

The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission take no responsibility for the contents of this Application Proof, 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 Application Proof.

Application Proof of

Geneplus Technology (Shaoxing) Co., Limited*

吉因加科技(紹興)股份有限公司

(the “Company”)

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

WARNING

The publication of this Application Proof is required by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Securities and Futures Commission (the “**Commission**”) solely for the purpose of providing information to the public in Hong Kong.

This Application Proof is in draft form. The information contained in it is incomplete and is subject to change which can be material. By viewing this document, you acknowledge, accept and agree with the Company, its joint sponsors, overall coordinator, advisors or members of the underwriting syndicate that:

- (a) this document is only for the purpose of providing information about the Company to the public in Hong Kong and not for any other purposes. No investment decision should be based on the information contained in this document;
- (b) the publication of this document or supplemental, revised or replacement pages on the Stock Exchange’s website does not give rise to any obligation of the Company, its joint sponsors, overall coordinator, advisors or members of the underwriting syndicate to proceed with an offering in Hong Kong or any other jurisdiction. There is no assurance that the Company will proceed with the offering;
- (c) the contents of this document or supplemental, revised or replacement pages may or may not be replicated in full or in part in the actual final listing document;
- (d) the Application Proof is not the final listing document and may be updated or revised by the Company from time to time in accordance with the Rules Governing the Listing of Securities on the Stock Exchange;
- (e) this document does not constitute a prospectus, offering circular, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it calculated to invite offers by the public to subscribe for or purchase any securities;
- (f) this document must not be regarded as an inducement to subscribe for or purchase any securities, and no such inducement is intended;
- (g) neither the Company nor any of its affiliates, joint sponsors, overall coordinator, advisors or members of its underwriting syndicate is offering, or is soliciting offers to buy, any securities in any jurisdiction through the publication of this document;
- (h) no application for the securities mentioned in this document should be made by any person nor would such application be accepted;
- (i) the Company has not and will not register the securities referred to in this document under the United States Securities Act of 1933, as amended, or any state securities laws of the United States;
- (j) as there may be legal restrictions on the publication of this document or dissemination of any information contained in this document, you agree to inform yourself about and observe any such restrictions applicable to you; and
- (k) the application to which this document relates has not been approved for listing and the Stock Exchange and the Commission may accept, return or reject the application for the subject public offering and/or listing.

If an offer or an invitation is made to the public in Hong Kong in due course, prospective investors are reminded to make their investment decisions solely based on the Company’s prospectus registered with the Registrar of Companies in Hong Kong, copies of which will be made available to the public during the offer period.

* For identification purpose only

IMPORTANT

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



Geneplus Technology (Shaoxing) Co., Limited*
吉因加科技(紹興)股份有限公司

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

[REDACTED]

Number of [REDACTED] under the : [REDACTED] H Shares (subject to the
[REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
reallocation)
Number of [REDACTED] : [REDACTED] H Shares (subject to
reallocation and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus
brokerage of 1.0%, AFRC transaction
levy of 0.00015%, SFC transaction levy
of 0.0027% and Stock Exchange trading
fee of 0.00565% (payable in full on
application in Hong Kong dollars and
subject to refund)
Nominal value : RMB1.00 per H Share
[REDACTED] : [REDACTED]

*Joint Sponsors, [REDACTED], [REDACTED],
[REDACTED] and [REDACTED]*



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 document, 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 document.

A copy of this document, having attached thereto the documents specified in “Appendix VII — Documents Delivered to the Registrar of Companies and Available on Display,” [has] been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this document or any other documents referred to above.

The [REDACTED] is expected to be determined by agreement between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and the Company on the [REDACTED]. The [REDACTED] is expected to be on or around [REDACTED] (Hong Kong time). The [REDACTED] will not be more than HK\$[REDACTED] per [REDACTED] and is currently expected to be not less than HK\$[REDACTED] per [REDACTED]. If, for any reason, the [REDACTED] is not agreed by 12:00 noon on [REDACTED] (Hong Kong time) between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and the Company, the [REDACTED] will not proceed and will lapse.

The [REDACTED] (for themselves and on behalf of the [REDACTED]) may, with our consent, reduce the number of [REDACTED] and/or the [REDACTED] below that stated in this document at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such case, an announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.geneplus.cn and the [REDACTED] will be canceled and relaunched at the revised number of [REDACTED] and/or the revised [REDACTED], 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 [REDACTED] under the [REDACTED]. See “Structure of the [REDACTED]” and “How to Apply for [REDACTED]” for details.

The obligations of the [REDACTED] under the [REDACTED] to [REDACTED] for, and to procure [REDACTED] for, the [REDACTED] are subject to termination by the [REDACTED] (for themselves and on behalf of the [REDACTED]) if certain events occur prior to 8:00 a.m. on the [REDACTED]. See “[REDACTED]” for details of such circumstances.

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any U.S. state securities law and may not be [REDACTED], [REDACTED], pledged or transferred within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities law. The [REDACTED] are being [REDACTED] and [REDACTED] outside the United States in offshore transactions in accordance with Regulation S.

[REDACTED]

* For identification purpose only

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

CONTENTS

IMPORTANT NOTICE TO PROSPECTIVE [REDACTED]

This document is issued by the Company solely in connection with the [REDACTED] and the [REDACTED] and does not constitute an [REDACTED] to sell or a solicitation of an [REDACTED] to buy any security other than the [REDACTED] by this document pursuant to the [REDACTED]. This document may not be used for the purpose of making, and does not constitute, an [REDACTED] or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a [REDACTED] of the Hong Kong [REDACTED] in any jurisdiction other than Hong Kong and no action has been taken to permit the publication of this document in any jurisdiction other than Hong Kong. The distribution of this document for purposes of a [REDACTED] and the [REDACTED] and [REDACTED] of the Hong Kong [REDACTED] 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 document to make your [REDACTED]. The [REDACTED] is made solely on the basis of the information contained and the representations made in this document. We have not authorized anyone to provide you with information that is different from what is contained in this document. Any information or representation not contained nor made in this document must not be relied on by you as having been authorized by the Company, the Joint Sponsors, [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], any of our or their respective affiliates, directors, officers, employees, advisors, agents or representatives, or any other persons involved in the [REDACTED].

Information contained on our website (www.geneplus.cn) does not form part of this document.

	Page
Contents	vi
Summary	1
Definitions	23
Glossary of Technical Terms	34
Forward-Looking Statements	42
Risk Factors	44
Waivers and Exemption	83
Information about this Document and the [REDACTED]	91
Directors, Supervisors and Parties Involved in the [REDACTED]	96

CONTENTS

Corporate Information	101
Industry Overview	103
Regulatory Overview	123
History, Reorganization and Corporate Structure	142
Business	182
Financial Information	285
Relationship with Our Controlling Shareholders	336
Connected Transactions	340
Share Capital	349
Substantial Shareholders	354
Directors, Supervisors and Senior Management	358
Future Plans and Use of [REDACTED]	373
[REDACTED]	376
Structure of the [REDACTED]	389
How to Apply for [REDACTED]	400
Appendix I — Accountants’ Report	I-1
Appendix IIA — Unaudited [REDACTED] Financial Information	IIA-1
Appendix IIB — [REDACTED]	IIB-1
Appendix III — Taxation and Foreign Exchange	III-1
Appendix IV — Summary of Principal Legal and Regulatory Provisions	IV-1
Appendix V — Summary of the Articles of Association	V-1
Appendix VI — Statutory and General Information	VI-1
Appendix VII — Documents Delivered to the Registrar of Companies and Available on Display	VII-1

SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. Moreover, there are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed “Risk Factors.” You should read the entire document carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are a leading precision medicine company in China with AI capabilities embedded at every stage of the biomarker value chain. Built on a proprietary multi-omics infrastructure incorporating large models and agentic AI, we have forged full-cycle capabilities ranging from multi-omics biomarker and target discovery, validation, product development to commercialization. We provide three solution lines, namely precision diagnostics, drug R&D enablement and clinical research and translation, mainly to hospitals, pharmaceutical and biotechnology companies and medical research institutions. Through a synergistic multi-omics and AI framework, we aim to accelerate the shift of AI-powered multi-omics technologies into scalable clinical application, addressing critical unmet medical needs across China’s vast patient population.

Multi-omics biomarkers serve as the cornerstone of precision medicine, offering a comprehensive view of disease biology that enables sharper patient stratification, earlier detection and more precise therapeutic alignment than single-omics methods. China’s multi-omics solution market is expanding rapidly, primarily propelled by the exponential growth of multi-omics datasets, accelerated discovery of new biomarkers and targets, deeper AI penetration, the emergence of agentic AI technologies, and national policies that prioritize high-value diagnostics. According to CIC, the multi-omics solution market grew from RMB23.3 billion in 2019 to RMB46.4 billion in 2024, representing a CAGR of 14.8% from 2019 to 2024, and is projected to reach RMB122.6 billion by 2030, representing a CAGR of 17.6% from 2024 to 2030.

We established one of the industry’s earliest large-scale multi-omics baseline databases, according to CIC. We pursue a development strategy centered on the deep convergence of AI technologies and clinical value, which has enabled the accumulation of differentiated data assets, supported early entry into key applications, and sustained an ongoing cycle of innovation that strengthens our competitive positioning in China’s precision medicine market.

SUMMARY

The following diagram highlights our key achievements:



Notes:

- (1) as of December 31, 2024, according to CIC
- (2) in terms of revenue in 2024, according to CIC
- (3) as of the Latest Practicable Date

Our leadership and sustainable growth are underpinned by five core strengths:

- **Deep AI Penetration.** Our proprietary AI multi-omics architecture offers broad AI coverage across the full workflow, spanning Omics Factory for large-scale data generation, the Bioinformatics Cloud & Database for analysis and management, and Large Models & Agents for insight derivation and clinical decision support. This integrated infrastructure empowers us to independently discover and clinically validate novel biomarkers, differentiating us from peers focused on known targets or single-function analytics.
- **China's Only Full-Stack Biomarker Platform.** We operate the only fully integrated multi-omics biomarker platform covering discovery, validation, product development and commercialization in China, according to CIC. For example, our early conviction in the clinical value of molecular residual disease (MRD) monitoring exemplifies our differentiated platform. By validating the clinical relevance of MRD biomarkers through early clinical studies across multiple cancer types, we accelerated translation into deployable products. Our MRD solution is being used in leading hospitals under the hospital developed test (HDT) model and became the first domestic MRD assay accepted into the NMPA's Innovative Medical Device Special Review Program (創新醫械特別審查程序), according to CIC. This achievement places us on track to potentially deliver China's first commercial MRD reagent kit, a clear demonstration of our integration and execution strength.

