code 600030 and on the Hong Kong Stock Exchange with stock code 6030). No other shareholder holds 30% or more equity interest in ChinaAMC. ChinaAMC (HK) will hold the Offer Shares subscribed through the Cornerstone Placing in its capacity as the discretionary fund manager on behalf of underlying clients, each of which is, to the best knowledge and belief and after due enquiry of ChinaAMC (HK), an independent third party of the Company, ChinaAMC (HK), CLSA Limited and the companies which are members of the same group of CLSA Limited. No one holds 30% or more interest in any of the underlying funds of ChinaAMC (HK). As a top Chinese fund management company in Hong Kong, ChinaAMC (HK) is committed to developing offshore and cross-border asset management businesses by leveraging the expertise of its experienced investment and research teams and its shareholder

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companies' resources, services and connections in Mainland China. ChinaAMC provides a full range of services to retail and institutional investors home and abroad, covering equity, fixed income, money markets, etc. ChinaAMC is one of the largest asset managers in China and provides services to National Social Security Fund, corporate pensions, separate accounts, sovereign funds in Europe, America, and Asia, central banks, pensions, banks, asset managers, securities companies and other overseas institutional clients.

CITIC Securities Company Limited is the holding company of CLSA Limited, one of the Overall Coordinators and Underwriters of the Global Offering. ChinaAMC (HK) is a member of the same group of companies as CLSA Limited and therefore is a "connected client" (as defined under Appendix F1 to the Listing Rules) of CLSA Limited. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit ChinaAMC (HK) to participate in the Global Offering as cornerstone investor subject to certain conditions. Please refer to the sub-section headed "Waivers and Exemption—Consent in Respect of the Proposed Subscription of Offer Shares by Connected Client" for details.

LYFE Capital Fund IV (Dragon), L.P.

LYFE Capital Fund IV (Dragon), L.P. ("**LYFE Capital Fund IV**", together with its affiliates, "**LYFE Capital**") is a limited partnership private equity fund registered under the laws of Cayman Islands. LYFE Capital Fund IV is controlled by LYFE Capital Global Partner Limited as its general partner, which is ultimately controlled by Mr. Zhao Jin (趙晉), who is an Independent Third Party. LYFE Capital is a pioneering healthcare investment platform led by a group of investment veterans and operators that have gone through several market cycles. None of the investors holds 30% or more interest in LYFE Capital Fund IV. LYFE Capital Fund IV is a close associate of Guadalupe Peak Limited, an existing Shareholder of our Company.

GBAHIL

Mega Prime Development Limited ("**Mega Prime**") and Poly Platinum Enterprises Limited ("**Poly Platinum**") have, respectively, entered into Cornerstone Investment Agreements with our Company.

Mega Prime is a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of GBA Homeland Limited, which in turn is wholly owned by Greater Bay Area Homeland Investments Limited (大灣區共同家園投資有限公司) ("**GBAHIL**").

Poly Platinum is a company incorporated in the British Virgin Islands with limited liability and is wholly-controlled by Greater Bay Area Homeland Development Fund LP ("**GBA Fund**"). GBA Fund is a private fund established in the Cayman Islands and has nine limited partners, each of which holds less than 16% equity interest therein. The general partner of the GBA Fund is Greater Bay Area Homeland Development Fund (GP) Limited (大灣區共同家園發展基金(GP)有限公司) ("**GBAHD GP**", which is ultimately wholly-owned by GBAHIL.

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GBAHIL is a company incorporated in Hong Kong with limited liability and is jointly owned by ten shareholders, each of which holds less than 13% equity interest therein. GBAHIL's business encompasses private equity investment to grasp the historical opportunities of the development of Guangdong-Hong Kong-Macao Greater Bay Area, and the construction of an international innovation and technology hub, focusing on technological innovation, industrial upgrading, quality of life, smart city and all other related industries.

Poly Platinum and GBA Fund are under the discretionary management of Greater Bay Area Development Fund Management Limited (大灣區發展基金管理有限公司) (“GBADFML”), a company licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong. GBADFML is the discretionary investment manager of the managed account of Mega Prime. No single ultimate beneficial owner holds 30% or more interests in GBADFML. GBADFML's internal investment committee is responsible for making its investment decisions. Mega Prime and Poly Platinum are close associates of GBA Fund Investment Limited, an existing Shareholder of our Company.

China Alpha Fund Management (HK) Ltd

China Alpha Fund Management (HK) Ltd (“**China Alpha**”) has agreed to procure certain investors (namely China Alpha Multi-Joy Value Fund and Global Integrity Fund Ltd) to subscribe for the Offer Shares pursuant to the Cornerstone Investment Agreement. China Alpha is an asset management company holding Type 4 (advising on securities) and Type 9 (asset management) licences with the Securities and Futures Commission. It is ultimately wholly owned by Mr. Junyan Wang, an Independent Third Party.

China Alpha Multi-Joy Value Fund is an investment fund, the investment objective of which is to achieve capital growth primarily by investing globally in equities, fixed income of both corporate and government issuer, private equity, derivatives and cash/cash equivalents. China Alpha is acting as the investment adviser for and on behalf of China Alpha Multi-Joy Value Fund. China Alpha Multi-Joy Value Fund's management shares are ultimately controlled by Mr. Junyan Wang. All of the non-voting participating shares of China Alpha Multi-Joy Value Fund are ultimately held by Mr. Liao Hsueh-Hsuan. Both Mr. Junyan Wang and Mr. Liao Hsueh-Hsuan are Independent Third Parties.

Global Integrity Fund Ltd is an investment fund, the investment objective of which is to achieve long-term capital appreciation by focusing primarily on investment opportunities presented by initial public offerings, with a strategic emphasis on the Greater China Region. China Alpha is acting as the sub-manager for and on behalf of Global Integrity Fund Ltd. Global Integrity Fund Ltd's management shares are ultimately controlled by Mr. Junyan Wang, an Independent Third Party. 30% or more of the non-voting participating shares of Global Integrity Fund Ltd are also held by Mr. Junyan Wang. No other person holds 30% or more of the non-voting participating shares of Global Integrity Fund Ltd.

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Tekful Limited

Tekful Limited is a company incorporated in the BVI in November 2004 and it is primarily engaged in investment and holding businesses. Tekful Limited is wholly-owned by Mr. Cai Dong Chen, an Independent Third Party.

Tekful Limited dedicated to value investing, seeking investment opportunities with long-term growth potential, and focusing on the healthcare and pharmaceutical sectors.

Integrated Core Strategies (Asia) Pte. Ltd.

Integrated Core Strategies (Asia) Pte. Ltd. (“**ICSA**”) has entered into Cornerstone Investment Agreement with the Company. Millennium Capital Management (Singapore) Pte. Ltd. (“**Millennium Capital**”) is the principal investment manager of ICSA, the Cornerstone Investor. Millennium Capital is one of the investment management entities in the Millennium Group (Millennium Capital, together with its affiliated entities, are collectively referred to herein as “**Millennium**”). Millennium is a global, diversified alternative investment management firm and seeks to pursue a diverse range of investment strategies across industry sectors, asset classes and geographies. ICSA is incorporated in Singapore and Millennium Capital is licensed by the Monetary Authority of Singapore. Apart from Mr. Israel Englander, no ultimate beneficial owner holds 30% or more interests in Millennium Capital, and Mr. Israel Englander is an Independent Third Party. No ultimate beneficial owner holds 30% or more interests in ICSA.

Optimas Capital Limited (“**OCL**”) provides discretionary investment management service to ICSA, the Cornerstone Investor, through a separately managed account structure. OCL is an investment management company incorporated in Hong Kong and wholly owned by Ms. Cai Yun. OCL principally provides multi-product investment services to global investors and is licensed by the Securities and Futures Commission to carry on Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under Part V of the Securities and Futures Ordinance.

Sage Partners Master Fund

Sage Partners Master Fund is an exempted company with limited liability incorporated in the Cayman Islands. It is managed by Sage Partners Limited, a Hong Kong incorporated SFC Type 9 licensed investment management company established in 2019. Sage Partners Master Fund is a discretionary fund and it primarily focuses on investment opportunities in the healthcare and other emerging technologies by deploying a long-term fundamental-based approach. None of the investors in Sage Partners Master Fund holds 30% or more of its interest. Sage Partners Master Fund is a close associate of Sage Partners Alpha 1 L.P., an existing Shareholder of our Company. The ultimate beneficial owner of Sage Partners Limited is Mr. Wang Fei. To the best knowledge of our Directors, each of Sage Partners Master Fund, Sage Partners Alpha 1 L.P., and Sage Partners Limited is an Independent Third Party.

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Panjing Harbourview Investment Fund

Panjing Harbourview Investment Fund (盤京港景投資基金) (“**Panjing Fund**”) is an exempted company incorporated with limited liability in the Cayman Islands under the Companies Act of the Cayman Islands. Panjing Fund is managed solely by its Investment Manager, Harbourview Investment Pte. Ltd. (“**Harbourview Investment**”), who holds a Capital Markets Services Licence issued by the Monetary Authority of Singapore.

Harbourview Investment pursues a long-short investment strategy in managing the assets of Panjing Fund and focuses on equities which are temporarily under-appreciated by the market but whose companies display great upside potential. Panjing Fund invests in a diverse portfolio comprising global listed equity securities and equity-related securities. Panjing Fund’s investments are not subject to any geographic limitation.

XIAO Jian, an Independent Third Party, is the ultimate beneficial owner of Panjing Fund, holding 100% of its interest. XIAO Jian and HUANG Jinwei, each an Independent Third Party, are the ultimate beneficial owners of Harbourview Investment, holding 60% and 40% of its interests, respectively.

As confirmed by Panjing Fund, no sub-fund is involved in this subscription of Offer Shares under its Cornerstone Investment Agreement.

Infini Global Master Fund

Infini Global Master Fund (“**Infini**”) is a multi-strategy discretionary investment fund with wide investor base, managed by Infini Capital Management Limited (無極資本管理有限公司) (“**Infini Capital**”). With dual headquarters in Hong Kong and Abu Dhabi, Infini Capital is licensed by the SFC and the Abu Dhabi Global Market (ADGM) Financial Services Regulatory Authority (FSRA). Infini Capital is wholly-owned by Infini Capital Global, a Cayman Island holding company. None of the investors holds 30% or more interest in Infini Capital Global. The investment decision maker at Infini Capital is an Independent Third Party. None of the investors holds 30% or more interest in Infini.

The table below sets forth details of the Cornerstone Placing:

Cornerstone Investor	Subscription amount	Number of Offer Shares ⁽¹⁾	Based on the Offer Price of HK\$43.24 per Offer Share			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
			Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital
			(USD in millions)			
ADIA	15.0	2,699,000	9.7%	0.7%	8.5%	0.7%
UBS AM Singapore . . .	10.0	1,799,300	6.5%	0.5%	5.6%	0.5%

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Cornerstone Investor	Subscription amount	Number of Offer Shares ⁽¹⁾	Based on the Offer Price of HK\$43.24 per Offer Share			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
			Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital
			(USD in millions)			
OrbiMed Genesis	10.0	1,799,300	6.5%	0.5%	5.6%	0.5%
Huang River Investment Limited (Tencent)	5.0	899,600	3.2%	0.2%	2.8%	0.2%
ChinaAMC (HK)	5.0	899,600	3.2%	0.2%	2.8%	0.2%
LYFE Capital Fund IV .	5.0	899,600	3.2%	0.2%	2.8%	0.2%
GBAHIL	5.0	899,600	3.2%	0.2%	2.8%	0.2%
– Poly Platinum	3.0	539,800	1.9%	0.1%	1.7%	0.1%
– Mega Prime	2.0	359,800	1.3%	0.1%	1.1%	0.1%
China Alpha	5.0	899,600	3.2%	0.2%	2.8%	0.2%
Tekful Limited (Mr. Cai Dong Chen)	3.0	539,800	1.9%	0.1%	1.7%	0.1%
ICSA	3.0	539,800	1.9%	0.1%	1.7%	0.1%
Sage Partners Master Fund	3.0	539,800	1.9%	0.1%	1.7%	0.1%
Panjing Fund	3.0	539,800	1.9%	0.1%	1.7%	0.1%
Infini	3.0	539,800	1.9%	0.1%	1.7%	0.1%
Total	75.0	13,494,600	48.7%	3.5%	42.3%	3.4%

Note:

- (1) Subject to rounding down to the nearest whole board lot of 100 Offer Shares. Calculated based on the exchange rate set out in the section headed “Information about this Prospectus and the Global Offering—Exchange Rate Conversion”.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (a) the Underwriting Agreements for the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the Underwriting Agreements having been terminated;

CORNERSTONE INVESTORS

- (b) the Offer Price having been agreed according to the Underwriting Agreements and price determination agreement among the parties thereto in connection with the Global Offering;
- (c) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares subscribed for by the Cornerstone Investors as well as other applicable waivers and approvals) and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;
- (d) the CSRC having accepted the CSRC Filing (as defined under the respective Cornerstone Investment Agreement) and published the filing results in respect of the CSRC Filing on its website, and such notice of acceptance and/or filing results published not having otherwise been rejected, withdrawn, revoked or invalidated prior to the commencement of dealings in the H Shares on the Stock Exchange;
- (e) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreements and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (f) the respective acknowledgements, representations, warranties, undertakings and confirmations of relevant Cornerstone Investor under the respective Cornerstone Investment Agreement are (as of the date of the respective Cornerstone Investment Agreement) and will be (as of the Listing Date and, if applicable, the delayed delivery date under the respective Cornerstone Investment Agreement) accurate, complete and true in all respects and not misleading or deceptive and that there is no breach of the respective Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months from (and inclusive of) the Listing Date (the “**Lock-up Period**”), dispose of, in any way, any of the Offer Shares or any interest in any company or entity holding such Offer Shares that they have purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries, entities under the same management or control (as the case maybe) who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

For a detailed description of our future plan, see “Business—Our Strategies.”

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$1,116.6 million after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK\$43.24 per Offer Share.

We intend to use the net proceeds we will receive from the Global Offering for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- approximately 42.0%, or HK\$469.0 million, will be allocated to the ongoing and planned R&D of our Core Products as follows:
 - (i) approximately 23.0%, or HK\$256.8 million, will be used for the ongoing and planned R&D of Edge Multi-Port Endoscopic Surgical Robot, including:
 - (a) approximately 8.0%, or HK\$89.3 million, will be used for product iterations and upgrades of our Edge Multi-Port Endoscopic Surgical Robot, which will incorporate innovative structural design, enhance user experience, deliver better image quality, and provide more comprehensive functions and features. Specifically,
 - Approximately 2.0%, or HK\$22.3 million, will be used for enhancing the picture quality of the imaging system of our Edge Multi-Port Endoscopic Surgical Robot based on clinical feedback, aiming to achieve a high pixel density resolution comparable to human vision and improve surgeons’ perception of stereoscopic realism.
 - Approximately 2.0%, or HK\$22.3 million, will be used for continuously improving the performance and computing power of our Edge Multi-Port Endoscopic Surgical Robot, aiming to establish the underlying hardware foundation for intelligent feedback such as tactile sensing.
 - Approximately 2.0%, or HK\$22.3 million, will be used for continuously optimizing the control center for telesurgery, aiming to enhance control, video, and audio data encoding/decoding latency and reconstruction capabilities.

FUTURE PLANS AND USE OF PROCEEDS

- Approximately 2.0%, or HK\$22.3 million, will be used for continuously developing and updating surgical instruments applicable to approved applications such as urology, gynecology, general and thoracic surgeries, as well as for applications such as pediatric and cardiac surgeries.

In connection with the above upgrades, we plan to purchase necessary raw materials, equipment and consumables, such as prototype machines and type test machines for the product development and several types of testing, including lab testing, animal testing, reliability and stability testing and fault testing.

For more details on the upgraded model of Edge Multi-Port Endoscopic Surgical Robot, see “Business—Our Products and Product Candidates” and “Business—Our Products and Product Candidates—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product—Further Development Plans.”

- (b) approximately 5.0%, or HK\$55.8 million, will be used to obtain regulatory approval of Edge Multi-Port Endoscopic Surgical Robot in the EU and other overseas markets worldwide that present significant market potential, taking into account various factors such as per capita GDP, recognition of CE Marking and NMPA registration, sales volume of da Vinci Surgical Systems and eligibility for one-belt-one-road initiatives.

- Approximately 2.55%, or HK\$28.5 million, will be used for obtaining the CE Marking for the upgraded model of Edge Multi-Port Endoscopic Surgical Robot in the EU, which requires us to conduct clinical evaluations for the registration application.
- Approximately 2.45%, or HK\$27.4 million, will be used for obtaining the marketing approvals for MP1000 in other overseas markets worldwide, including but not limited to, Japan and Korea.

For more details on our commercialization plans for the Edge Multi-Port Endoscopic Surgical Robot in overseas markets, see “Business—Our Products and Product Candidates—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product—Further Development Plan—Commercialization in Overseas Markets.”

- (c) approximately 5.0%, or HK\$55.8 million, will be used to provide surgeons with our sample Edge Multi-Port Endoscopic Surgical Robots and consumables for purposes of their clinical trials and clinical research, which will allow us to continuously collect clinical feedback and

FUTURE PLANS AND USE OF PROCEEDS

recommendations, and comprehensively advance the product performance our Edge Multi-Port Endoscopic Surgical Robot by incorporating such feedback.

- (d) approximately 3.0%, or HK\$33.5 million, will be used for ongoing and future clinical trials and requisite regulatory submission in China to expand the clinical applications of our Edge Multi-Port Endoscopic Surgical Robot in urologic, gynecologic, general and thoracic telesurgeries, as well as pediatric and cardiac surgeries. We are still at the design and development stage for expanding its applications in pediatric and cardiac surgeries and plan to initiate clinical trials for these applications in 2027. For more details regarding the expansion of clinical applications for Edge Multi-Port Endoscopic Surgical Robot, see “Business—Our Products and Product Candidates” and “Business—Our Products and Product Candidates—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product—Further Development Plans.”
- (e) approximately 2.0%, or HK\$22.3 million, will be used for expanding the size of our R&D team in relation to the upgrade of Edge Multi-Port Endoscopic Surgical Robot. The size of R&D team in relation to the improvement of Edge Multi-Port Endoscopic Surgical Robot was 156 members as of the Latest Practicable Date and will be expanded to approximately 170 to 190 members within two or three years. The R&D team size with respect to each product candidate described in this section has no overlap with another product candidate. Hence there is no overlapping allocation of proceeds used for the expansion of the R&D team by different product candidates. We intend recruit additional approximately 10 to 30 R&D personnel with relevant academic and industry experience in algorithms, software and hardware engineering and other related fields to satisfy our R&D needs. Specifically, (i) 2 to 6 employees will be dedicated to developing and improving image signal processing algorithms for endoscopic imaging applications; (ii) 3 to 8 employees will focus on mechanical design; (iii) 3 to 8 employees will work on hardware development for surgical robots; (iv) 1 to 4 employees will be responsible for developing and optimizing embedded software for hardware-software integration; and (v) 1 to 4 employees will focus on motion control algorithms.

For more details of further development plans of Edge Multi-Port Endoscopic Surgical Robot, see “Business—Our Products and Product Candidates—Edge Multi-Port Endoscopic Surgical Robot—Our Core Product—Further Development Plan.”

FUTURE PLANS AND USE OF PROCEEDS

- (ii) approximately 19.0%, or HK\$212.2 million, will be used for the ongoing and planned R&D of Edge Single-Port Endoscopic Surgical Robot, including:
 - (a) approximately 4.0%, or HK\$44.7 million, will be used to provide surgeons with our sample Edge Single-Port Endoscopic Surgical Robots and consumables for purposes of their clinical trials and clinical research, which will allow us to continuously collect clinical feedback and recommendations, and comprehensively advance by incorporating such feedback.
 - (b) approximately 3.0%, or HK\$33.5 million, will be used to expand the clinical application of our Edge Single-Port Endoscopic Surgical Robot in thoracic and pediatric surgeries. With respect to application in thoracic surgery, we have completed the clinical trial in December 2025 and plan to submit the registration modification application to the NMPA in the first quarter of 2026. With respect to application in pediatric surgery, we are at the design and development stage and expect to initiate the clinical trial in 2027. For more details regarding the expansion of clinical applications for Edge Single-Port Endoscopic Surgical Robot, see “Business—Our Products and Product Candidates” and “Business—Our Products and Product Candidates—Edge Single-Port Endoscopic Surgical Robot—Our Core Product—Further Development Plans.”
 - (c) approximately 2.0%, or HK\$22.3 million, will be used for research and development activities in relation to iterations and upgrades of our Edge Single-Port Endoscopic Surgical Robot. The iterations and upgrades will incorporate innovative structural design, enhance user experience, deliver better image quality, and provide more comprehensive functions and features across a wide range of clinical applications. Certain iterations and upgrades of our Edge Multi-Port Endoscopic Surgical Robots also apply to our Edge Single-Port Endoscopic Surgical Robots.

In connection with the above upgrades, we plan to purchase necessary raw materials, equipment and consumables, such as prototype machines and type test machines for the product development and several types of testing, including lab testing, animal testing, reliability and stability testing and fault testing.

For more details regarding the upgraded model of Edge Single-Port Endoscopic Surgical Robot, see “Business—Our Products and Product Candidates” and “Business—Our Products and Product Candidates—Edge Single-Port Endoscopic Surgical Robot—Our Core Product—Further Development Plans.”

FUTURE PLANS AND USE OF PROCEEDS

- (a) approximately 4.0%, or HK\$44.7 million, will be used to obtain regulatory approval of Edge Single-Port Endoscopic Surgical Robot in the EU and other overseas markets that present significant market potential, taking into account various factors such as per capita GDP, recognition of CE Marking and NMPA registration, sales volume of da Vinci Surgical Systems and eligibility for one-belt-one-road initiatives.
- Approximately 2.2%, or HK\$24.6 million, will be used for obtaining the CE Marking for the upgraded model of Edge Single-Port Endoscopic Surgical Robot in the EU, which requires us to conduct clinical evaluations for the registration application.
 - Approximately 1.8%, or HK\$20.1 million, will be used for obtaining the marketing approvals for SP1000 in other overseas markets, including but not limited to, Japan, Korea and Brazil.

For more details on our commercialization plans for Edge Single-Port Endoscopic Surgical Robot overseas markets, see “Business—Our Products and Product Candidates—Edge Single-Port Endoscopic Surgical Robot—Our Core Product—Further Development Plan—Commercialization in Overseas Markets.”

- (b) approximately 2.0%, or HK\$22.3 million, will be used for expanding the size of our R&D team in relation to the upgrade of Edge Single-Port Endoscopic Surgical Robot. The size of R&D team in relation to the improvement of Edge Single-Port Endoscopic Surgical Robot was 64 members as of the Latest Practicable Date and will be expanded to approximately 75 to 95 members within two or three years. The R&D team size with respect to each product candidate described in this section has no overlap with another product candidate. Hence there is no overlapping allocation of proceeds used for the expansion of the R&D team by different product candidates. We intend recruit additional approximately 10 to 30 R&D personnel with relevant academic and industry experience in algorithms, software and hardware engineering and other related fields to satisfy our R&D needs. Specifically, (i) 2 to 6 employees will be dedicated to developing and improving image signal processing algorithms for endoscopic imaging applications; (ii) 3 to 8 employees will focus on mechanical design; (iii) 3 to 8 employees will work on hardware development for surgical robots; (iv) 1 to 4 employees will be responsible for developing and optimizing embedded software for hardware-software integration; and (v) 1 to 4 employees will focus on motion control algorithms.

FUTURE PLANS AND USE OF PROCEEDS

- (c) approximately 4.0%, or HK\$44.7 million, will be used for (i) continuously improving existing core surgical instruments for our Edge Single-Port Endoscopic Surgical Robot to further enhance its operating force, precision and dexterity, and (ii) continuously developing surgical instruments that are more tailored to approved applications such as urology, gynecology and general surgeries, as well as for expanding applications such as thoracic and pediatric surgeries.

For more details of further development plans of Edge Single-Port Endoscopic Surgical Robot, see “Business—Our Products and Product Candidates—Edge Single-Port Endoscopic Surgical Robot—Our Core Product—Further Development Plan.”

- approximately 20.0%, or HK\$223.3 million, will be used for the commercialization of our Core Products, including:
 - (i) approximately 8.0%, or HK\$89.3 million, will be used to fund the academic promotion and other sales and marketing activities in China and overseas markets for our Core Products, including providing sample Core Products and instruments, equipment and consumables. We plan to sponsor and participate in academic conferences to increase the awareness of our brand and value propositions of our Core Products. We also plan to establish collaborations with surgeons and hospitals to stay updated on the latest industry trends, clinical needs and collect clinical feedback on our Core Products.
 - (ii) approximately 4.0%, or HK\$44.7 million, will be used to expand our training center network in China and overseas markets, including efforts to establish more training centers and training programs as well as invest in equipment for training centers. In China, we plan to establish around 12 additional regional training centers to cover additional regions in China within the next two or three years. In overseas markets, we plan to collaborate with local hospitals and distributors in Europe and other overseas regions to jointly establish around 5 additional training centers.
 - (iii) approximately 4.0%, or HK\$44.7 million, will be used to further scale up our commercialization team in China and overseas markets by recruiting high-caliber sales personnel with extensive industry experience to cover more Class III Grade A hospitals in China and more reputable hospitals in the overseas markets, aiming to increase customer conversion rates and enhance service quality. The size of our commercialization team was 122 members as of the Latest Practicable Date and will be expanded to approximately 150 to 170 members within two or three years. We intend to recruit additional approximately 15 to 35 employees, including (i) 1 to 2 clinical client managers to provide comprehensive customer support, (ii) 4 to 8 key client sales managers to cultivate client relationships and maintain sales networks and

FUTURE PLANS AND USE OF PROCEEDS

market partnerships; (iii) 2 to 8 marketing managers; (iv) 5 to 10 sales managers to coordinate our sales efforts in overseas markets; (v) 2 to 5 after-sales service engineers to deliver comprehensive technical support for overseas markets; and (vi) 1 to 2 field application engineers to provide comprehensive technical support and troubleshooting for overseas markets.

- (iv) approximately 4.0%, or HK\$44.7 million, will be used to progressively establish a professional clinical support team to support the growth of our business. With the increase in commercial orders and market expansion, we plan to establish a clinical support team dedicated to providing technical assistance and after-sales services to surgeons who operate our Core Products in order to assist them in quickly navigating the operational specificities of our Core Products and elevate surgeon satisfaction. The size of our clinical support team was 33 members as of the Latest Practicable Date and will be expanded to approximately 50 to 70 members within two or three years. We intend recruit additional approximately 15 to 35 employees who will be responsible for providing clinical training to surgeons, hospitals, distributors, as well as offering intraoperative support to surgeons, collecting clinical feedback, and conducting internal training sessions.
- approximately 10.0%, or HK\$111.7 million, will be used for expansion of our manufacturing capacity, including:
 - (i) approximately 7.0%, or HK\$78.2 million, to establish a new manufacturing center in Longgang, Shenzhen, mainly including the construction of the factory and germ-free workshop, and achieving the intelligentization of the facility. Among this, approximately 4.9%, or HK\$53.8 million will be allocated to Edge Multi-Port Endoscopic Surgical Robot, 1.4%, or HK\$15.4 million will be allocated to Edge Single-Port Endoscopic Surgical Robot, and 0.7%, or HK\$7.7 million will be allocated to Edge Bronchoscope Robot.

Our existing manufacturing facilities in Shenzhen currently have an annual production capacity of approximately (i) 80 units of our endoscopic surgical robots including 60 units of Edge Multi-Port Endoscopic Surgical Robot and 20 units of Edge Single-Port Endoscopic Surgical Robot and (ii) 20 units of Edge Bronchoscope Robot, subject to adjustment based on actual demand. In 2024, approximately 52% of the manufacturing capacity for Edge Multi-Port Endoscopic Surgical Robot, 50% of the manufacturing capacity for Edge Single-Port Endoscopic Surgical Robot and 25% of the manufacturing capacity for bronchoscope surgical robots was utilized. The new manufacturing center will complement our existing manufacturing facilities in order to meet greater demand for our surgical robot products in the long term. The new manufacturing center is designed with an annual production capacity of approximately 350 units of our surgical robots, including 245 units of Edge Multi-Port Endoscopic Surgical Robot, 70 units of Edge Single-Port

FUTURE PLANS AND USE OF PROCEEDS

Endoscopic Surgical Robot, and 35 units of Edge Bronchoscope Robot. We expect to achieve a capacity utilization rate of the new manufacturing facility approximately 90% by 2029 (70% attributable to Edge Multi-Port Endoscopic Surgical Robot (i.e., 221 units), 20% attributable to Edge Single-Port Endoscopic Surgical Robot (i.e., 63 units), and 10% attributable to Edge Bronchoscope Robot (i.e., 31 units), subject to adjustment based on actual demand), along with the increasing market penetration of surgical robots in China in the long term. We expect to occupy a substantial percentage of the total market share of the surgical robots in China in the near future leveraging our cost advantages over da Vinci Surgical Systems and competitive advantages such as comprehensive indication coverage over the domestic brands, and the annual manufacturing capacity of 350 units of our surgical robots is necessary to meet our future production needs given the forecasted number of installed base of endoscopic surgical robots in China is forecasted to reach 7,245 units in 2033, according to Frost & Sullivan. We plan to commence the establishment of the new Shenzhen manufacturing center in the second quarter of 2026 and put it in operation in 2027.

- (ii) approximately 3.0%, or HK\$33.5 million, used to purchase production and quality inspection equipment, including optical measurement system and three-coordinate measuring machine, to complement our existing manufacturing facilities. Among this, approximately 2.1%, or HK\$23.0 million will be allocated to Edge Multi-Port Endoscopic Surgical Robot, 0.6%, or HK\$6.6 million will be allocated to Edge Single-Port Endoscopic Surgical Robot, and 0.3%, or HK\$3.3 million will be allocated to Edge Bronchoscope Robot.
- approximately 8.0%, or HK\$89.3 million, will be allocated to our other products and product candidates as follows:
 - (i) approximately 4.0% of the net proceeds, or HK\$44.7 million, will be used for research and development of our other products and product candidates. In particular, we plan to further iterate and optimize our Edge Bronchoscope Robot to enhance operational precision, expand instrument compatibility, and improve user-friendliness. We are currently at the design and development stage and plan to initiate type testing in the second quarter of 2026, complete the type testing in the third quarter of 2026, and conduct the clinical trial in 2026. We plan to commercialize the upgraded product in 2028.