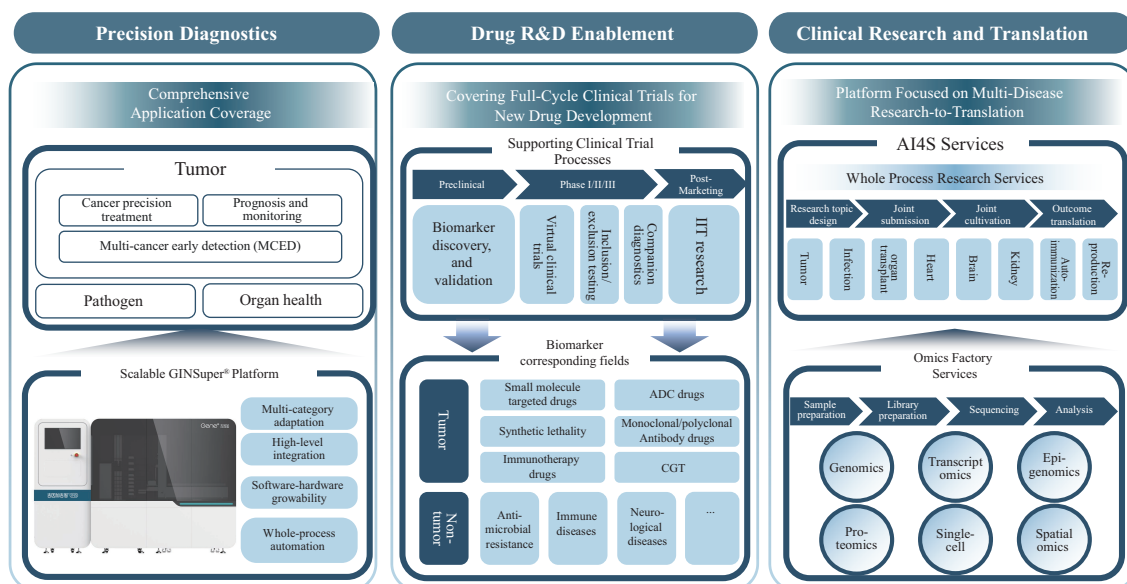
SUMMARY

- **Expansive, Innovative Biomarker Coverage.** According to CIC, we possess the broadest biomarker coverage in China by disease spectrum and progression stage as of December 31, 2024, providing us with strong horizontal scalability. Our portfolio spans oncology, infectious diseases, organ health, cardio-cerebrovascular diseases, neurological disorders and autoimmune conditions. Our research pipeline extends through the clinical continuum, from early screening and diagnosis to disease monitoring and therapy response prediction. In therapeutics, we enable biopharma partners to accelerate R&D through the ongoing discovery of novel biomarkers supporting modalities such as small molecules, antibody drugs and Cell and Gene Therapies (CGTs).
- **Proven Commercial Scale.** Our three business lines complement each other. As of the Latest Practicable Date, we have served over 1,000 hospitals, including 30 of China’s Top 100 hospitals, and we partner with more than 200 pharmaceutical companies and over 500 clinical research customers. These long-term relationships validate our ability to translate scientific breakthroughs into clinical and commercial value.
- **Market-Leading Solutions Portfolio.** We have delivered multiple category-defining advances in precision medicine. According to CIC, we rank third in China’s precision diagnostics solution market in terms of revenue in 2024. In the drug R&D enablement, we provide the full-lifecycle services built around companion diagnostics (CDx), a key enabler of targeted therapy commercialization. Our clinical research and translation platform is among the most advanced domestically, being the first to commercialize biomarkers in the organ health field, according to CIC.

SUMMARY

OUR SOLUTIONS

As the cornerstone of precision medicine, multi-omics biomarkers provide a high-definition, dynamic view of disease research. They span diagnostic markers for early discovery and molecular subtyping, therapeutic markers that guide drug selection and resistance profiling, and monitoring markers that assess treatment response and tissue injury. Built on this foundation, our business spans three synergistic solution streams, namely precision diagnostics, drug R&D enablement, and clinical research and translation, that connect discovery, validation and clinical application.



Precision Diagnostics

Precision diagnostics is our primary business line. During the Track Record Period, our precision diagnostics solutions primarily comprised the sales of in vitro diagnostics (IVD) products and the provision of clinical laboratory testing services. Centered on the innovative clinical application of Next-Generation Sequencing (NGS) and multi-omics analysis, we provide end-to-end solutions primarily for hospitals, independent clinical laboratories (ICLs) and individual customers, which merge automated workstations with a portfolio of diagnostic products addressing key disease domains, including oncology, infectious diseases and organ health.

SUMMARY

Our precision diagnostics solutions are characterized by the following key highlights:

- ***Industry’s First Automated Diagnostics Platform.*** Our proprietary GINSuper[®] platform is China’s first intelligent molecular diagnostics system, according to CIC. It integrates AI, big data and Internet of Things (IoT) technologies to achieve true “walk-away” operation, managing the entire testing process from sample input to report generation without manual intervention. Deployed in leading hospitals in Beijing and Changsha, Hunan Province, GINSuper[®] significantly improves testing throughput and shortens turnaround time (TAT), setting a new industry benchmark for molecular diagnostics in China.
- ***Comprehensive Product Portfolio.*** Our diagnostics portfolio covers disease areas with substantial clinical demand. In oncology, we offer a suite of products including CDx panels for precision therapy guidance, MRD monitoring tools for recurrence risk assessment, and MCED assays powered by our proprietary GM-seq methylation technology. According to CIC, our MRD test was the first pan-cancer product in China to enter the Innovative Medical Device Special Review Program of the NMPA, establishing a strong first-mover position in MRD commercialization. Meanwhile, our MCED assay demonstrates performance consistent with international benchmarks, according to the same source, achieving a validated sensitivity of 82.4%, specificity of 99% and cancer signal origin (CSO) prediction accuracy of 93.6%.

Drug R&D Enablement

We deliver comprehensive R&D enablement services to pharmaceutical companies. Our offering spans the entire drug development lifecycle, from biomarker and target discovery and validation to patient enrollment and exclusion testing, CDx co-development and in silico clinical trials. As of the Latest Practicable Date, we have partnered with over 200 domestic and international pharmaceutical companies, supporting drug development across a broad spectrum of therapeutic modalities such as small molecule drugs, monoclonal antibodies and CGT. Leveraging our proprietary large models and vast clinical database, we can rapidly identify molecular targets linked to disease progression and therapeutic response.

Furthermore, our virtual patient modeling capability allows pharmaceutical companies to simulate clinical outcomes using real-world, multi-omics data, significantly improving trial design and reducing attrition rates in late-stage development. In addition, our translational capability enables us to convert novel biomarkers into regulatory-grade IVD products, facilitating concurrent regulatory submissions of innovative drugs and their CDx.

SUMMARY

Clinical Research and Translation

Our AI for Science (AI4S) services empower research institutions and clinical centers with a full spectrum of services, from multi-omics data acquisition and processing to AI-powered analytical modeling and clinical translation. It enables collaborative research across a wide range of complex disease areas, including oncology, cardiovascular and cerebrovascular disorders and neurological diseases.

Built on our AI multi-omics infrastructure, AI4S combines large-scale data integration with expert-led clinical collaboration, creating a powerful research infrastructure that bridges discovery and application. Our technological leadership is recognized in both liquid biopsy multi-omics and single-cell multi-omics, two prominent frontiers in clinical research, according to CIC.

- Our proprietary GM-seq methylation technology, an innovative advancement in liquid biopsy, has been validated in early cancer screening and organ transplantation monitoring and was awarded the China Outstanding Patent Award by CNIPA in 2023. In 2024, our GM-seq technology achieved a top score of 95 in the inaugural National Center for Clinical Laboratories (NCCL) external quality assessment for whole-genome methylation sequencing.
- In single-cell multi-omics, we maintain a cell dissociation success rate exceeding 95% and operate an advanced library preparation platform that consistently exceeds industry benchmarks. Our interactive Single-Cell Cloud Platform further accelerates biomarker discovery and validation, enabling faster and more efficient scientific collaboration.
- Our research partnerships have already yielded tangible translational outcomes. In collaboration with a leading national cardiovascular institute, we identified cardiovascular biomarkers that led to the development of Gene⁺ Pan-Vascular Early Screening product line and enabled its progression toward national-level program funding for clinical translation.
- Our joint research with one of China’s foremost mental health research centers on single-cell & cfRNA for Alzheimer’s disease has also demonstrated outstanding data performance and is advancing toward clinical application.

OUR BUSINESS MODEL

Our business model is structured around three solutions that address distinct needs of industry stakeholders.

- **Precision Diagnostics Solutions.** During the Track Record Period, our precision diagnostics solutions comprised (i) the sales of our IVD products, (ii) the provision of clinical laboratory testing services, and (iii) the provision of COVID-19 nucleic acid testing services, which were phased out in 2023. Our charges for these solutions are determined primarily by product and/or service delivery costs, channel structure and margin targets.

SUMMARY

- **Drug R&D Enablement Solutions.** We mainly offer four types of services under the drug R&D enablement solutions to pharmaceutical and biotechnology companies: biomarker discovery and validation services, patient enrollment and screening services, new drugs companion diagnostic services, and virtual patient services. Our service fees are project-based and determined through an assessment of service scope, cost structure and prevailing market pricing.
- **Clinical Research and Translation Solutions.** We offer omics research services and AI4S services under our clinical research and translation solutions, which spans multi-omics profiling, data analysis and clinical validation support, enabling customers to progress from exploratory findings to clinically meaningful insights and future product development.