FUTURE PLANS AND USE OF PROCEEDS

- (ii) approximately 4.0% of the net proceeds, or HK\$44.7 million, will be used for commercialization of our other products and product candidates, including establishing three training centers, investing in equipment for these training centers, sponsoring or participating in academic conferences, and collecting clinical needs and feedback.
- approximately 10.0% of the net proceeds, or HK\$111.7 million, will be used for potential strategic acquisitions, investments or collaborations in the surgical robot industry and related fields. We may identify strategic minority investment and/or acquisition opportunities globally and conduct horizontal and vertical expansion along the surgical robot industry value chain. Our targets mainly include (i) upstream manufacturers for key machinery components and raw materials, which will significantly reduce our material costs and enhance our supply chain stability; (ii) downstream distributors with stable sales channels that can complement ours in terms of geographic coverage, which will reduce our operating costs, improve our operating efficiency, and expand our distribution network, (iii) companies with strong technology capabilities, such as intellectual properties related to endoscopic surgical robots, that can be applied in our products and services to enhance our competitiveness and technological capabilities. In addition, we intend to acquire and/or invest in one or more businesses with products or services that can either optimize our pipeline, offer us access to innovative and disruptive technologies, or has potential to unlock value through synergies with us. For example, we may be interested in developers of medical imaging devices with artificial intelligence features and developers of MIS equipment. We prefer medium scale medical device companies with innovative technologies and products close to commercialization.

When evaluating target companies, we will take into consideration a number of factors, including their (i) expected synergy with our business, (ii) product portfolio, (iii) distribution network, (iv) technology and expertise, (v) market position, and (vi) financial performance. Based on our industry intelligence and concurred by the Industry Consultant, our Directors believe that we will be able to identify suitable acquisition targets that satisfy our selection criteria. As advised by Frost & Sullivan, as surgical robot industry is growing fast, there are adequate potential acquisition targets available in the market that satisfy our criteria. For example, upstream companies involved in laparoscopic surgical robots cover areas such as robotic arms, optical cameras, image processing, and software development. Publicly available data indicates that there are currently over a thousand robotic arm companies in China, as well as thousands of companies producing photographic equipment (including optical cameras and related accessories), and tens of thousands of companies engaged in image processing and software development. However, the number of opportunities for acquisition may be limited during certain period and we may not be able to arrive at attractive terms for such acquisition and expansion after business negotiations. Moreover, the process of integrating newly acquired businesses with our existing business operations may involve various risks. For details, see “Risk Factors—Risks Relating to Our General Operations—If we

FUTURE PLANS AND USE OF PROCEEDS

engage in acquisitions, investments or strategic partnerships, this may increase our capital requirements, cause us to incur debt or assume contingent liabilities, and subject us to other risks.” As of the Latest Practicable Date, we have not identified any specific acquisition or investment targets, nor have we entered into any agreements, letters of intent, commitments or understandings with respect to any such transactions.

- approximately 10.0% of the net proceeds, or HK\$111.7 million, will be used for working capital and general corporate purposes.

If the Over-allotment Option is exercised in full, the net proceeds that we will receive will be approximately HK\$1,289.2 million, assuming an Offer Price of HK\$43.24 per Offer Share. In the event that the Over-allotment Option is exercised in full, we intend to apply the additional net proceeds to the above purpose in the proportions stated above.

To the extent that our net proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings. To the extent that the net proceeds from the Global Offering are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, we may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions) so long as it is deemed to be in the best interests of our Company. We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

UNDERWRITING

HONG KONG UNDERWRITERS

Morgan Stanley Asia Limited
GF Securities (Hong Kong) Brokerage Limited
China International Capital Corporation Hong Kong Securities Limited
CLSA Limited
CMBC Securities Company Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters.

The Global Offering comprises the Hong Kong Public Offering of initially 2,772,300 Hong Kong Offer Shares and the International Offering of initially 24,949,900 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed “Structure of the Global Offering” in this prospectus as well as to the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares (including any additional H Shares that may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange and such approval not having been subsequently revoked prior to the commencement of trading of the H Shares on the Stock Exchange and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

UNDERWRITING

Grounds for termination

If any of the events set out below occur at any time prior to 8:00 a.m. on the Listing Date, the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled by written notice to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect:

- (i) there develops, occurs, exists or comes into force:
 - (a) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent authority in or affecting Hong Kong, the Cayman Islands, the PRC, the United States, the United Kingdom, the European Union (or any member thereof) or other jurisdictions relevant to the Group or the Global Offering (each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”); or
 - (b) any change or development involving a prospective change, or any event or circumstances or series of events likely to result in any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market matters or conditions, equity securities or exchange control or any monetary or trading settlement system or other financial markets (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets), in or affecting any of the Relevant Jurisdictions; or
 - (c) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or
 - (d) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the

UNDERWRITING

Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or

- (e) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or
- (f) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to the prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or
- (g) the commencement by any authority or other regulatory or political body or organization of any public action or investigation against a group company or a director or a senior management member of any group company or announcing an intention to take any such action; or
- (h) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any group company or any of the Controlling Shareholders or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or
- (i) any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (j) any non-compliance of the Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC Filings or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or
- (k) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Controlling Shareholder or any Director or senior management members as named in the Prospectus; or
- (l) any contravention by any group company or any Director of the Listing Rules or applicable laws; or

UNDERWRITING

- (m) any change or prospective change, or a materialization of, any of the risks set out in the section headed “Risk Factors” in the Prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters): (A) has or will or may have a material adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, prospects, shareholders’ equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Company or the Group as a whole; (B) has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or (C) makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering, or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the offering documents; or (D) has or will or may have the effect of making any part of the agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof that has a material adverse effect on the success of the Global Offering; or

- (ii) there has come to the notice of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) that:
 - (a) any statement contained in any of the offering documents, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or
 - (b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Prospectus, constitute a material omission or misstatement in any global offering document; or
 - (c) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by the Company or the Controlling Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

UNDERWRITING

- (d) any event, act or omission which gives rise or is likely to give rise to any liability of any of the indemnifying parties pursuant to the indemnities in the agreement; or
- (e) any breach of any of the obligations or undertakings imposed upon the Company or any member of the Controlling Shareholders to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the cornerstone investment agreements; or
- (f) there is any change or development involving a prospective change, constituting or having a material adverse effect; or
- (g) that the Chairman of the Board, any Director or any member of senior management of the Company named in the Prospectus seeks to retire, or is removed from office or vacating his/her office; or
- (h) any Director or any member of senior management of the Company named in the Prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or
- (i) the Company withdraws the Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or
- (j) that the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or
- (k) any person (other than any of the Joint Sponsors) has withdrawn its consent to the issue of the Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (l) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or
- (m) any expert (other than the Joint Sponsors and the Overall Coordinators) has withdrawn or sought to withdraw its consent to being named in any of the offering documents or to the issue of any of the offering documents; or

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- (n) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or
- (o) (A) the notice of acceptance of the CSRC filings issued by the CSRC and/or the results of the CSRC filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to the CSRC filings pursuant to the CSRC rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC filings with the CSRC Rules or any other applicable laws; or
- (p) that (i) a material portion of the orders placed or confirmed in the bookbuilding process or (ii) any investment commitment made by any cornerstone investors under the cornerstone investment agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled, or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise,

then, in each case, the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that it will not issue any further Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) or enter into any agreement to such issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except pursuant to the Global Offering, the exercise of the Over-allotment Option or for the circumstances permitted under Rule 10.08 of the Listing Rules.

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Undertakings by Our Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each member of our Controlling Shareholders has undertaken to the Stock Exchange and to the Company that, except and for the circumstances permitted under the Listing Rules, he/she shall not and shall procure that the relevant registered holder(s) shall not:

- (i) at any time in the period commencing on the date by reference to which disclosure of his/her/its holding of Shares is made in this Prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which any of them are shown by this Prospectus to be the beneficial owner; and
- (ii) at any time in the period of six months from the date on which the period referred to in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares to such extent that immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/she/it will, directly or indirectly cease to be a member of the Controlling Shareholders.

Note (2) to Rule 10.07(2) of the Listing Rules provides that Rule 10.07 does not prevent a Controlling Shareholder from using the Shares beneficially owned by him/her as security (including a charge or pledge) 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.

Pursuant to Note (3) to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has further undertaken to the Stock Exchange and to the Company that within the period commencing on the date by reference to which disclosure of its/his/her shareholding in the Company is made in this Prospectus and ending on the date which is 12 months from the Listing Date, he/she shall:

- (i) when it/he/she pledges or charges any securities of the Company beneficially owned by it/him/her 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 pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform the Company of such pledge/charge together with the number of securities so pledged/charged; and
- (ii) when it/he/she receives indications, either verbal or written, from the pledgee/chargee that any of the pledged/charged securities of the Company will be disposed of, immediately inform the Company of such indications.

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We will inform the Stock Exchange as soon as we have been informed of the matters referred to in paragraph (i) and (ii) above (if any) by any Controlling Shareholder and subject to the requirements of the Listing Rules disclose such matters by way of an announcement which is published in accordance with Rule 2.07C of the Listing Rules as soon as possible.

Undertakings pursuant to the Hong Kong Underwriting Agreement

(A) Undertakings by the Company

The Company hereby undertakes to each of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the CMI, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option) and/or any other circumstances as permitted under the Listing Rules, at any time after the date of this Agreement up to and including the date falling six months after the Listing Date (the “**First Six Month Period**”), it will not, without the prior written consent of the Joint Sponsors, the Sponsor-OCs and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in the share capital or any other securities of the Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital or other securities of the Company, as applicable), or deposit any share capital or other securities of the Company, as applicable, with a depository in connection with the issue of depository receipts; or
- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the H Shares or any other securities of the Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares); or
- (iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or
- (iv) offer to or agree to do any of the foregoing specified in (i), (ii) or (iii) above or announce any intention to do so,

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in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise (whether or not the issue of such share capital or other securities will be completed within the First Six Month Period). The Company further agrees that, in the event the Company is allowed to enter into any of the transactions described in (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six Month Period expires (the “**Second Six Month Period**”), it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of the Company will, create a disorderly or false market for any H Shares or other securities of the Company.

(B) Undertakings by the Controlling Shareholders

Each of the Controlling Shareholders hereby undertakes to each of the Company, the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (i) it/he/she will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for it/him/her and the companies controlled by it/him/her will not, at any time during the First Six Month Period, (a) sell, offer to sell, accept subscription for, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any such other securities, as applicable or any interest in any of the foregoing), or deposit any H Shares or other securities of the Company with a depository in connection with the issue of depository receipts, or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any H Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any such other securities, as applicable or any interest in any of the foregoing), or (c) enter into any transaction with the same economic effect as any transaction specified in Clause (a) or (b) above, or (d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above, in each case, whether any of the transactions specified in (a), (b) or (c) above is to be settled by delivery of H Shares or other securities of the Company or in cash or otherwise, and whether or not the transactions will be completed within the First Six Month Period; and

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- (ii) it/he/she will not, during the Second Six Month Period, enter into any of the transactions specified in (i)(a), (b) or (c) above or offer to or agree to contract to or publicly announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, it will cease to be a Controlling Shareholder of the Company or a member of a group of the Controlling Shareholders of the Company or would together with the other Controlling Shareholders cease to be “Controlling Shareholders” of the Company; and
- (iii) until the expiry of the Second Six Month Period, in the event that it enters into any of the transactions specified in (i)(a), (b) or (c) above or offer to or agrees to or contract to or publicly announce any intention to effect any such transaction, it/he/she will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market in the securities of the Company.

The restrictions above shall not prevent the Controlling Shareholders from (i) purchasing additional H Shares or other securities of the Company and disposing of such additional H Shares or securities of the Company in accordance with the Listing Rules, provided that any such purchase or disposal does not contravene the lock-up arrangements with the Controlling Shareholders referred to above or the compliance by the Company with the minimum public float requirement, and (ii) using the H Shares or other securities of the Company or any interest therein beneficially owned by them as security (including a charge or a pledge) 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, provided that (a) the relevant Controlling Shareholder will immediately inform the Company and the Overall Coordinators in writing of such pledge or charge together with the number of H Shares or other securities of the Company so pledged or charged if and when it/he/she or the relevant registered holder(s) pledges or charges any H Shares or other securities of the Company beneficially owned by it/him/her, and (b) when the relevant Controlling Shareholder receives indications, either verbal or written, from the pledgee or chargee of any H Shares that any of the pledged or charged H Shares or other securities of the Company will be disposed of, it/he/she will immediately inform the Company and the Overall Coordinators of such indications.

Indemnity

The Company and the Controlling Shareholders has agreed to indemnify the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by the Company of the Hong Kong Underwriting Agreement.

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Hong Kong Underwriters' interests in the Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, the Company expects to enter into the International Underwriting Agreement with, among others, the International Underwriters. Under the International Underwriting Agreement and subject to the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See “Structure of the Global Offering—The International Offering” in this prospectus.

Over-allotment Option

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Company may be required to issue up to an aggregate of 4,158,300 H Shares, representing not more than 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any. See “Structure of the Global Offering—Over-allotment Option” in this prospectus.

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Commissions and Expenses

The Underwriters will receive an underwriting commission of 3% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option), out of which they will pay any sub-underwriting commissions and other fees.

The Company may, at its sole discretion, pay to any one or more of the Underwriters a discretionary incentive fee of an aggregate of up to 1% of the Offer Price for each Offer Share. Pursuant to the terms of the relevant engagement letters and assuming that the discretionary incentive fees are paid in full, the ratio of the fixed Fees and discretionary Fees (as calculated pursuant to the Listing Rules) payable is therefore approximately 51:49.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, and such commission will be paid to the relevant International Underwriters.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering (collectively, the “**Commissions and Fees**”) are estimated to be approximately HK\$40.2 million.

ACTIVITIES BY SYNDICATE MEMBERS

The Underwriters of the Hong Kong Public Offering and the International Offering (together, the “**Syndicate Members**”) and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company and/or persons and entities with relationships with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group’s loans and other debt.

UNDERWRITING

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed “Structure of the Global Offering” in this prospectus. Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- (a) the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

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Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to the Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. Morgan Stanley Asia Limited, GF Securities (Hong Kong) Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited are the Overall Coordinators of the Global Offering.

The listing of the H Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of the Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued as mentioned in this prospectus.

27,722,200 Offer Shares will initially be made available under the Global Offering comprising:

- (a) the Hong Kong Public Offering of initially 2,772,300 H Shares (subject to reallocation) in Hong Kong as described in “—The Hong Kong Public Offering” in this section below; and
- (b) the International Offering of initially 24,949,900 H Shares (subject to reallocation and the Over-allotment Option) (a) in the United States to QIBs in reliance on Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, and (b) outside the United States in offshore transactions in reliance on Regulation S, as described in the subsection headed “—The International Offering” in this section below.

Investors may either:

- (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or
- (ii) apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 7.2% of the total issued share capital immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised. If the Over-allotment Option is exercised in full, the Offer Shares (including H Shares issued pursuant to the full exercise of the Over-allotment Option) will represent approximately 8.1% of the total issued share capital immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Over-Allotment Option.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

STRUCTURE OF THE GLOBAL OFFERING

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

The Company is initially offering 2,772,300 H Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 0.7% of the total issued share capital immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in “—Conditions of the Global Offering” in this section.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally into two pools: pool A and pool B (with any odd lot being allocated to pool A). The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK\$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK\$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

STRUCTURE OF THE GLOBAL OFFERING

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the “price” for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 1,386,100 Hong Kong Offer Shares (being approximately 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators. Subject to the allocation cap described in the following paragraph, the Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, then up to 1,386,000 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 4,158,300 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) in accordance with Chapter 4.14 of the Guide for New Listing Applicants.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

STRUCTURE OF THE GLOBAL OFFERING

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application under the International Offering is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK\$43.24 per Offer Share in addition to the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK\$4,367.61 for one board lot of 100 H Shares. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The International Offering will consist of an offering of initially 24,949,900 H Shares, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation and the Over-allotment Option). The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 6.4% of the total issued share capital immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised). The International Offering will be offered (a) in the United States to QIBs in reliance on Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, and (b) outside the United States in offshore transactions in reliance on Regulation S.

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in "—Pricing of the Global Offering" in this section and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further H Shares and/or hold or sell its H Shares after the Listing. Such allocation is

STRUCTURE OF THE GLOBAL OFFERING

intended to result in a distribution of the H Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

The Overall Coordinators (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators (on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Overall Coordinators (on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue up to an aggregate of 4,158,300 additional H Shares, representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to, among other things, cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 1.1% of the total issued share capital immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made.

STRUCTURE OF THE GLOBAL OFFERING

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of the Company; (b) may be discontinued at any time; and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering. The number of H Shares that may be over-allocated will not exceed the number of H Shares that may be sold under the Over-allotment Option, being 4,158,300 H Shares, which is approximately 15% of the Offer Shares initially available under the Global Offering.

Stabilization action will be entered into in accordance with the laws, rules and regulations in place in Hong Kong. Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the H Shares; (b) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares; (c) purchasing, or agreeing to purchase, the H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares, (e) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases, and (f) offering or attempting to do anything as described in paragraph (b), (c), (d) or (e) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- (a) the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares;
- (b) there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position;

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- (c) liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares;
- (d) no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on the 30th day after the last date for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;
- (e) the price of the H Shares cannot be assured to stay at or above the Offer Price either during or after the stabilization period by the taking of any stabilizing action; and
- (f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

The Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by exercising the Over-allotment Option in full or in part, by using H Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price or a combination of these means.

PRICING OF THE GLOBAL OFFERING

Determining the Offer Price

The International Underwriters will be soliciting from prospective investors' indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Offer Price will be HK\$43.24 per Offer Share unless otherwise announced.

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The Overall Coordinators (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at <https://www.edgemed.cn>, notices of the reduction. Upon issue of such a notice, the revised number of Offer Shares will be final and conclusive. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in the prospectus and any other financial information which may change materially as a result of such reduction. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such notice so published, the number of Offer Shares will not be reduced, if agreed upon by the Overall Coordinators, for themselves and on behalf of the Underwriters.

In the event of a reduction in the number of Offer Shares, the Overall Coordinators (for themselves and on behalf of the Underwriters) may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering. The Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Overall Coordinators (for themselves and on behalf of the Underwriters).

The level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the results of allocations and the basis of allotment of the Hong Kong Offer Shares are expected to be announced on Wednesday, January 7, 2026 on the website of the Stock Exchange at www.hkexnews.hk and on the website of our Company at <https://www.edgemed.cn>.

STRUCTURE OF THE GLOBAL OFFERING

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Overall Coordinators (on behalf of the Underwriters) and the Company agreeing on the Offer Price.

The Company expects to enter into the International Underwriting Agreement relating to the International Offering on or about Monday, January 5, 2026.

These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed “Underwriting” in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on, among other things:

- (a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the commencement of trading of the H Shares on the Stock Exchange;
- (b) the execution and delivery of the International Underwriting Agreement on or about Monday, January 5, 2026; and
- (c) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements or otherwise,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times).

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published on the websites of the Company and the Stock Exchange at <https://www.edgemed.cn> and www.hkexnews.hk, respectively, on

STRUCTURE OF THE GLOBAL OFFERING

the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares—D. Despatch/Collection of H Share Certificates and Refund of Application Monies” in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on Thursday, January 8, 2026, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Thursday, January 8, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Thursday, January 8, 2026.

The H Shares will be traded in board lots of 100 H Shares each and the stock code of the H Shares will be 2675.

HOW TO APPLY FOR HONG KONG OFFER SHARES

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “*HKEXnews > New Listings > New Listing Information*” section, and our website at <https://www.edgemed.cn>.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address (*for the **HK eIPO White Form** service only*).

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- are a Director, Supervisor, or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Tuesday, December 30, 2025 and end at 12:00 noon on Monday, January 5, 2026 (Hong Kong time).

HOW TO APPLY FOR HONG KONG OFFER SHARES

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

<u>Application Channel</u>	<u>Platform</u>	<u>Target Investors</u>	<u>Application Time</u>
HK eIPO White Form service	www.hkeipo.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Tuesday, December 30, 2025 to 11:30 a.m. on Monday, January 5, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Monday, January 5, 2026, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **HK eIPO White Form** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

HOW TO APPLY FOR HONG KONG OFFER SHARES

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the electronic application instructions are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

HOW TO APPLY FOR HONG KONG OFFER SHARES

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
• Full name(s)² as shown on your identity document • Identity document's issuing country or jurisdiction • Identity document type, with order of priority: i. HKID card; or ii. National identification document; or iii. Passport; and • Identity document number	• Full name(s)² as shown on your identity document • Identity document's issuing country or jurisdiction • Identity document type, with order of priority: i. LEI registration document; or ii. Certificate of incorporation; or iii. Business registration certificate; or iv. Other equivalent document; and • Identity document number

Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.
2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.
3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

HOW TO APPLY FOR HONG KONG OFFER SHARES

4. The maximum number of joint applicants on FINI is capped at 4 in accordance with market practice.
5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.
6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through HKSCC EIPO channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size 100 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The Offer Price is HK\$43.24 per Share.

If you are applying through the HKSCC EIPO channel, your broker or custodian may require you to pre-fund your application, in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such prefunding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

HOW TO APPLY FOR HONG KONG OFFER SHARES

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment
	HK\$		HK\$		HK\$		HK\$
100	4,367.61	2,000	87,352.15	10,000	436,760.75	300,000	13,102,822.62
200	8,735.21	2,500	109,190.19	20,000	873,521.51	400,000	17,470,430.15
300	13,102.82	3,000	131,028.22	30,000	1,310,282.26	500,000	21,838,037.70
400	17,470.44	3,500	152,866.27	40,000	1,747,043.01	600,000	26,205,645.25
500	21,838.03	4,000	174,704.30	50,000	2,183,803.76	700,000	30,573,252.78
600	26,205.65	4,500	196,542.33	60,000	2,620,564.52	800,000	34,940,860.32
700	30,573.26	5,000	218,380.38	70,000	3,057,325.27	900,000	39,308,467.85
800	34,940.85	6,000	262,056.45	80,000	3,494,086.03	1,000,000	43,676,075.40
900	39,308.47	7,000	305,732.52	90,000	3,930,846.79	1,386,100 ⁽¹⁾	60,539,408.11
1,000	43,676.07	8,000	349,408.60	100,000	4,367,607.55		
1,500	65,514.11	9,000	393,084.68	200,000	8,735,215.08		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 50% of the Hong Kong Offer Shares initially offered.

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under “—A. Applications for Hong Kong Offer Shares—3. Information Required to Apply” in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

The H Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications (“Best Practice Note”) issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (i) undertake to execute all relevant documents and instruct and authorise us and/or the Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant’s stock account on your behalf;
- (ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (iii) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;
- (iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;
- (v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;
- (vi) agree that the Relevant Persons¹, the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;
- (vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under “—G. Personal Data—3. Purposes and 4. Transfer of personal data” in this section;
- (viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees’ application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in “—B. Publication of Results” in this section;
- (x) confirm that you are aware of the situations specified in “—C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares” in this section;

¹ Relevant Persons would include the Joint Sponsors, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their or the Company’s respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering.

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;
- (xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;
- (xiv) warrant that the information you have provided is true and accurate;
- (xv) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;
- (xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving electronic application instructions to HKSCC and the **HK eIPO White Form** Service Provider and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

HOW TO APPLY FOR HONG KONG OFFER SHARES

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform	Date/Time
Applying through the HK eIPO White Form service or HKSCC EIPO channel:	
Website from the “Allotment Results” page on the designated results of allocations website at www.tricor.com.hk/ipo/result or www.hkeipo.hk/IPOResult with a “search by ID” function.	24 hours, from 11:00 p.m. on Wednesday, January 7, 2026 to 12:00 midnight on Tuesday, January 13, 2026 (Hong Kong time)
The full list of (i) wholly or partially successful applicants using the HK eIPO White Form service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed www.hkeipo.hk/IPOResult or www.tricor.com.hk/ipo/result .	
The Stock Exchange’s website at www.hkexnews.hk and our website at https://www.edgemed.cn which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Wednesday, January 7, 2026 (Hong Kong time).
Telephone +852 3691 8488—the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., Thursday, January 8, 2026 to Tuesday, January 13, 2026 (Hong Kong time) on a business day

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m., Tuesday, January 6, 2026 (Hong Kong time).

HOW TO APPLY FOR HONG KONG OFFER SHARES

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Tuesday, January 6, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the Global Offer, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at www.hkexnews.hk and our website at <https://www.edgemed.cn> no later than 11:00 p.m. on Wednesday, January 7, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to “—A. Applications for Hong Kong Offer Shares—5. Multiple Applications Prohibited” in this section on what constitutes multiple applications;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the Global Offer. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

HOW TO APPLY FOR HONG KONG OFFER SHARES

H Share certificates will only become valid evidence of title at 8:00 a.m. on Thursday, January 8, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in “Underwriting” has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	<u>HK eIPO White Form service</u>	<u>HKSCC EIPO channel</u>
Despatch/collection of H Share certificate²		
For application of 1,000,000 Hong Kong Offer Shares or more	Collection in person from the H Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant’s stock account.
	Time: from 9:00 a.m. to 1:00 p.m. on Thursday, January 8, 2026 (Hong Kong time).	No action by you is required.
	If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation’s chop.	

² Except in the event of any Severe Weather Signals (as defined below) in force in Hong Kong in the morning on Wednesday, January 7, 2026 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to “—E. Severe Weather Arrangements” in this section.

HOW TO APPLY FOR HONG KONG OFFER SHARES

HK eIPO White Form service

HKSCC EIPO channel

Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.

Note: If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.

**For application of less than
1,000,000 Hong Kong
Offer Shares**

Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk.

Date: Wednesday, January 7,
2026

Refund mechanism for surplus application monies paid by you

Date Thursday, January 8, 2026

Subject to the arrangement
between you and your broker
or custodian

Responsible party H Share Registrar

Your broker or custodian

**Application monies paid
through single bank
account**

HK eIPO White Form e-Auto Refund payment instructions to your designated bank account

Your broker or custodian will
arrange refund to your
designated bank account
subject to the arrangement
between you and it

**Application monies paid
through multiple bank
accounts.**

Refund cheque(s) will be
despatched to the address as
specified in your application
instructions by ordinary post
at your own risk

HOW TO APPLY FOR HONG KONG OFFER SHARES

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Monday, January 5, 2026 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions,

(collectively, “**Severe Weather Signals**”),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, January 5, 2026.

Instead, they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in “Expected Timetable”, an announcement will be made and published on the Stock Exchange’s website at www.hkexnews.hk and our website at <https://www.edgemed.cn> of the revised timetable.

If a Severe Weather Signal is hoisted on Wednesday, January 7, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository’s service counter so that they would be available for trading on Thursday, January 8, 2026.

If a Severe Weather Signal is hoisted on Wednesday, January 7, 2026, for application of less than 1,000,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Wednesday, January 7, 2026 or on Thursday, January 8, 2026).

If a Severe Weather Signal is hoisted on Thursday, January 8, 2026, for application of 1,000,000 Hong Kong Offer Shares or more, physical H Share certificate(s) will be available for collection in person at the H Share Registrar’s office after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Thursday, January 8, 2026 or on Friday, January 9, 2026).

HOW TO APPLY FOR HONG KONG OFFER SHARES

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between HKSCC Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

HOW TO APPLY FOR HONG KONG OFFER SHARES

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving bank and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in “Corporate Information” or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-58, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHENZHEN EDGE MEDICAL CO., LTD., MORGAN STANLEY ASIA LIMITED AND GF CAPITAL (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Shenzhen Edge Medical Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-58, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023 and 2024 and June 30, 2025 and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025 (the "Track Record Period"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-58 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated December 30, 2025 (the "Prospectus") in connection with the initial listing of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at December 31, 2023 and 2024 and June 30, 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended June 30, 2024 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 26(d) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

December 30, 2025

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Expressed in Renminbi)

	Note	Years ended December 31,		Six months ended June 30,	
		2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	4	48,042	159,994	30,245	149,383
Cost of sales		(19,576)	(61,917)	(11,088)	(55,533)
Gross profit		28,466	98,077	19,157	93,850
Research and development expenses		(171,228)	(226,245)	(95,555)	(96,502)
Administrative expenses		(61,853)	(52,634)	(28,621)	(39,354)
Selling and marketing expenses		(62,284)	(101,206)	(46,857)	(58,727)
Impairment loss on trade receivables, other receivables and contract assets	27(a)	(545)	(1,031)	108	(3,106)
Other net gain	5	18,586	44,179	5,486	6,443
Fair value changes of financial assets measured at fair value through profit or loss ("FVPL")		36,974	21,214	14,193	8,709
Share of loss of an associate .		—	—	—	(68)
Loss from operations		(211,884)	(217,646)	(132,089)	(88,755)
Finance costs	6(a)	(985)	(863)	(478)	(310)
Loss before taxation	6	(212,869)	(218,509)	(132,567)	(89,065)
Income tax	7	—	—	—	(22)
Loss for the year/period . . .		<u>(212,869)</u>	<u>(218,509)</u>	<u>(132,567)</u>	<u>(89,087)</u>
Attributable to equity shareholders of the Company		<u>(212,869)</u>	<u>(218,509)</u>	<u>(132,567)</u>	<u>(89,087)</u>
Loss per share	10				
Basic and diluted (RMB)		<u>(0.59)</u>	<u>(0.61)</u>	<u>(0.37)</u>	<u>(0.25)</u>

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi)

	<u>Years ended December 31,</u>		<u>Six months ended June 30,</u>	
	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(unaudited)</i>	
Loss for the year/period . . .	(212,869)	(218,509)	(132,567)	(89,087)
Other comprehensive income for the year/period, net of nil tax				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of a subsidiary incorporated in Hong Kong, net of nil tax	<u>—</u>	<u>88</u>	<u>—</u>	<u>(261)</u>
Other comprehensive income for the year/period	<u>—</u>	<u>88</u>	<u>—</u>	<u>(261)</u>
Total comprehensive income for the year/period	<u>(212,869)</u>	<u>(218,421)</u>	<u>(132,567)</u>	<u>(89,348)</u>
Attributable to equity shareholders of the Company	<u>(212,869)</u>	<u>(218,421)</u>	<u>(132,567)</u>	<u>(89,348)</u>

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Renminbi)

	Note	As at December 31,		As at
		2023	2024	June 30,
		RMB'000	RMB'000	2025
				RMB'000
Non-current assets				
Property, plant and equipment	11	88,692	92,303	74,373
Intangible assets	12	2,980	1,162	445
Interest in an associate		—	—	154
Prepayments	15	6,468	176	595
Other non-current assets	13	107,160	2,310	1,826
		<u>205,300</u>	<u>95,951</u>	<u>77,393</u>
Current assets				
Inventories	14	77,163	73,708	79,496
Contract assets	20(a)	—	12,162	12,200
Trade and other receivables	16	18,538	48,105	86,661
Prepayments	15	17,296	11,896	19,274
Financial assets measured at FVPL	17	1,066,949	876,501	805,424
Cash and cash equivalents	18	155,315	119,811	94,457
Other current assets	15	15,085	122,596	131,347
		<u>1,350,346</u>	<u>1,264,779</u>	<u>1,228,859</u>
Current liabilities				
Trade and other payables	19	62,793	66,152	78,362
Contract liabilities	20(b)	4,624	5,817	9,121
Lease liabilities	21	8,012	7,698	6,762
Current taxation	7	—	—	22
Provisions	23	2,116	7,168	11,520
		<u>77,545</u>	<u>86,835</u>	<u>105,787</u>
Net current assets		<u>1,272,801</u>	<u>1,177,944</u>	<u>1,123,072</u>
Total assets less current liabilities		<u>1,478,101</u>	<u>1,273,895</u>	<u>1,200,465</u>
Non-current liabilities				
Contract liabilities	20(b)	781	3,310	4,146
Lease liabilities	21	18,717	10,331	6,859
Deferred income	24	20,257	298	4,876
		<u>39,755</u>	<u>13,939</u>	<u>15,881</u>
NET ASSETS		<u>1,438,346</u>	<u>1,259,956</u>	<u>1,184,584</u>
CAPITAL AND RESERVES				
Share capital	26	360,000	360,000	360,000
Reserves	26	1,078,346	899,956	824,584
TOTAL EQUITY		<u>1,438,346</u>	<u>1,259,956</u>	<u>1,184,584</u>

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in Renminbi)

	Note	As at December 31,		As at June 30,
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	11	81,093	85,116	69,694
Intangible assets	12	2,980	1,162	445
Investments in subsidiaries	1	4,300	10,550	10,550
Prepayments	15	6,467	174	594
Other non-current assets	13	106,547	1,698	1,180
		<u>201,387</u>	<u>98,700</u>	<u>82,463</u>
Current assets				
Inventories	14	77,262	73,869	79,657
Contract assets	20(a)	–	12,162	12,200
Trade and other receivables	16	38,564	73,422	133,120
Prepayments	15	17,296	11,896	19,196
Financial assets measured at FVPL	17	1,066,949	876,501	805,424
Cash and cash equivalents	18	152,315	113,128	78,838
Other current assets	15	14,263	121,641	123,899
		<u>1,366,649</u>	<u>1,282,619</u>	<u>1,252,334</u>
Current liabilities				
Trade and other payables	19	62,254	63,374	81,461
Contract liabilities	20(b)	4,624	5,817	9,121
Lease liabilities	21	7,149	5,634	4,968
Provisions	23	2,116	7,168	11,109
		<u>76,143</u>	<u>81,993</u>	<u>106,659</u>
Net current assets		<u>1,290,506</u>	<u>1,200,626</u>	<u>1,145,675</u>
Total assets less current liabilities		<u>1,491,893</u>	<u>1,299,326</u>	<u>1,228,138</u>
Non-current liabilities				
Contract liabilities	20(b)	781	3,310	4,146
Lease liabilities	21	18,546	9,437	6,859
Deferred income	24	20,257	298	4,876
		<u>39,584</u>	<u>13,045</u>	<u>15,881</u>
NET ASSETS		<u>1,452,309</u>	<u>1,286,281</u>	<u>1,212,257</u>
CAPITAL AND RESERVES				
Share capital	26	360,000	360,000	360,000
Reserves	26	1,092,309	926,281	852,257
TOTAL EQUITY		<u>1,452,309</u>	<u>1,286,281</u>	<u>1,212,257</u>

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Renminbi)

Note	Attributable to equity shareholders				
	Share capital	Share premium	Other reserve	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 26(b))	(Note 26(c))	(Note 26(c))		
Balance at January 1, 2023.	360,000	1,556,310	38,307	(289,746)	1,664,871
Changes in equity for the year ended December 31, 2023:					
Loss and total comprehensive income for the year	—	—	—	(212,869)	(212,869)
Equity-settled share-based transactions	25	—	(13,656)	—	(13,656)
Balance at December 31, 2023	<u>360,000</u>	<u>1,556,310</u>	<u>24,651</u>	<u>(502,615)</u>	<u>1,438,346</u>

		Attributable to equity shareholders					
	Note	Share capital	Share premium	Exchange reserve	Other reserve	Accumulated losses	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Note 26(b))	(Note 26(c))		(Note 26(c))		
Balance at January 1, 2024		360,000	1,556,310	—	24,651	(502,615)	1,438,346
Changes in equity for the year ended December 31, 2024:							
Loss for the year		—	—	—	—	(218,509)	(218,509)
Other comprehensive income		—	—	88	—	—	88
Total comprehensive income		—	—	88	—	(218,509)	(218,421)
Equity-settled share-based transactions	25	—	—	—	40,031	—	40,031
Balance at December 31, 2024		360,000	1,556,310	88	64,682	(721,124)	1,259,956

The accompanying notes form part of the Historical Financial Information.

Note	Attributable to equity shareholders				
	Share capital	Share premium	Other reserve	Accumulated losses	Total equity
	RMB'000 (Note 26(b))	RMB'000 (Note 26(c))	RMB'000 (Note 26(c))	RMB'000	RMB'000
(unaudited)					
Balance at January 1, 2024 . . .	360,000	1,556,310	24,651	(502,615)	1,438,346
Changes in equity for the period ended June 30, 2024:					
Loss for the period	—	—	—	(132,567)	(132,567)
Equity-settled share-based transactions	25	—	14,946	—	14,946
Balance at June 30, 2024 . . .	<u>360,000</u>	<u>1,556,310</u>	<u>39,597</u>	<u>(635,182)</u>	<u>1,320,725</u>

Note	Attributable to equity shareholders					
	Share capital	Share premium	Exchange reserve	Other reserve	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 26(b))	(Note 26(c))		(Note 26(c))		
Balance at January 1, 2025	360,000	1,556,310	88	64,682	(721,124)	1,259,956
Changes in equity for the period ended June 30, 2025:						
Loss for the period	—	—	—	—	(89,087)	(89,087)
Other comprehensive income	—	—	(261)	—	—	(261)
Total comprehensive income	—	—	(261)	—	(89,087)	(89,348)
Equity-settled share-based transactions	25	—	—	13,976	—	13,976
Balance at June 30, 2025	360,000	1,556,310	(173)	78,658	(810,211)	1,184,584

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Renminbi)

	Note	Years ended December 31,		Six months ended June 30,	
		2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Operating activities					
Loss before taxation		(212,869)	(218,509)	(132,567)	(89,065)
Adjustments for:					
Depreciation.	6(c)	16,943	25,998	12,665	13,014
Amortization of intangible assets.	6(c)	1,934	2,281	1,233	752
Change in fair value of financial assets measured at FVPL.		(36,974)	(21,214)	(14,193)	(8,709)
Impairment loss/(reversal of impairment loss) on trade receivables, other receivables and contract assets		545	1,031	(108)	3,106
Impairment loss on prepayments	5	–	1,000	–	–
Impairment loss on property, plant and equipment.	5	–	1,434	–	–
Write-down on inventories	14	2,909	1,542	1,071	469
Finance costs	6(a)	985	863	478	310
Interest income	5	(5,364)	(5,222)	(2,902)	(2,333)
Share of loss of an associate		–	–	–	68
Investment income	5	(10,046)	(9,803)	(2,509)	(3,792)
Loss/(gain) on disposal of property, plant and equipment.		17	8	(8)	4
Equity-settled share-based payment expenses	25	(13,656)	40,031	14,946	13,976
Net foreign exchange (gain)/loss		(251)	(231)	(95)	167
Changes in working capital:					
(Increase)/decrease in inventories		(74,140)	1,913	(8,752)	(866)
(Increase)/decrease in prepayments, trade and other receivables		(16,113)	(26,156)	13,579	(48,529)
(Increase)/decrease in contract assets		(700)	(11,534)	506	(65)
(Increase)/decrease in other current assets		(9,815)	(309)	(2,999)	916
Increase/(decrease) in deferred income		20,132	(19,959)	(360)	4,578
Increase/(decrease) in trade and other payables.		8,636	3,423	(11,574)	10,597
Increase/(decrease) in contract liabilities		5,406	3,722	(1,255)	4,140
Increase/(decrease) in provisions		2,116	5,051	(643)	4,352
Net cash used in operating activities		(320,305)	(224,640)	(133,487)	(96,910)

The accompanying notes form part of the Historical Financial Information.

		Years ended December 31,		Six months ended June 30,	
	Note	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Investing activities					
Payment for purchase of property, plant and equipment.		(61,334)	(26,392)	(24,020)	(1,572)
Proceeds from sale of property, plant and equipment.		23	63	–	–
Payment for purchase of intangible assets.		(2,270)	(598)	(303)	(84)
Payment for purchase of financial assets		(85,000)	(658,280)	(292,280)	(600,383)
Proceeds from financial assets		530,405	879,743	407,428	677,612
Interest received		1,909	1,712	591	597
Payment for investment in an associate		–	–	–	(222)
Net cash generated from investing activities		<u>383,733</u>	<u>196,248</u>	<u>91,416</u>	<u>75,948</u>
Financing activities					
Lease deposits paid		(1,276)	(89)	–	–
Lease deposits received		465	576	558	–
Listing expenses paid		–	–	–	(399)
Payment of capital element of lease liabilities	18(b)	(7,388)	(6,967)	(3,561)	(3,516)
Payment of interest element of lease liabilities	18(b)	<u>(985)</u>	<u>(863)</u>	<u>(478)</u>	<u>(310)</u>
Net cash used in financing activities		<u>(9,184)</u>	<u>(7,343)</u>	<u>(3,481)</u>	<u>(4,225)</u>
Net increase/(decrease) in cash and cash equivalents					
		<u>54,244</u>	<u>(35,735)</u>	<u>(45,552)</u>	<u>(25,187)</u>
Cash and cash equivalents at the beginning of the year/period		100,820	155,315	155,315	119,811
Effect of foreign exchange rate changes.		<u>251</u>	<u>231</u>	<u>95</u>	<u>(167)</u>
Cash and cash equivalents at the end of the year/period.		<u>155,315</u>	<u>119,811</u>	<u>109,858</u>	<u>94,457</u>

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Shenzhen Edge Medical Co., Ltd. (“the Company”) (深圳市精鋒醫療科技股份有限公司) was incorporated in Shenzhen, the People’s Republic of China (the “PRC”) on May 4, 2017 as a limited liability company. Upon the approval by the Company’s shareholder’s meeting held on December 9, 2021, the Company was converted from a limited liability company into a joint stock limited liability company and changed its registered name to Shenzhen Edge Medical Co., Ltd..

The Company and its subsidiaries (together as “the Group”) are principally engaged in designing, developing, manufacturing and sale of surgical robots.

The financial statements of the Company and the subsidiaries of the Group for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated and/or established. The statutory financial statements of the Company for the year ended December 31, 2023 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and were audited by Shenzhen Huayao Certified Public Accountants (General Partnership) (深圳華耀會計師事務所(普通合夥)). No audited statutory financial statements have been prepared for the Company for the year ended December 31, 2024.

During the Track Record Period and as at the date of this report, the Company has direct interests in the following subsidiaries, all of which are private companies:

Company name	Place and date of incorporation/ establishment	Registered/issued and paid-in capital	Effective interest held by the Group			At the date of this report	Principal activities
			As at December 31,		As at June 30,		
			2023	2024	2025		
Shenzhen Jingfeng Kechuang Co., Ltd. (深圳市精鋒科創有限責任公司) (Notes (a)(b)) . . .	The PRC 14/10/2020	RMB500,000/ RMB0	100%	100%	100%	100%	Development and sales of software and information technology for medical devices and smart devices
Shenzhen Jingfeng Zhizao Co., Ltd. (深圳市精鋒智造有限公司) (Notes (a)(b))	The PRC 26/01/2021	RMB100,000/ RMB100,000	100%	100%	100%	100%	Development, manufacturing and sales of software and hardware systems for medical devices and smart devices
Hainan Jingfeng Technology Services Co., Ltd. (海南精鋒科技服務有限公司) (Notes (a)(b)(c)) .	The PRC 31/08/2021	RMB1,000,000/ RMB0	100%	/	/	/	Medical device promotion and application services
Shanghai Jingfeng Medical Technology Co., Ltd. (上海精鋒醫療科技有限公司) (Notes (a)(b)) . . .	The PRC 11/01/2022	RMB1,000,000/ RMB300,000	100%	100%	100%	100%	Commercialization of medical devices

Company name	Place and date of incorporation/ establishment	Registered/issued and paid-in capital	Effective interest held by the Group			At the date of this report	Principal activities
			As at December 31,		As at June 30,		
			2023	2024	2025		
Edge Medical (Hong Kong) Limited (精鋒醫療(香港)有限公司) (Note (d))	Hong Kong 28/12/2023	HKD10,000	100%	100%	100%	100%	Sales of medical robots
Beijing Jingfeng Medical Equipment Technology Co., Ltd. (北京精鋒醫療裝備有限公司) (Notes (a)(b)) . . .	The PRC 02/12/2024	RMB1,000,000/ RMB1,000,000	/	100%	100%	100%	Development and sales of medical devices

Notes:

- (a) The official names of these entities are in Chinese. The English translation of the names is for identification only.
- (b) No audited financial statements have been prepared for these entities for the years ended December 31, 2023 and 2024.
- (c) This entity has been deregistered in May 2024.
- (d) The statutory financial statements of this entity for the period from December 28, 2023 (date of incorporation) to December 31, 2024 were prepared in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standards issued by the HKICPA and were audited by OCG CPA Limited.

All companies comprising the Group have adopted December 31, as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”). Further details of the material accounting policy information are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning January 1, 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting year beginning January 1, 2025 are set out in Note 31.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

The Historical Financial Information and the Stub Period Corresponding Financial Information are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICIES**(a) Basis of measurement**

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the financial assets measured at FVPL are stated at their fair value as explained in the accounting policies set out in Note 2(e).

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(i)).

(d) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the ECL model to such other long-term interests where applicable (see Note 2(i)(ii)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, an investment in an associate is stated at cost less impairment losses (see Note 2(i)).

(e) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, are set out below.

Investments in securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 27(e). Non-equity investments are subsequently accounted for as follows, depending on their classification:

- amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- fair value through other comprehensive income (FVOCI) — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortized cost. The difference between the fair value and the amortized cost is recognized in OCI. When the investment is derecognized, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(i)(ii)).

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The estimated useful lives for property, plant and equipment are as follows:

Leasehold improvements	Over the shorter of the unexpired term of lease or the estimated useful life of the asset
Machinery equipment	3 – 10 years
Furniture equipment	3 – 5 years
Electronic equipment and others	3 – 5 years
Right-of-use assets	Over the lease term

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(g) Intangible assets

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognized in profit or loss as incurred. Capitalized development expenditure is subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses (see Note 2(i)(ii)).

Expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognized in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Software	2 – 3 years

Amortization methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalize the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(f) and 2(i)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortized cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(i) **Credit losses and impairment of assets**

(i) *Credit losses from financial instruments and contract assets*

The Group recognizes a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortized cost (including cash and cash equivalents, trade receivables and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognized in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position (see Note 2(e)).

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Basis of calculation of interest income

Interest income recognized in accordance with Note 2(r)(ii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortized cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganization;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(r)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(i)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(l)).

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see Note 2(r)(i)). A contract liability would also be recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized (see Note 2(l)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(r)(i)).

(l) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost (see Note 2(i)(i)).

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(i)(i)).

(n) Trade and other payables (other than refund liabilities)

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(o) Employee benefits***(i) Short-term employee benefits and contributions to defined contribution retirement plans***

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of restricted shares granted to employees is measured based on certain valuation models and the transfer price of the Company's shares between independent third-party investors around the grant date. The amount is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

(p) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the period and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development.

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(q) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract (see Note 2(i)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

(r) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognizes revenue on a gross basis, including the sale of medical devices that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognized when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) Sale of medical devices

Revenue is recognized when the customer takes possession of and accepts the products, depending on the terms set forth in the customer contract. The payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

In certain of the Group's customer contract, the Group participates in arrangements that include multiple performance obligations. The Group accounts for individual products and services as separate performance obligations if they are a distinct product or service that is separately identifiable from other items in the packages and if a customer can benefit from the product or service on its own or with other resources that are readily available to the customer. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognized is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis. Generally, the Group establishes stand-alone selling prices with reference to the observable prices of products or services sold separately in comparable circumstances to similar customers. If the observable stand-alone selling prices are not available, the Group estimates the stand-alone selling price considering market conditions, entity-specific factors and information about the customer or type of the customer.

(b) Revenue from rendering of services

Revenue from rendering of services is recognized over time by measuring the progress of that performance obligation.

(ii) Revenue from other sources and other income

(a) Interest income

Interest income is recognized using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset.

(b) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognized in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(s) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

(t) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(u) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENT AND ESTIMATES**(a) Critical accounting judgements in applying the Group's accounting policies**

In the process of applying the Group's accounting policies, management has made the following accounting judgement:

Research and development expenses

Research and development expenses incurred on the Group's pipelines are capitalized and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Research and development expenses which do not meet these criteria are expensed when incurred. Management will assess the progress of each of the research and development projects and determine the criteria met for capitalization. During the Track Record Period, the Group's development expenditures incurred did not meet these capitalization principles for any products and were expensed as incurred.

(b) Sources of estimation uncertainty

Notes 25 and 27(e) contains information about the assumptions and risk factors relating to fair value of restricted share granted and financial assets measured at FVPL. Other key sources of estimation uncertainty are as follows:

(i) Net realizable value of inventories

Net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and distribution expenses. The assessment of the net realizable value of inventories involves high degree of estimation uncertainties and judgement subjectively associated with the usage of the inventories, the estimated selling prices and the selling expenses, etc. Management reassesses these estimations at the balance sheet dates to ensure inventory is shown at the lower of cost and net realizable value.

(ii) Impairment of trade receivables and contract assets

The Group estimates the loss allowances for trade receivables and contract assets by assessing the ECLs. This requires the use of estimates and judgements. Expected credit loss rates are calculated based on probability of default, loss rate given default, and forward-looking adjustment factors. These probabilities and rates are evaluated based on credit ratings of counterparties, actual aging, project aging and regulatory rules. Forward-looking adjustment factors are to reflect expectations of future economic conditions at each reporting date, which allows macroeconomic impact be taken into consideration. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of trade receivables and contract assets and thus the impairment loss in the period in which such estimate is changed. The Group keeps assessing the expected credit loss of trade receivables and contract assets during their expected lives.

(iii) Income tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The management carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of these transactions is reconsidered periodically to take into account changes in tax legislations. Deferred tax assets are recognized for deductible temporary differences and cumulative tax losses.

As those deferred tax assets can only be recognized to the extent that it is probable that future taxable profit will be available against which they can be utilized, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognized if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

(iv) Allocation of performance obligations in revenue recognition

As explained in Note 2(r)(i)(a), the Group participates in sales arrangements that include multiple performance obligations. The total transaction price is allocated to each performance obligations in an amount based on the estimated relative stand-alone selling prices of the goods or services underlying each performance obligation.

The Group estimates stand-alone selling prices with reference to the observable prices of products or services sold separately in comparable circumstances to similar customers. If the observable stand-alone selling prices are not available, the Group estimates the stand-alone selling price considering market conditions, entity specific factors and information about the customer or type of the customer. Management regularly review stand-alone selling prices and update these estimates, as necessary. Changes in facts and circumstances may result in revisions to the conclusion, which would affect profit or loss.

4 REVENUE AND SEGMENT REPORTING**(a) Revenue**

The Group derives revenue principally from the sales of surgical robot systems, instruments and accessories, and provision of services.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and timing of revenue recognition is as follows:

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue from contract with customers within the scope of IFRS 15				
– Sales of medical devices and accessories — point in time	48,042	159,774	30,245	149,048
– Service income — over time	–	220	–	335
	<u>48,042</u>	<u>159,994</u>	<u>30,245</u>	<u>149,383</u>

Revenue from each major customer which accounted for 10% or more of the Group's revenue is set out below:

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Customer A	21,763	Not applicable*	3,367	Not applicable*
Customer B	6,952	Not applicable*	Not applicable*	Not applicable*
Customer C	6,384	Not applicable*	Not applicable*	Not applicable*
Customer D	6,058	Not applicable*	Not applicable*	Not applicable*
Customer E	5,752	Not applicable*	Not applicable*	Not applicable*
Customer F	Not applicable*	26,980	Not applicable*	26,036
Customer G	Not applicable*	Not applicable*	8,734	Not applicable*
Customer H	Not applicable*	Not applicable*	8,683	Not applicable*
Customer I	Not applicable*	Not applicable*	6,676	Not applicable*
Customer J	Not applicable*	Not applicable*	Not applicable*	15,141

* Less than 10% of the Group's annual/period revenue

Details of the credit risk arising from the Group's customers are set out in Note 27(a).

(ii) *Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date*

As at December 31, 2023 and 2024 and June 30, 2025, the aggregated amount of the transaction price allocated to the remaining performance obligation under the Group's existing contracts is RMB7,182,000, RMB14,506,000 and RMB20,584,000, respectively. This amount represents revenue expected to be recognized in the future from delivering medical devices or rendering services. The Group will recognize the expected revenue in future when the medical devices are delivered to the customers or the service is rendered to the customers, which is expected to occur over the next 10 years, 9 years and 10 years, respectively.

(b) **Segment reporting**

For the purpose of resource allocation and performance assessment, the Group's most senior executive management reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment and no further analysis of this single segment is presented.

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

	Revenues from external customers			
	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
– Mainland China	48,042	159,994	30,245	88,687
– Europe	–	–	–	24,319
– Other countries*.	–	–	–	36,377
	<u>48,042</u>	<u>159,994</u>	<u>30,245</u>	<u>149,383</u>

* Each country less than 10% of the Group's annual/period revenue

As substantially all of the Group's assets are in the PRC, no geographic information of specified non-current assets is presented.

5 OTHER NET GAIN

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest income on financial assets measured at amortized cost	5,364	5,222	2,902	2,333
Investment income on financial assets measured at FVPL	10,046	9,803	2,509	3,792
Government grants (Note)	2,994	32,791	687	526
Net foreign exchange gain/(loss) . . .	178	(117)	10	(238)
Impairment loss on property, plant and equipment.	–	(1,434)	–	–
Impairment loss on prepayments . . .	–	(1,000)	–	–
Others	4	(1,086)	(622)	30
	<u>18,586</u>	<u>44,179</u>	<u>5,486</u>	<u>6,443</u>

Note: Government grants recognized in “other net gain” included unconditional grants of RMB2,887,000, RMB10,792,000, RMB327,000 (unaudited) and RMB284,000 for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025 respectively to compensate the Group for its research and development activities and conditional grants of RMB107,000, RMB21,999,000, RMB360,000 (unaudited) and RMB242,000 transferred from deferred income as the conditions attaching to the grant were achieved during the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025 respectively (Note 24).

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on lease liabilities (Note 18(b))	985	863	478	310

(b) Staff costs

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, wages and other benefits . .	179,338	185,754	85,439	88,892
Contributions to defined contribution retirement plan	4,329	5,266	2,287	2,570
Equity-settled share-based payment expenses (Note 25)	(13,656)	40,031	14,946	13,976
	<u>170,011</u>	<u>231,051</u>	<u>102,672</u>	<u>105,438</u>

Note: Employees of the Company and its PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Company and its PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The local government authorities are responsible for the entire retirement obligations payable to retired employees.

(c) Other items

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Amortization of intangible assets (Note 12)	1,934	2,281	1,233	752
Depreciation (Note 11)				
– owned property, plant and equipment	6,237	13,551	6,162	7,252
– leasehold improvements	2,118	4,665	2,267	2,401
– right-of-use assets	8,588	7,782	4,236	3,361
	16,943	25,998	12,665	13,014
Research and development expenses [#]	171,228	226,245	95,555	96,502
Increase in provisions (Note 23) . . .	2,116	7,168	1,113	5,825
Cost of inventories* (Note 14(b)) . .	47,465	122,635	33,643	76,918
Expense for previous listing applications	9,926	–	–	–
Listing expense	–	–	–	16,764

[#] During the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025, research and development expenses includes RMB116,210,000, RMB133,526,000, RMB 61,028,000 (unaudited) and RMB55,448,000 respectively relating to staff costs and depreciation and amortization expenses, which amounts are also included in the respective total amounts disclosed separately above or in Note 6(b).

* During the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025, cost of inventories includes RMB9,684,000, RMB20,819,000, RMB5,292,000 (unaudited) and RMB16,650,000 respectively relating to staff costs and depreciation and amortization expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b).

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statements of profit or loss represents:

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Current tax – Hong Kong Profits Tax				
Provision for the year/period	–	–	–	22

Pursuant to the PRC Income Tax Laws, the Company and its PRC subsidiaries are liable to PRC CIT at a rate of 25% except that the Company is accredited as a “high and new technology enterprise” in 2024 and accordingly started to enjoy a preferential enterprise income tax rate of 15% during the year ended December 31, 2024 and the six months ended June 30, 2025.

Effective during the Track Record Period, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC CIT Law and its relevant regulations.

The provision for Hong Kong Profits Tax is subject to Hong Kong’s two-tiered profits tax regime, under which the tax rate is 8.25% for assessable profits on the first Hong Kong Dollars (“HKD”) 2,000,000 and 16.5% for any assessable profits in excess of HKD2,000,000.

The Group has not recognized deferred tax assets in respect of cumulative unused tax losses as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity.

(b) Reconciliation between income tax expense and accounting loss at applicable tax rates:

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Loss before taxation	(212,869)	(218,509)	(132,567)	(89,065)
Notional tax on loss before taxation, calculated at the rates applicable to loss in the jurisdictions concerned	(53,062)	(34,471)	(20,596)	(14,319)
Effect of non-deductible expenses . .	2,230	7,419	3,162	2,585
Effect of additional deduction on research and development expenses	(40,551)	(25,030)	(8,815)	(8,984)
Tax effect of utilisation of tax losses not recognised in previous years .	—	—	—	(542)
Effect of temporary differences and tax losses not recognized	91,383	52,082	26,249	21,282
Actual tax expense	—	—	—	22

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Details of directors' and supervisors' emoluments are set out as below:

	Year ended December 31, 2023					
	Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Equity-settled share-based payment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Dr. Wang Jianchen (a)	—	1,267	300	9	—	1,576
Dr. Gao Yuanqian (b)	—	1,271	300	9	—	1,580
Ms. Wu Mengyuan	—	348	72	9	1	430
Non-executive directors						
Mr. Sheng Li	—	—	—	—	—	—
Mr. Chen Gang	—	—	—	—	—	—
Mr. Qiu Xiang	—	—	—	—	—	—
Independent non-executive directors						
Mr. Zhang Yaoliang	328	—	—	—	—	328
Mr. Wen Shuhao	328	—	—	—	—	328
Mr. Chen Chuan	328	—	—	—	—	328
Supervisors						
Mr. Ye Guoqiang	—	587	115	9	—	711
Mr. Lin Mincai (c)	—	233	56	5	7	301
Mr. Zhang Xiangping (d) . . .	—	327	81	5	—	413
Ms. Tian Tian (e)	—	122	24	4	3	153
Ms. Yan Shijia (f)	—	110	—	4	—	114
	984	4,265	948	54	11	6,262

Year ended December 31, 2024

	Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Equity-settled share-based payment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Dr. Wang Jianchen (a)	—	1,274	400	15	—	1,689
Dr. Gao Yuanqian (b)	—	1,260	400	15	—	1,675
Ms. Wu Mengyuan	—	300	97	9	409	815
Non-executive directors						
Mr. Sheng Li	—	—	—	—	—	—
Mr. Chen Gang	—	—	—	—	—	—
Mr. Qiu Xiang	—	—	—	—	—	—
Independent non-executive directors						
Mr. Zhang Yaoliang	306	—	—	—	—	306
Mr. Wen Shuhao	305	—	—	—	—	305
Mr. Chen Chuan	305	—	—	—	—	305
Supervisors						
Mr. Ye Guoqiang	—	606	144	9	6,509	7,268
Mr. Lin Mincai	—	425	144	10	—	579
Mr. Zhang Xiangping	—	580	144	9	6,509	7,242
	<u>916</u>	<u>4,445</u>	<u>1,329</u>	<u>67</u>	<u>13,427</u>	<u>20,184</u>

Six months ended June 30, 2024

	Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Equity-settled share-based payment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(unaudited)						
Executive directors						
Dr. Wang Jianchen (a)	—	631	—	5	—	636
Dr. Gao Yuanqian (b)	—	633	—	5	—	638
Ms. Wu Mengyuan	—	179	—	5	162	346
Non-executive directors						
Mr. Sheng Li	—	—	—	—	—	—
Mr. Chen Gang	—	—	—	—	—	—
Mr. Qiu Xiang	—	—	—	—	—	—
Independent non-executive directors						
Mr. Zhang Yaoliang	139	—	—	—	—	139
Mr. Wen Shuhao	139	—	—	—	—	139
Mr. Chen Chuan	139	—	—	—	—	139
Supervisors						
Mr. Ye Guoqiang	—	298	—	5	2,082	2,385
Mr. Lin Mincai	—	208	—	5	—	213
Mr. Zhang Xiangping	—	286	—	5	2,082	2,373
	<u>417</u>	<u>2,235</u>	<u>—</u>	<u>30</u>	<u>4,326</u>	<u>7,008</u>

Six months ended June 30, 2025

	Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Equity-settled share-based payment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Dr. Wang Jianchen (a)	—	620	—	5	—	625
Dr. Gao Yuanqian (b)	—	620	—	5	—	625
Ms. Wu Mengyuan	—	241	—	5	243	489
Non-executive directors						
Mr. Sheng Li	—	—	—	—	—	—
Mr. Chen Gang	—	—	—	—	—	—
Mr. Qiu Xiang	—	—	—	—	—	—
Independent non-executive directors						
Mr. Zhang Yaoliang (g)	—	—	—	—	—	—
Mr. Wen Shuhao (g)	—	—	—	—	—	—
Mr. Chen Chuan (g)	—	—	—	—	—	—
Supervisors						
Mr. Ye Guoqiang	—	350	—	5	2,490	2,845
Mr. Lin Mincai	—	245	—	5	—	250
Mr. Zhang Xiangping	—	330	—	5	2,490	2,825
	—	2,406	—	30	5,223	7,659
	—	—	—	—	—	—

Notes:

- (a) Dr. Wang Jianchen is one of the co-founders, key management personnel of the Group and director of certain subsidiaries within the Group during the Track Record Period and his remuneration disclosed above include those for services rendered by him as key management personnel.
- (b) Dr. Gao Yuanqian is one of the co-founders, key management personnel of the Group and director of certain subsidiaries within the Group during the Track Record Period and her remuneration disclosed above include those for services rendered by her as key management personnel.
- (c) Mr. Lin Mincai was appointed as a supervisor of the Company on May 31, 2023. The remuneration disclosed above represent the remuneration paid to him as a supervisor in 2023. The total remuneration paid to him in 2023 was RMB510,000.
- (d) Mr. Zhang Xiangping was appointed as a supervisor of the Company on May 31, 2023. The remuneration disclosed above represent the remuneration paid to him as a supervisor in 2023. The total remuneration paid to him in 2023 was RMB704,000.
- (e) Ms. Tian Tian resigned from her position as a supervisor on May 31, 2023. The remuneration disclosed above represent the remuneration paid to her as a supervisor in 2023. The total remuneration paid to her in 2023 was RMB357,000.
- (f) Ms. Yan Shijia resigned from her position as a supervisor on May 31, 2023. The remuneration disclosed above represent the remuneration paid to her as a supervisor in 2023. The total remuneration paid to her in 2023 was RMB158,000.
- (g) Mr. Zhang Yaoliang, Mr. Wen Shuhao and Mr. Chen Chuan resigned from their position as independent non-executive directors on June 16, 2025.
- (h) Mr. Yang Fan, Mr. Zhang Guoguang and Mr. Lau Ying Kit were appointed as independent non-executive directors on June 16, 2025 with effect upon listing.
- (i) During the Track Record Period, there were no amounts paid or payable by the Group to the directors, supervisors or any of the highest paid individuals set out in Note 9 below as an inducement to join or upon joining the Group or as a compensation for loss of office. There was no arrangement under which a director or a supervisor waived or agreed to waive any remuneration during the Track Record Period.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the Track Record Period, of the five individuals with the highest emoluments 1, 2, 2 (unaudited) and 2 are directors and supervisors of the Company whose individuals' emoluments are disclosed in Note 8.