The table below sets forth our revenue by business segment for the years/periods indicated:

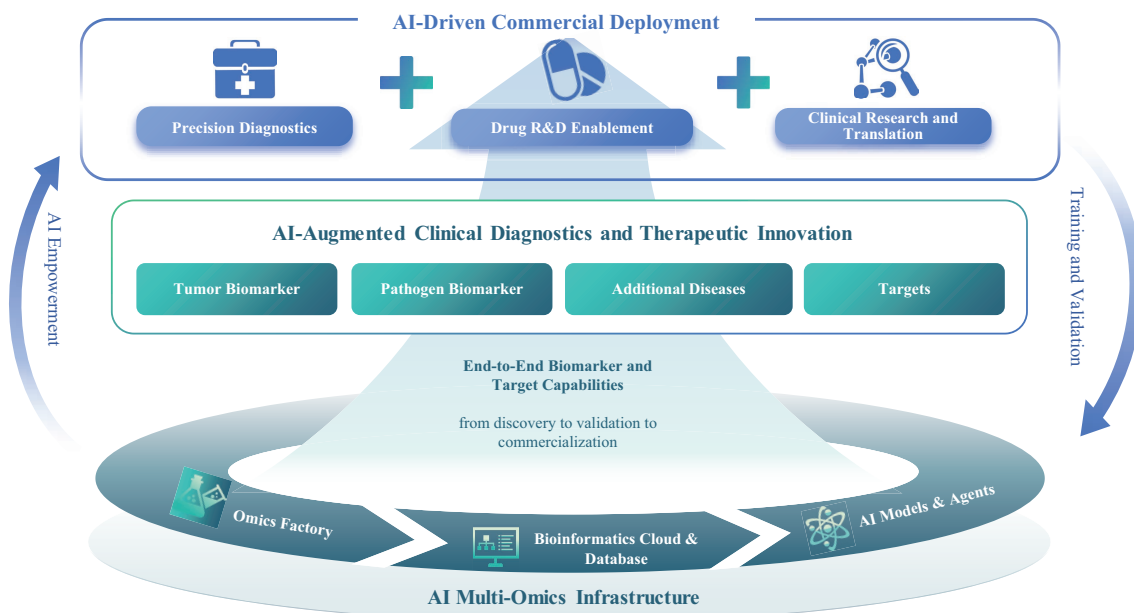
	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>										
<i>(unaudited)</i>										
Precision diagnostics solutions	1,735,788	95.6	335,800	71.0	436,393	78.3	200,184	79.2	221,550	77.7
Clinical research and translation solutions . .	61,417	3.4	111,361	23.6	92,785	16.7	37,622	14.8	50,333	17.7
Drug R&D enablement solutions	17,770	1.0	25,670	5.4	27,954	5.0	15,080	6.0	13,102	4.6
Total	1,814,975	100.0	472,831	100.0	557,132	100.0	252,886	100.0	284,985	100.0

See “Business — Our Business Model” and “Business — Pricing” for more details.

SUMMARY

OUR AI-ENABLED PRECISION MEDICINE ARCHITECTURE

Our leadership in precision medicine is built on our AI-led business architecture, the engine driving discovery, validation and clinical application. It underpins the precision medicine workflow from data generation to translational application, building a scalable foundation for continuous innovation and clinical impact.



AI Multi-Omics Infrastructure

Our AI multi-omics infrastructure consists of three tightly coupled layers: the Omics Factory, the Bioinformatics Cloud & Database and our suite of Large Models & Agents. These layers form a closed-loop technical architecture that powers the full biomarker lifecycle, spanning data generation, multi-modal data fusion, and eventually AI-led discovery and validation.

We have developed three specialized large models focused on specific precision medicine use cases. Each combines deep biological understanding, extensive clinical datasets and real-world feedback to transform raw biological signals into actionable scientific and clinical intelligence.

- **GenoVision Multi-Modal Large Model** synthesizes diverse data types (genomics, transcriptomics, proteomics and electronic health records) to drive granular disease classification and molecular interpretation.
- **IG-NeoTri Immune Prediction Large Model** identifies and characterizes novel targets and biomarkers, with a focus on immunology and neoantigen discovery for next-generation therapeutics.

SUMMARY

- CellMap Cell Foundation Large Model analyzes cellular behavior and signaling dynamics, providing the computational backbone for understanding disease mechanisms, target identification and early-stage drug discovery.

These large models power a suite of specialized AI agents, such as AiBox, MarkerMind, and TargetMind, that translate core intelligence into deployable clinical and commercial applications. Each agent targets a defined use case, turning scientific capability into measurable clinical and commercial value.

AI-Augmented Clinical Diagnostics and Therapeutic Innovation

Our AI-augmented clinical diagnostics and therapeutic innovation transform years of biomarker discovery, systematic validation and clinical collaboration into actionable insights for clinical decision-making. It generates insight into oncology, infectious disease, and other major therapeutic areas through a tightly connected workflow that spans screening, diagnosis, monitoring and treatment guidance.

Screening uses multi-omics AI analysis for early risk detection and more sensitive disease identification. Diagnosis applies deep molecular profiling to reveal genome and proteomic signatures that guide precision treatment. Monitoring tracks disease evolution, therapeutic response and MRD, supporting early relapse prediction and adaptive treatment planning. Treatment guidance predicts outcomes, optimizes drug selection and supports target discovery for biopharma partners, creating a data-driven cycle that sharpens precision and expands therapeutic understanding.

Through this AI-led pipeline, we deliver tangible progress in precision diagnostics and personalized therapeutic strategies.

AI-Driven Commercial Deployment

We convert discovery into commercial deployment through three solutions that connect clinical practice, pharmaceutical development and clinical research, each embedded with proprietary AI capabilities designed to enhance precision, efficiency and growth potential. For example, we deliver point-of-care molecular intelligence through AiBox, a locally deployed analysis platform operating on site at hospitals to enable rapid, data-backed decisions with high clinical confidence. Our drug R&D enablement leverages virtual patient models to simulate in silico trials, compressing screening cycles, optimizing trial plans and lowering development cost. Our clinical research, powered by proprietary AI4S services, applies predictive modeling and intelligent hypothesis generation to streamline translational research and advance findings that can be applied in clinical practice.

Every commercial deployment generates high-quality, AI-ready real-world data that continuously feeds back into our AI multi-omics infrastructure, sharpening model fidelity, expanding clinical knowledge and reinforcing competitive strength with each new dataset.

SUMMARY

OUR STRENGTHS

Our strengths include:

- China’s precision medicine leader with deeply embedded AI capabilities;
- AI multi-omics infrastructure powering precision medicine innovation;
- Multi-omics biomarker system advancing full-cycle clinical development;
- End-to-end biomarker clinical translation system driving product innovation;
- Scalable business model with demonstrated commercial traction; and
- Visionary leadership backed by strategic investors.

See “Business — Our Strengths” for more details.

OUR STRATEGIES

Our strategies include:

- Strengthen our AI multi-omics infrastructure;
- Advance end-to-end capabilities from discovery to commercialization;
- Expand a diversified and collaborative sales network;
- Forge strategic collaborations to drive industry adoption;
- Develop global collaboration and market-entry channels; and
- Build an Intelligent, globally oriented R&D and manufacturing system.

See “Business — Our Strategies” for more details.

SUMMARY

RESEARCH AND DEVELOPMENT

R&D is at the heart of our innovation. Our AI multi-omics infrastructure supports sustained investment in assay design, data analysis and clinical validation, which has translated into a diversified portfolio of precision diagnostics solutions, drug R&D enablement solutions, and clinical research and translation solutions. According to CIC, we maintain a leading position in NGS technology within the industry. As of June 30, 2025, we had a R&D team of 191 employees in China. As of the Latest Practicable Date, we had a total of 159 registered patents and 66 patents under application.

See “Business — Research and Development” for more details.

OUR SALES AND MARKETING

We adopt both direct sales and distributor-based sales to effectively serve a diverse range of customers. These two sales channels provide us with flexibility to meet the needs of various markets, support effective customer engagement and facilitate efficient product distribution.

As of June 30, 2025, we had a sales and marketing team of 282 employees in China, structured into three key business departments: the medical business department, the science collaboration business department, and the health business department.

See “Business — Sales and Distribution” and “Business — Marketing — Our Sales and Marketing Team” for more details.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, we derived our revenues primarily from (i) the sales of products to medical institutions, such as hospitals, ICLs and distributors, (ii) the provision of clinical laboratory testing services to hospitals, ICLs, and individual customers through medical institutions, (iii) the provision of R&D services to pharmaceutical companies and (iv) our clinical research and translation services to medical research institutions. The medical device reagent kits provided to our customers during the Track Record Period that were required to be registered or filed with the relevant governmental authorities have completed the applicable registration or filing procedures in accordance with relevant laws and regulations. We have obtained the necessary approvals and registration certificates, or completed the required filing procedures, for the sale of such medical device reagent kits.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the aggregate sales to our five largest customers were RMB583.0 million, RMB49.2 million, RMB52.4 million and RMB19.8 million, representing 32.1%, 10.4%, 9.4% and 6.9% of our revenue, respectively. Sales to our largest customer for the same years/periods were RMB167.6 million, RMB11.9 million, RMB15.3 million and RMB4.5 million, representing 9.2%, 2.5%, 2.7% and 1.6% of our revenue, respectively.

SUMMARY

During the Track Record Period, our suppliers primarily consisted of (i) suppliers of laboratory equipment, reagents, consumables and maintenance and repair services, (ii) technical equipment and service providers, (iii) rental property providers, and (iv) human resources service providers. For the years ended December 31, 2022, 2023, 2024, and for the six months ended June 30, 2025, purchases from our five largest suppliers in aggregate accounted for 41.5%, 71.5%, 67.4% and 68.1%, respectively, and purchases from our largest supplier accounted for 17.1%, 61.0%, 55.2% and 58.8% of our total purchases, respectively, in each case including value-added tax.

See “Business — Our Supply Chain Management — Suppliers” and “Business — Our Customers” for more details.

PRODUCTION

Our production model is designed to accommodate the diverse requirements of our product portfolio, which primarily includes precision diagnostic kits, reagents, sequencing instruments, and related software products. We employ a hybrid production strategy that integrates in-house manufacturing with selective outsourcing to ensure flexibility, quality control and scalability. This approach allows us to maintain stringent oversight over critical production processes while leveraging external expertise for standardized or high-volume components.

See “Business — Production” for more details.

COMPETITION

We compete in the large and highly competitive multi-omics solution and precision diagnostic solution markets, among others. The multi-omics solution market in China expanded from RMB23.3 billion in 2019 to RMB46.4 billion in 2024, representing a CAGR of 14.8% from 2019 to 2024, and is projected to reach RMB122.6 billion by 2030, representing a CAGR of 17.6% from 2024 to 2030. The precision diagnostic solution market in China expanded from RMB9.2 billion in 2019 to RMB16.1 billion in 2024, representing a CAGR of 11.8% from 2019 to 2024, and is projected to reach RMB36.5 billion by 2030, representing a CAGR of 14.6% from 2024 to 2030. According to CIC, we ranked third in China’s precision diagnostic solution market in terms of revenue in 2024, with a market share of 2.7%.

See “Industry Overview” for more details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our financial information during the Track Record Period, extracted from the Accountants’ Report set out in Appendix I to this document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, our financial statements in this document, including the related notes. Our financial information was prepared in accordance with IFRS.