The aggregate of the emoluments in respect of the remaining 4, 3, 3 (unaudited) and 3 individuals are as follows:

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Salaries and other emoluments	4,616	3,775	1,960	1,563
Discretionary bonuses	1,449	732	–	–
Retirement scheme contributions . . .	96	39	19	20
Equity-settled share-based payment . .	4,030	14,764	6,010	6,103
	<u>10,191</u>	<u>19,310</u>	<u>7,989</u>	<u>7,686</u>

The emoluments of the remaining 4, 3, 3 (unaudited) and 3 individuals with the highest emoluments are within the following bands:

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals</i> <i>(unaudited)</i>	<i>Number of individuals</i>
HKD2,000,001 – HKD2,500,000 . . .	2	–	–	1
HKD2,500,001 – HKD3,000,000 . . .	–	–	2	2
HKD3,000,001 – HKD3,500,000 . . .	1	–	1	–
HKD3,500,001 – HKD4,000,000 . . .	1	–	–	–
HKD4,000,001 – HKD4,500,000 . . .	–	2	–	–
HKD4,500,001 – HKD5,000,000 . . .	–	1	–	–

10 LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share is based on the loss for the year/period attributable to equity shareholders of the Company and the weighted average number of ordinary shares in issue.

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
			<i>(unaudited)</i>	
Loss for the year/period attributable to equity shareholders of the Company for the purpose of basic loss per share (in RMB'000)	(212,869)	(218,509)	(132,567)	(89,087)
Weighted average number of ordinary shares (in '000)	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
Basic loss per share (in RMB)	<u>(0.59)</u>	<u>(0.61)</u>	<u>(0.37)</u>	<u>(0.25)</u>

(b) Diluted loss per share

The Group did not have any outstanding ordinary shares or potential ordinary shares with potential dilution effects for the year ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025.

Accordingly, diluted loss per share during the Track Record Period are the same as basic loss per share.

11 PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

The Group

	Right-of-use assets	Leasehold improvements	Machinery equipment	Electronic equipment and others	Furniture equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:						
At January 1, 2023	23,527	10,847	6,092	7,034	349	47,849
Additions	40,864	4,169	31,334	2,299	131	78,797
Disposals	—	—	(33)	(65)	(85)	(183)
At December 31, 2023.	64,391	15,016	37,393	9,268	395	126,463
At January 1, 2024	64,391	15,016	37,393	9,268	395	126,463
Additions	3,743	7,434	24,551	703	159	36,590
Disposals	(6,165)	(82)	(3)	(71)	(26)	(6,347)
Modifications.	(1,788)	—	—	—	—	(1,788)
At December 31, 2024.	60,181	22,368	61,941	9,900	528	154,918
At January 1, 2025	60,181	22,368	61,941	9,900	528	154,918
Additions	—	116	1,211	34	9	1,370
Disposals	—	—	(5)	(44)	(6)	(55)
Transfer to inventory	—	—	(7,678)	—	—	(7,678)
Modifications.	(892)	—	—	—	—	(892)
At June 30, 2025	59,289	22,484	55,469	9,890	531	147,663
Accumulated depreciation:						
At January 1, 2023	12,635	3,911	1,978	2,296	151	20,971
Charge for the year	8,588	2,118	3,873	2,280	84	16,943
Written back on disposals	—	—	(14)	(55)	(74)	(143)
At December 31, 2023.	21,223	6,029	5,837	4,521	161	37,771
At January 1, 2024	21,223	6,029	5,837	4,521	161	37,771
Charge for the year	7,782	4,665	10,955	2,471	125	25,998
Written back on disposals	(2,477)	(26)	(3)	(64)	(18)	(2,588)
At December 31, 2024.	26,528	10,668	16,789	6,928	268	61,181
At January 1, 2025	26,528	10,668	16,789	6,928	268	61,181
Charge for the period.	3,361	2,401	6,192	993	67	13,014
Written back on disposals	—	—	(5)	(41)	(5)	(51)
Transfer to inventory	—	—	(2,288)	—	—	(2,288)
At June 30, 2025	29,889	13,069	20,688	7,880	330	71,856
Impairment:						
At January 1, 2023, December 31, 2023 and January 1, 2024.	—	—	—	—	—	—
Impairment loss recognized in profit or loss.	1,434	—	—	—	—	1,434
At December 31, 2024, January 1, 2025 and June 30, 2025.	1,434	—	—	—	—	1,434
Net book value:						
At December 31, 2023	43,168	8,987	31,556	4,747	234	88,692
At December 31, 2024	32,219	11,700	45,152	2,972	260	92,303
At June 30, 2025	27,966	9,415	34,781	2,010	201	74,373

The Company

	Right-of-use assets	Leasehold improvements	Machinery equipment	Electronic equipment and others	Furniture equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:						
At January 1, 2023	17,395	7,032	6,092	6,840	349	37,708
Additions	43,681	1,251	28,987	2,299	131	76,349
Disposals	—	—	(33)	(65)	(85)	(183)
At December 31, 2023.	<u>61,076</u>	<u>8,283</u>	<u>35,046</u>	<u>9,074</u>	<u>395</u>	<u>113,874</u>
At January 1, 2024	61,076	8,283	35,046	9,074	395	113,874
Additions	—	7,340	24,513	703	159	32,715
Disposals	(6,165)	(82)	(3)	(71)	(26)	(6,347)
Modifications.	(1,818)	—	—	—	—	(1,818)
At December 31, 2024.	<u>53,093</u>	<u>15,541</u>	<u>59,556</u>	<u>9,706</u>	<u>528</u>	<u>138,424</u>
At January 1, 2025	53,093	15,541	59,556	9,706	528	138,424
Additions	—	116	1,211	29	9	1,365
Disposals	—	—	—	(44)	(6)	(50)
Transfer to inventory	—	—	(7,678)	—	—	(7,678)
Modifications.	(892)	—	—	—	—	(892)
At June 30, 2025	<u>52,201</u>	<u>15,657</u>	<u>53,089</u>	<u>9,691</u>	<u>531</u>	<u>131,169</u>
Accumulated depreciation:						
At January 1, 2023	11,037	3,136	1,978	2,271	151	18,573
Charge for the year	7,213	1,307	3,545	2,202	84	14,351
Written back on disposals . . .	—	—	(14)	(55)	(74)	(143)
At December 31, 2023.	<u>18,250</u>	<u>4,443</u>	<u>5,509</u>	<u>4,418</u>	<u>161</u>	<u>32,781</u>
At January 1, 2024	18,250	4,443	5,509	4,418	161	32,781
Charge for the year	6,021	2,662	10,465	2,408	125	21,681
Written back on disposals . . .	(2,477)	(26)	(3)	(64)	(18)	(2,588)
At December 31, 2024.	<u>21,794</u>	<u>7,079</u>	<u>15,971</u>	<u>6,762</u>	<u>268</u>	<u>51,874</u>
At January 1, 2025	21,794	7,079	15,971	6,762	268	51,874
Charge for the period.	2,135	1,399	5,930	970	67	10,501
Written back on disposals . . .	—	—	—	(41)	(5)	(46)
Transfer to inventory	—	—	(2,288)	—	—	(2,288)
At June 30, 2025	<u>23,929</u>	<u>8,478</u>	<u>19,613</u>	<u>7,691</u>	<u>330</u>	<u>60,041</u>
Impairment:						
At January 1, 2023, December 31, 2023 and January 1, 2024.	—	—	—	—	—	—
Impairment loss recognized in profit or loss.	<u>1,434</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,434</u>
At December 31, 2024, January 1, 2025 and June 30, 2025.	<u>1,434</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,434</u>
Net book value:						
At December 31, 2023	<u>42,826</u>	<u>3,840</u>	<u>29,537</u>	<u>4,656</u>	<u>234</u>	<u>81,093</u>
At December 31, 2024	<u>29,865</u>	<u>8,462</u>	<u>43,585</u>	<u>2,944</u>	<u>260</u>	<u>85,116</u>
At June 30, 2025	<u>26,838</u>	<u>7,179</u>	<u>33,476</u>	<u>2,000</u>	<u>201</u>	<u>69,694</u>

Impairment loss

Pursuant to changes in the Group's business plans, the Company submitted an application on November 25, 2024 for the return of the land use right acquired in 2023. During the year ended December 31, 2024, the Group assessed the recoverable amounts of the land use right and as a result the carrying amount of the land use right was written down to the recoverable amount of RMB17,756,000. An impairment loss of RMB1,434,000 was recognized in "Other net gain". The estimate of recoverable amount was based on the government repurchase price for the land use right. As of June 30, 2025, the application remained pending review.

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

The Group

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Properties leased for own use, carried at depreciated cost	43,168	32,219	27,966

The Company

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Properties leased for own use, carried at depreciated cost	42,826	29,865	26,838

The analysis of expense items in relation to leases recognized in profit or loss is as follows:

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:				
Properties leased for own use	8,588	7,782	4,236	3,361
Interest on lease liabilities (Note 6(a))	985	863	478	310
Expense relating to short-term leases	527	380	379	199

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 18(c) and 21, respectively.

The Group leases office premises and manufacturing facilities under leases expiring in no more than six years. Some leases include an option to renew the lease when all terms are renegotiated. None of the leases includes variable lease payments.

In 2024, the Group terminated certain leases for the use of manufacturing facilities and office building. The Group derecognized the right-of-use assets with a net book value of RMB3,688,000 and the corresponding lease liabilities of RMB3,695,000, and also wrote off the leasehold improvements with a net book value of RMB56,000 in relation to these terminated leases. Accordingly, losses arising from the termination of leases (including the termination fee to the lessors) totaling RMB671,000 were recognized in the consolidated statement of profit or loss.

12 INTANGIBLE ASSETS

The Group and the Company

	Software
	<i>RMB'000</i>
Cost:	
At January 1, 2023	3,032
Additions	2,970
At December 31, 2023	6,002
At January 1, 2024	6,002
Additions	463
At December 31, 2024	6,465
At January 1, 2025	6,465
Additions	35
At June 30, 2025	6,500
Accumulated amortization:	
At January 1, 2023	1,088
Charge for the year	1,934
At December 31, 2023	3,022
At January 1, 2024	3,022
Charge for the year	2,281
At December 31, 2024	5,303
At January 1, 2025	5,303
Charge for the period	752
At June 30, 2025	6,055
Net book value:	
At December 31, 2023	2,980
At December 31, 2024	1,162
At June 30, 2025	445

13 OTHER NON-CURRENT ASSETS

The Group

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial asset measured at amortized cost			
(Note)	103,692	—	—
Lease deposits	2,798	2,310	1,826
Quality guarantee deposit (Note 20(a))	670	—	—
	<u>107,160</u>	<u>2,310</u>	<u>1,826</u>

The Company

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial asset measured at amortized cost			
(Note)	103,692	—	—
Lease deposits	2,185	1,698	1,180
Quality guarantee deposit (Note 20(a))	670	—	—
	<u>106,547</u>	<u>1,698</u>	<u>1,180</u>

Note: The financial asset measured at amortized cost includes term deposit issued by bank in Mainland China with original maturity of 3 years and bear fixed interest rate.

14 INVENTORIES

(a) Inventories in the statements of financial position comprise:

The Group

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	37,738	44,583	41,214
Work in progress	8,136	10,009	13,789
Finished goods	31,289	19,116	24,493
	<u>77,163</u>	<u>73,708</u>	<u>79,496</u>

The Company

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	37,738	44,583	41,214
Work in progress	8,235	10,170	13,950
Finished goods	31,289	19,116	24,493
	<u>77,262</u>	<u>73,869</u>	<u>79,657</u>

- (b) The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

The Group

	As at December 31,		As at June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount of inventories sold.	8,960	47,114	6,533	42,285
Write-down of inventories	2,909	1,542	1,071	469
Cost of inventories directly recognized as research and development expenses and selling and marketing expenses . .	<u>35,596</u>	<u>73,979</u>	<u>26,039</u>	<u>34,164</u>
	<u>47,465</u>	<u>122,635</u>	<u>33,643</u>	<u>76,918</u>

15 PREPAYMENTS AND OTHER CURRENT ASSETS**The Group**

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Prepayments	<u>17,296</u>	<u>11,896</u>	<u>19,274</u>
Other current assets			
– listing expenses to be capitalized	–	–	1,582
– value-added tax recoverable	15,085	15,395	14,479
– term deposit	–	107,201	115,286
	<u>15,085</u>	<u>122,596</u>	<u>131,347</u>
	<u>32,381</u>	<u>134,492</u>	<u>150,621</u>
Non-current			
Prepayments	<u>6,468</u>	<u>176</u>	<u>595</u>

The Company

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Prepayments	17,296	11,896	19,196
Other current assets			
– listing expenses to be capitalized	–	–	1,582
– value-added tax recoverable	14,263	14,440	13,380
– term deposit	–	107,201	108,937
	14,263	121,641	123,899
	31,559	133,537	143,095
Non-current			
Prepayments	6,467	174	594

16 TRADE AND OTHER RECEIVABLES**The Group**

	As at December 31,		As at June 30,
	2023,	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	17,606	44,327	82,055
Less: expected credit losses	(515)	(1,194)	(4,252)
	17,091	43,133	77,803
Other receivables	1,447	4,972	8,858
	18,538	48,105	86,661

The Company

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	17,606	44,327	91,131
Less: expected credit losses	(515)	(1,194)	(2,257)
	17,091	43,133	88,874
Other receivables	21,473	30,289	44,246
	38,564	73,422	133,120

All of the current trade and other receivables are expected to be recovered or recognized as expense within one year.

Ageing analysis

As at December 31, 2023 and 2024 and June 30, 2025, the ageing analysis of trade debtors, based on the invoice date and net of loss allowance, is as follows:

The Group

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 month	17,091	38,974	59,734
1 to 3 months	–	18	6,406
3 to 6 months	–	402	1,044
6 to 12 months	–	2,968	8,865
Over 1 year	–	771	1,754
	<u>17,091</u>	<u>43,133</u>	<u>77,803</u>

The Company

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 month	17,091	38,974	67,681
1 to 3 months	–	18	7,687
3 to 6 months	–	402	2,887
6 to 12 months	–	2,968	8,865
Over 1 year	–	771	1,754
	<u>17,091</u>	<u>43,133</u>	<u>88,874</u>

17 FINANCIAL ASSETS MEASURED AT FVPL**The Group and the Company**

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wealth management products			
Net value-based wealth management products			
(Note 27(e))	94,122	293,877	805,424
Certificates of deposits (Note 27(e)).	<u>972,827</u>	<u>582,624</u>	<u>–</u>
	<u>1,066,949</u>	<u>876,501</u>	<u>805,424</u>

The net value-based wealth management products are issued by banks in Mainland China with a floating return which will be paid together with the principal with the maturity date within 1 year. Certificates of deposits are issued by banks in Mainland China with initial maturity of 3 years and bear fixed interest rate. These certificates of deposits are measured at fair value through profit or loss as the Group manage these deposits with the objective to sell.

18 CASH AND CASH EQUIVALENTS**(a) Cash and cash equivalents comprise:****The Group**

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash at bank and on hand	155,315	119,811	94,457

As at December 31, 2023 and 2024 and June 30, 2025, cash and cash equivalents situated in Mainland China amounted to RMB155,315,000, RMB115,627,000 and RMB81,415,000 respectively. Remittance of funds out of Mainland China is subject to relevant rules and regulations of foreign exchange control.

The Company

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash at bank and on hand	152,315	113,128	78,838

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Lease liabilities
	RMB'000
	(Note 21)
At January 1, 2023	13,452
Changes from financing cash flows:	
Payment of capital element of lease liabilities	(7,388)
Payment of interest element of lease liabilities	(985)
Total changes from financing cash flows	(8,373)
Other changes:	
Interest expenses (Note 6(a))	985
Increase in lease liabilities from entering into new leases during the year	20,665
Total other changes	21,650
At December 31, 2023.	26,729

	Lease liabilities
	RMB'000
	(Note 21)
At January 1, 2024	26,729
Changes from financing cash flows:	
Payment of capital element of lease liabilities	(6,967)
Payment of interest element of lease liabilities	(863)
Total change from financing cash flows	(7,830)
Other changes:	
Interest expenses (Note 6(a))	863
Increase in lease liabilities from entering into new leases during the year	3,743
Effect of termination of leases	(3,695)
Lease modifications	(1,781)
Total other changes	(870)
At December 31, 2024.	18,029

	Lease liabilities	Listing expense payable (included in trade and other payables)	Total
	RMB'000 (Note 21)	RMB'000 (Note 19)	RMB'000
At January 1, 2025	18,029	—	18,029
Changes from financing cash flows:			
Payment of capital element of lease liabilities. . .	(3,516)	—	(3,516)
Payment of interest element of lease liabilities . .	(310)	—	(310)
Listing expenses paid.	—	(399)	(399)
Total change from financing cash flows	(3,826)	(399)	(4,225)
Other changes:			
Interest expenses (Note 6(a))	310	—	310
Lease modifications	(892)	—	(892)
Addition	—	1,582	1,582
Total other changes	(582)	1,582	1,000
At June 30, 2025	13,621	1,183	14,804

(c) Total cash outflow for leases

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Within operating cash flows.	527	380	379	199
Within financing cash flows.	8,373	7,830	4,039	3,826
	8,900	8,210	4,418	4,025

These amounts relate to the following:

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Lease rentals paid	8,900	8,210	4,418	4,025

19 TRADE AND OTHER PAYABLES

The Group

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	5,877	8,301	9,177
Accrued payroll	34,874	32,825	23,337
Other payables and accrued charges	22,042	25,026	45,848
	<u>62,793</u>	<u>66,152</u>	<u>78,362</u>

As at the end of each reporting period, the ageing analysis of trade payables based on the invoice date is as follows:

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 month	2,630	7,263	6,277
1 to 3 months	1,061	446	37
3 to 6 months	1,128	295	140
6 to 12 months	844	76	2,471
Over 1 year	214	221	252
	<u>5,877</u>	<u>8,301</u>	<u>9,177</u>

The Company

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	6,646	11,112	13,416
Accrued payroll	33,567	27,035	21,785
Other payables and accrued charges	22,041	25,227	46,260
	<u>62,254</u>	<u>63,374</u>	<u>81,461</u>

As at the end of each reporting period, the ageing analysis of trade payables based on the invoice date is as follows:

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 month	2,808	7,418	7,002
1 to 3 months	1,650	949	275
3 to 6 months	1,130	844	605
6 to 12 months	844	616	3,909
Over 1 year	214	1,285	1,625
	<u>6,646</u>	<u>11,112</u>	<u>13,416</u>

20 CONTRACT ASSETS AND CONTRACT LIABILITIES**(a) Contract assets****The Group and the Company**

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Quality guarantee deposit	—	12,234	12,298
Less: expected credit losses	—	(72)	(98)
	—	12,162	12,200
Non-current (Note 13)			
Quality guarantee deposit	700	—	—
Less: expected credit losses	(30)	—	—
	670	12,162	12,200

Contract assets primarily arise from the sales of medical devices. The Group provides customers a right to retain a certain percentage of the contract value in retention period. This amount is included in contract assets as the Group's entitlement to this final payment is conditional on the Group's satisfactory work until the end of retention period.

(b) Contract liabilities**The Group and the Company**

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Advanced receipts from customers for sales of medical devices	4,555	5,388	8,129
Extended warranty	69	429	992
	4,624	5,817	9,121
Non-current			
Extended warranty	781	3,310	4,146
	5,405	9,127	13,267

Movements in contract liabilities

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Balance at January 1	—	5,405	9,127
Increase in contract liabilities as a result of receiving advance payments during the year/period	31,394	100,858	5,736
Decrease in contract liabilities that were recognized as revenue	(25,989)	(97,136)	(1,596)
Balance at December 31/June 30	5,405	9,127	13,267

The amounts of contract liabilities expected to be recognized as income after more than one year are RMB781,000, RMB3,310,000 and RMB4,146,000 as at December 31, 2023 and 2024 and June 30, 2025, respectively. All of the other contract liabilities are expected to be recognized as income within one year.

21 LEASE LIABILITIES

The Group

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of each reporting period:

	As at December 31, 2023		As at December 31, 2024		As at June 30, 2025	
	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year.	8,012	8,995	7,698	8,283	6,762	7,169
After 1 year but within 2 years	8,238	8,816	4,689	4,982	2,586	2,815
After 2 years but within 5 years	10,479	11,036	5,642	5,880	4,273	4,410
	18,717	19,852	10,331	10,862	6,859	7,225
	26,729	28,847	18,029	19,145	13,621	14,394
Less: total future interest expenses		2,118		1,116		773
Present value of lease liabilities		26,729		18,029		13,621

The Company

The following table shows the remaining contractual maturities of the Company's lease liabilities at the end of each reporting period:

	As at December 31, 2023		As at December 31, 2024		As at June 30, 2025	
	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year.	7,149	8,024	5,634	6,121	4,968	5,333
After 1 year but within 2 years	8,065	8,639	3,795	4,083	2,586	2,815
After 2 years but within 5 years	10,481	11,037	5,642	5,880	4,273	4,410
	18,546	19,676	9,437	9,963	6,859	7,225
	25,695	27,700	15,071	16,084	11,827	12,558
Less: total future interest expenses		2,005		1,013		731
Present value of lease liabilities		25,695		15,071		11,827

22 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**(a) Taxation in the consolidated statement of financial position represents:**

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Provision for Hong Kong Profits				
Tax for the year/period	—	—	—	22
	=	=	=	=

(b) Deferred tax assets not recognized:

In accordance with the accounting policy set out in Note 2(p), the Group has not recognized deferred tax assets in respect of cumulative tax losses of RMB981,795,000, RMB1,349,420,000 and RMB1,503,740,000, and other temporary differences of RMB3,440,000, RMB5,194,000 and RMB475,000 at December 31, 2023 and 2024 and June 30, 2025, respectively due to the unpredictability of future taxable profits in the relevant tax jurisdictions and entities.

The unused tax losses of the Group were mainly from the companies incorporated in the PRC, where the accumulated tax losses will normally expire within 5 years. Pursuant to the relevant regulations on extension for expiries of unused tax losses of High and New Technology Enterprise (“HNTE”) issued in July 2018, the accumulated tax losses which did not expire from 2019 to 2023 will have expiries extending from 5 years to 10 years.

23 PROVISIONS**The Group**

	<i>RMB'000</i>
At January 1, 2023	—
Additional provisions made	2,116
At December 31, 2023 and January 1, 2024	2,116
Additional provisions made	7,168
Provisions utilized.	(2,116)
At December 31, 2024 and January 1, 2025	7,168
Additional provisions made	5,825
Provisions utilized.	(1,473)
At June 30, 2025	11,520

The Company

	<i>RMB'000</i>
At January 1, 2023	—
Additional provisions made	2,116
At December 31, 2023 and January 1, 2024	2,116
Additional provisions made	7,168
Provisions utilized.	(2,116)
At December 31, 2024 and January 1, 2025	7,168
Additional provisions made	5,414
Provisions utilized.	(1,473)
At June 30, 2025	11,109

Under the terms of the Group's sales agreements, the Group offers warranties for its surgical robots. Provision is therefore made for the best estimate of the expected costs within the warranty periods prior to the end of the reporting period.

24 DEFERRED INCOME

The Group and the Company

	<i>Note</i>	Government subsidies for research and development projects <i>RMB'000</i>
At January 1, 2023		124
Additions		20,240
Government grant recognized as other net gain	5	(107)
At December 31, 2023 and January 1, 2024		20,257
Additions		2,040
Government grant recognized as other net gain	5	(21,999)
At December 31, 2024 and January 1, 2025		298
Additions		4,820
Government grant recognized as other net gain	5	(242)
At June 30, 2025		4,876

25 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The table below sets forth share-based payments expenses during the Track Record Period:

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Restricted Shares	(13,656)	40,031	14,946	13,976
Research and development expenses	1,250	28,005	9,184	10,476
Administrative expenses	1,797	8,635	4,253	2,176
Selling and marketing expenses	(16,703)	3,391	1,509	1,324
	(13,656)	40,031	14,946	13,976

In January 2022, January 2023 and March 2024, the Board of Directors of the Company approved the establishment of share incentive plans to grant restricted shares to the Group's employees (collectively "Restricted Share Plan").

(a) The terms and conditions of the grants are as follows:

	Number of restricted shares	Vesting Conditions
Restricted shares granted:		
– in January 2022		
– replacement of Stock Option Plan	1,338,097	Service period and non-market performance conditions (<i>Note (i)</i>)
– new grant	5,015,791	Service period and non-market performance conditions (<i>Note (ii)</i>)
– in January 2023	199,716	12 months, 24 months and 36 months from the date of grant, subject to non-market performance conditions and the Company's completion of the initial public offering
– in March 2024	2,086,433	12 months and 24 months from the date of completion of share registration, subject to non-market performance conditions and the Company's completion of the initial public offering
Total restricted shares granted:	<u>8,640,037</u>	

Notes:

- (i) The Restricted Share Plan replaced the original 2019 Share Option Plan. Modification of terms or conditions when converted to restricted shares as at January 4, 2022 mainly consist of an extension of the vesting period which considered to be non-beneficial to the employee. In addition, the change in the nature of the share-based payment award does not result in any incremental fair value. Accordingly, the share-based payment expenses continue to be recognized based on the original grant-date fair value over the original vesting period.

The restricted shares are vested over a four-year period, with 25% of total restricted shares vesting on the first trading day after the first, second, third and fourth anniversary date from the date of the registration of grant.

- (ii) The Company granted 5,015,791 restricted shares to 4 new eligible employees of the Company. The restricted shares are vested from the grant date over one year to six years on the condition that employees remain in service with performance requirements.

(b) The number of restricted shares are as follows:

	Number of restricted shares	Weighted average grant date fair value per restricted share (RMB)
As at January 1, 2023	6,353,888	
Granted during the year	199,716	19.28
Unlocked during the year	(149,787)	
Forfeited during the year.	(2,047,089)	
Outstanding as at December 31, 2023.	<u>4,356,728</u>	
Granted during the year	2,086,433	23.80
Unlocked during the year	(781,823)	
Outstanding as at December 31, 2024.	<u>5,661,338</u>	
Unlocked during the period	(974,691)	
Forfeited during the period	(347,783)	
Outstanding as at June 30, 2025	<u>4,338,864</u>	

(c) Fair value of restricted shares

The fair value of services received in return for restricted shares granted is measured by reference to the fair value of restricted shares granted. The estimate of the fair value of the restricted shares granted in 2023 is measured based on hybrid method, which is hybrid between probability-weighted expected return method and option-pricing method. The estimate of the fair value of the restricted shares granted in 2024 is measured based on the transfer price of the Company's shares between independent third-party investors around the grant date.

26 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity are set out below:

Note	Attributable to equity shareholders				
	Share capital	Share premium	Other reserve	Accumulated losses	Total equity
	RMB'000 (Note 26(b))	RMB'000 (Note 26(c))	RMB'000 (Note 26(c))	RMB'000	RMB'000
Balance at January 1, 2023	360,000	1,556,310	38,307	(283,448)	1,671,169
Changes in equity for the year ended December 31, 2023:					
Loss and total comprehensive income for the year	—	—	—	(205,204)	(205,204)
Equity-settled share-based transactions	25	—	(13,656)	—	(13,656)
Balance at December 31, 2023	<u>360,000</u>	<u>1,556,310</u>	<u>24,651</u>	<u>(488,652)</u>	<u>1,452,309</u>

Note	Attributable to equity shareholders				
	Share capital	Share premium	Other reserve	Accumulated losses	Total equity
	RMB'000 (Note 26(b))	RMB'000 (Note 26(c))	RMB'000 (Note 26(c))	RMB'000	RMB'000
Balance at January 1, 2024	360,000	1,556,310	24,651	(488,652)	1,452,309
Changes in equity for the year ended December 31, 2024:					
Loss and total comprehensive income for the year	—	—	—	(206,059)	(206,059)
Equity-settled share-based transactions	25	—	40,031	—	40,031
Balance at December 31, 2024	<u>360,000</u>	<u>1,556,310</u>	<u>64,682</u>	<u>(694,711)</u>	<u>1,286,281</u>

Note	Attributable to equity shareholders				
	Share capital	Share premium	Other reserve	Accumulated losses	Total equity
	RMB'000 (Note 26(b))	RMB'000 (Note 26(c))	RMB'000 (Note 26(c))	RMB'000	RMB'000
Balance at January 1, 2025	360,000	1,556,310	64,682	(694,711)	1,286,281
Changes in equity for the period ended June 30, 2025:					
Loss and total comprehensive income for the period.	—	—	—	(88,000)	(88,000)
Equity-settled share-based transactions	25	—	13,976	—	13,976
Balance at June 30, 2025	<u>360,000</u>	<u>1,556,310</u>	<u>78,658</u>	<u>(782,711)</u>	<u>1,212,257</u>

(b) Share capital

	Number of ordinary shares	Amount RMB'000
Balance at January 1, 2023, December 31, 2023, January 1, 2024, December 31, 2024, January 1, 2025 and June 30, 2025	360,000,000	360,000

(c) Nature and purpose of reserves

(i) Share premium

The share premium primarily comprises the following:

- (i) the Company converted into a joint stock company and the excess of net assets converted over nominal value of the ordinary shares was credited to the Company's share premium.
- (ii) the net proceeds received in excess of the total amount of the par value of ordinary shares issued after the Company converted into a joint stock company.

(ii) Other reserve

Other reserve mainly represents:

- (i) the investors are granted a right to put back to the Company the paid-in capital held. Therefore, the Company identified the financial instruments with preferred rights as liabilities and reclassified from other reserve to current liabilities. Upon the termination of the redemption right on 8 November, 2021, corresponding liabilities were reclassified from current liabilities to other reserve.
- (ii) grant date fair value of equity-settled share-based payment awards granted to directors and employees of the Group that has been recognized in accordance with the accounting policy adopted for share-based payments in Note 2(o)(ii).
- (iii) the amount of other reserve as of the conversion base date that was transferred to share capital and share premium when the Company was converted into a joint stock company.