SUMMARY

Summary of Combined Statements of Profit or Loss

The following table sets forth a summary of our combined statements of profit or loss and other comprehensive income for the periods indicated:

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Revenue	1,814,975	472,831	557,132	252,886	284,985
Cost of sales	(1,054,744)	(229,940)	(220,990)	(100,527)	(89,682)
Gross profit	760,231	242,891	336,142	152,359	195,303
Other income	15,113	16,077	11,467	3,637	8,393
Impairment losses under ECL model, net of reversal	(5,085)	(206)	(6,905)	(4,095)	(3,545)
Other gains and losses, net . . .	(8,609)	(2,209)	2,973	875	1,496
Distribution and selling expenses	(344,705)	(235,812)	(272,825)	(130,376)	(144,395)
Research and development expenses (“R&D”)	(176,763)	(180,385)	(117,319)	(61,074)	(62,783)
Administrative expenses	(114,284)	(140,705)	(97,161)	(46,160)	(40,337)
Profit/(loss) from operations . . .	125,898	(300,349)	(143,628)	(84,834)	(45,868)
Changes in fair value of financial liabilities designated at fair value through profit or loss (“FVTPL”)	266,590	355,509	(272,131)	(109,962)	(361,718)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Finance costs	(4,585)	(8,743)	(8,559)	(4,259)	(2,698)
Profit/(loss) before tax	387,668	45,104	(425,654)	(200,391)	(414,719)
Income tax (expense) credit . . .	(16,142)	9,023	1,314	858	910
Profit/(loss) and total comprehensive income (expense) for the year/period attributable to owners of the Company	371,526	54,127	(424,340)	(199,533)	(413,809)

The decrease in our revenue from 2022 to 2023 was primarily due to the phasing out of our COVID-19 nucleic acid testing services following the conclusion of the COVID-19 pandemic. See “Financial Information — Factors Affecting Our Results of Operations and Financial Condition — Impact of the COVID-19 Pandemic” and “Financial Information — Period-to-Period Comparison of Results of Operations — Year Ended December 31, 2023 Compared to Year Ended December 31, 2022” for more details.

SUMMARY

Non-IFRS Measures

We use adjusted net profit/(loss) (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS, to supplement our combined financial statements which are presented under IFRS. We believe that such non-IFRS measure facilitate comparisons of operating performance from period to period and company to company by eliminating potential impact of certain items and provide useful information to [REDACTED] and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, our presentation of the adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net profit/(loss) (non-IFRS measure) as loss for the year/period adjusted for, changes in fair value of financial liabilities designated at FVTPL and [REDACTED]. Changes in fair value of financial liabilities designated at FVTPL are neither related to the ordinary course of our business nor indicative of our ongoing core operating performance. The [REDACTED] are non-recurring expenses and we do not expect to record further [REDACTED] after the [REDACTED].

The following table sets forth a reconciliation of our profit/(loss) for the year/period to adjusted net profit (non-IFRS measure) for the periods indicated:

	For the Year Ended December 31,			For the Six Months Ended	
	2022	2023	2024	June 30,	2025
				2024	2025
	<i>(RMB in thousands)</i>				
	(unaudited)				
Profit/(loss) for the year/period	371,526	54,127	(424,340)	(199,533)	(413,809)
Adjusted for:					
Changes in fair value of					
financial liabilities designated					
at FVTPL	(266,590)	(355,509)	272,131	109,962	361,718
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net profit/(loss) for					
the year/period (Non-IFRS					
measures)	105,171	(300,069)	(150,873)	(88,235)	(47,656)

SUMMARY

Summary of Combined Statements of Financial Position

The following table sets forth a summary of our combined statements of financial position as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
Total non-current assets	<u>193,841</u>	<u>194,701</u>	<u>121,969</u>	<u>121,302</u>
Total current assets	<u>1,096,098</u>	<u>648,120</u>	<u>583,174</u>	<u>523,049</u>
Total current liabilities	<u>2,140,143</u>	<u>1,617,560</u>	<u>1,945,386</u>	<u>2,298,151</u>
Net current liabilities	<u>(1,044,045)</u>	<u>(969,440)</u>	<u>(1,362,212)</u>	<u>(1,775,102)</u>
Total assets less current liabilities	<u>(850,204)</u>	<u>(774,739)</u>	<u>(1,240,243)</u>	<u>(1,653,800)</u>
Total non-current liabilities	<u>54,840</u>	<u>76,178</u>	<u>35,014</u>	<u>35,266</u>
Net liabilities	<u>(905,044)</u>	<u>(850,917)</u>	<u>(1,275,257)</u>	<u>(1,689,066)</u>
Total deficits	<u>(905,044)</u>	<u>(850,917)</u>	<u>(1,275,257)</u>	<u>(1,689,066)</u>

SUMMARY

Our net current liabilities increased from RMB1,775.1 million as of June 30, 2025 to RMB1,807.8 million as of October 31, 2025, primarily due to (i) an increase in trade payable from RMB136.2 million as of June 30, 2025 to RMB193.5 million as of October 31, 2025, (ii) a decrease in pledged/restricted bank deposits from RMB56.9 million as of June 30, 2025 to RMB29.6 million as of October 31, 2025, (iii) a decrease in cash and cash equivalents from RMB96.0 million as of June 30, 2025 to RMB69.5 million as of October 31, 2025, and (iv) a decrease in financial assets at FVTPL from RMB46.0 million as of June 30, 2025 to RMB19.0 million as of October 31, 2025, partially offset by (i) the increase in trade receivables from RMB213.6 million as of June 30, 2025 to RMB262.3 million as of October 31, 2025, and (ii) the increase in inventories from RMB74.5 million as of June 30, 2025 to RMB101.1 million as of October 31, 2025.

Our net current liabilities increased from RMB1,362.2 million as of December 31, 2024 to RMB1,775.1 million as of June 30, 2025, primarily due to (i) an increase in financial liabilities designated at FVTPL from RMB1,529.5 million as of December 31, 2024 to RMB1,891.2 million as of June 30, 2025, (ii) a decrease in cash and cash equivalents from RMB263.8 million as of December 31, 2024 to RMB96.0 million as of June 30, 2025, and (iii) an increase in trade payables from RMB84.8 million as of December 31, 2024 to RMB136.2 million as of June 30, 2025, partially offset by a decrease in bank loan from RMB180.3 million as of December 31, 2024 to RMB140.4 million as of June 30, 2025, as well as an increase in financial assets at FVTPL from nil as of December 31, 2024 to RMB46.0 million as of June 30, 2025.

Our net current liabilities increased from RMB969.4 million as of December 31, 2023 to RMB1,362.2 million as of December 31, 2024, due to (i) an increase in financial liabilities designated at FVTPL from RMB1,257.3 million as of December 31, 2023 to RMB1,529.5 million as of December 31, 2024, (ii) an increase of our trade payables from RMB43.7 million as of December 31, 2023 to RMB84.8 million as of December 31, 2024, (iii) a decrease in trade receivables from RMB233.3 million as of December 31, 2023 to RMB196.9 million as of December 31, 2024, and (iv) a decrease in pledged/restricted bank deposits from RMB68.6 million as of December 31, 2023 to RMB32.7 million, partially offset by an increase in cash and cash equivalents from RMB249.4 million as of December 31, 2023 to RMB263.8 million as of December 31, 2024.

Our net current liabilities decreased from RMB1,044.0 million as of December 31, 2022 to RMB969.4 million as of December 31, 2023, due to (i) a decrease in financial liabilities designated at FVTPL from RMB1,612.8 million as of December 31, 2022 to RMB1,257.3 million as of December 31, 2023, (ii) a decrease in other payables and accrued expenses from RMB152.5 million as of December 31, 2022 to RMB70.0 million as of December 31, 2023, (iii) a decrease in trade payables from RMB88.7 million as of December 31, 2022 to RMB43.7 million as of December 31, 2023, and (iv) a decrease in bank loans from RMB211.0 million as of December 31, 2022 to RMB177.3 million as of December 31, 2023, partially offset by a decrease in our trade receivables from RMB622.5 million as of December 31, 2022 to RMB233.3 million as of December 31, 2023.

SUMMARY

Summary of the Combined Statements of Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated:

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	<i>(RMB'000)</i>			(unaudited)	
Net cash (used in) from					
operating activities	(111,980)	85,325	6,325	16,298	(34,778)
Net cash from (used in)					
investing activities	161,259	(101,646)	53,485	(84,695)	(81,914)
Net cash from (used in)					
financing activities	189,588	(26,299)	(45,334)	(38)	(51,132)
Net increase (decrease) in					
cash and cash equivalents	238,867	(42,620)	14,476	(68,435)	(167,824)
Cash and cash equivalents					
at beginning of the					
year/period	53,107	291,974	249,354	249,354	263,830
Total cash and cash					
equivalents at the end of					
the year/period	291,974	249,354	263,830	180,919	96,006

For the six months ended June 30, 2025, our net cash used in operating activities was RMB34.8 million, mainly due to our loss before tax of RMB414.7 million, adjusted by (i) certain non-cash items, including loss on fair value changes of financial liabilities designated at FVTPL of RMB361.7 million, and depreciation of property, plant and equipment of RMB20.5 million, and (ii) changes in working capital, which primarily included an increase in trade and other payables and accrued expenses of RMB31.9 million. Such adjustments were partially offset by an increase in trade and other receivables and prepayments of RMB23.1 million.

For the year ended December 31, 2022, our net cash used in operating activities was RMB112.0 million, mainly due to our profit before tax of RMB387.7 million, adjusted (i) an increase in trade and other receivables and prepayments of RMB485.1 million, (ii) a gain on fair value changes on financial liabilities designated at FVTPL of RMB266.6 million, (iii) an increase in inventories of RMB11.2 million, and (iv) an increase in contract costs of RMB10.6 million. Such adjustments were partially offset by (i) an increase in trade and other payables and accrued expenses of RMB126.8 million, and (ii) depreciation of property, plant and equipment of RMB114.2 million.

SUMMARY

Key Financial Ratio

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

	As of December 31,			As of June 30,
	2022	2023	2024	2025
Current ratio ⁽¹⁾	0.5	0.4	0.3	0.2
Quick ratio ⁽²⁾	0.5	0.4	0.3	0.2

Notes:

- (1) Current ratio is calculated as total current assets divided by total current liabilities as of the dates indicated.
- (2) Quick ratio is calculated as total current assets less inventories and divided by total current liabilities as of the dates indicated.

See “Financial Information — Key Financial Ratio” for more details.

RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, which are set out in the section headed “Risk Factors” in this document. You should read that section in its entirety carefully before you decide to [REDACTED] in our Shares. Some of the major risks we face include:

- We are a leading precision medicine company in China. We generated a significant portion of our revenue from precision diagnostics solutions during the Track Record Period, and any factors affecting this business line may adversely impact our overall results of operations, financial condition and prospects.
- We may not be able to expand our business lines or develop and commercialize new solutions in a timely or successful manner, which may limit our growth opportunities and prospects.
- If we are not able to maintain, grow or diversify our customer base, or if demand for our solutions does not grow as expected, our business and prospects could be adversely affected.