(d) Dividends

No dividends were paid or declared by the Company or any of its subsidiaries during the Track Record Period.

(e) Capital management

The Group's objectives in the aspect of managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and contract assets. The Group's exposure to credit risk arising from cash and cash equivalents and term deposits is limited because the counterparties are state-owned banks or reputable commercial banks for which the Group considers having low credit risk.

Trade receivables and contract assets

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 100.0%, 100.0% and 87.0% of the total trade receivables and contract assets during the Track Record Period.

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As of December 31, 2023 and 2024 and June 30, 2025, 46.4%, 32.1% and 20.4% of the total trade receivables and contract assets was due from the Group's largest customer, respectively, and 100.0%, 61.5% and 39.6% of the total trade receivables and contract assets, respectively, were due from the Group's five largest customers.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets:

	Years ended December 31,		Six months ended
	2023	2024	June 30,
	RMB'000	RMB'000	2025
			RMB'000
Expected credit loss rate	2.98%	2.24%	4.61%
Gross carrying amount of trade receivables and contract assets	18,306	56,561	94,353
Less: Loss allowance	(545)	(1,266)	(4,350)
Net carrying amount of trade receivables and contract assets	<u>17,761</u>	<u>55,295</u>	<u>90,003</u>

Expected credit loss rates are calculated based on probability of default, loss rate given default, and forward-looking adjustment factors. These probabilities and rates are evaluated based on credit ratings of counterparties, actual aging, project aging and regulatory rules. Forward-looking adjustment factors are to reflect expectations of future economic conditions at each reporting date, which allows macroeconomic impact be taken into consideration.

Movement in the loss allowance account in respect of trade receivables and contract assets during the years/period is as follows:

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
At the beginning of the year .	–	545	545	1,266
Impairment losses recognised .	545	1,227	87	3,476
Impairment losses reversed . .	–	(506)	(506)	(392)
	<u>545</u>	<u>1,266</u>	<u>126</u>	<u>4,350</u>

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer terms.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group can be required to pay:

	As at December 31, 2023				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables (Note 19)	62,793	–	–	62,793	62,793
Lease liabilities (Note 21)	<u>8,995</u>	<u>8,816</u>	<u>11,036</u>	<u>28,847</u>	<u>26,729</u>
	<u>71,788</u>	<u>8,816</u>	<u>11,036</u>	<u>91,640</u>	<u>89,522</u>

	As at December 31, 2024				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables (Note 19)	66,152	–	–	66,152	66,152
Lease liabilities (Note 21)	<u>8,283</u>	<u>4,982</u>	<u>5,880</u>	<u>19,145</u>	<u>18,029</u>
	<u>74,435</u>	<u>4,982</u>	<u>5,880</u>	<u>85,297</u>	<u>84,181</u>

As at June 30, 2025

	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables (Note 19)	78,362	–	–	78,362	78,362
Lease liabilities (Note 21)	7,169	2,815	4,410	14,394	13,621
	<u>85,531</u>	<u>2,815</u>	<u>4,410</u>	<u>92,756</u>	<u>91,983</u>

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises primarily from cash at bank. The Group's interest-bearing financial instrument at variable rates as at December 31, 2023 and 2024 and June 30, 2025 are primarily the cash at bank except for term deposits. The Group does not enter into financial derivatives to hedge interest rate risk. The Group's exposure to interest rate risk is not significant.

The Group's interest rate profile as monitored by management is set out below.

	As at December 31, 2023		As at December 31, 2024		As at June 30, 2025	
	Effective interest rate	Amount	Effective interest rate	Amount	Effective interest rate	Amount
		RMB'000		RMB'000		RMB'000
Net fixed rate instrument:						
Financial asset measured at amortized cost	3.50%	103,692	3.50%	107,201	3.50%	115,286
	3.85% –		3.85% –		3.85% –	
Lease liabilities	4.20%	(26,729)	4.2%	(18,029)	4.20%	(13,621)
		<u>76,963</u>		<u>89,172</u>		<u>101,665</u>
Net variable rate instrument:						
	0.05% –		0.05% –		0.05% –	
Cash at bank	0.35%	<u>155,298</u>	4.49%	<u>119,794</u>	4.28%	<u>94,440</u>

(d) Currency risk

The Group is exposed to currency risk primarily from cash and cash equivalents, trade receivables and other payables that are denominated in a currency other than the functional currency of the entity to which they relate. The currency giving rise to this risk is United States dollars.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the reporting period end date. Differences resulting from the translation of the financial statements of the entities into the Group's presentation currency are excluded.

	Exposure to foreign currency (expressed in RMB)		Exposure to foreign currency (expressed in RMB)
	As at December 31, 2023	As at December 31, 2024	As at June 30, 2025
	USD RMB'000	USD RMB'000	USD RMB'000
Cash and cash equivalents	15,436	15,825	35,748
Inter-company receivables	—	—	38,936
Other payables	(13,501)	(13,617)	(26,485)
Net exposure arising from recognized assets. . . .	<u>1,935</u>	<u>2,208</u>	<u>48,199</u>

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax (and accumulated losses) that would arise if foreign exchange rate to which the Group has significant exposure at the end of each of the reporting period had changed at that date, assuming all other risk variables remained constant.

	Year ended December 31, 2023		Year ended December 31, 2024		Six months ended June 30, 2025	
	Increase/(decrease) in foreign exchange rate	Effect on loss after tax and accumulated losses	Increase/(decrease) in foreign exchange rate	Effect on loss after tax and accumulated losses	Increase/(decrease) in foreign exchange rate	Effect on loss after tax and accumulated losses
		RMB'000		RMB'000		RMB'000
United States Dollars (against RMB).	3% (3%)	58 (58)	3% (3%)	66 (66)	3% (3%)	1,446 (1,446)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' loss after tax and equity measured in the respective functional currencies, and then translated into RMB at the exchange rate ruling at the end of each of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of each of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for the years/period ended December 31, 2023 and 2024 and the six months ended June 30, 2025.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of each reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of each of the reporting period in which they occur.

Fair value at December 31, 2023	Fair value measurements as at December 31, 2023 categorized into		
	Level 1	Level 2	Level 3
RMB'000	RMB'000	RMB'000	RMB'000

Recurring fair value measurement

Financial assets measured at FVPL . . .

– Net value-based wealth management products (<i>Note 17</i>)	94,122	–	94,122	–
– Certificates of deposits (<i>Note 17</i>)	972,827	–	972,827	–

Fair value at December 31, 2024	Fair value measurements as at December 31, 2024 categorized into		
	Level 1	Level 2	Level 3
RMB'000	RMB'000	RMB'000	RMB'000

Recurring fair value measurement

Financial assets measured at FVPL . . .

– Net value-based wealth management products (<i>Note 17</i>)	293,877	–	293,877	–
– Certificates of deposits (<i>Note 17</i>)	582,624	–	582,624	–

Fair value at June 30, 2025	Fair value measurements as at June 30, 2025 categorized into		
	Level 1	Level 2	Level 3
RMB'000	RMB'000	RMB'000	RMB'000

Recurring fair value measurement

Financial assets measured at FVPL . . .

– Net value-based wealth management products (<i>Note 17</i>)	805,424	–	805,424	–

Valuation techniques and inputs used in Level 2 fair value measurement:

The fair value of net value-based wealth management products is determined based on the net asset value published on the counterparty banks' or financial institutions' websites, which is the amount that the Group would receive to redeem at the end of each reporting period.

The fair value of certificates of deposits is determined by using a discounted cash flow valuation model based on the market interest rate provided by counterparty banks which represent that the Group would receive to redeem at the end of each reporting period.

(ii) ***Fair value of financial assets and liabilities carried at other than fair value***

The carrying amounts of the Group's financial instruments carried at amortized cost were not materially different from their fair values as at December 31, 2023 and 2024 and June 30, 2025.

28 COMMITMENTS

Commitments outstanding at December 31, 2023 and 2024 and June 30, 2025 not provided for in the Historical Financial Information were as follows:

	As at December 31,		As at June 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contracted for			
– acquisition of property, plant and equipment . .	379	317	183

29 MATERIAL RELATED PARTY TRANSACTIONS

(a) **Key management personnel remuneration**

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Years ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Short-term employee benefits	11,004	11,213	4,494	3,841
Post-employment benefits	332	323	166	181
Equity-settled share-based payment expenses	2,061	21,681	10,336	11,327
	13,397	33,217	14,996	15,349

Total remuneration is included in “staff costs” (see Note 6(b)).

(b) **Name and relationship with related parties**

During the Track Record Period, the directors are of the view that the following are related parties of the Group:

Name of related parties	Relationship with the Group
Dr. Wang Jianchen and Dr. Gao Yuanqian	Founders of the Company

30 ULTIMATE CONTROLLING PARTIES

As at the date of this report, the Directors consider the ultimate controlling parties of the Group to be Dr. Wang Jianchen and Dr. Gao Yuanqian.

31 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the Track Record Period and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	<u>Effective for accounting periods beginning on or after</u>
Amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments.	January 1, 2026
Amendments to IFRS 9 and IFRS 7, Contracts referencing nature-dependent electricity.	January 1, 2026
Annual improvements to IFRS Accounting Standards — Volume 11	January 1, 2026
IFRS 18, Presentation and disclosure in financial statements.	January 1, 2027
IFRS 19, Subsidiaries without public accountability: disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28, Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Historical Financial Information.

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and based on the initial assessment result it concluded that adoption of IFRS 18 would not significantly affect the financial position and performance of the Group.

32 SUBSEQUENT EVENTS

The Group has no significant subsequent events entered into subsequent to June 30, 2025.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to June 30, 2025.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following information does not form part of the Accountants' Report from KPMG, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this Prospectus, and is included for illustrative purposes only. The unaudited pro forma financial information should be read in conjunction with the "Financial Information" section in this Prospectus and the Accountants' Report set out in Appendix I to this Prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules is to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group as if the Global Offering had taken place on June 30, 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as at June 30, 2025 or any future date.

	Consolidated net tangible assets of the Group as at June 30, 2025 ⁽ⁱ⁾	Estimated net proceeds from the Global Offering ⁽ⁱⁱ⁾	Unaudited pro forma adjusted consolidated net tangible assets	Unaudited pro forma adjusted consolidated net tangible assets per Share ⁽ⁱⁱⁱ⁾	Unaudited pro forma adjusted consolidated net tangible assets per Share ^(iv)
	RMB'000	RMB'000	RMB'000	RMB	HK\$
Based on an Offer					
Price of HK\$43.24					
per H Share	1,184,139	1,029,264	2,213,403	5.71	6.30

Notes:

- (i) The consolidated net tangible assets of the Group as at June 30, 2025 is calculated based on the consolidated net assets of our Group of RMB1,184,584,000 as at June 30, 2025 less intangible assets of RMB445,000 as of the same date, as extracted from the Accountants' Report as set out in Appendix I to this Prospectus.
- (ii) The estimated net proceeds from the Global Offering are based on the estimated Offer Prices of HK\$43.24 per H Share, after deduction of the estimated underwriting fees and other related expenses related to the Global Offering (excluding approximately RMB16,764,000 listing expenses which has been charged to the consolidated statements of profit or loss and other comprehensive income up to June 30, 2025) and assuming that the issuance of 27,722,200 H Shares had been completed on June 30, 2025, but takes no account of any shares that may be issued upon exercise of the Over-allotment Option, and excluding any shares which may be issued or repurchased by the Company pursuant to the general mandates. The estimated net proceeds from the Global Offering are converted into RMB at an exchange rate of HK\$1.1028 to RMB1. No representation is made that Hong Kong dollar amounts have been, could have been or may be converted into RMB, or vice versa, at that rate.

- (iii) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at by dividing the unaudited pro forma adjusted consolidated net tangible assets of the Group by 387,722,200 Shares, which is calculated based on 360,000,000 Shares in issue at June 30, 2025 and 27,722,200 H Shares newly issued pursuant to the Global Offering, and does not take into account any Shares which may be issued upon the exercise of the Over-allotment Option and excluding any shares which may be issued or repurchased by the Company pursuant to the general mandates.
- (iv) The unaudited pro forma adjusted consolidated net tangible assets per Share is converted into Hong Kong dollars at an exchange rate of RMB1 to HK\$1.1028. No representation is made that RMB amounts have been, could have been or may be converted into Hong Kong dollars, or vice versa, at that rate.
- (v) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to June 30, 2025.

B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose of incorporation in this prospectus.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF SHENZHEN EDGE MEDICAL CO., LTD.**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Shenzhen Edge Medical Co., Ltd. (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at June 30, 2025 and related notes as set out in Part A of Appendix II to the prospectus dated December 30, 2025 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed offering of the ordinary shares of the Company (the "Global Offering") on the Group's financial position as at June 30, 2025 as if the Global Offering had taken place at June 30, 2025. As part of this process, information about the Group's financial position as at June 30, 2025 has been extracted by the Directors from the Group's historical financial information included in the Accountants' Report as set out in Appendix I to the Prospectus.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“HKSAE”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of events or transactions as at June 30, 2025 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America, auditing standards of the Public Company Accounting Oversight Board (United States) or any overseas standards and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group, and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

KPMG

Certified Public Accountants

Hong Kong

December 30, 2025

PRC TAXATION

Taxation of Security Holders

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective laws and practices, and no predictions are made about changes or adjustments to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account, some of which may be subject to special regulations. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this document, which is subject to change or adjustment and may have retrospective effect. No issues on PRC or Hong Kong taxation other than income tax, capital appreciation and profit tax, business tax/appreciation tax, stamp duty and estate duty were referred in the discussion. Prospective investors are urged to consult their financial adviser regarding the PRC and other tax consequences of owning and disposing of H Shares.

The PRC Taxation

Taxation on dividends

Individual investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was last amended on August 31, 2018 by the Standing Committee of the National People's Congress (the “SCNPC”) and came into effect on January 1, 2019, and the Regulations on Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was last amended on December 18, 2018 by the State Council and came into effect on January 1, 2019 (hereinafter collectively referred to as the “IIT Law”), dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Circular on Certain Issues Concerning the Policies of Individual Income Tax (《關於個人所得稅若干政策問題的通知》) promulgated by the Ministry of Finance (the “MOF”) and the State Administration of Taxation of the PRC (the “SAT”) on May 13, 1994, overseas individuals are exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises.

Enterprise investors

According to the Enterprise Income Tax of the PRC 《中華人民共和國企業所得稅法》, which was latest amended by the SCNPC and implemented on December 29, 2018, and the Implementation Rules for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) enacted on December 6, 2007 by the State Council and became effective on January 1, 2008, and amended on April 23, 2019 (hereinafter collectively referred to as the “**EIT Law**”), the rate of corporate income tax shall be 25%. A non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise.

The Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), which was issued and implemented by the SAT on November 6, 2008, further clarifies that a PRC-resident enterprise must withhold enterprise income tax at a rate of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B Shares (Guo Shui Han [2009] No. 394) (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》(國稅函[2009]394號)), which was issued by the SAT and came into effect on July 24, 2009, further provides that any PRC-resident enterprise whose shares are listed on overseas stock exchanges must withhold and remit enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has entered into with a relevant country or region, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the “**Arrangement**”), which was signed between the SAT and the Hong Kong Government on August 21, 2006, the PRC Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including resident individual and resident entities) in an amount not exceeding 10% of the total dividends payable by the PRC company unless a Hong Kong resident directly holds 25% or more of the equity interest in the PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), which came into effect on December 6, 2019,

adds a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese enterprise income tax imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong, Macau, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the PRC tax authorities for a refund of the enterprise income tax in excess of the agreed tax rate, and the refund application is subject to approval by the PRC tax authorities.

Taxation on Share Transfer

VAT and Local Additional Tax

According to the Interim Regulations of the PRC on Value-Added Tax (《中華人民共和國增值稅暫行條例》) which was promulgated by the State Council on December 13, 1993, and amended on November 10, 2008, February 6, 2016 and November 19, 2017, and the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》) which was promulgated by the MOF on December 25, 1993 and subsequently amended on December 15, 2008 and October 28, 2011, all enterprises and individuals that engage in the sale of goods, the provision of processing, repair and replacement services, sales of service, intangible assets and real estate and the importation of goods within the territory of the PRC shall pay value-added tax (the “VAT”) at the rate of 0%, 6%, 11% and 17% for the different goods it sells and different services it provides, except when specified otherwise.

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (《關於全面推開營業稅改徵增值稅試點的通知》) (the “Circular 36”), which was implemented on May 1, 2016, entities and individuals engaged in the services sale in the PRC are subject to VAT and “engaged in the services sale in the PRC” means that the seller or buyer of the taxable services is located in the PRC. It also provides that

transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT, which is also provided in the third appendix of the Provisions on the Transitional Policies Concerning the Pilot Scheme on Levying Value-added Tax in Place of Business Tax (《營業稅改徵增值稅試點過渡政策的規定》). According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside China, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in China, the holder may be required to pay the PRC VAT. However, there may be changes in whether the non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares in practice.

According to the Notice on Adjusting Value-Added Tax Rates (《關於調整增值稅稅率的通知》) issued by the Ministry of Finance and the State Administration of Taxation on April 4, 2018, which took effect on May 1, 2018, for taxpayers engaged in VAT taxable sales activities or importing goods, the original applicable tax rates of 17% and 11% were adjusted to 16% and 10%, respectively.

According to the Announcement on Policies Related to Deepening VAT Reform (《關於深化增值稅改革有關政策的公告》) issued on March 20, 2019, which took effect on April 1, 2019, for VAT taxable sales activities or importing goods, the original applicable tax rates of 16% and 10% were adjusted to 13% and 9%, respectively.

In addition, on December 25, 2024, the Standing Committee of the National People's Congress promulgated the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》), which will come into effect on January 1, 2026.

Income Tax

Individual investor

According to the IIT Law gains on the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%. Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) promulgated by the MOF and the SAT and became effective on March 30, 1998, since January 1, 1997, the individual income tax levied on the individual income from transfer of stocks of listed companies will continue to be temporarily exempted. In the newly revised IIT Law of the PRC, the SAT did not clearly stipulate whether to continue to exempt individuals from tax on the income from transfer of stocks of listed companies.

On December 31, 2009, the MOF, SAT and CSRC jointly issued the Notice on Related Issues Concerning Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》), which came into effect on the same day, which stipulates that income derived by individuals from transfer of shares of listed companies issued to the public by the listed companies and transfer of shares of listed companies obtained from the market at the Shanghai Stock Exchange and Shenzhen Stock Exchange shall continue to be exempted from individual income tax, provided that it excludes the relevant restricted shares as defined in the Supplementary Notice Concerning the Levy of Individual Income Tax on Incomes from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) which was jointly issued and implemented by MOF, SAT and CSRC on November 10, 2010. As of the Latest Practicable Date, the aforementioned provisions did not specify whether to impose the individual income tax on the income from the transfer of shares of PRC-resident enterprise listed on overseas stock exchanges by non-PRC resident individuals.

Enterprise investors

In accordance with the EIT Law, a non-resident enterprise is generally subject to enterprise income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

According to the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》) promulgated by the SCNPC on June 10, 2021 and came into effect on July 1, 2022, the PRC stamp duty is applicable to the entities and individuals that conclude taxable vouchers or conduct securities trading within the territory of the PRC, and the entities and individuals outside the territory of the PRC that conclude taxable vouchers that are used inside China. Therefore, the purchase and disposal of H shares by non-PRC investors outside of the PRC does not apply to the relevant provisions of the Stamp Duty Law of the PRC.

Estate Duty

As of the Latest Practicable Date, no estate duty was levied within the PRC.

PRC FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi. The SAFE, with the authorization of the People's Bank of China (the "PBOC"), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Regulations on Foreign Exchange Control of the PRC (《中華人民共和國外匯管理條例》), which was issued by the State Council on January 29, 1996, implemented on April 1, 1996 and latest amended on 5 August, 2008, classifies all international payments and transfers into current items and capital items. Current items are subject to the reasonable examination of the veracity of transaction documents and the consistency of the transaction documents and the foreign exchange receipts and payments by financial institutions engaging in conversion and sale of foreign currencies and supervision and inspection by the foreign exchange control authorities. For capital items, overseas organizations and overseas individuals making direct investments in China shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange control authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. In the event that international revenues and expenditure occur or may occur a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and regulatory measures o international revenues and expenditure.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on June 20, 1996 and implemented on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while regulates foreign exchange transactions under capital account items.

According to the Announcement on Improving the Reform of the Renminbi (《關於完善人民幣匯率形成機制改革的公告》), which was issued by the PBOC and implemented on July 21, 2005, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day. According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with

regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

The Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council and came into effect on October 23, 2014 provide to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE and became effective on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of state administration of foreign exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the prospectus and other disclosure documents. A domestic company (except for bank financial institutions) shall present its certificate of overseas listing to open a special account at a local bank for its initial public offering (or follow-on offering) and repurchase business to handle the exchange, remittance and transfer of funds for the business concerned.

According to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by the SAFE on February 13, 2015 and became effective on June 1, 2015, and partially repealed on December 30, 2019, the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment shall be directly examined and handled by banks. The SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the SAFE of the PRC on Revolutionizing and Regulating Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) which was promulgated by the SAFE and implemented on June 9, 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment of the SAFE in due time in accordance with international revenue and expenditure situations. According to the Circular of the State Administration of Foreign Exchange on Further Deepening the Reform to Promote the Facilitation of Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) promulgated by the SAFE on December 4, 2023, in order to facilitate the payment

and use of funds from equity transfer under domestic re-investment of foreign-invested enterprises (FDI) and funds raised through overseas listing, the asset realization account of capital accounts shall be adjusted to the settlement account of capital accounts. Foreign exchange funds raised by a domestic enterprise listing overseas may be directly remitted to a settlement account under capital account, and funds in a settlement account under capital account may be settled and used on its own.

On January 26, 2017, Notice on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《關於進一步推進外匯管理改革完善真實合規性審核的通知》) was issued by the SAFE to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading, allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization, allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones, and adopt the model of full-coverage RMB and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

On October 23, 2019, the SAFE issued the Notice on Further Facilitating Cross-Board Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》), which canceled restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises. In addition, restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors' security deposits have been relaxed. Eligible enterprises in the pilot area are also allowed to use revenues under capital accounts, such as capital funds, foreign debts and overseas listing revenues for domestic payments without providing materials to the bank in advance for authenticity verification on an item-by-item basis, while the use of funds should be true, in compliance with applicable rules and conforming to the current capital revenue management regulations.

According to the Notice on Optimising Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE and became effective on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their capital, foreign credits and the income under capital accounts of overseas listing, without providing materials to the bank in advance for authenticity verification on an item-by-item basis, provided that their utilised capital shall be authentic and in line with provisions, and conform to the prevailing administrative regulations related to the use of income under capital accounts. The concerned bank shall manage and control the relevant business risks under the principle of prudent business development and conduct spot checks afterwards in accordance with the relevant requirements. Local foreign exchange authorities shall strengthen monitoring and analysis and interim and ex-post supervision.

This appendix contains a summary of laws and regulations on companies and securities in the PRC. The principal objective is to provide an overview of the principal laws and regulations applicable to us. Laws and regulations relating to taxation in the PRC are discussed in “Appendix III—Taxation and Foreign Exchange”. For the discussion of laws and regulations specifically governing the business of the Company, please see the section headed “Regulatory Overview”.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》) (the “**Constitution**”), which was adopted on December 4, 1982 and respectively amended on April 12, 1988, March 29, 1993, March 15, 1999, March 14, 2004 and March 11, 2018. The PRC legal system is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is a signatory and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

The National People’s Congress (the “**NPC**”) and its Standing Committee are empowered to exercise the legislative power of the State in accordance with the Constitution and the PRC Legislation Law (《中華人民共和國立法法》) (the “**Legislation Law**”), which was adopted on July 1, 2000 and amended on March 15, 2015 and March 13, 2023. The NPC has the power to formulate and amend basic laws governing state organs, civil, criminal and other matters. The Standing Committee of the NPC formulates and amends laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people’s congresses of the provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people’s congresses of cities divided into districts and their respective standing committees may formulate local regulations on aspects such as urban and rural construction and management, environmental protection and historical and cultural protection based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the matters concerning formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations will become enforceable after being reported to and approved by the standing committees of the people’s congresses of the relevant

provinces or autonomous regions. The standing committees of the people's congresses of the provinces or autonomous regions examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. During the examination for approval of local regulations of cities divided into districts by the standing committees of the people's congresses of the provinces or autonomous regions, if conflicts are identified with the rules and regulations of the people's governments of the provinces or autonomous regions concerned, a decision should be made by the standing committees of the people's congresses of provinces or autonomous regions to resolve the issue. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned.

The ministries and commissions of the State Council, the People's Bank of China (the "PBOC"), National Audit Office, the subordinate institutions with administrative functions directly under the State Council and the institutions required by the law may formulate departmental rules within the jurisdiction of their respective departments based on the laws and administrative regulations, and the decisions and orders of the State Council. The people's governments of the provinces, autonomous regions, municipalities, cities divided into districts and autonomous prefectures may formulate rules and regulations based on the laws, administrative regulations and local regulations of such provinces, autonomous regions and municipalities.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC. Pursuant to the Resolution of the Standing Committee of the NPC Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) implemented on June 10, 1981, the Supreme People's Court of the PRC has the power to give interpretation on issues related to the application of laws in a court trial, and issues related to the application of laws in a prosecution process of a procuratorate should be interpreted by the Supreme People's Procuratorate. If there is any disagreement in principle between Supreme People's Court's interpretations and Supreme People's Procuratorate's interpretations, such issues shall be reported to the Standing Committee of the NPC for interpretation or judgment. The other issues related to laws other than the above-mentioned should be interpreted by the State Council and the competent authorities. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional laws is vested in the regional legislative and administrative authorities which promulgate such laws.

THE PRC JUDICIAL SYSTEM

Under the Constitution and the Law of Organization of the People's Courts of the PRC (《中華人民共和國人民法院組織法》), which is adopted on January 1, 1980 and respectively amended on September 2, 1983, December 2, 1986, October 31, 2006 and October 26, 2018, the PRC judicial system is made up of the Supreme People's Court, the local people's courts and special people's courts.

The local people's courts are comprised of the basic people's courts, the intermediate people's courts and the higher people's courts. The intermediate people's courts have divisions similar to those of the basic people's courts and may set up other special divisions if needed. These two levels of people's courts are subject to supervision by people's courts at higher levels. The Supreme People's Court is the highest judicial authority in the PRC. It supervises the administration of justice by the people's courts at all levels and special people's courts.

A people's court takes the rule of the second instance as the final rule. A party may appeal against the judgment or ruling of the first instance of a local people's court. The people's procuratorate may present a protest to the people's court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's court are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court, and judgments or rulings of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court finds some definite errors in a legally effective judgment, ruling or conciliation statement of the people's court at any level, or if the people's court at a higher level finds such errors in a legally effective judgment, ruling or conciliation statement of the people's court at a lower level, it has the authority to review the case itself or to direct the lower-level people's court to conduct a retrial. If the chief judge of all levels of people's courts finds some definite errors in a legally effective judgment, ruling or conciliation statement, and considers a retrial is preferred, such case shall be submitted to the judicial committee of the people's court at the same level for discussion and decision.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the “**Civil Procedure Law**”) adopted on April 9, 1991 and respectively amended on October 28, 2007, August 31, 2012, June 27, 2017, December 24, 2021 and September 1, 2023, prescribes the conditions for instituting a civil action, the jurisdiction of the people's courts, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. All parties to a civil action conducted within the PRC must abide by the Civil Procedure Law. Generally, a civil case is initially heard by the court located in the defendant's place of domicile. The court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties to a contract, provided that the people's court having jurisdiction should be located at places substantially connected with the disputes, such as the plaintiff's or the defendant's place of domicile, the place where the contract is executed or signed or the place where the object of the action is located, provided that the provisions regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization is given the same litigation rights and obligations as a citizen, a legal person or other organizations of the PRC when initiating actions or defending against litigations at a PRC court. Should a foreign court limit the litigation rights of PRC citizens or enterprises, the PRC court may apply the same limitations to the citizens and enterprises of such foreign country. A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a PRC court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgment which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgment on the party.

Where a party applies for enforcement of a judgment or ruling made by a people's court, and the opposite party or his property is not within the territory of the PRC, the applicant may directly apply to a foreign court with jurisdiction for recognition and enforcement of the judgment or ruling, or apply to a foreign court with jurisdiction or recognition in accordance with the international treaties that China has concluded or acceded to or in accordance with the principle of reciprocity. A foreign judgment or ruling may also be recognized and enforced by the people's court in accordance with the PRC enforcement procedures if the PRC has entered into, or acceded to, international treaties with the relevant foreign country, which provided for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless the people's court considers that the recognition or enforcement of such judgment or ruling would violate the basic legal principles of the PRC, its sovereignty or national security, or against the social and public interests.

THE PRC COMPANY LAW, OVERSEAS LISTING TRIAL MEASURES AND GUIDANCE FOR ARTICLES OF ASSOCIATION

The PRC Company Law (《中華人民共和國公司法》) (the “**Company Law**”) was adopted by the 5th meeting of the Standing Committee of the 8th National People's Congress Session on December 29, 1993 and came into effect on July 1, 1994. It was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023 respectively. The latest revised PRC Company Law was implemented on July 1, 2024.

On February 17, 2023, with the approval of the State Council, the China Securities Regulatory Commission (the “CSRC”) promulgated the Overseas Listing Trial Measures and relevant five guidelines, which came into force on March 31, 2023. The Overseas Listing Trial Measures are designated in accordance with the Securities Law and other laws and are applicable to domestic enterprises that issue securities overseas or list their securities for trading.

On February 17, 2023, the CSRC promulgated the Guidelines for the Applications of Regulatory Rules—Overseas Issuance and Listing Category No. 1, stipulating that direct issuance and listing by domestic companies shall abide by the relevant provisions of the Overseas Listing Trial Measures and refer to the Guidelines for Articles of Association of Listed Companies and other relevant provisions of the CSRC on corporate governance to formulate its articles of association and standardize corporate governance. Domestic companies directly issuing and listing overseas shall formulate their articles of association in accordance with the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (the “**Guidelines for Articles of Association**”) which was recently revised and effective on March 28, 2025.

Set out below is a summary of the major provisions of the PRC Company Law, the Overseas Listing Trial Measures, and Guidelines for Articles of Association of Listed Companies.

General

A joint stock limited company refers to an enterprise legal person incorporated under the Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable for its debts with all its property.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Unless otherwise provided by law, the joint stock limited company may not be a contributor that undertakes joint and several liabilities for the debts of the invested companies.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription.

A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC. The promoters must convene an inaugural meeting within 30 days after the issued shares have been fully paid up, and must give notice to all subscribers or make an announcement of the date of

the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of promoters or subscribers representing at least half of the shares in the company. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the supervisory committee of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority.

Share Capital

The promoters of a company may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights or land use rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation and verification of the fair value of the assets contributed must be carried out.