SUMMARY

- We may face intense competition, and our competitors may develop similar, but more advanced solutions than ours, which may adversely affect our business and financial condition.
- If we are not able to obtain, or experience delays in obtaining, required regulatory approvals for our new products, we might not be able to commercialize new products promptly or at all.
- We face risks associated with uncertainties relating to Regulation for the Administration of Human Genetic Resources.
- Uncertainties and changes in the PRC regulatory regime governing clinical laboratory testing services may have a material adverse effect on our business, results of operations and prospects.
- Our historical results of operations and financial condition may not be indicative of our future performance and may be adversely affected by unpredictable, non-recurring events, including pandemics such as COVID-19.
- If our laboratories fail to comply with applicable licensing requirements, or become damaged or inoperable, our ability to perform tests may be jeopardized.
- We are subject to the risks associated with sanctions, export controls, and evolving trade and regulatory policies.

See “Risk Factors” for more details.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Tibet GenePlus and Tibet LP will hold approximately [REDACTED]% and [REDACTED]% interest of our share capital, respectively. As of the Latest Practicable Date, Tibet LP was owned as to 73.8% partnership interest by Tibet GenePlus, the general partner of Tibet LP. Accordingly, Tibet GenePlus is deemed to hold, in aggregate, approximately [REDACTED]% of our share capital upon the [REDACTED]. Tibet GenePlus was owned as to 40.0% by Dr. Yi Xin, 30.0% by Dr. Yang Ling, and 10.0% each by Mr. Xiong Li, Mr. Tian Chao and Mr. Xia Xuefeng. In addition, on January 1, 2016, Dr. Yi Xin, Dr. Yang Ling, Mr. Xiong Li, Mr. Tian Chao and Mr. Xia Xuefeng entered into a concert party agreement to confirm that they would act in concert when exercising their shareholder rights at the level of Tibet GenePlus. Accordingly, for the purposes of the Listing Rules, Tibet GenePlus, Tibet LP, Dr. Yi Xin, Dr. Yang Ling, Mr. Xiong Li, Mr. Tian Chao, Mr. Xia Xuefeng are presumed to be a group of Controlling Shareholders, and will remain a group of Controlling Shareholders immediately upon the [REDACTED].

See “Relationship with our Controlling Shareholders” for more details about our Controlling Shareholders.

SUMMARY

PRE-[REDACTED] INVESTORS

We have attracted certain Pre-[REDACTED] Investors and completed rounds of financings from them since the establishment of Beijing GenePlus to raise funds for the development of our business. For further details of the identity and background of the Pre-[REDACTED] Investors, the amount raised and the usage of proceeds, see “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments.”

PREVIOUS LISTING ATTEMPT

In the fourth quarter of 2021, Beijing Technology commenced preparation for a listing application on the Stock Exchange (the “**Previous Listing Attempt**”). However, having considered the then regulatory and market conditions, no formal listing application was submitted in relation to the said listing attempt which was subsequently terminated. The Directors and the Joint Sponsors are not aware of any matters that in relation to the Previous Listing Attempt that would affect the Company’s suitability for [REDACTED] on the Stock Exchange or would need to be brought to the attention of the Stock Exchange. See “History, Reorganization and Corporate Structure — Previous Listing Attempt” for more details.

DIVIDENDS

We did not declare or pay any dividend during the Track Record Period. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its Articles of Association and the accounting standards and regulations in China. As a result, we may not have sufficient or any distributable profits to make dividend contributions to our Shareholders, even if we become profitable.

See “Financial Information — Dividend” for more details.

[REDACTED]

[REDACTED] to be borne by us are estimated to be approximately HK\$[REDACTED] (including [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per Share), which represent [REDACTED]% of the gross [REDACTED] from the [REDACTED], assuming no Shares are issued pursuant to the [REDACTED]. The above [REDACTED] are comprised of (i) [REDACTED] expenses of HK\$[REDACTED], and (ii) [REDACTED] expenses of HK\$[REDACTED], including (a) the legal advisors and the reporting

SUMMARY

accountants’ expenses of HK\$[REDACTED], and (b) other fees and expenses of HK\$[REDACTED]. During the Track Record Period, we incurred [REDACTED] of HK\$[REDACTED], HK\$[REDACTED] of which was charged to our combined statements of profit or loss, and HK\$[REDACTED] of which was attributable to the issue of Shares and will be deducted from equity. We expect to incur additional [REDACTED] of approximately HK\$[REDACTED] after the Track Record Period, approximately HK\$[REDACTED] of which is expected to be charged to our combined statements of profit or loss, and approximately HK\$[REDACTED] of which is attributable to the issue of Shares and will be deducted from equity upon [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

See “Financial Information — [REDACTED]” for more details.

[REDACTED]

SUMMARY

FUTURE PLANS AND USE OF [REDACTED]

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

In line with our strategies, we intend to use the [REDACTED] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used to enhance our R&D capabilities and expand our product portfolio over the next five years.
- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for our marketing and commercialization capability over the next five years.
- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be allocated to advance manufacturing capabilities through production upgrades and capacity expansion over the next five years.
- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be allocated to working capital and general corporate purposes.

See “Future Plans and Use of [REDACTED]” for more details.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our financial or trading position prospects since June 30, 2025 and up to the date of this document and there is no event since June 30, 2025, which would materially affect the information shown in our combined financial statements included in the Accountants’ Report set out in Appendix I to this document.

DEFINITIONS

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

“Accountants’ Report”	the accountants’ report of our Group set out in Appendix I to this document
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the articles of association of the Company adopted by special resolution on November 6, 2025 with effect from the [REDACTED], as amended, supplemented or otherwise modified from time to time, a summary of which is set out in “Appendix V — Summary of Articles of Association”
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of our Board
“Beijing Technology”	Beijing GenePlus Technology Limited (北京吉因加科技有限公司), our holding company prior to the Reorganization, a limited liability company established in the PRC on April 23, 2015
“Board” or “Board of Directors”	the board of Directors of the Company
“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

[REDACTED]

DEFINITIONS

“China” or “PRC”	the People’s Republic of China and, for the purpose of this document and for geographical reference only, unless the context otherwise requires, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“CIC”	China Insights Industry Consultancy Limited (灼識企業管理諮詢(上海)有限公司), an independent professional market research and consulting company, an Independent Third Party
“CIC Report”	the independent industry report commissioned by us and prepared by CIC independently
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	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”	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”	Geneplus Technology (Shaoxing) Co., Limited (吉因加科技(紹興)股份有限公司), a joint stock limited company established in the PRC on June 30, 2025.
“Compliance Advisor”	CMBC International Capital Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Tibet GenePlus, Tibet LP, Dr. Yi Xin, Dr. Yang Ling, Mr. Xiong Li, Mr. Tian Chao, Mr. Xia Xuefeng
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are [REDACTED] and paid up in Renminbi, held by domestic investors and not [REDACTED] or [REDACTED] on any stock exchange
“EIT Law”	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
	[REDACTED]
“Group,” “we” or “us”	the Company and our subsidiaries from time to time
“Guide”	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“H Share(s)” ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which will be [REDACTED] and [REDACTED] on the Stock Exchange

[REDACTED]

“HK\$” or “Hong Kong dollar” Hong Kong dollar, the lawful currency of Hong Kong

“HKSCC” Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

[REDACTED]

“HKSCC Nominees” HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC

“HKSCC Operational Procedures” the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force

“HKSCC Participant” a person admitted to participate in CCASS as a direct clearing participant, a general clearing participant, a custodian participant or an investor participant

DEFINITIONS

“Hong Kong”

the Hong Kong Special Administrative Region of the PRC

[REDACTED]

“IFRS”

IFRS Accounting Standards, as issued by the International Accounting Standards Board

“independent third party(ies)”

entity(ies) or person(s) who is/are not connected person(s) of the Company within the meaning of the Listing Rules

[REDACTED]

DEFINITIONS

[REDACTED]

“Joint Sponsors”	the joint sponsors named in “Directors, Supervisors and Parties Involved in the [REDACTED]”
“Latest Practicable Date”	December 14, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

DEFINITIONS

[REDACTED]

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“NDRC”	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)
“Nomination Committee”	the nomination committee of our Board

[REDACTED]

DEFINITIONS

[REDACTED]

“Overseas Listing Trial Measures”	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》), as amended, supplemented or otherwise modified from time to time
“PBOC”	People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC AoA Guidelines”	Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》), as amended, supplemented or otherwise modified from time to time
“PRC Company Law”	Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“PRC GAAP”	PRC Accounting Standards and Accounting Regulations for Business Enterprise (《中國企業會計準則》), as amended, supplemented or otherwise modified from time to time
“PRC Legal Advisor”	Haiwen & Partners, our legal advisor as to PRC laws in connection to the [REDACTED]
“Pre-[REDACTED] Investment(s)”	the investment(s) in the Company by the Pre-[REDACTED] Investors, the details of which are set out in “History, Reorganization and Corporate Structure”

DEFINITIONS

“Pre-[REDACTED] Investor(s)” the investor(s) making investments in the Company prior to the [REDACTED], the details of which are set out in “History, Reorganization and Corporate Structure”

[REDACTED]

“Regulation S” Regulation S under the U.S. Securities Act

“Remuneration Committee” the remuneration committee of our Board

“RMB” or “Renminbi” Renminbi, the lawful currency of the PRC

“SAFE” State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)

“SAIC” State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), the function of which has now been merged into the SAMR

“SAMR” State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)

“SFC” Securities and Futures Commission of Hong Kong

“SFO” Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

“Shanghai-Hong Kong Stock Connect” a securities trading and clearing links program developed by the Stock Exchange, the Shanghai Stock Exchange, [REDACTED] and the CSDC for mutual market access between Hong Kong and Shanghai

“Share(s)” ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each

“Shareholder(s)” holder(s) of the Share(s)

DEFINITIONS

[REDACTED]

“STA” State Taxation Administration of the PRC (中華人民共和國國家稅務總局)

[REDACTED]

“State Council” State Council of the PRC (中華人民共和國國務院)

“Stock Exchange” The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

“subsidiary(ies)” has the meaning ascribed to it under the Listing Rules

“substantial Shareholder(s)” has the meaning ascribed to it under the Listing Rules

“Supervisor(s)” member(s) of the Supervisory Committee

“Supervisory Committee” the supervisory committee of the Company

“Takeovers Code” the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

“Tibet GenePlus” Tibet GenePlus Industrial Limited (西藏吉因加實業有限公司) (formally known as Shenzhen GenePlus Investment Co., Ltd. (深圳吉因加投資有限公司), Shenzhen GenePlus Business Consulting Services Co., Ltd. (深圳吉因加企業諮詢服務有限公司) and Pingdingshan GenePlus Enterprise Management Co., Ltd. (平頂山吉因企業管理有限公司)), a company incorporated in the PRC on May 16, 2015 and one of our Controlling Shareholders

“Tibet LP” Tibet GenePlus Enterprise Management Limited Partnership (西藏吉因加企業管理合夥企業(有限合夥)), formally known as Beijing Jiyinjia Equity Investment Partnership (Limited Partnership) (北京吉因家股權投資企業(有限合夥)), a limited partnership incorporated in the PRC on August 18, 2015 and one of our Controlling Shareholders

DEFINITIONS

“Track Record Period”	the period comprising the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025
“treasury Share(s)”	has the meaning ascribed to it under the Listing Rules
“U.S.” or “United States”	the United States of America, its territories, possessions and all areas subject to its jurisdiction
“U.S. dollar” or “US\$”	United States dollar, the lawful currency of the United States
“U.S. Securities Act”	United States Securities Act of 1933 and the rules and regulations promulgated thereunder, as amended, supplemented or otherwise modified from time to time

[REDACTED]

“%”	per cent

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with us and our business. These may not correspond to standard industry definitions and may not be comparable to similarly terms adopted by other companies.

“ADC”	antibody-drug conjugate, a substance made up of a monoclonal antibody chemically linked to a cytotoxic drug
“affinity”	the extent or fraction to which a drug binds to receptors at any given drug concentration or the firmness with which the drug binds to the receptor. Affinity describes the strength of the attraction between two chemicals, or an antigen and an antibody
“AI”	artificial intelligence
“AI4S”	AI for Science, the integration of artificial intelligence technologies with scientific research, encompassing both AI-driven scientific discovery and AI innovation applied to science
“ALK”	anaplastic lymphoma kinase, a receptor tyrosine kinase protein
“antibody”	also known as an immunoglobulin, a protective Y-shaped protein produced by immune system in response to invading foreign particles (antigens), such as bacteria and viruses
“assay”	an investigative or analytic procedure in laboratory medicine and molecular biology for qualitatively assessing or quantitatively measuring the presence, amount, or functional activity of a target entity (the analyte)
“bioinformatics”	an interdisciplinary field of science that combines biology, computer science, information engineering, mathematics and statistics to analyze and interpret the biological data
“biomarker”	a measurable indicator of biological or pathological activity, used as the scientific basis for precision medicine to enable more targeted prevention, diagnosis and treatment

GLOSSARY OF TECHNICAL TERMS

“biopsy”	a sample of tissue taken from the body for close examination
“CAP”	College of American Pathologist
“CDMO”	contract development and manufacturing organization, a pharmaceutical company that develops and manufactures drugs for other pharmaceutical companies on a contractual basis
“CDx”	companion diagnostics, diagnostic tests that provide information essential for the safe and effective use of a corresponding therapeutic product, often co-developed and approved alongside the drug
“cfDNA”	cell-free DNA, various forms of non-encapsulated DNA freely circulating in the bloodstream outside the cell nucleus, including DNA fragments released into the blood plasma of circulating tumor DNA
“CGT”	Cell and Gene Therapy, a therapeutic modality involving the modification or manipulation of genes or cells to treat or prevent disease
“CMC”	chemistry, manufacturing and controls
“compound”	a substance formed by two or more ingredients in union
“CRO”	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
“CSO”	cancer signal origin
“ctDNA”	circulating tumor DNA, tumor-derived fragmented DNA in the bloodstream that is not associated with cells
“digital twin”	a digital representation of a physical object, person, or process that is contextualized in a digital version of its environment
“DNA”	deoxyribonucleic acid, a self-replicating material which is present in nearly all living organisms as the main constituent of chromosomes. It is the carrier of genetic information

GLOSSARY OF TECHNICAL TERMS

“efficacy”	the beneficial change resulted from a given intervention (vaccination and medicine)
“EGFR”	epidermal growth factor receptor, a transmembrane protein that is a receptor for members of the epidermal growth factor family (EGF family) of extracellular protein ligands
“ESG”	Environmental, Social and Governance
“expert consensus”	a statement or guideline on a particular medical topic, formulated by a panel of experts reflecting the medical knowledge accumulated by those experts and provides information about professional medical care and advice
“FDA”	U.S. Food and Drug Administration
“FFPE”	formalin-fixed paraffin-embedded, a specific technique used to prepare and preserve tissue specimens utilized in research, examination, diagnostics, and drug development
“GCP”	good clinical practice, an international ethical and scientific quality standard for the performance of a clinical trial on medicinal products involving humans
“genome”	all genetic material of an organism, including both the genes (the coding regions) and the non-coding DNA, as well as mitochondrial DNA and chloroplast DNA
“GFA”	gross floor area
“GM-seq”	a proprietary methylation sequencing technology, a core liquid biopsy innovation validated in early cancer screening
“HDT”	hospital developed test, an IVD project that has not yet obtained product registration and is developed, validated and used solely within a hospital’s clinical laboratory for its own patients. In China, the HDT model is emerging as a hospital-only, verification-based pathway for precision diagnostics, under which hospitals design and apply such tests in compliance with clinical laboratory standards

GLOSSARY OF TECHNICAL TERMS

“high-throughput”	the ability of sequencing technologies to analyze large volumes of genetic material simultaneously, enabling efficient and scalable genomic testing
“high-throughput sequencing”	also known as NGS technologies and is capable of sequencing multiple DNA molecules in parallel, enabling hundreds of millions of DNA molecules to be sequenced at a time
“HLA”	human leukocyte antigen, a specialized branch of immunology
“immunotherapy”	use of the immune system to treat disease
“incidence”	the number of new cases occurring in a specified population per year
“indels”	insertion and/or deletion of nucleotides into genomic DNA
“indication”	a valid reason to use a specific test, drug, device, procedure or surgery
“in silico”	conducted or produced by means of computer modeling or computer simulation
“in vitro”	within in non-whole living organisms, typically in containers such as test tubes or petri dishes, studies that are conducted using components of an organism that have been isolated from their usual biological surroundings, such as microorganisms, cells, or biological molecules
“IoT”	Internet of Things
“IVD”	in vitro diagnostics, tests done on samples such as blood or tissue that have been taken from the human body. In vitro diagnostics can detect diseases or other conditions, and can be used to monitor a person’s overall health to help cure, treat, or prevent

GLOSSARY OF TECHNICAL TERMS

“KRAS”	a small GTPase oncogene of the RAS family that regulates key signaling pathways in cell proliferation and differentiation. Specific mutations (such as the G12C subtype) are prevalent in lung and colorectal cancers and represent one of the core targets in precision oncology
“clinical laboratory testing services”	an in-house IVD assay developed, validated and performed within a clinical laboratory. Clinical laboratory testing services are commonly used for rare disease screening and companion diagnostics in oncology where commercial kits are unavailable, and their development and application must comply with local clinical laboratory regulatory standards (e.g. CLIA certification in the United States or relevant technical requirements in China)
“liquid biopsy”	a test done on a sample of peripheral blood to look for cancer cells from a tumor that are circulating in the blood or for pieces of DNA from tumor cells that are in the blood
“LoD”	limit of detection, the lowest concentration or quantity of a component or substance that can be reliably distinguished with a specific analytical method
“MCED”	multi-cancer early detection, assays that identify cancer at an early stage for high-risk populations, directly reducing mortality rates and extending survival duration
“medical device”	instrument, apparatus, implement, machine, implant, in vitro reagent, or other similar or related article intended for the diagnosis, prevention, monitoring, treatment, or alleviation of disease
“methylation”	a form of alkylation, with a methyl group replacing a hydrogen atom. In biological systems, methylation is catalyzed by enzymes; such methylation can be involved in modification of heavy metals, regulation of gene expression, regulation of protein function, and RNA processing

GLOSSARY OF TECHNICAL TERMS

“molecular diagnostics”	a diagnostic technique that applies molecular biology methods to detect changes in the structure or expression level of genetic material in patients and makes a diagnosis
“MRD”	molecular residual disease, the presence of ctDNA detected in solid tumors that remain in the body after treatment. MRD assesses the efficacy and risk of recurrence
“MSI”	microsatellite instability, the condition of genetic hypermutability (predisposition to mutation) that results from impaired DNA mismatch repair
“mutation”	an alteration in the nucleotide sequence of the genome of an organism
“NCCL”	National Center for Clinical Laboratories, an organization that conducts external quality assessments for clinical laboratories
“NGS”	next-generation sequencing, also known as high-throughput sequencing, is a technology for determining the sequence of DNA or RNA to study genetic variation associated with diseases or other biological phenomena
“NMPA”	National Medical Products Administration (國家藥品監督管理局), the Chinese regulatory body responsible for the supervision and administration of pharmaceuticals, medical devices, and cosmetics in China
“NSCLC”	non-small cell lung cancer, any type of epithelial lung cancer other than small-cell lung carcinoma
“pancreatic cancer”	a type of cancer that forms in the cells of the pancreas
“pathology”	a branch of medical science primarily concerning the cause, origin and nature of disease. It involves the examination of tissues, organs, bodily fluids and autopsies in order to study and diagnose disease
“PB”	petabyte

GLOSSARY OF TECHNICAL TERMS

“PCR”	polymerase chain reaction, a technology to make numerous copies of specific DNA fragments rapidly through repetitive thermal cycle
“PI”	Principal Investigator
“polymorphism”	the phenomenon in which a solid chemical compound exists in more than one crystalline form, which such forms have identical solutions and vapours but have slightly different physical and, in some cases, chemical properties
“precision diagnostics”	an accurate and timely explanation of each patient’s health problem through detailed examination at the cellular and molecular levels like biomarker testing, requiring communication of that explanation to patients
“precision medicine”	a medical model that proposes the customization of healthcare, with medical decisions, treatments, practices, or products being tailored to a subgroup of patients, based on their individual characteristics such as genetic profile, biomarker status, or other molecular and cellular analysis
“probe”	a single-stranded sequence of DNA or RNA used to search for its complementary sequence in a sample genome
“QC”	quality control
“R&D”	research and development
“receptor”	a protein molecule usually found on the surface of a cell that receives chemical signals from outside the cell
“RNA”	ribonucleic acid, a polymeric molecule essential in various biological roles in coding, decoding, regulation and expression of genes
“RWE”	real-world evidence, evidence obtained from real world data, which are observational data obtained outside the context of randomized controlled trials and generated during routine clinical practice
“SCNPC”	Standing Committee of the National People’s Congress

GLOSSARY OF TECHNICAL TERMS

“sensitivity”	a measurement of the ability of a test to identify true positives
“sequencing”	a method of determining the nucleic acid sequences in DNA
“specificity”	a measurement of the ability of a test to identify true negatives
“TAT”	turnaround time, the total time taken from the receipt of a sample to the delivery of the final report
“TCR”	T-cell receptor
“TMB”	tumor mutational burden, the total number of somatic mutations per coding area of a tumor genome, an emerging clinical biomarker associated with response to immune checkpoint inhibitor (ICI) therapy
“V-USE database”	a proprietary database that allows for a “data-in, biomarkers-out” workflow, empowering researchers to go directly from raw data to discovering actionable targets and biomarkers without needing programming skills
“WES”	whole exome sequencing, a genomic technique for sequencing all of the protein-coding regions of genes in a genome

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements and information that relate to our current expectations and views of future events. These forward-looking statements are contained principally in “Summary,” “Risk Factors,” “Industry Overview,” “Business,” “Financial Information” and “Future Plans and Use of [REDACTED].” These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed in “Risk Factors,” which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, these forward-looking statements can be identified by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “is/are likely to” or other similar expressions. These forward-looking statements include, among other things, statements relating to:

- our operations and business prospects;
- our financial condition and performance, debt levels and capital needs;
- our capital expenditure plan;
- our ability to maintain good relationships with our business partners;
- future developments, trends and conditions (including economic, political and business conditions) in the industries and markets in which we operate or plan to operate;
- changes to the regulatory environment in the industries and markets in which we operate;
- the actions and developments of our competitors;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;
- our ability to control or reduce costs;
- our ability to control risks;
- our dividend policy;
- various business opportunities that we may pursue;
- our business strategies, objectives and plans and our ability to achieve these strategies, objectives and plans;

FORWARD-LOOKING STATEMENTS

- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which we operate; and
- capital market developments.