Under the Company Law, when a company issues shares in registered form, it shall maintain a register of shareholders, stating the following matters: (1) the name and domicile of a shareholder; (2) the type and number of shares held by each shareholder; (3) the serial number of the shares held by each shareholder, if issued in paper form; and (4) the date on which each shareholder acquired the shares.

Allocation and issuance of shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. Shares may be offered at a price equal to or greater than, but not less than, par value.

The domestic enterprises that engage in the overseas issuance and listing of securities shall, in accordance with the Overseas Listing Trial Measures, submit to the CSRC a filing report, legal opinions and other relevant materials that truly, accurately and completely describe shareholder information and other circumstances for the record. In case of the direct overseas issuance and listing of domestic enterprises, the issuer shall report the matter to the CSRC for the record. In case of the indirect Overseas Issuance and Listing of domestic enterprises, the issuer shall designate a major domestic operating entity as the domestic responsible person to report the matter to the CSRC for the record.

Registered shares

Under the Company Law, when the company issues shares in registered form, it shall maintain a register of shareholders, stating the following matters:

- the name and domicile of each shareholder;
- the number of shares held by each shareholder;
- the serial numbers of shares held by each shareholder; and
- the date on which each shareholder acquired the shares.

Increase in Share Capital

According to the Company Law, if a joint stock limited company issues new shares, the general meeting shall pass a resolution on the class and amount of new shares, the issuance price of the new shares, the commencement and termination dates of the issuance of the new shares and the class and amount of new shares to be issued to existing shareholders. When a company is approved by the securities supervision and administration department under the State Council to issue new shares to the public, it shall publish the document, its financial and accounting statements, and shall prepare the subscription form. Upon full receipt of the proceeds from the company's newly issued shares, the company shall carry out alteration registration with the company registration authority and shall make a public announcement.

After the issue of new shares the company has been paid up, the change must be registered with the company registration authorities and a public announcement must be made accordingly. Where an increase in registered capital of a company is made by means of an issue of new shares, the subscription of new shares by shareholders shall be made in accordance with the relevant provisions on the payment of subscription monies for the establishment of a company.

Reduction of Share Capital

When a company needs to reduce its registered capital, it shall prepare a statement of financial position and a property list. The company shall inform its creditors within 10 days and publish an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days after the resolution of the shareholders' meeting approving the reduction of registered capital has been passed. Creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts.

Repurchase of Shares

According to the Company Law, a joint stock limited company may not repurchase its own shares other than for one of the following purposes:

- (i) to reduce its registered capital;
- (ii) to merge with another company that holds its shares;
- (iii) to grant its shares to its employees for the purpose of implementing the employee stock ownership plan or share incentive scheme;
- (iv) to repurchase its shares from shareholders who are against the resolution regarding the merger or division with other companies at the general meeting;
- (v) to use for the conversion of the convertible corporate bonds issued by the listed company; and
- (vi) to protect the value of the company and the rights and interests of shareholders of the listed company as required.

The acquisition of shares on the grounds set out in (i) to (ii) above shall be approved by the resolution of general meeting. The repurchase of its shares in cases (iii), (v) or (vi) above shall require a resolution of the board of directors by two-thirds of the directors present at the board meeting, in accordance with the provisions of the articles of association of the company or as authorized by the general meeting.

Following the repurchase of its shares in accordance with (i) above, such shares shall be canceled within 10 days from the date of repurchase; the shares repurchased in the case of (ii) or (iv) above shall be transferred or canceled within six months. The total number of shares held by the company after share repurchase under the circumstances in (iii), (v) or (vi) above shall not exceed 10% of the total number of the company's issued shares, and shall be transferred or canceled within three years.

A listed company that repurchases its own shares shall fulfill its disclosure obligations in accordance with the provisions of the Securities Law. If a share repurchase is made pursuant to (iii), (v) or (vi) above, it shall be publicly traded in a centralized manner.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No modifications of registration in the share register caused by transfer of registered shares

shall be carried out within 20 days prior to the convening of shareholder's general meeting or five days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail.

Under the Company law, shares issued prior to the public issuance of shares shall not be transferred within one year from the date of the joint stock limited Company's listing on a stock exchange. Directors, supervisors and senior management shall declare to the company their shareholdings in the Company and any changes of such shareholdings. They shall not transfer more than 25% of all the shares they hold in the Company annually during their tenure. They shall not transfer the shares they hold within one year from the date on which the Company's shares are listed and commenced trading on a stock exchange, nor within six months after their resignation from their positions with the Company.

Shareholders

Under the Company Law and the Articles of Association Guidelines, the rights of holders of ordinary shares of a joint stock limited company include:

- the right to attend or appoint a proxy to attend general meetings and to vote thereat;
- the right to transfer shares in accordance with laws, administrative regulations and provisions of the articles of association;
- the right to inspect the Company's articles of association, share register, counterfoil of Company debentures, minutes of general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the supervisory committee and financial and accounting reports and to make proposals or enquiries on the Company's operations;
- the right to bring an action in the people's court to rescind resolutions passed by general meetings and board of directors where the articles of association is violated by the above resolutions;
- the right to receive dividends and other forms of profit distribution according to the proportion of shares they hold;
- in the event of the termination or liquidation of the Company, the right to participate in the distribution of the residual properties of the Company in proportion to the number of shares held; and
- other rights granted by laws, administrative regulations, other regulatory documents and the Company's articles of association.

The obligations of a shareholder include the obligation to abide by the Company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the Company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the Company's articles of association.

Shareholders' General Meetings

The general meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law. Under the Company Law, the general meeting exercises the following powers and functions:

- to elect or replace the directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors;
- to review and approve reports of the board;
- to review and approve reports of the supervisory committee;
- to review and approve profit distribution plans and loss recovery plans;
- to make resolutions concerning the increase or reduction of the registered capital;
- to resolve on the issue and listing of corporate bonds and other securities;
- to decide on issues such as merger, division, dissolution, liquidation and structure change;
- to modify the articles of association; and
- other powers and functions stipulated by the articles of association.

The annual general meeting is required to be convened once a year. Under the Company Law, an extraordinary general meeting is required to be held within two months after the occurrence of any of the following:

- the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- the aggregate losses of the company which are not recovered reach one-third of the company's total share capital;
- shareholders alone or in aggregate holding 10% or more of the Company's shares request for the convening of an extraordinary general meeting;

- the board considers it necessary;
- the supervisory committee proposes to hold; or
- other circumstances stipulated by the articles of association.

Under the Company Law, general meetings shall be convened by the board, and presided over by the chairman of the board. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. If the vice chairman is incapable of performing or does not perform his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or does not perform its duties of convening the general meetings, the supervisory committee shall convene and preside over such meetings in a timely manner. In case the supervisory committee fails to convene and preside over such meetings, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meetings.

Under the Company Law, notice of general meetings shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting. According to the Articles of Association Guidelines, after the notice of the General Meeting is given, without cogent reason, the general meeting shall not be postponed or canceled, and the proposals set out in the notice shall not be canceled. Once the general meeting is adjourned or canceled, the convener shall make public announcement and explain the reasons at least 2 working days before the original holding date.

There is no specific provision in the PRC Company Law regarding the number of shareholders constituting a quorum in Shareholders' meetings. According to the Articles of Association Guidelines, the board of directors and the board secretary shall cooperate for the general meeting convened by the supervisory committee or the Shareholders on their own. When the general meeting is held, all the directors, supervisors and board secretary of the company shall attend the meeting, while the general manager and other senior management shall attend as a nonvoting delegate.

According to the Articles of Association Guidelines, the shareholders holding more than 3% of the shares of the Company separately or jointly may raise temporary proposal and submit it to the convener in writing 10 days before the general meeting is held. The convener shall supplement the notice of general meeting in 2 days after receiving the proposal and publicize the content of the temporary proposal.

Under the Company Law, shareholders present at general meetings have one vote for each share they hold, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the general meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the general meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the general meetings and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law and the Articles of Association Guidelines, resolutions of the general meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the general meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) the equity incentive plans; (iv) the amount of purchase or disposal of major assets or guarantee of the company within one year exceeding thirty percent of the company's total audited assets for the most recent period; (v) the merger, division, dissolution, liquidation or change in the form of the company; (vi) other matters considered by the general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution, according to the laws, administrative regulations or the articles of association.

Under the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the general meetings. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of Directors

Under the Company Law, a joint stock limited company shall have a board of directors. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The term of the directors shall be prescribed by the articles of association, provided that each term may not exceed 3 years. Upon the expiration of the term, the directors may be re-elected and serve consecutive terms. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Under the Company Law, the board of directors mainly exercises the following powers and functions:

- to convene the general meetings and report on its work to the general meetings;
- to implement the resolutions of general meetings;

- to decide on the company's business plans and investment proposals;
- to formulate the profit distribution plan and loss recovery plan of the Company;
- to formulate proposals for the increase or reduction of the Company's registered capital and the issuance of corporate bonds;
- to develop the scheme on the merger, separation, dissolution and change of company form of the Company;
- to make decisions on the establishment of the company's internal management departments;
- to make decisions on hiring or dismissing the company's manager and his salary and compensation, and, according to the nomination of the manager, deciding on the hiring or dismissal of vice manager(s) and the persons in charge of finance as well as their salaries and compensations;
- to formulate the basic management system of the Company; and
- any other powers and functions stipulated by the articles of association.

Meetings of the Board of Directors

Under the Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the supervisory committee. The chairman of the board shall convene and preside over a board meeting within ten days after receiving the proposal. No meeting of the board of directors may be held unless a majority of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. In the voting process, one director shall represent one vote. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from that liability.

Chairman of the Board of Directors

Under the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualifications of Directors

The Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;
- a person who has been sentenced to criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property or disrupting the order of the socialist market economy, or deprived of political rights for crime, and five years have not elapsed since the completion date of the execution of the penalty, or two years have not elapsed since the expiration of the probation period for suspended sentence, if applicable;
- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation;
- a person who is listed as a dishonest party subject to enforcement by the people's court for failure to pay a relatively large amount of debts when they become due.

Other unsuitable circumstances for directorships are detailed in the Articles of Association Guidelines.

Supervisory Committee

A joint stock limited company may establish an audit committee composed of directors of the board of directors in accordance with the company's bylaw which exercises the functions of the board of supervisors specified in this Law, and is not required to have a board of supervisors or supervisors.

A joint stock limited company that is small or has a small number of shareholders is not required to establish a board of supervisors but shall have one supervisor who exercises the functions of the board of supervisors as provided for in this Law.

Except for the above-mentioned two special circumstances, a joint stock limited company shall have a supervisory committee composed of not less than three members. The supervisory committee is made up of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company. The actual proportion shall be stipulated in the articles of association, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the company in the supervisory committee shall be democratically elected by the employees at the employees' representative assembly, employees' general meeting or otherwise. A director and a senior officer of the company shall not serve concurrently as a supervisor.

The supervisory committee shall have a chairman and may have a vice chairman. The chairman and deputy chairman of the supervisory committee shall be elected by more than half of all supervisors. The chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. Where the chairman of the supervisory committee is unable or fails to perform his/her duties, the vice chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. Where the vice chairman is unable or fails to perform his/her duties, the meetings shall be convened and presided over by a supervisor jointly nominated by more than half of all the supervisors.

Each term of a supervisor shall be three years, and a supervisor may continue to serve his post if he is re-elected. A supervisor shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The supervisory committee shall convene a meeting at least every six months. According to the Company Law, the supervisory committee shall make resolutions with the consent of a majority of all supervisors.

The supervisory committee exercises the following functions and power:

- to review the company's financial position;
- to supervise the directors and senior management in the performance of their duties and to propose the dismissal of directors or senior management who violate laws, regulations, the articles of association or resolutions of the general meeting;
- when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts;
- to propose the convening of extraordinary general meetings and to convene and preside over general meetings when the board of directors fails to perform the duty of convening and presiding over general meetings under the Company Law;
- to initiate proposals for resolutions to general meetings;
- to initiate proceedings against directors and senior management;
- other powers and functions stipulated by the articles of association; and

The supervisors may attend the meetings of the board, and may inquire about or put forth proposals on matters covered by resolutions of the board. The supervisory committee may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense.

Manager and Senior Management

Pursuant to the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall exercise his/her powers in accordance with the company's articles of association or the authorization of the board of directors. Other provisions in the articles of association on the manager's powers shall also be complied with. The manager shall be present at meetings of the board of directors. However, the manager shall have no voting rights at meetings of the board of directors unless he/she concurrently serves as a director.

According to the Company Law, senior management shall mean the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of the Directors, Supervisors and Senior management

Directors, supervisors and senior management of the Company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the Company. The directors, supervisors and senior management are prohibited from:

- embezzling the property of the company and misappropriating the funds of the company;
- depositing the company's capital into accounts under his own name or the name of other individuals;
- taking advantage of power to accept bribes or other illegal income;
- accepting and possessing commissions paid by a third party for transactions conducted with the company;
- unauthorized divulgence of confidential business information of the Company;
- other acts in violation of the duty of loyalty to the company.

Where directors, supervisors and senior management who directly or indirectly contract or conduct a transaction with the company shall report to the board of directors or the shareholders' meeting on matters related to the contracting or conducting the transaction, and seek approval by resolution of the board of directors or the shareholders' meeting in accordance with the company's bylaw. If the close relatives of directors, supervisors, and senior management, enterprises under direct or indirect control of directors, supervisors, senior management, or their close relatives, and affiliates in any other affiliation relationship with directors, supervisors, and senior management contract or conduct transactions with the company, the provisions of the preceding paragraph shall report to the board of directors or the shareholders' meeting on matters related to the contracting or conducting the transaction, and seek approval by resolution of the board of directors or the shareholders' meeting in accordance with the Company's articles of association.

Directors, supervisors and senior management shall not take advantage of his position to take a business opportunity belonging to the company for himself or another person, except under any of the following circumstances:

- which has been reported to the board of directors or the shareholders' meeting and received approval by resolution of the board of directors or the shareholders' meeting according to the Company's articles of association.

- the company is unable to take the business opportunity according to laws, administrative regulations, or the Company's articles of association.

Directors, supervisors and senior management shall not conduct the same kind of business as the company on his own account or on the account of another person, without reporting to the board of directors or the shareholders' meeting, without approval by resolution of the board of directors or the shareholders' meeting according to the Company's articles of association.

Directors, supervisors and senior management who contravene any law, regulation or the Company's articles of association in the performance of his/her duties and result in any loss to the Company shall be personally liable to the Company.

The Guidance for Articles of Association provides that a company's directors and senior management shall have duties of diligence towards the company, for example, the directors shall be prudent, serious and diligent in exercising the authority conferred by the company to ensure that the business activities of the company comply with state's laws, administrative regulations and various economic policy requirements and that the business activities do not go beyond the scope of business activities specified in the company's business license; the directors shall treat all shareholders equally; the shareholders shall keep abreast of the company's business management status; both the directors and the senior management shall sign written statements confirming periodic reports of the company and ensure that the information disclosed by the company is true, accurate and complete; both the directors and the senior management shall provide accurate information and materials to the board of supervisors and shall not interfere with the performance of duties by the board of supervisors or individual supervisors; both the directors and the senior management shall have other diligence duties prescribed by laws, administrative regulations, departmental rules and the company's articles of association.

Finance and Accounting

Under the Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council. The Company shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The Company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the Company Law, the Company shall deliver its financial and accounting reports to all shareholders within the time limit stipulated in the articles of association and make its financial and accounting reports available at the Company for inspection by the shareholders at least 20 days before the convening annual general meeting. The joint stock limited company that has publicly issued its shares shall also publish its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital).

If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions.

After making allocation to the statutory common reserve fund of the Company from its after-tax profits, the Company may, subject to resolutions adopted at a Shareholders' meeting, allocate funds from the after-tax profits to the discretionary common reserve fund.

For the remaining after-tax profits after making up losses and allocation of common reserve fund, a joint stock limited company shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association. Shares held by the Company shall not be entitled to any distribution of profit.

A company's premium from the issuance of stocks at a price above the par value of the stocks, proceeds of issuance of no-par shares which have not been included in registered capital, and other items listed in the capital reserve under provisions of the treasury department of the State Council shall be listed as the company's capital reserve.

The Company's reserve fund shall be applied to make up losses of the Company, expand its business operations or be converted to increase the registered capital of the company.

When the company's losses are covered with common reserves, the discretionary common reserve and the statutory common reserve shall first be used; if they are insufficient, the capital common reserve may be used according to the applicable provisions.

Upon the conversion of statutory common reserve fund into increasing the registered capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The Company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and Retirement of Accounting Firms

According to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of a company shall be determined by the general meeting, the board of directors or the board of supervisors in accordance with the articles of association. The accounting firm should be allowed to make representations when the shareholders' general meeting, the board or the board of supervisors of directors conducts a vote on the dismissal of

the accounting firm. The company shall provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the hired accounting firm, and shall not refuse, conceal or make false reports.

According to the Guidelines for Articles of Association, the Company shall guarantee to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the hired accounting firm, and shall not refuse, conceal or make false reports. The audit fee of an accounting firm shall be decided by the general meeting.

Profit Distribution

According to the Company Law, the Company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Revision of the Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In the event of a company registration, the amendments to the articles of association shall be registered with the relevant registration authorities. Pursuant to the Company Law, the resolution of a shareholders' general meeting regarding any amendment to a company's articles of association requires affirmative votes by more than two-thirds of the votes held by shareholders attending the meeting.

Pursuant to the Guidance for Articles of Association, the company shall amend its articles of association under any of the following circumstances: (i) where, after any amendment to the Company Law or any other applicable law or administrative regulation, the provisions of the articles of association conflict with the law and/or administrative regulations amended; (ii) where the company's circumstances change to such an extent that they are inconsistent with what is recorded in the articles of association; and (iii) where the shareholders' general meeting decides to amend the articles of association.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved by reason of the following:

(i) the term of its operations set down in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred; (ii) the general meeting has resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked; the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses to shareholders.

In the event of (i) or (ii) above, and the company has not distributed property to shareholders, it may continue to exist by amending the company's bylaw or with approval by resolution of the shareholders' meeting. For the amendment of the articles of association in accordance with provisions set out above, a joint stock limited company shall require approval of more than two thirds of voting rights of shareholders attending the general meeting.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation committee shall be established and the liquidation process shall commence within 15 days after the occurrence of an event of dissolution.

The liquidation group shall be composed of directors, unless otherwise provided for by the company's bylaw or a resolution of the shareholders' meeting. If a liquidation committee is not established within the stipulated period, an interested party may apply to the people's court and request the court to appoint relevant personnel to form the liquidation committee. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee shall exercise the following functions and power during liquidation:

- to liquidate the company's assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the outstanding business of the Company in connection with liquidation;
- to settle all outstanding tax payment and the tax payment which arise in the course of the liquidation process;
- to claim credits and pay off debts;
- to handle the company's remaining assets after its debts have been paid off;
- to represent the company in civil lawsuits.

The liquidation committee shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers or the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation committee within 30 days after receiving notification, or within 45 days of the public notice if he/she did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his/her claim and furnish evidence. The liquidation committee shall register such claims. The liquidation committee shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan to be submitted to the general meeting or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for bankruptcy liquidation.

After the people's court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the trustee in bankruptcy designated by the people's court.

Upon completion of the liquidation, the liquidation committee shall submit a liquidation report to the shareholders' general meeting or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to cancel the company's registration.

The members of a liquidation group shall perform the duty of liquidation and have obligations of fidelity and diligence.

A member of the liquidation group shall be liable for compensation for losses caused to the company, if any, by his slackness in performing the duty of liquidation, or to creditors, if any, with intent or by gross negligence.

Overseas Listing

According to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, or issues and lists shares in a different overseas market after overseas issuance and listing, it shall file with the CSRC within three working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within three working days after the completion of the issuance. If the filing materials are complete and meet the requirements, the CSRC shall complete the filing within twenty working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within five working days after receiving the filing materials. The issuer shall supplement the materials within thirty working days.

Loss of Share Certificates

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declares that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Merger and Division

A merger agreement shall be signed by merging companies and the involved companies shall prepare respective statements of financial position and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers or the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he has not received the notification, request the company to settle any outstanding debts or provide relevant guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's assets shall be divided and a statement of financial position and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or the National Enterprise Credit Information Publicity System within 30 days. Unless an agreement in writing is reached with creditors before the company's division in respect of the settlement of debts, the liabilities of the company which have accrued prior to the division shall be jointly borne by the divided companies.

Changes in the business registration of the companies as a result of the merger or division shall be registered with the relevant administration authority for industry and commerce.

In accordance with the laws, cancellation of a company shall be registered when a company is dissolved and incorporation of a company shall be registered when a new company is incorporated.

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law (2019 revision) (《中華人民共和國證券法(2019年修訂)》) has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with its listing rules.

According to the Overseas Listing Trial Measures, in case of voluntary or compulsory termination of listing, the issuer shall report it to the CSRC within three working days from the date of occurrence and announcement of the termination of listing.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the “**PRC Arbitration Law**”) was enacted by the Standing Committee of the NPC on August 31, 1994, which became effective on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017, respectively. It is applicable to, among other matters, economic disputes involving foreign parties where all parties have entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people’s court will refuse to handle a legal proceeding initiated by one of the parties at such people’s court, unless the arbitration agreement is invalid.

Under the PRC Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people’s court for its enforcement. The people’s court can issue a ruling prohibiting the enforcement of an arbitral award made by an arbitration commission after verification by collegial bench formed by the people’s court if there is any procedural irregularity (including but not limited to irregularity in the composition of the arbitration tribunal or arbitration proceedings, the jurisdiction of the arbitration commission, or the making of an award on matters beyond the scope of the arbitration agreement).

Any party seeking to enforce an award of a foreign affairs arbitral body of the PRC against a party who or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》) (the “**New York Convention**”) adopted on June 10, 1958 pursuant to a resolution passed by the Standing Committee of the NPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse enforcement under certain circumstances, including but without limitation to where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC’s accession to the Convention, the Standing Committee

of the NPC declared that (i) the PRC will only apply the Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (ii) the will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

An arrangement for mutual enforcement of arbitral awards between Hong Kong and the Supreme People's Court of China was reached. The Supreme People's Court of China adopted the Arrangements on the Mutual Enforcement of Arbitral Awards between the mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的安排》) on June 18, 1999, which went into effect on February 1, 2000. The arrangement reflects the spirit of the New York Convention. Under the arrangements, the courts of the Hong Kong SAR have agreed to enforce arbitration awards made by mainland Chinese arbitration organisations in accordance with the Arbitration Law of the People's Republic of China, and people's courts of mainland China have agreed to enforce arbitration awards made in the Hong Kong SAR in accordance with the Arbitration Ordinance of the Hong Kong SAR. If the Mainland court finds that the enforcement of awards made by the Hong Kong arbitral bodies in the mainland will be against public interests of the mainland, or the court of Hong Kong SAR decides that the enforcement of the arbitral awards made by mainland Chinese arbitration organisations in Hong Kong SAR will be against public policies of Hong Kong SAR, the awards may not be forced. The Supreme People's Court of China adopted the Supplementary Arrangement Concerning Mutual Enforcement of Arbitral Awards between the Mainland and Hong Kong SAR (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) (the **"Supplemental Arrangement"**) on November 11, 2020. The Supplemental Arrangement mainly provide additional provisions to the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland China and Hong Kong SAR (《關於內地與香港特別行政區相互執行仲裁裁決的安排》). Articles 1 and 4 of the Supplemental Arrangement shall come into effect on November 27, 2020, while articles 2 and 3 shall come into effect on a date to be announced by the Supreme People's Court.

Judicial Judgment and its Enforcement

According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the mainland China and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated by the Supreme People's Court on January 25, 2024 and implemented on January 29, 2024, in the case of effective judgment of a civil and commercial case or civil damages in a criminal case made by the court of China and the court of the Hong Kong Special Administrative Region, any party concerned may apply to the People's Court of China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement.

This Appendix sets out summaries of the main clauses of our Articles of Association adopted on June 16, 2025, which will be effective from the date of listing of H Shares on the Hong Kong Stock Exchange. This appendix is primarily intended to provide potential investors with an overview of the Company's Articles of Association and therefore may not contain all the information that is material to potential investors.

1 DIRECTORS AND BOARD OF DIRECTORS

(1) Power to allocate and issue shares

The Articles of Association does not contain clauses that authorize the Board of Directors to allocate or issue shares. The Board of Directors shall prepare suggestions for share allotment or issue, which are subject to approval by the Shareholders at the general Shareholders' meeting in the form of a special resolution. Any such allotment or issue shall be in accordance with the procedures stipulated in appropriate laws, administrative regulations and supervision rules of shares listed region.

(2) Power to dispose assets of our Company or any subsidiary

The Board of Directors shall determine the authority of external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, connected transactions, external donations etc. (collectively referred to as "non-daily business scope"), and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and reported to the shareholders' meeting for approval.

The transaction not within the scope of above-mentioned non-daily business of the Company that meets one of the following criteria shall be submitted to Board of Directors for deliberation:

- i. The transaction amount accounts for more than 50% of the Company's audited total assets in the latest period, and the absolute amount exceeds RMB300 million;
- ii. The transaction amount accounts for more than 50% of the Company's audited operating income or operating cost in the latest accounting year, and more than RMB300 million;
- iii. The total profit expected from the transaction accounts for more than 50% of the audited net profit of the Company in the latest accounting year, and more than RMB30 million;
- iv. Transactions that should be submitted to the Board of Directors for deliberation in accordance with the relevant provisions of the Listing Rules and other securities regulatory rules of the place where the Company's shares are listed;
- v. Other transactions that may have a significant impact on the Company's assets, liabilities, equity and operating results.

(3) External Guarantees

The following acts of external guarantee of the Company shall be submitted to the General Meeting for deliberation and approval after being reviewed and approved by the Board of Directors:

- i. Any guarantee to be provided after the total amount of external guarantees provided by the Company or the subsidiaries it controls has exceeded 50% of the Company's net assets as audited in the latest period;
- ii. Any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of its total assets as audited in the latest period;
- iii. The amount guaranteed by the Company within one year exceeds 30% of its latest audited total assets;
- iv. Any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;
- v. Any single guarantee for an amount more than 10% of the Company's net assets audited in the latest period;
- vi. Any guarantee to be provided to a Shareholder, or to an ultimate controller or related party thereof;
- vii. Other external guarantees that meet the requirements of laws, regulations, normative documents the Listing Rules and other securities regulatory rules of the place where the Company's shares are listed can take effect only after being reviewed and approved by the General Meeting.

(4) Provide financial assistance for acquiring the shares of the Company or shares of any subsidiary

The Company or its subsidiaries (including its subsidiaries) will not provide any financial assistance to the person who purchases or intends to purchase the Company's shares in the form of gifts, advances, guarantees, compensation or loans, except for the implementation of an employee share ownership plan by the Company.

(5) Remuneration

The appointment and removal of the non- employee representative members of the Board of Directors and the Board of Supervisors, as well as their remuneration and payment methods, shall be adopted by the General Meeting by ordinary resolution.

(6) Appointment, Resignation and Dismissal

The Board of Directors consists of nine Directors, at least three of whom are independent non-executive Directors. The Board of Directors has one chairman. Directors are elected at the general Shareholders' meeting.

The chairman of the Board shall be elected and dismissed by a vote of more than one half of the Directors. The chairman of the Board serves 2-year term and other Directors serve 2-year term. Upon expiration of the term, the Director may be re-elected. Director can be the general manager or other senior management personnel at the same time. However, the number of the Directors who are also general manager or other senior management personnel shall not be more than half of the total number of Directors. There is no provision in the Articles of Association that imposes any age limit for Directors beyond which retirement of a Director is mandatory.

None of the following persons shall serve as our Director, Supervisor or senior management:

- i. A person who has no civil capacity or has limited civil capacity;
- ii. A person who has been imposed penalty for the offense of corruption, bribery, embezzlement, larceny, or disrupting the social economic order, has been deprived of political rights because of this conviction and is within five years of the expiry date of the sentence, or has been sentenced to probation and is within two years of the expiry date of the probationary;
- iii. A person who is a former director, factory manager or general manager of a company or enterprise that is bankrupt and liquidated because of poor operation, was personally liable for the bankruptcy of such company or enterprise, and is within three years of the date of completion of bankruptcy and liquidation of such company or enterprise;
- iv. A person who has served as the legal representative of a company or enterprise whose business license was revoked or was ordered to close due to violation of laws, was personally liable, and is within three years of the date on which the business license of such company or enterprise was revoked or was ordered to close;
- v. A person who has a relatively large sum of debt, which was not paid at maturity;
- vi. A person who has been banned from entering the securities market by the CSRC and whose term has not expired;
- vii. A person who has been publicly determined by the stock exchange as unfit to serve as a director, senior executive, or similar position in a listed company, and the term has not expired;

- viii. A person who has been subject to administrative punishment by the CSRC in the last three years, or has been publicly denounced by the stock exchange in the last 12 months;
- ix. A person who has been filed for investigation by the judicial authority due to suspected crimes or has been filed for investigation by the CSRC due to suspected violations of laws and regulations, and has not yet reached a clear conclusion;
- x. Other contents stipulated by laws, administrative regulations, departmental rules, other normative documents, the Listing Rules, other securities regulatory rules of the place where the company's shares are listed and the Articles of Association.

The election, appointment or employment of the Directors, Supervisors or other senior management shall be invalid if such election, appointment or employment is against the Articles of Association. If the Directors, Supervisors or senior management falls into the situations provided in the above-mentioned situations during their term of office, they would be dismissed by our Company.

(8) Duties

The directors shall abide by laws, administrative regulations and the Articles of Association, and shall have the following fiduciary duties to the Company:

- i. Shall not abuse their authority by accepting bribes or other illegal income;
- ii. Shall not misappropriate company funds, and shall not convert company property;
- iii. Shall not deposit Company's assets into accounts held in their own names or in the name of any other individual;
- iv. Shall not, in violation of the Articles of Association, loan Company's funds to any other person or give Company's assets as security for the debt of any other person without the approval of the General Meeting or the Board of Directors;
- v. Shall not conclude any contract or engage in any transaction with the Company directly or indirectly without reporting to the Board of Directors or the General Meeting and obtaining approval of the Board of Directors or the General Meeting in accordance with the provisions of this Constitution;
- vi. Shall not use their position to seek business opportunities belonging to the Company for themselves or for others, except that which has been reported to the Board of Directors or the General Meeting and approved by a resolution of the General Meeting, or unless the Company is unable to utilize such business opportunity in accordance with the provisions of laws, administrative regulations, or the Articles of Association; and shall not conduct business activities similar to those of the

Company on his or her own behalf or on behalf of others without reporting to the Board of Directors or the General Meeting and obtaining approval through a resolution of the General Meeting;

- vii. Shall not accept commissions for transactions conducted with the Company as their own;
- viii. Shall not disclose confidential Company's information without authorization;
- ix. Shall not abuse their connected relationships to damage the Company's interests;
- x. Laws, administrative regulations, departmental rules, the Listing Rules, other securities regulatory rules of the place where the company's shares are listed and other fiduciary obligations stipulated in the Articles of Association.

The income obtained by the director in violation of above articles shall belong to the Company. If losses are caused to the Company, it shall be liable for compensation.

Directors shall abide by laws, administrative regulations and the Articles of Association, and have the following diligent obligations to the Company:

- i. Shall prudently, earnestly and diligently exercise the powers the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, administrative regulations and state economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;
- ii. Shall treat all Shareholders fairly;
- iii. Shall maintain a timely awareness of the operation and management of the Company;
- iv. Shall sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;
- v. Shall provide accurate information and materials to the Board of Supervisors and shall not obstruct the Board of Supervisors or individual Supervisors from performing its or their duties;
- vi. Laws, administrative regulations, departmental rules, the Listing Rules, other securities regulatory rules of the place where the Company's Shares are listed, and other obligations of diligence stipulated in the Articles of Association.

The duty of loyalty assumed by the Directors shall not be automatically relieved within a reasonable period after the resignation report has not come into effect or has come into effect, and within a reasonable period after the end of the term of office. The duty of confidentiality of the Company's business secrets shall remain valid after the resignation report comes into effect or the end of the term of office, until the secrets become public information.

The specific time limit for Directors to undertake the obligation of loyalty after the resignation takes effect or the term of office expires is 2 years from the date of the resignation takes effect or the term of office expires. The duration of other obligations shall be determined in accordance with the principle of fairness, depending on the length of time between the occurrence of the event and the departure of the post, and the circumstances and conditions under which the relationship with the Company ends.

Without the provisions of the Articles of Association or the lawful authorization of the Board of Directors, no Director shall act in his own name on behalf of the Company or the Board of Directors. When a Director acts in his/her own name, the Director shall declare his/her position and identity in advance if the third party reasonably believes that the Director is acting on behalf of the Company or the Board of Directors.

In the event of any loss caused to our Company as a result of violation of any laws, administrative regulations or Articles of Association by the Directors or senior management when performing their duties in our Company, the Shareholders holding 1% or more shares separately or jointly for over 180 consecutive days may submit a written request to the Board of Supervisors to file an action with the people's court. Where supervisors violate laws, administrative regulations or the Articles of Association in their duty performance and cause loss to our Company, the Shareholders may submit a written request to the Board of Directors to file an action with the people's court.

In the event that the Board of Supervisors or the Board of Directors refuse to file an action upon receipt of the Shareholders' written request specified in the preceding paragraph, or fail to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of our Company, the Shareholder(s) specified in the preceding paragraph may, in their own name, directly file an action to the court for the interest of our Company.

In the event of any other person infringes upon the legitimate rights and interests of our Company and causes losses thereto, the shareholder(s) specified in this Articles of Association may file an action with the competent court pursuant to the provisions of the preceding two paragraphs.

In the event of a Director or senior management person violates laws, administrative regulations or our Company's Articles of Association, thereby damaging the interests of the Shareholder(s), the Shareholder(s) may file an action with the competent court.

2 MODIFICATION OF THE ARTICLES OF ASSOCIATION

Our Company may amend the Articles of Association based on the provisions of the laws, administrative regulations and the Articles of Association.

Where the amendments to the Articles of Association passed by the general Shareholders' meetings need the examination and approval of the competent authorities, these amendments shall be submitted hereto for approval. Where the amendment of the Articles of Association involves registration, it shall be necessary to carry out the lawfully prescribed procedures for registration change.

3 SPECIAL RESOLUTIONS NEEDED TO BE ADOPTED BY ABSOLUTE MAJORITY VOTE

The resolutions of the Shareholders' meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution may be adopted by a simple majority of the votes held by the Shareholders (including proxies of Shareholders) attending the general Shareholders' meeting.

A special resolution can be adopted by a two-thirds majority of the votes held by the Shareholders (including proxies of Shareholders) attending the general Shareholders' meeting.

4 VOTING RIGHTS

The Shares held by the Shareholders of the Company are ordinary shares, without special voting rights. Shareholders (including proxy) shall exercise their voting rights according to the number of voting Shares they represent, and each Share shall have one vote.

When voting at the general Shareholders' meeting, the Shareholder (including proxy) may exercise his or her voting rights in accordance with the number of shares with voting power held with each share representing one vote.

Any Shareholder who is required by the Listing Rules to abstain from voting on a matter or is limited to an affirmative or negative vote shall abstain from voting or be required to so vote; any vote cast by or on behalf of relevant shareholder which is cast in violation of such requirement or restriction shall not be counted in the voting result.

The shares held by the Company itself shall have no voting right and shall not be counted in the total number of voting shares at the shareholders' meeting.

When the number of dissenting votes equals the number of supporting votes, regardless of voting by ballot or show of hands, the chairman of the Board of Directors is entitled to one additional vote.

5 RULES ON GENERAL SHAREHOLDERS' MEETINGS

The general Shareholders' meetings are divided into annual general Shareholders' meetings and extraordinary general Shareholders' meetings. The annual general shareholders' meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

At the time of the General Meeting of Shareholders, all shareholders or their proxies who are registered in the Register of Shareholders on the Date of The Share Registration are entitled to attend the meeting, to speak at the meeting and to exercise their voting rights in accordance with the relevant laws, rules and the Articles of Association, unless individual shareholders are required to waive their voting rights in respect of individual matters as required by the Listing Rules.

6 ACCOUNTING AND AUDITS**(1) Financial and accounting policies**

Our Company shall develop its financial accounting policies pursuant to laws, administrative regulations and rules developed by the competent department. Where there are special rules in the listing rules of the stock exchange where the shares are listed, the special rules would prevail.

The Company shall prepare its annual financial and accounting report within 4 months after the end of each fiscal year, and prepare its interim financial and accounting report within 2 months after the end of the first half of each fiscal year. The above financial and accounting reports are prepared in accordance with relevant laws, administrative regulations, departmental rules, the Listing Rules and other securities regulatory rules of the place where the Company's Shares are listed.

The Company shall not establish other accounting books except for the statutory accounting books. The assets of the Company shall not be deposited in any account opened in the name of any individual.

(2) Appointment and Dismissal of Accountants

The Company employs an accounting firm that complies with the provisions of the Securities Law, the Listing Rules and other securities regulatory rules of the place where the Company's Shares are listed to conduct accounting statement audit, net asset verification and other related consulting services. The employment period is one year, and can be renewed.

The employment and dismissal of accounting firms by the Company must be decided by the general shareholders' meeting, and the Board of Directors shall not appoint accounting firms before the decision of the general shareholders' meeting. The audit fee of the accounting firm shall be determined by the general shareholders' meeting.

The Company shall guarantee to provide the accounting firm it employs with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials, and shall not refuse, conceal or make false statements.

The Company shall notify the accounting firm 15 days in advance when dismissing or no longer renewing the accounting firm. The accounting firm shall be allowed to state its opinions when the general shareholders' meeting votes on dismissing the accounting firm. If the accounting firm proposes to resign, it shall explain to the general shareholders' meeting whether the Company has any improper situation.

7 NOTICE AND AGENDA OF GENERAL SHAREHOLDERS' MEETINGS

The general Shareholders' meeting is the authorized organ of our Company that performs duties and exercises powers in accordance with the law.

Under any of the following circumstances, our Company shall convene an extraordinary general Shareholders' meeting within two months:

- i. The number of Directors is less than the minimum number specified in the PRC Company Law or less than two thirds of the number required in the Articles of Association;
- ii. The uncovered losses of our Company reach one-third of its total share capital;
- iii. The Shareholders with 10% or more shares of the Company separately or jointly request to convene an extraordinary general Shareholders' meeting in writing (the shareholding ratio shall be calculated by the day of the request);
- iv. The Board of Directors considers it necessary;
- v. The Board of Supervisors considers it necessary;
- vi. Any other circumstances stipulated in laws, administrative regulations, regulations of the authorities, the Listing Rules and other securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

In the event that the Board of Directors agree to convene an extraordinary general Shareholder's meeting, the notice of convening extraordinary general Shareholder's meeting shall be issued within 5 days after the Board of Directors makes a resolution. With regard to the proposal of convening an extraordinary general meeting made by the Board of Supervisors, if the Board of Directors made a rejection or does not respond within 10 days after it receiving the proposal, it shall be viewed as the Board of Directors is unable to or fails to perform its meeting duty of convening the General Shareholder's Meeting and the Board of Supervisors may convene and preside over the meeting by its own.

Shareholders who separately or jointly hold 10% or more of the shares may request in writing to convene an extraordinary general Shareholder's meeting. If the Board of Directors does not issue a notice of convening the meeting within 10 days after receiving the above written requirement, or refused to convene, the shareholders who make the request may request the Board of Supervisors in writing to convene the meeting.

If the Board of Supervisors does not issue the notice about convening the meeting within 5 days after receiving the above written requirement, the shareholders holding 10% or more shares separately or jointly for over 90 consecutive days could convene and preside the meeting by themselves.

In the event that the general shareholders' meeting is convened, the Board of Directors, the Board of Supervisors and shareholders who separately or jointly hold more than 3% of the shares of our Company may submit a proposal 10 days before the meeting.

When convening a general shareholders' meeting, our Company shall send a written notice 21 days before it is convened. When convening an extraordinary shareholders' meeting, our Company shall send a written notice 15 days before it is convened. When the Company calculates the starting period of "21 days" and "15 days", it does not include the date of the meeting, but includes the date of the notice.

The notice of the general shareholders' meeting shall be made in writing, including the following contents:

- i. the place, the date and the hour of the meeting;
- ii. the matters to be discussed at the meeting;
- iii. conspicuous statement that all shareholders are entitled to attend the meeting and appoint proxy to attend and vote and that proxy need not be a shareholder;
- iv. the registration date of the share of the shareholder entitled to attend the Shareholders' meeting;
- v. name and phone number of the standing contact person for affairs;
- vi. voting time and voting procedure by network or other means (if any).

The notice of the general shareholders' meeting and the supplementary notice shall fully and completely disclose all the specific contents of all proposals, as well as all the materials or explanations required to enable the Shareholders to make a reasonable judgment on the matters to be discussed. If the matter to be discussed needs the opinion of independent non-executive Directors, the opinions and reasons of independent non-executive Directors will be disclosed at the same time when the notice of general shareholders' meeting or supplementary notice is issued. The start time of voting (if any) by network or other means at

the general shareholders' meeting shall not be earlier than 3:00 p.m. on the day before the on-site general shareholders' meeting is held, nor later than 9:30 a.m. on the day of the on-site general shareholders' meeting, and the end time shall not be earlier than 3:00 p.m. on the day of the on-site general shareholders' meeting.

The interval between the equity registration date and the meeting date shall be no more than 7 working days. Once the equity registration date is confirmed, it cannot be changed.

The resolution of the general shareholders' meeting includes ordinary resolution and special resolution. The following matters shall be approved by the general shareholders' meeting through ordinary resolutions:

- i. Work report of the Board of Directors and the Board of Supervisors;
- ii. Plans of earnings distribution and loss make-up schemes drafted by the Board of Directors;
- iii. Appointment or dismissal of the members of the Board of Directors and the Board of Supervisors, and their payment and payment methods;
- iv. Employment, dismissal, or non-renewal of employment and the remuneration of the accounting firm;
- v. Annual report of the Company;
- vi. Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, Listing Rules and other securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

The following matters shall be approved by special resolution at the general shareholders' meeting:

- i. The increase or decrease of the share capital;
- ii. Division, merger, termination, acquisition, dissolution and liquidation of our Company and the change of form of our Company;
- iii. Amendment of the Articles of Association;
- iv. The amount of significant assets purchased or sold by the Company, or the amount of guarantees provided to others, exceeds thirty percent of the Company's audited total assets for the most recent period within one year;
- v. Equity incentive plan; and

- vi. Other matters as required by the laws, legal rules, administrative regulations, listing rules of the stock exchange where the shares are listed and the Articles of Association, and as approved by ordinary resolution of the general shareholders' meeting which are believed could materially affect our Company and need to be approved by special resolution.

In the event that any resolution of the general Shareholders' meeting or resolution of the Board of Directors violates laws or administrative regulations, any shareholder is entitled to request the court to deem it as invalid.

In the event that the convening procedure or voting formula of the shareholders meeting or meeting of the Board of Directors violates any of laws, administrative regulations or the Articles of Association, or resolution of which violates the Articles of Association, any shareholder is entitled to ask the court to overturn within 60 days after the resolution was adopted.

8 SHARE TRANSFERS

The shares issued before the public issuance of shares by our Company shall not be transferred within one year of the date on which the stocks of our Company are listed and traded on a securities exchange.

The Directors, Supervisors, and senior management of our Company shall declare, to our Company, information on their holdings of the shares of our Company and the changes thereto. The shares transferable by them during each year of their term of office shall not exceed 25 percent of their total holdings of the shares of our Company. The shares that they held in our Company shall not be transferred within one year of the date on which the stocks of our Company are listed and traded. The aforesaid persons shall not transfer their shares of our Company within six months from the date of their resignation.

Where any Director, Supervisor, senior manager of the Company and shareholders who holds more than 5% of the Company Shares sells company's stock he holds within 6 months of the relevant purchase, or purchases any stock he has sold within 6 months of the relevant sale, the proceeds generated therefrom shall be incorporated into the profits of the Company, and the Board of Directors of the Company shall recover the proceeds. However, the following circumstances shall be excluded where a securities company holds more than 5% of the shares due to its purchase of any remaining Shares under a best efforts underwriting or where the provisions of the securities regulatory authority under the State Council and the securities regulatory authority at the place where the Shares of the Company are listed apply.

Shares or other securities with the nature of equity held by Directors, Supervisors, senior executives and individual shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people's accounts. If the Board of Directors of the Company fails to comply with the above paragraph of this Article, the Shareholders are entitled to request the

Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the Shareholders are entitled to initiate litigation directly in the People's Court in their own names for the interest of the Company. And if the Board of Directors fails to implement the provisions set forth in this Article, the responsible Directors shall bear joint and several liability in accordance with law.

9 RIGHTS OF OUR COMPANY TO PURCHASE OUR OUTSTANDING ISSUED SHARES

Under any of the following circumstances, our Company may submit to relevant competent authorities for approval to buy back our outstanding issued shares according to legal procedures with the approval of procedures stipulated in the Articles of Association:

- i. Reduce our Company's registered capital;
- ii. Merger with other companies which hold our shares;
- iii. Granting shares to the staff of our Company as incentives;
- iv. Requesting the Company to buy back its shares from shareholders who vote against any resolutions adopted at the general shareholders' meeting concerning the merger and division of the Company;
- v. To convert shares into bond issued by our Company which is convertible to stock of our Company;
- vi. Necessary for our Company to maintain our Company's value and Shareholders' equity.

A Company may purchase its own Shares through public centralized trading, or through other means recognized by the laws, administrative regulations, the Listing Rules, and other securities regulatory rules of the place where the Company's Shares are listed or the CSRC (if required). Where any Company purchases its own Shares under any of the circumstances specified in Items 3, 5, or 6 of Article 25 of its Articles of Association, centralized trading shall be adopted publicly.

Upon buyback of the Company's Shares, the Company shall perform information disclosure obligation pursuant to the relevant provisions of laws, administrative regulations, rules, normative documents and the Listing Rules etc. Where the relevant regulatory rules of the place where the Company's Shares are listed stipulate otherwise on matters involved in Share buyback, such provisions shall prevail.

10 POWER FOR ANY SUBSIDIARY OF OUR COMPANY TO OWN SHARES IN ITS PARENT

There are no provisions in the Articles of Association relating to ownership by subsidiary of our Company of shares in its parent.

11 DIVIDEND AND OTHER DISTRIBUTION METHODS

The Company attaches importance to the reasonable return on investment to Shareholders, and the profit distribution should follow the principle of paying attention to the reasonable return on investment to Shareholders and benefiting the long-term development of the Company. The Company's profit distribution policy should maintain continuity and stability, and comply with the relevant provisions of laws and regulations. The Company may distribute dividends in cash or stock. Under the condition that the Company has distributable profits, the Board of Directors of the Company may make cash dividend distribution plans or/and stock dividend distribution plans according to the Company's business and financial conditions.

After the shareholders' meeting of our Company make a resolution on dividends distribution plan, the Board of Directors shall complete the distribution within 2 months after the convening of the shareholders' meeting.

12 SHAREHOLDER PROXIES

Any shareholder who is entitled to attend and vote at general shareholders' meeting has the right to appoint one or more persons (who may not necessarily be shareholders) as his or her shareholder proxy to attend and vote at the meeting in his or her place. Pursuant to the authorization of the shareholder, the proxy may exercise the following rights:

- i. Speak for the shareholder at the general shareholders' meeting;
- ii. Demand a poll individually or with others

The power of attorney shall indicate whether the shareholder's proxy can vote according to his own will if the Shareholder does not give specific instructions. A Shareholder's proxy need not be a Shareholder of the Company.

Where a Shareholder authorizes another person to sign a proxy statement for voting, the power of attorney for signing authority or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall be lodged at the Company's domicile or any other place stipulated in the meeting notice. Where the Shareholder is a legal person, its legal representative or any person authorized by a resolution of the Board of Directors or other decision-making body shall attend the general shareholders' meeting as its proxy.

If the principal shareholder is a Recognized Clearing House (or his agent) as defined in the relevant ordinances enacted from time to time in Hong Kong, the shareholder may authorize its company representative or one or more persons as it deems appropriate to act as its representative at any general meeting of shareholders or any class of shareholders. However, if more than one person is authorized, the power of attorney or letter of authorization shall specify the number and type of shares involved in such authorization, and the power of attorney shall be signed by the authorized person of the recognized clearing house. Such authorized person may represent the Recognized Clearing House (or its proxies) at the meeting (without presenting a shareholding certificate, notarized authorization and/or further evidence confirming its duly authorization) exercising the statutory rights equivalent to those enjoyed by other shareholders, including the right to speak and vote, as if the person were an individual shareholder of our Company.

13 REVIEW THE REGISTER OF SHAREHOLDERS AND OTHER RIGHTS OF SHAREHOLDERS

Our Company shall make a register of shareholders in accordance with evidentiary documents provided by the securities registration authorities.

The register of Shareholders is sufficient evidence to prove that the Shareholders hold the Company's Shares. Shareholders enjoy rights and assume obligations according to the types of shares they hold. Shareholders holding the same kind of Shares shall enjoy the same rights and undertake the same obligations. The original register of the shareholders of the overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.

Our Company shall keep a copy of the register of the shareholders of the overseas listed foreign shares at our residential address. The overseas entrusted agency shall at all times maintain consistency between the original and copy of the register of the shareholders of the overseas listed foreign shares. In the event of the discrepancies between the original and copy of the register of the shareholders of the overseas listed foreign shares, the original shall prevail. The register of shareholders maintained in Hong Kong must be accessible to shareholders, but a company may be allowed to suspend the registration of shareholders under the same terms as the Companies Ordinance (Cap. 622).

14 RESTRICTIONS ON RIGHTS OF CONTROLLING SHAREHOLDERS

The controlling Shareholders and actual controllers of the Company shall not use their connected relationship to damage the legitimate interests of the Company and other Shareholders; Controlling shareholders and actual controllers who violate relevant laws, regulations and Articles of Association and cause losses to the Company and other Shareholders shall be liable for compensation.

Controlling Shareholders and ultimate controllers of the Company shall have a duty of care to the Company and other Shareholders. Controlling Shareholders shall exercise their investors' rights in strict accordance with the law and shall not damage the lawful interests of the Company or of public Shareholders in any way such as via the distribution of profits, an asset reorganization, external investments, the use of Company's funds or the provision of a loan guarantee, nor shall they abuse their controlling positions to damage the interests of the Company or of public Shareholders.

15 PROCEDURES FOR LIQUIDATION

Under any of the following circumstances, our Company shall be lawfully dissolved and liquidated:

- i. The term of business of our Company has expired;
- ii. The general shareholders' meeting adopts a resolution to dissolve our Company;
- iii. Our Company needs to be dissolved for the purpose of merger or division;
- iv. The business license is revoked, or our Company is ordered to close or be eliminated according to applicable law;
- v. Where our Company encounters significant difficulties in business and management, continuous survival may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of all voting rights of the Company's shareholders may request the People's Court to dissolve the Company; or
- vi. The People's Court dissolves the company in accordance with the provisions of the preceding article.

Where our Company is dissolved due to the provisions set forth in i, ii, iv and v above, liquidation shall be conducted. The directors shall be the obligors for the Company's liquidation and shall form a liquidation group to conduct the liquidation within fifteen days from the occurrence of the dissolution event. The liquidation group shall be composed of directors, unless otherwise stipulated in this Constitution or another person is elected by the shareholders' meeting. If the obligor for liquidation fails to perform the liquidation obligation in a timely manner, causing losses to the Company or its creditors, such obligor shall bear the liability for compensation.

If a liquidation group is not established within the prescribed period to conduct the liquidation, or if a liquidation group is established but fails to carry out the liquidation, the interested parties may apply to the People's Court to designate relevant personnel to form a liquidation group to conduct the liquidation.

Within 10 days of the establishment of the liquidation team, the creditors shall be notified and an announcement shall be published in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their claims to the liquidation team within 30 days of the date on which the notice is received or 45 days of the date of announcement if the notice is not received.

Creditors who declare claims shall state relevant issues related to the claims and provide proofs. The liquidation team shall carry out registration of the claims. During the period for declaration of claims, the liquidation group shall not make any repayment to the creditors.

During the liquidation, our Company shall continue to exist, but shall not carry out business activities irrelevant to the liquidation. The property of our Company shall not be distributed to any shareholder before full payments have been made out of the property according to the aforesaid provision.

Upon liquidation for the purpose of company dissolution, in the event the liquidation team finds that, after taking stock of our Company's property and preparing the balance sheet and list of property, that the assets are insufficient to pay the debts, it shall immediately apply to the people's court to declare bankruptcy.

After our Company is declared bankrupt by ruling of the people's court, the liquidation team shall turn over matters regarding the liquidation to the people's court.

16 OTHER IMPORTANT PROVISIONS FOR OUR COMPANY OR THE SHAREHOLDERS

(1) General Provisions

Our Company is a permanently existing joint stock limited company.

All the assets of the Company are divided into shares of equal value. The Shareholders are responsible for the Company to the extent of their subscribed Shares, and the Company is responsible for the Company's debts with all its assets.

The Articles of Association shall, from the date on which they take effect, be the legally binding document that regulates the organization and activities of the Company and the relationship of rights and obligations as between the Company and the Shareholders and among the Shareholders, and shall be legally binding on the Company, the Shareholders, the Directors, the Supervisors and senior officers. Based on the Articles of Association, any Shareholder may bring a lawsuit against another Shareholder, a Director, a Supervisor, a manager or any other senior officer. Any Shareholder may bring a lawsuit against the Company, and the Company may bring a lawsuit against any Shareholder, Director, Supervisor, manager or any other senior officer.

The Company shall, subject to the provisions of the Constitution of the Communist Party of China, establish a party organization and carry out party-related activities. The Company provides the necessary conditions for the activities of the party organization.

(2) Share and Transfer

Our Company may increase stock capital by the following means:

- i. Issuing new shares to unspecified investors;
- ii. Placing new shares to specified investors;
- iii. Allocating or giving new shares to existing shareholders;
- iv. Converting the reserve funds into share capital;
- v. Other means approved by the laws, administrative regulations and relevant regulatory authorities.

Our Company may decrease our registered share capital and shall comply with the procedures stipulated in Company Law of the PRC, other related regulations, the Listing Rules, other securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

Where permitted by the laws, administrative regulations and regulations of authorities, upon approval and filed by the competent securities department of the State Council and approved by the Hong Kong Stock Exchange, the not listed shares of the Company can be listed and traded on an overseas stock exchange. Such domestic shares shall be in compliance with the regulatory procedures, provisions and requirements of overseas securities market after being listed and traded on an overseas stock exchange.

Domestic unlisted Shares and overseas listed foreign Shares issued by the Company enjoy the same rights in any distribution made in the form of dividends (including cash and physical distribution) or other forms. It is not allowed to exercise any power to freeze or otherwise damage any of its rights attached to the shares just because any person who directly or indirectly owns the interests has not disclosed their interests to the company.

Subject to the approval and filing by the securities regulatory authority under the State Council and the consent of the Hong Kong Stock Exchange, the Company's entire or partial domestic unlisted shares may be converted into overseas listed shares, and the converted overseas listed shares may be traded on an overseas stock exchange. The converted shares traded on an overseas stock exchange shall also comply with the regulatory procedures, rules, and requirements of the overseas securities market.

Domestic unlisted shares are converted into overseas listed shares and listed for trading on overseas stock exchanges, and there is no need to convene a general meeting of shareholders to vote. The domestic unlisted shares issued by the Company are centrally deposited with the Shenzhen branch of China Securities Depository and Clearing Co., Ltd. The overseas listed foreign shares issued by the Company are mainly deposited by Tricor Investor Services Limited, a trustee company under Hong Kong Securities Clearing Company Limited.

(3) Shareholders

The shareholders of our Company are persons lawfully holding the Company's shares and whose names (titles) are already listed in the register of shareholders. Shareholder is entitled to rights and assumes obligations pursuant to the classification and ratio of his or her shares. Shareholder holding the same classified share has the same rights and assumes the same obligations.

The rights of our shareholders are as follows:

- i. To receive distribution of dividends and other forms of benefits according to the number of shares held;
- ii. To legally require, convene, preside over, participate in or authorize proxies of Shareholders to attend the general shareholder's meeting and exercise corresponding voting rights;
- iii. To supervise and manage business and operational activities of our Company, provide suggestions or submit queries;
- iv. To transfer, grant and pledge the Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;
- v. To read and copy the Articles of Association, the register of Shareholders, Company bond stubs, General Shareholders' Meeting minutes, resolutions of meetings of the Board of Directors, resolution of meetings of the Board of Supervisors and financial and accounting reports;
- vi. To participate in the distribution of the remaining assets of our Company according to the proportion of shares held upon our termination or liquidation;
- vii. To require our Company to acquire the shares from Shareholders voting against any resolutions adopted at the general Shareholders' meeting concerning the merger and division of the Company;

- viii. To examine the Hong Kong section of the Company's register of members, but the Company may suspend the registration of members in accordance with section 632 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) or any equivalent provision.
- ix. Other rights conferred by laws, administrative regulations, regulations of the authorities, regulatory rules where our Company's shares are listed, or the Articles of Association.

Where any Shareholder demands to read and copy the relevant information or obtain any of the aforesaid materials, he shall submit to the Company written documents proving the class(es) and number of shares he holds. the Company shall provide the relevant information or materials in accordance with the Shareholder's demand after verifying the Shareholder's identity.

The obligations of Shareholders are as follows:

- i. to abide by laws, administrative regulations and the Articles of Association;
- ii. to provide Share capital according to the Shares subscribed for and Share participation methods;
- iii. not to withdraw their share capital unless prescribed otherwise in laws and administrative regulations;
- iv. not to abuse Shareholders' rights to infringe upon the interests of the Company or other Shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of Shareholders to damage the interests of the Company's creditors;
- v. to perform other duties prescribed in laws, administrative regulations and the Articles of Association.

Any Shareholder who abuses Shareholders' rights and causes the Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Any Shareholder who abuses the status of the Company as an independent legal entity or the limited liability of Shareholders to evade debts and seriously damages the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

(4) The Board of Directors

The Board of Directors is responsible to the general Shareholders' meeting and exercises the following powers:

- i. To convene the general Shareholders' meeting and report on work to the general Shareholders' meeting;
- ii. Implement the resolutions of the general Shareholders' meeting;
- iii. Determine the business and investment plans of our Company;
- iv. Devise the earnings distribution and loss offset plans of our Company;
- v. Formulate the plans for increasing or decreasing our Company's registered capital, the issuance of corporate bonds or other securities, as well as the listing of the stock of our Company;
- vi. Formulate plans for major acquisitions of the Company, the buy-back of shares of our Company, corporate merger, separation of our Company, changing the form and dissolution of our Company;
- vii. Determine guarantee matters which fail to meet the approval criteria of the general shareholders' meeting;
- viii. Determine such matters as the Company's external investment, purchase or sale of assets, asset pledge, external guarantee, entrusting wealth management and connected transaction (except for transactions between our Company and its subsidiaries) within the scope authorized by the general Shareholders' meeting;
- ix. Determine such matters as investment, purchase or sale of assets, financing and connected transaction (except for transactions between our Company and its subsidiaries) as decided by the Board of Directors pursuant to the Listing Rules and other securities regulatory rules of the place where the Company's Shares are listed;
- x. Decide on the setup of our Company's internal management organization;
- xi. Decide on matters such as appointment or dismissal of the Company's general manager, secretary to the Board of Directors and other senior officers and on their compensation and incentives/disincentives; to decide on appointment or dismissal of the Company's deputy managers, finance manager and other senior officers as nominated by the manager and on their remuneration and incentives/disincentives;
- xii. Set the basic management systems of our Company;

- xiii. Make the modification plan to the Articles of Association;
- xiv. Propose the appointment or replacement of the accounting firm that performs audits for our Company at the general Shareholders' meeting, or a material change in any of our Company's accounting policies, or a change in our Company's financial year;
- xv. Attend to the work report of our Company's general manager and review the work of the general manager;
- xvi. Manage the disclosure of company information;
- xvii. Other powers and duties authorized by the laws, administrative regulations, regulations of the authorities, the Listing Rules, other securities regulatory rules of the place where the Company's Shares are listed, the Articles of Association and the General Meeting.

Matters beyond the scope of authorization of the General Meeting shall be submitted to the General Meeting for deliberation.

Meetings of the Board of Directors shall be attended by more than one-half of the Directors (including proxies) before the Board of Directors meeting can be convened.

(5) Independent Non-executive Director

At least one-third of member of the Board of Directors of the Company shall be the independent non-executive Directors and the amount shall not be less than three. At least one independent non-executive Director shall have applicable professional qualification or are equipped with applicable accounting or relevant financial management expertise.

(6) Secretary of the Board of Directors

Our Company shall have one secretary of the Board of Directors, who shall be responsible for preparing for General Meetings and meetings of the Board of Directors, the retention of documents, the management of Shareholder materials, the disclosure of information, etc.

(7) Board of Supervisors

Our Company shall set up a Board of Supervisors.

The Board of Supervisors consists of three Supervisors and includes one chairman. The chairman of the Board of Supervisors shall be elected and dismissed by more than one half vote of the members of the Board of Supervisors.

The Board of Supervisors shall consist of Shareholder's representatives and employee's representatives.

Meetings of the Board of Supervisors shall be attended by more than half of the Supervisors before it may be convened. Resolutions of the Board of Supervisors shall require approval from two-third of all the Supervisors. The Supervisors serve three-year terms.

The Supervisors may, after the expiration of the term of office, be re-elected and re-appointed.

The Directors and senior management shall not also serve as Supervisors.