These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risk factors set out in “Risk Factors.”

The forward-looking statements contained in this document relate only to events or information as of the date on which the statements are made. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this document completely and with the understanding that our actual future results or performance may be materially different from what we expect.

In this document, statements of, or references to, our intentions or those of any of our Directors are made as of the date of this document. Any of these intentions may change in light of future development.

RISK FACTORS

An [REDACTED] in our H Shares involves significant risks. You should carefully consider all of the information in this document, 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 [REDACTED] in our H Shares. Our operations involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all or part of your [REDACTED] 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 [REDACTED] of our Shares could decline, and you may lose all or part of your [REDACTED]. 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 “Forward-looking Statements” in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We are a leading precision medicine company in China. We generated a significant portion of our revenue from precision diagnostics solutions during the Track Record Period, and any factors affecting this business line may adversely impact our overall results of operations, financial condition and prospects.

We primarily provide three solution lines, namely precision diagnostics, drug R&D enablement and clinical research and translation, mainly to hospitals, pharmaceutical and biotechnology companies and medical research institutions. During the Track Record Period, we derived a significant portion of our revenues from our precision diagnostics solutions, which generated RMB1,735.8 million, RMB335.8 million, RMB436.4 million, RMB200.2 million and RMB221.6 million for the years ended December 31, 2022, 2023, 2024 and for the six months ended June 30, 2024 and 2025, representing 95.6%, 71.0%, 78.3%, 79.2% and 77.7% of our total revenue, respectively. Given the concentration of our revenue in this business line, factors that affect the performance, adoption or availability of our precision diagnostics solutions may have material and adverse impact on our results of operations and financial performance.

The commercial performance of our precision diagnostics solutions depends largely on continued acceptance and adoption by hospitals, ICLs and other customers. Market acceptance and adoption of our products and solutions are influenced by a number of factors, including pricing, actual and perceived clinical value, breadth of solution coverage, and customers’ familiarity with precision diagnostics. We cannot assure you that our precision diagnostics solutions will continue to maintain or increase market acceptance, and any deterioration in adoption or customer confidence would harm our business and results of operations.

RISK FACTORS

Our ability to maintain and expand market acceptance of our existing and future solutions depends on a number of factors, including:

- our ability to effectively promote our solutions, and expand into new markets and regions;
- the performance of our solutions relative to competing solutions;
- our technology capacities to continuously develop innovative solutions;
- the analytical and clinical performance of our testing services and products, including sensitivity, specificity and effectiveness;
- the prices we charge for our solutions;
- the timing, scope and conditions of any regulatory approval for our testing services and products;
- our ability to maintain our laboratory certification, accreditation, intellectual property protection and regulatory approvals; and
- the impact of negative publicity regarding our tests or those of industry peers, including issues arising from defects or errors.

We cannot assure you that our existing or future solutions will continue to achieve or sustain market acceptance. If demand for our precision diagnostics solutions declines, or if we fail to address any of the factors above, our business, results of operations, financial information and prospects would be adversely affected.

We may not be able to expand our business lines or develop and commercialize new solutions in a timely or successful manner, which may limit our growth opportunities and prospects.

We have been expanding, and intend to continue to expand, our business lines through continued innovation of our existing solutions and the development of new solutions. During the Track Record Period, we use AI agents to transform complex biological signals into standardized, high-precision diagnostic and therapeutic insights that can be directly applied in clinical settings to improve our existing solutions, and promote new solutions by further exploring HDT model as part of the pre-IVD business model. Expansion into new solutions is inherently uncertain and subject to significant operational, technical and regulatory challenges. Our ability to develop, validate and commercialize new solutions on a timely and commercially viable basis depends on several factors, including:

- the successful execution of our long-term strategy, business model and revenue model;
- the availability of favorable analytical, clinical or other performance data to support new solutions;

RISK FACTORS

- the establishment and scale-up of commercial testing and production capabilities, including laboratory expansion and process standardization;
- our ability to anticipate industry and technological developments and incorporate them into solution design;
- accurately assessing and fulfilling customer needs and clinical use cases;
- effective cost planning and process optimization to maintain unit economics;
- our ability to recruit, train and retain personnel;
- the timely receipt of regulatory clearances, approvals or other authorizations required for solution introduction;
- our ability to raise awareness and adoption among hospitals, pharmaceutical and biotechnology companies, medical research institutions;
- our capability to deliver solutions of consistent quality and turnaround time (TAT);
- our competitiveness relative to our competitors; and
- the ability to incorporate customer feedback into our business planning and improvement.

We cannot assure you that new solutions we develop will achieve regulatory approval in a timely or successful manner, commercial acceptance or expected economic benefits. If we fail to effectively develop and commercialize new solutions in a timely or successful manner, our business, results of operations, financial condition, cash flows and prospects would be materially and adversely affected.

If we are not able to maintain, grow or diversify our customer base, or if demand for our solutions does not grow as expected, our business and prospects could be adversely affected.

Our success depends, in part, on our ability to retain and expand our relationships with our existing hospitals, pharmaceutical and biotechnology companies and medical research institutions, and continue to acquire new customers in both existing and emerging segments. Maintenance and enhancement of our service quality, strengthening sales and marketing capabilities and enhancing brand visibility are crucial for increasing market penetration of our existing solutions, expanding customer coverage and generating incremental demand.

If our solutions cannot meet customer expectations or evolving needs of our customers, they may reduce or cease their use of our solutions or provide negative feedback that could harm our reputation. If we fail to maintain or improve the efficiency of our sales, marketing and customer-engagement activities, or if our efforts to expand into additional customer

RISK FACTORS

groups through various channels are unsuccessful, our business and prospects could be adversely affected. Enhancing brand awareness is also critical to improve the prevalence of our solutions. However, brand-building efforts may require continued investment, may not lead to immediate revenue and may not offset related expenses. Moreover, most of our customer relationships do not include minimum purchase commitments, which increases the uncertainty of future revenue and profitability. Even if we successfully promote our brand and develop relationships with new customers in these or any other new groups, these relationships may not lead to an improvement in our ability to achieve or sustain profitability.

We may not achieve the customer expansion or demand growth required to reach anticipated volumes and revenue levels for a variety of reasons, including:

- the market in which we operate generally may not grow as predicted or may decline;
- our efforts to improve our existing solutions and develop and launch new solutions may be unsuccessful;
- we may not be able to demonstrate sufficient utility or differentiation to persuade additional customers to adopt our solutions;
- our investments in our sales and marketing functions, including adjustments to our sales force structure and marketing strategies, may not generate the expected returns;
- some of our solutions are expensive, and sensitivity to pricing could limit adoption if we cannot maintain competitive price points;
- negative publicity or regulatory investigations into the actions of companies in our industry could raise concerns about the legitimacy of diagnostic technologies generally; and
- our competitors may introduce new solutions with broader gene coverage, improved performance, faster TAT or other advantages.

If we are unable to address these and other risks associated with growing our customer base and deepening our relationships with existing customers, we may not achieve our expected revenue growth, and our business, results of operations and financial condition could be adversely impacted.

We may face intense competition, and our competitors may develop similar, but more advanced solutions than ours, which may adversely affect our business and financial condition.

We operate in a highly competitive market in China and globally. Existing and emerging competitors could conduct research, development, manufacturing and commercialization of precision diagnostics solutions, drug R&D enablement solutions and clinical research and translation solutions and many seek patent protection for comparable or substitute solutions.

RISK FACTORS

Our commercial opportunities could be reduced or eliminated if our competitors develop and commercialize solutions that are more effective, convenient or affordable than the solutions that we commercialize or develop. Our competitors may also be applying for marketing approvals in China or other jurisdictions for solutions with the same intended usage as our offerings. The ability of relevant authorities, such as the NMPA, to concurrently review multiple marketing applications for the same type of medical device may be limited. If competing solutions and our product candidates undergo review at the same time, the review schedule may be affected, which could prolong our registration process. Moreover, our competitors may also secure regulatory approvals earlier than we do, which could result in our competitors establishing a strong market position before our solutions are launched and potentially delaying or limiting our market entry.

Many competitors have significantly greater financial resources and expertise in R&D, clinical validation, manufacturing scale-up, regulatory affairs and commercialization than we do. Mergers and acquisitions in the multi-omics industry may result in even more resources being concentrated among larger competitors. Smaller or early-stage companies may also pose competitive challenges, particularly through collaborations with established companies. These competitors also compete with us in recruiting and retaining qualified scientific, management and marketing personnel, establishing clinical trial sites and subject enrollment for clinical trials, acquiring technologies complementary to, or necessary for, our development programs, selling and promoting solutions to the target customers, among others. If we do not compete effectively, our business, results of operations and financial condition could be adversely affected.

If we are not able to obtain, or experience delays in obtaining, required regulatory approvals for our new products, we might not be able to commercialize new products promptly or at all.

We currently market and intend to continue to market a substantial portion of our products in China in the foreseeable future. We are required to obtain regulatory approvals before we can market our products in China. As of the Latest Practicable Date, we had eight products under application for approval with the NMPA and other relevant government authorities. As the level of regulatory control over the multi-omics industry has been increasing in recent years, the regulatory approval process tends to take a longer time to complete than before. Significant time, effort and expense are required to bring our products to market in compliance with the regulatory process. Before obtaining regulatory approvals for the commercial sale of any of our products for a target indication, we must demonstrate in preclinical studies and well-controlled clinical trials that the product candidate is safe and effective for use for that target indication and that the manufacturing facilities, processes and controls are adequate. We are also required to report any serious or potentially serious incidents involving our products to the NMPA or its local counterparts. During the Track Record Period, we did not experience any serious or potentially serious incidents involving our products that were required to be reported to the NMPA or its local counterparts in accordance with applicable regulations. We cannot assure you that any submissions will be accepted for filing and review by the NMPA. The NMPA may also slow down, suspend or cease review of our applications and any of these could prolong the registration process of our product candidates. Even if regulatory approval or clearance of our products is granted, the approval or clearance could limit the uses for which our products may be labeled and promoted, which may in turn limit the market for our products. Any failure to obtain, or delay

RISK FACTORS

in obtaining, regulatory approvals or clearances or to renew registrations for our products could prevent us from successfully marketing our products, which could materially and adversely affect our business, financial condition and results of operations.