The Board of Supervisors is responsible to the general Shareholders' meeting and lawfully exercises the following powers:

- i. examine and give written examination opinions on the Company's regular reports prepared by the Board of Directors
- ii. Examine the financial standing of our Company;
- iii. Supervise the Company's duties performing of Directors and senior management, and put forward suggestions for dismissing any Directors or senior management who are in breach of the laws, administrative regulations, the Articles of Association or resolutions of the general Shareholders' meetings;
- iv. Require the Directors and senior management to take corrective measures when their actions are detrimental to the Company's interests;
- v. Propose to convene an extraordinary general Shareholders' meeting, and where the Board of Directors fails to perform the duties in relation, to convene or preside over the general Shareholders' meeting, to convene and preside over the general Shareholders' meeting;
- vi. Submit proposals at the general Shareholders' meetings;
- vii. Bring actions against the Directors and senior management in accordance with the laws;
- viii. Investigate into any abnormalities in operation of our Company; if necessary, to engage accounting firms, law firms and other professional institutions to assist its work, and the expenses shall be borne by our Company;
- ix. Verify the financial information such as the financial reports, business reports and profit distribution plans to be submitted by the Board to the general Shareholders' meetings and, should any queries arise, to authorize, in the name of our Company, a re-examination by the certified public accountants and practicing auditors;

- x. Other powers and duties stipulated in the Articles of Association and authorized by the general shareholder's meetings.

The Supervisors may attend the meetings of the Board of Directors, query or provide suggestions on the resolution matters of the Board meeting.

(8) General manager

Our Company has one general manager, appointed or dismissed by the Board of Directors. The general manager of our Company is responsible to the Board of Directors and exercises the following powers:

- i. Be in charge of the producing and operational management of our Company, organize the enforcement of resolutions of the Board of Directors and report to the Board of Directors on work;
- ii. Organize the implementation of the annual operation plans and investment schemes decided by the Board of Directors;
- iii. Formulate the structure scheme of the internal department of our Company;
- iv. Formulate the fundamental management policies of our Company;
- v. Formulate the fundamental management rules of our Company;
- vi. Propose the appointment or dismissal of the Company's vice general manager, Finance Director to the Board of Directors;
- vii. Appoint or dismiss other management personnel except those who shall be appointed or dismissed by the Board of Directors;
- viii. Other responsibilities authorized by the Articles of Association and the Board of Directors.

(9) Reserves

When the annual after-tax earnings of our Company are distributed, our Company must allocate 10% of the earnings to the statutory reserve of the Company.

When the total amount of the statutory reserve exceeds 50% of our Company's registered capital, no more allocations need to be drawn.

If the Company's statutory reserve is insufficient to offset our losses during the previous year, the earnings generated during the current year must be used to make up the losses before allocating the statutory reserve in accordance with the requirements set forth above.

After allocation to the statutory reserve from the after-tax earnings of our Company, we may also allocate to the reserves at will from after-tax earnings in line with the resolution(s) adopted at the general Shareholders' meeting.

After our Company has made up for its losses and made allocations to its statutory reserve fund, the remaining profits are distributed in proportion to the number of shares held by the Shareholders, unless otherwise specified by the Articles of Association.

If the general Shareholders' meeting or the Board of Directors violates the above provisions and profits are distributed to the Shareholders before the Company makes up for losses or makes allocations to the statutory reserve fund, the profits distributed in violation of the provisions must be returned by such Shareholders to the Company.

The shares held by our Company itself shall not be subject to profit distribution.

The Company's reserves must be used only for offsetting losses of the Company, expanding the scale of business and operations or for conversion into capital. To cover the Company's losses with the surplus reserve, the discretionary surplus reserve and the statutory surplus reserve shall be used first; if the losses cannot be fully covered, the capital surplus reserve may be used in accordance with the regulations.

Where the statutory reserve converses into capital, the remaining statutory reserve shall not be less than 25% of the registered capital of our Company before such conversion.

FURTHER INFORMATION ABOUT OUR COMPANY**Incorporation of Our Company**

Our Company was established as a limited liability company in the PRC on May 4, 2017 and was converted into a joint stock company on December 13, 2021 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company is RMB360,000,000.

Our Company has established a place of business in Hong Kong at Room 1918, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on February 9, 2022. Mr. Li Kin Wai, one of our joint company secretaries, has been appointed as our agent for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in “Appendix V—Summary of Articles of Association.” A summary of certain relevant aspects of the laws and regulations of the PRC is set out in “Appendix IV—Summary of Principal Legal and Regulatory Provisions”.

Changes in the Share Capital of Our Company

Save as disclosed in the section headed “History, Development and Corporate Structure—Establishment and Development of Our Company”, there has been no alterations of our share capital within the two years preceding the date of publication of this Prospectus.

Corporate Reorganization

Our Company has not gone through any corporate reorganization. For details of the history and development of our Company, see the section headed “History, Development and Corporate Structure” in this Prospectus.

Resolutions of our Shareholders

Pursuant to a general meeting held on June 16, 2025, among other things, our Shareholders resolved that:

- (a) the issuance by our Company of the H Shares of nominal value of RMB1.00 each and such H Shares being listed on the Hong Kong Stock Exchange;
- (b) the number of H Shares to be issued shall not be more than 25% of the total issued share capital of our Company as enlarged by the Global Offering, and the grant to the underwriters (or their representatives) of the Over-allotment Option of not more than 15% of the number of H Shares issued pursuant to the Global Offering;

- (c) subject to the completion of the Global Offering, the adoption of the Articles of Association which shall become effective on the Listing Date, and authorization to the Board to amend the draft of the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules;
- (d) authorization of the Board and/or authorized persons to handle all matters relating to, among other things, the Global Offering, the issue and listing of the H Shares;
- (e) a general mandate given to the Board to exercise all powers of our Company to allot, issue and deal with H Shares up to the limit of 20% of H Shares in issue upon Listing pursuant to the relevant laws and regulation and the Listing Rules, excluding any H Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option and such general mandate will remain effective until the earlier of (i) the conclusion of the next annual general meeting of our Company, and (ii) the date on which a shareholders' resolution is passed to withdraw or revise the relevant general mandate;
- (f) the granting of a general mandate to the Board to repurchase Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued H Shares as of the Listing Date.

Explanatory Statement on Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this Prospectus concerning the repurchase of our own securities.

(a) Reasons for repurchase

The Board considered that the repurchase of the Shares would be beneficial to and in the best interests of the Company and its Shareholders as a whole. It can strengthen the investors' confidence in the Company and promote a positive effect on maintaining the Company's reputation in the capital market. Such repurchases will only be made when the Board believes that such repurchases will benefit the Company and its Shareholder as a whole.

(b) Exercise of the general mandate to repurchase Shares

Subject to the passing of the special resolution approving the grant of the general mandate to repurchase Shares at annual general meetings, the Board will be granted general mandate to repurchase Shares until the end of the relevant period. The general mandate to repurchase Shares would expire on the earlier of:

- (i) the conclusion of the next annual general meeting of the Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions;
- (ii) the revocation or variation of the mandate under the resolution by a special resolution at the next general meeting of the Company; or
- (iii) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of the Company.

Furthermore, we need to complete registration and approval procedures with relevant government authorities for the actual grant of the repurchase mandate to the Board, as applicable. The exercise in full of the general mandate to repurchase H Shares would result in a maximum of 10% of the H Shares in issue as of the Listing Date being repurchased by the Company during the relevant period.

(c) Source of funds

In repurchasing its Shares, the Company intends to apply funds from the Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to repurchase its Shares. Any shares to be repurchased will be cancelled or utilized subject to the Articles of Association and applicable laws and regulations. Any repurchases by the Company may only be made out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for such purpose. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(d) Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

(e) Close associates and core connected persons

None of our Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase Shares is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase Shares is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, supervisor, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

(f) Status of repurchased Shares

Subject to the Articles of Association, the Listing Rules and any other applicable laws and regulations, following a repurchase of the H Shares, the Company may cancel any repurchased Shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances.

(g) Takeover implications

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

(h) General

To the best knowledge of the Directors, neither the explanatory statement contained herein nor the proposed share repurchase has unusual features.

If the general mandate to repurchase Shares were to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

Our Directors will exercise the general mandate to repurchase Shares in accordance with the Listing Rules, the Articles and the applicable laws in the PRC.

Changes in the Share Capital of our Subsidiaries

Our subsidiaries as of the Latest Practicable Date are set out in “History, Development and Corporate Structure—Our Subsidiaries.” There has been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this Prospectus.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Prospectus that are or may be material:

- (a) a cornerstone investment agreement dated December 23, 2025 entered into among our Company, Abu Dhabi Investment Authority, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$15.0 million;
- (b) a cornerstone investment agreement dated December 23, 2025 entered into among our Company, UBS Asset Management (Singapore) Ltd. (in its capacity as the delegate of the investment manager for and on behalf of the investors listed in the agreement), Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$10.0 million;

- (c) a cornerstone investment agreement dated December 23, 2025 entered into among our Company, OrbiMed Genesis Master Fund, L.P., Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$10.0 million;
- (d) a cornerstone investment agreement dated December 23, 2025 entered into among our Company, Huang River Investment Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$5.0 million;
- (e) a cornerstone investment agreement dated December 23, 2025 entered into among our Company, China Asset Management (Hong Kong) Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$5.0 million;
- (f) a cornerstone investment agreement dated December 23, 2025 entered into among our Company, LYFE Capital Fund IV (Dragon), L.P., Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$5.0 million;
- (g) a cornerstone investment agreement dated December 23, 2025 entered into among our Company, Poly Platinum Enterprises Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$3.0 million;
- (h) a cornerstone investment agreement dated December 23, 2025 entered into among our Company, Greater Bay Area Development Fund Management Limited for and on behalf of the Managed Account of Mega Prime Development Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$2.0 million;

- (i) a cornerstone investment agreement dated December 23, 2025 entered into among our Company, China Alpha Fund Management (HK) Limited acting as Investment Adviser for and on behalf of China Alpha Multi-Joy Value Fund and acting as Sub-Manager for and on behalf of Global Integrity Fund Ltd, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$5.0 million;
- (j) a cornerstone investment agreement dated December 23, 2025 entered into among our Company, Tekful Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$3.0 million;
- (k) a cornerstone investment agreement dated December 23, 2025 entered into among our Company, Integrated Core Strategies (Asia) Pte. Ltd., Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$3.0 million;
- (l) a cornerstone investment agreement dated December 23, 2025 entered into among our Company, Sage Partners Master Fund, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$3.0 million;
- (m) a cornerstone investment agreement dated December 23, 2025 entered into among our Company, Panjing Harbourview Investment Fund, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$3.0 million;
- (n) a cornerstone investment agreement dated December 23, 2025 entered into among our Company, Infini Global Master Fund, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$3.0 million; and
- (o) the Hong Kong Underwriting Agreement.

Intellectual Property Rights***Trademarks***

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of Registration	Class	Registration Number	Date of registration	Expiry dates
1. . . .	精 锋 医 疗	PRC	37	42543380	October 28, 2020	October 27, 2030
2. . . .	EDGE ^V MEDICAL	PRC	37	42551399	August 28, 2020	August 27, 2030
3. . . .	EDGE ^V MEDICAL 精 锋 医 疗	PRC	10	30335238	December 28, 2019	December 27, 2029
4. . .	EDGE ^V MEDICAL	PRC	35	30331511A	March 21, 2019	March 20, 2029
5. . . .	精 锋 医 疗	PRC	10	30326406	February 7, 2019	February 6, 2029
6. . . .	精 锋 医 疗	PRC	25	50690514	October 7, 2021	October 6, 2031
7. . . .	EDGE ^V MEDICAL 精 锋 医 疗	Hong Kong	10	305761756	February 4, 2022	September 29, 2031
8. . . .	精 锋	Hong Kong	10	305761747	February 4, 2022	September 29, 2031
9. . . .	精 锋 医 疗	Hong Kong	10	305761765	February 4, 2022	September 29, 2031
10. . .	精 锋 医 疗	PRC	41	58774332	February 28, 2022	February 27, 2032
11. . .	E-hand	PRC	10	57297656	January 21, 2022	January 20, 2032
12. . .		PRC	10	57304924	January 21, 2022	January 20, 2032
13. . .	精图	PRC	10	57305051	January 21, 2022	January 20, 2032
14. . .	Xedge	PRC	10	57299199	January 21, 2022	January 20, 2032
15. . .	RocE	PRC	10	57281811	January 21, 2022	January 20, 2032
16. . .	RocX	PRC	10	57312937	January 14, 2022	January 13, 2032
17. . .	edge robot	PRC	10	57281884	January 14, 2022	January 13, 2032

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

No.	Trademark	Place of Registration	Class	Registration Number	Date of registration	Expiry dates
18. . .	edge surgical robot	PRC	10	57281898	January 14, 2022	January 13, 2032
19. . .	精图内窥镜	PRC	10	57311845	January 21, 2022	January 20, 2032
20. . .	精锋	PRC	10	57183883	January 14, 2022	January 13, 2032
21. . .	edgeX	PRC	10	62034007	July 7, 2022	July 6, 2032
22. . .	Xedge	EU	10	0108484343	September 16, 2021	June 1, 2031
23. . .	Xedge	EU	10	018640570	May 7, 2022	January 18, 2032
24. . .	edgeX	EU	10	018640570	May 7, 2022	January 18, 2032
25. . .	EDGE ^V EDICAL 精锋	Hong Kong	10	305882176	June 14, 2022	February 14, 2032
26. . .	Xedge	Hong Kong	10	305856382	May 27, 2022	January 11, 2032
27. . .	edgeX	Hong Kong	10	305856391	May 27, 2022	January 11, 2032
28. . .	精图	Hong Kong	10	306247107	April 8, 2024	May 17, 2033
29. . .	精锋云	PRC	37	81016675	March 28, 2025	March 27, 2035
30. . .	精锋云	PRC	10	81019290	March 28, 2025	March 27, 2035
31. . .	精锋云	PRC	38	81019520	March 28, 2025	March 27, 2035
32. . .	精锋云	PRC	35	81010335	March 21, 2025	March 20, 2035
33. . .	精锋云	PRC	44	81021095	March 28, 2025	March 27, 2035
34. . .	精锋云	PRC	09	81019199	March 28, 2025	March 27, 2035
35. . .	Xedge	U.S.	10	97225272	April 9, 2024	June 5, 2033
36. . .	edgeX	U.S.	10	97225290	June 6, 2023	April 8, 2034
37. . .	edge	U.S.	10	90749350	June 17, 2025	June 17, 2035

Patents

Please refer to section headed “Business—Intellectual Property” for patents registered as of the Latest Practicable Date which we consider to be or may be material to our business.

Domain Name

As of the Latest Practicable Date, we had registered the following internet domain names which we consider to be or may be material to our business:

<u>No.</u>	<u>Domain Name</u>	<u>Owner</u>	<u>Registration Date</u>
1. . . .	edgemed.cn	Company	March 27, 2019

FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS**1. Disclosure of Interests**

Save as disclosed below, immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), so far as our Directors are aware, none of our Directors, Supervisors or chief executive has any interests or short positions in our Shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

(a) Interests in our Company

Name	Position	Nature of Interest	Number and class of Shares held ⁽¹⁾	Approximate percentage of shareholding in the relevant class of Shares after the Global Offering ⁽¹⁾ (%)	Approximate percentage of shareholding in the total number of Shares after the Global Offering (%)
Dr. Wang.	Executive	Beneficial interest/	46,868,863	73.10	12.09
	Director	Interest in controlled corporations ⁽²⁾ /	Unlisted Shares		
		Interest of spouse ⁽³⁾	121,043,497 H Shares	37.40	31.22
Dr. Gao	Executive	Beneficial interest/	46,868,863	73.10	12.09
	Director	Interest of spouse ⁽³⁾	Unlisted Shares		
			121,043,497 H Shares	37.40	31.22
Mr. Sheng Li . . .	Non-executive	Interest in controlled	30,641,895	9.47	7.90
	Director	corporations ⁽⁴⁾	H Shares		

Notes:

- (1) The calculation is based on the total number of 64,119,252 Unlisted Shares in issue and 323,602,948 H Shares in issue immediately after completion of the Global Offering, and assuming that the Over-allotment Option is not exercised.
- (2) Dr. Wang, being the sole general partner of Xieli Chuangfeng, controls Xieli Chuangfeng. Therefore, Dr. Wang is deemed to be interested in the Shares in our Company held by Xieli Chuangfeng.
- (3) Dr. Gao is the spouse of Dr. Wang and therefore, Dr. Gao is deemed to be interested in the equity interests in our Company held by Dr. Wang directly and through Xieli Chuangfeng.
- (4) Each of Sanzheng Zhengyun, Robust Edge Investments and Centroid Investments (collectively “**3H Health Entities**”) is an investment vehicle operated under the brand of 3H Health Investment. Sanzheng Zhengyun is ultimately controlled by Mr. Sheng Li, our non-executive Director, and therefore Mr. Sheng Li is deemed to be interested in 11,691,424 H Shares held by Sanzheng Zhengyun under the SFO. In addition, due to the common management of the 3H Health Entities, Mr. Sheng Li is also deemed to be interested in an aggregate of 18,950,471 H Shares held by Robust Edge Investments and Centroid Investments.

2. Substantial Shareholders

For the information on the persons who will, immediately following the completion of the Global Offering have interests or short positions in our Shares or underlying Shares would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, see the section headed “Substantial Shareholders” in this Prospectus.

So far as set out above, our Directors are not aware of any persons (other than our Directors, Supervisors or chief executive) will, immediately following the completion of the Global Offering, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

3. Service Contracts

Our Directors and Supervisors have entered into service contracts with our Company. The principal particulars of these service contracts comprise (a) the term of service; and (b) termination provisions in accordance with their respective terms. Our Directors and Supervisors may be reappointed subject to Shareholders' approval. The service contracts can be renewed pursuant to our Articles of Association and applicable rules.

Save as disclosed above, we have not entered, and do not propose to enter, into any service contracts with any of our Directors or Supervisors in their respective capacities as Directors or Supervisors (other than contracts expiring or determinable by the employer within one year without any payment of compensation (other than statutory compensation)).

4. Director's and Supervisors' Remuneration

Save as disclosed in "Directors, Supervisors and Senior Management" and "Appendix I—Accountants' Report—Notes to The Historical Financial Information—8. Directors' and Supervisors' emoluments" for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025, none of our Directors or Supervisors received other remunerations of benefits in kind from us.

5. Employee Incentive Scheme

The Company adopted a share option scheme on January 20, 2019, which was adjusted by the Board resolutions dated January 4, 2022 (the "**Employee Incentive Scheme**") pursuant to which all the options granted but not exercised were replaced by the restricted Share awards in the form of the economic interests as a limited partner in the Employee Incentive Platforms. The following is a summary of the principal terms of the Employee Incentive Scheme. The Employee Incentive Scheme does not involve the grant of options or awards by our Company to subscribe for new Shares. Given the underlying Shares under the Employee Incentive Scheme had already been issued, there will not be any dilution effect to the issued Shares upon the vesting of the Shares under the Employee Incentive Scheme. The terms of the Employee Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules, as the Employee Incentive Scheme does not involve the grant of Share awards by our Company after the Listing.

As of the Latest Practicable Date, the Company had established three Employee Incentive Platforms, namely Zhongxu Ruifeng, Heyi Ruifeng and Jingcheng Ruifeng. The three Employee Incentive Platforms, in aggregate, held approximately 59.77% economic interest as

limited partners in Xieli Chuangfeng, one of our Controlling Shareholders. For the details of the Employee Incentive Platforms, see “History, Development and Corporate Structure—Employee Incentive Scheme.”

Objectives

The purpose of the Employee Incentive Scheme is to build an incentive mechanism for the management members and core employees of our Company to achieve the Company’s sustainable and healthy development.

Eligibility

Participants of the Employee Incentive Scheme (the “**Participants**”) include the directors, supervisors, senior management members and employees of the Group.

Administration of the Employee Incentive Scheme

Our Board retains full discretion over, among others, the following matters of the Employee Incentive Scheme:

- replacement of the general partner of the Employee Incentive Platforms;
- the selection of Participants in the Employee Incentive Scheme and the awards to be granted to each Participant;
- amendment of the Employee Incentive Scheme; and
- other actions authorized by the Shareholders’ meeting.

The Board has authorized Dr. Wang, chairman of the Board, our executive Director and CEO to manage the day-to-day operations of the Employee Incentive Platforms.

Exit from Employee Incentive Platforms

Subject to approval of the general partner, a Participant is required to exit the Employee Incentive Platforms if:

- the Participant has died, or been declared dead, according to law or become incapacitated;
- the Participant has lost the relevant qualifications required by law to be a partner in a limited partnership;
- the economic interests of the Participant in the partnership has been forced to sell pursuant to court orders;
- all other partners of the relevant Employee Incentive Platforms have decided to strike out a Participant from the partnership if the Participant (a) has not complied with his/her fund contribution obligations, (b) has caused loss to the relevant Employee Incentive Platform intentionally or due to gross negligence of the Participant, or (c) has any misconduct in execution of partnership affairs; and
- any other circumstances occurred which will lead to a mandatory exit by the Participant from the partnership pursuant to the relevant laws and regulations.

Subject to the restrictions set out in the section headed “Restrictions on disposals” below, a Participant is entitled to reduce its economic interests as a limited partner by reducing its fund contributions to the relevant Employee Incentive Platform with the consent from the general partner of the relevant Employee Incentive Platform if:

- (1) the Participant is willing to dispose all or part of his or her fund contribution to the Employee Incentive Platform in the event that the disposal conditions of the economic interests as stipulated in the Employee Incentive Scheme are all met; or
- (2) all or part of the Participant’s fund contribution to an Employee Incentive Platform are required to be repurchased pursuant to the Employee Incentive Scheme.

In the case of (1) above, the Employee Incentive Platform will sell the Shares underlying the Participant’s economic interests in the Employee Incentive Platform according to the provisions of the Employee Incentive Scheme. The Participant will receive proceeds from the sale of Shares (after deduction of relevant taxes and fees), and his or her corresponding fund contribution to the Employee Incentive Platform will be redeemed. The Participant’s total fund contribution to the Employee Incentive Platform is therefore reduced.

In the case of (2) above, the Company will repurchase and cancel the Shares underlying the Participant's economic interests in the Employee Incentive Platform at the repurchase price as stipulated in the relevant documents in relation to the Employee Incentive Scheme, and the Employee Incentive Platform will repurchase the Participant's economic interests in the Employee Incentive Platform accordingly. The Participant will receive proceeds from the repurchase (after deduction of relevant taxes and fees), and his or her corresponding fund contribution in the Employee Incentive Platform will be redeemed. The Participant's total fund contribution to the Employee Incentive Platform is therefore reduced.

A Participant's economic interests in the Employee Incentive Platform can also be reduced by transferring them to the general partner of the relevant Employee Incentive Platform or a designated entity of the Company in accordance with the provisions of the Employee Incentive Scheme.

Restrictions on disposals

As of the Latest Practicable Date, (i) all the awards under the Employee Incentive Scheme have been granted and no further award will be granted after Listing, and (ii) each of the grantees has become the limited partner in the relevant Employee Incentive Platform subject to certain restrictions on disposals of his or her interest. The Participants may not dispose of his or her interest in the Employee Incentive Platforms unless (i) the Company has been listed for at least one full year, (ii) the lock-up period (if any and varies for different grantees) for the Participants has expired and (iii) none of the following circumstances have occurred to the relevant Participants:

- Employees who have been identified as inappropriate candidates by any stock exchange in the past 12 months;
- Employees who have been identified as inappropriate candidates by CSRC and its dispatched agencies in the past 12 months;
- Employees who have received administrative penalties or market ban measures from CSRC and its dispatched agencies due to serious violation of the laws and regulations in the past 12 months;
- Employees who are forbidden to hold the senior management positions in a company pursuant to the PRC Company Law;
- Employees who are forbidden to participate in any incentive scheme of a listed company pursuant to the relevant laws and regulations;
- Employees who haven't met his or her the performance target; and
- Employees who have been as determined by the Board or its authorized persons to have seriously violate the policies of the Company.

Details of interests in the Employee Incentive Platforms

As of the Latest Practicable Date, the aggregate number of Shares underlying the awards granted to the Directors, Supervisors and senior management members amounted to 1,959,708 Shares representing 0.51% of our Company's total issued share capital upon Listing (assuming the Over-allotment Option is not exercised). Details of the Shares underlying the awards granted as of the Latest Practicable Date pursuant to the Employee Incentive Scheme to our Directors, Supervisors and senior management members are set out below:

Name of Directors, Supervisors or senior management	Position/Title	Relevant Employee Incentive Platforms	Interests in the Relevant Employee Incentive Platforms	Date of Grant	Number of Shares underlying the awards granted under the Scheme (as of the Latest Practicable Date)
Ms. Wu Mengyuan (吳夢媛)	Executive Director and Joint Company Secretary	Jingcheng Ruifeng Heyi Ruifeng	0.72% 0.97%	January 4, 2022 March 1, 2024	12,434 38,877
Mr. Lin Mincai (林民才)	Supervisor	Zhongxu Ruifeng	23.49%	January 4, 2022	153,212
Mr. Ye Guoqiang (葉國強)	Supervisor	Heyi Ruifeng	9.98%	March 1, 2024	402,136
Mr. Zhang Xiangping (張相平)	Supervisor	Heyi Ruifeng	9.98%	March 1, 2024	402,136
Mr. Chen Zongxi (陳宗希)	Chief Commercial Officer	Jingcheng Ruifeng	42.08%	January 4, 2022	723,168
Mr. Han Wenbin (韓文彬)	Vice President of Supply Chain	Heyi Ruifeng	5.65%	January 4, 2022	227,745

As of the Latest Practicable Date, the aggregate number of Shares underlying the awards granted to the remaining 9 grantees other than the Directors, Supervisors and senior management members amounted to 2,379,156 Shares, representing (i) 0.61% of our Company's total issued share capital upon Listing (assuming the Over-allotment Option is not exercised) and (ii) 75.40%, 55.35% and 23.24% limited partnership interest in Zhongxu Ruifeng, Jingcheng Ruifeng and Heyi Ruifeng, respectively. All of the 9 grantees are employees of the Group and consist of 2 mid-level management members and 7 key personnel in our research and development department. None of the 9 grantees is a connected person of the Company.

6. Disclaimers

Saved as disclosed in this Prospectus:

- (a) none of our Directors, Supervisors or any of the parties listed in “Qualification of Experts” of this Appendix is:
 - (i) interested in our promotion, or in any assets which, within the two years immediately preceding the date of this Prospectus, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;
 - (ii) materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to our business;
- (b) save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties listed in “Qualification of Experts” of this Appendix:
 - (i) is interested legally or beneficially in any shares in any member of our Group;
or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;
- (c) none of our Directors or Supervisors or their close associates or any shareholders of our Company who to the knowledge of our Directors owns more than 5% of our issued share capital has any interest in our top five customers or suppliers; and
- (d) none of our Directors or Supervisors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

OTHER INFORMATION**Estate Duty**

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or our subsidiary.

Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration, administrative proceedings or claims of material importance, and, so far as we are aware, no litigation, arbitration, administrative proceedings or claims of material importance are pending or threatened against any member of our Group.

Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee for the listing of, and permission to deal in, our H Shares. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Each of the Joint Sponsors will receive a fee of US\$500,000 for acting as a sponsor for the Listing.

Preliminary Expenses

Our Company did not incur any material preliminary expenses.

Qualification of Experts

The qualifications of the experts who have given opinions or advice in this Prospectus are as follows:

Name	Qualification
Morgan Stanley Asia Limited . .	Licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) of regulated activities under the SFO
GF Capital (Hong Kong) Limited	Licensed to conduct Type 6 (advising on corporate finance) regulated activities as defined under the SFO
KPMG	Certified Public Accountants and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Jingtian & Gongcheng	PRC legal advisor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

As at the Latest Practicable Date, none of the experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Consents of Experts

Each of the experts referred to in “Qualification of Experts” in this Appendix has given and has not withdrawn its respective written consent to the issue of this Prospectus with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

Compliance Adviser

We have appointed Somerley Capital Limited as our Compliance Adviser upon the Listing in compliance with Rule 3A.19 of the Listing Rules.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. For further information in relation to taxation, see “Appendix III—Taxation and Foreign Exchange—Taxation on Share Transfer”.

No Material Adverse Change

Save as disclosed in the “Summary—Recent Development and No Material Adverse Change” and “Financial Information—No Material Adverse Change” to this Prospectus, after all due diligence was performed as appropriate as the Directors believe, our Directors confirm that, as of the date of this Prospectus, there has been no material adverse change in our financial position or prospects since June 30, 2025 and there has been no event that materially and adversely affected the data set out in the accountants’ reports in Appendix I to this Prospectus since June 30, 2025.

Binding Effect

This Prospectus shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Miscellaneous

Save as disclosed in this Prospectus:

- (a) within the two years preceding the date of this Prospectus: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;
- (b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) there are no arrangements under which future dividends are waived or agreed to be waived;
- (e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
- (f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;
- (g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;
- (h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (i) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought;
- (j) our Company has no outstanding convertible debt securities or debentures; and
- (k) our Company is a joint stock limited company and is subject to the PRC Company Law.

Restrictions on Share Repurchases

For details, see the sections headed “Appendix IV—Summary of Principal Legal and Regulatory Provisions” and “Appendix V—Summary of Articles of Association” in this Prospectus.

Bilingual Prospectus

The English language and Chinese language versions of this Prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Promoters

The promoters of our Company are all of the 46 then shareholders of our Company as at November 8, 2021 before our conversion into a joint stock limited liability company. Save as disclosed in this Prospectus, within the two years immediately preceding the date of this Prospectus, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the Global Offering or the related transactions described in this Prospectus.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this Prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in “Appendix VI—Statutory and General Information—Other Information—Consents of Experts”; and
- (b) a copy of each of the material contracts referred to in “Appendix VI—Statutory and General Information—Further Information about our Business—Summary of Material Contracts.”

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at <https://www.edgemed.cn> during a period of 14 days from the date of this Prospectus:

- 1. the Articles of Association;
- 2. the Accountants’ Report prepared by KPMG, the text of which is set forth in Appendix I to this Prospectus;
- 3. the audited consolidated financial statements of our Group for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025;
- 4. the report prepared by KPMG on the unaudited pro forma financial information of our Group, the text of which is set forth in Appendix II to this Prospectus;
- 5. the material contracts in “Appendix VI—Statutory and General Information—Further Information about our Business—Summary of Material Contracts”;
- 6. the written consents referred to in “Appendix VI—Statutory and General Information—Other Information—Consents of Experts”;
- 7. the service contracts referred to in “Appendix VI—Statutory and General Information—Further Information about our Directors, Supervisors, Senior Management and Substantial Shareholders—3. Service Contracts”;
- 8. the legal opinions issued by Jingtian & Gongcheng, our PRC Legal Advisor, in respect of, among other things, the general matters and property interests of our Group under PRC law;

9. the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.;
and
10. a copy of the PRC Company Law and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.



EDGE MEDICAL
精 鋒 医 疗

深圳市精鋒醫療科技股份有限公司
Shenzhen Edge Medical Co., Ltd.