Furthermore, results of the regulatory approval process are unpredictable. We could fail to receive regulatory approval for product candidates for many reasons, including: (i) failure to begin or complete preclinical studies or clinical trials; (ii) failure to demonstrate that a product candidate is safe and effective; (iii) failure to deliver clinical trial results to meet the level of statistical significance required for approval; (iv) data integrity issues related to our clinical trials; (v) government authority’s disagreement with our interpretation of data from pre-clinical studies or clinical trials; (vi) changes in approval policies or regulations that render our preclinical and clinical data insufficient for approval or require us to amend our clinical trial protocols; (vii) regulatory requests for additional analyses, reports, data, non-clinical studies and clinical trials, or questions regarding interpretations of data and results and the emergence of new information regarding our product candidates or other products; (viii) clinical sites, investigators or other participants in our clinical trials deviating from a trial protocol, failing to conduct the trial in accordance with regulatory requirements, or dropping out of a trial; and/or (ix) rejection by the regulatory authorities to approve pending applications or supplements to approved applications filed by us or suspension, revocation or withdrawal of approvals. All these factors, among others, may delay or prevent approval and our commercialization plans, or we may decide to abandon the development program.

We are also required to obtain various governmental approvals in the relevant jurisdictions before we sell our products in the international markets. 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. Foreign regulations may vary from jurisdiction to jurisdiction and may be different from PRC regulations and the NMPA requirements and therefore could delay or prevent the introduction of our product candidates in those areas. Additional time, efforts and expenses may be required to bring our products to the international markets in compliance with different regulatory processes. We cannot assure you that we will be able to meet the regulatory requirements of different jurisdictions or that our products will be approved for sale in those jurisdictions. 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.

In addition, changes in regulatory requirements and guidance may also occur, and we may need to amend clinical trial protocols submitted to the regulatory authorities to reflect these changes, which may impact the costs, timing or successful completion of a clinical trial. We cannot predict the likelihood, nature or extent of governmental policies or regulations that may arise from future legislation or administrative actions in China or abroad, where the regulatory environment is constantly evolving. 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.

RISK FACTORS

We face risks associated with uncertainties relating to Regulation for the Administration of Human Genetic Resources.

The collection, preservation, usage and outbound provision of human genetic resources in the PRC are governed by PRC Regulation for the Administration of Human Genetic Resources (HGR Regulation), except for activities related to human genetic resources conducted for some specific purposes including clinical diagnosis and treatment. The PRC Biosecurity Law promulgated by the Standing Committee of the National People’s Congress (SCNPC) on October 17, 2020, that came into effect on April 15, 2021, also confirms the principle that relevant activities related to human genetic resources are subject to the approval of the competent governmental authority, other than the collection and preservation of human genetic resources and related activities for the purposes of clinical diagnosis and treatment or for certain other purposes. During the Track Record Period, we complied with the HGR Regulation and other applicable PRC laws and regulations. We cannot assure you that our current business will be continuously deemed conducted for the purposes of clinical diagnosis and treatment by the relevant government authority. If such business is not deemed to be for the purpose of clinical diagnosis and treatment, additional regulatory requirements, including regulatory approvals, may be required. Meanwhile, our collection, preservation and usage of human genetic resources in our development products are governed by the HGR Regulation.

Uncertainties and changes in the PRC regulatory regime governing clinical laboratory testing services may have a material adverse effect on our business, results of operations and prospects.

We provided clinical laboratory testing services during the Track Record Period. The regulatory framework governing the cancer genomic testing service industry, or the clinical laboratory testing services industry, in the PRC remains nascent and continues to evolve. Due to the relatively short history of these industries and the absence of a comprehensive regime covering certain testing practices, some long-standing industry practices, including those adopted by us, may ultimately be viewed by regulatory authorities as not fully aligned with existing requirements.

According to the Administration Measures for Clinical Gene Amplification Test Laboratories of Medical Institutions (《醫療機構臨床基因擴增管理辦法》), promulgated by the Ministry of Health (a predecessor of NHC) and effective from December 6, 2010, a clinical gene amplification testing laboratory is prohibited from conducting any clinical amplification testing items that have not been registered with the relevant health administrative authority in accordance with the Catalogue of Clinical Laboratory Items for Medical Institutions (2013) (《醫療機構臨床檢驗項目目錄》(2013年版)) (Testing Items Catalogue). As of the Latest Practicable Date, certain clinical laboratory testing services commonly used in cancer genomic analysis have not been included in the Testing Items Catalogue. As such, we are not able to register or file such testing items with the applicable PRC health administrative authority.

RISK FACTORS

In February 2016, the NHFPC, a predecessor of NHC, issued the Notice on Issues Related to the Management of Clinical Laboratory Items (《國家衛生計生委辦公廳關於臨床檢驗項目管理有關問題的通知》) (Circular 167), pursuant to which medical institutions are required to establish and improve the management of clinical laboratory items, and clinical testing items that are not included in the Testing Items Catalogue but are with clear clinical significance, relatively high specificity and sensitivity, and reasonable price, should be validated in time to meet clinical needs. However, the notions of “clear clinical significance,” “relatively high specificity and sensitivity,” and “reasonable price” are not defined by the Circular 167. We believe that our clinical laboratory testing services meet these standards, and we believe testing items outsourced by a public hospital in the PRC are generally considered reasonably priced. If the PRC government promulgates clear regulatory guidelines or interpretations on Circular 167, we intend to take necessary measures to comply with applicable requirements.

In parallel, pursuant to Article 53 of the Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), promulgated by the State Council and effective from April 1, 2000, with its latest amendment on February 9, 2021, medical institutions may, under certain conditions, self-develop IVD reagents for internal use if no equivalent product has been approved in China. On December 9, 2022, the NMPA and the National Health Commission (NHC) jointly promulgated the Notice on the Launch of the Pilot Program for Medical Institutions to Develop and Use In-House In-Vitro Diagnostic Reagents (《關於開展醫療機構自行研製使用體外診斷試劑試點工作的通知》) (First Pilot Notice), which was supplemented on July 15, 2025, by the Notice on the Launch of the Second Batch of the Pilot Program for Medical Institutions to Develop and Use In-House In-Vitro Diagnostic Reagents (《關於開展第二批醫療機構自行研製使用體外診斷試劑試點工作的通知》), to expand pilot programs for medical institutions to conduct relevant registrations and filings with the relevant regulatory authorities for the clinical laboratory testing services. These regulations and notices currently cover a limited number of institutions and are subject to specific requirements. As certain aspects of our business complement clinical laboratory testing services capabilities, any changes in the scope, eligibility criteria, permitted use, or compliance obligations of these regulations and pilot programs may affect our ability to continue providing certain solutions. Failure to comply with evolving requirements could adversely affect our business, results of operations and financial condition. See “Regulatory Overview” for more details.

We cannot assure you that regulatory agencies in China will maintain their enforcement practices, and therefore, prior enforcement activity, or lack of enforcement activity, is not necessarily predictive of future actions. The regulatory framework for this industry is also evolving and may remain uncertain for the foreseeable future. Any failure to meet existing and future requirements may adversely affect our business and results of operations.

RISK FACTORS

Our historical results of operations and financial condition may not be indicative of our future performance and may be adversely affected by unpredictable, non-recurring events, including pandemics such as COVID-19.

Our past performance is not necessarily indicative of future results, and in future periods, our growth could be slower than we expect or decline. For example, our historical financial condition and results of operations have been affected by the change in our business mix. In particular, our revenue decreased by 73.9% from RMB1,815.0 million in 2022 to RMB472.8 million in 2023, primarily due to the decrease in revenue from the phasing out of our COVID-19 nucleic acid testing services. Our gross profit from precision diagnostics solutions decreased from RMB743.4 million in 2022 to RMB205.8 million in 2023, primarily due to the conclusion of the COVID-19 pandemic and the gradual phasing out of our COVID-19 nucleic acid testing solutions. See “Financial Information — Period-to-Period Comparison of Results of Operations” for more details.

In addition, our results of operations and financial condition may not meet the expectations of public market analysts or investors, which could cause the future price of our shares to decline. The effects of changing regulatory, economic, public health, environmental, competitive conditions, future expansion of our testing facility, and many other factors cannot be fully predicted and may have a material adverse effect on our business, financial condition, results of operations, and prospects. We believe that continued growth in our revenue, as well as our ability to improve margins, will depend upon, among other factors, our ability to address the challenges, risks, and difficulties described elsewhere in this “Risk Factors” section. We cannot assure you that we will be able to successfully manage any such challenges or risks to our future growth. Any of these factors could cause our revenue growth to slow down or decline and may adversely affect our margins and profitability.

If our laboratories fail to comply with applicable licensing requirements, or become damaged or inoperable, our ability to perform tests may be jeopardized.

Our existing laboratory and our laboratories that are expected to be built are subject to extensive regulations in China. To operate these testing laboratories, we need to obtain approvals and accreditation from the NHC or their respective local offices. As of the Latest Practicable Date, we have obtained the primary approvals and accreditations from the NHC or their respective local offices that are required for our existing laboratories. See “Business — Licenses, Permits and Approvals” for more details. However, if we increase the number of our laboratories to meet increasing demand for our testing services, we will be required to obtain NHC approvals and accreditation for such additional laboratories, and we cannot assure you that we would obtain such approvals and accreditation in a timely manner, or at all, as the NHC approval and accreditation process is costly, lengthy and uncertain. For instance, we cannot assure you that our Beijing Technology Medical Laboratory Co., Ltd. (北京吉因加醫學檢驗實驗室有限公司) (Beijing Lab) will be able to obtain the relevant registration for high-throughput sequencing laboratory operation. If we fail to maintain or renew any major license, permit, certificate, approval or accreditation for all or any of our laboratories, or if the testing professionals at our laboratories become unlicensed at any time during their practices, or if we or our laboratories are found to be non-compliant with any applicable PRC laws or regulations, we may face penalties, suspension of operations or even revocation of operating licenses, depending on the nature of the findings, any of which could materially and adversely affect our business, financial condition and results of operations.

RISK FACTORS

In addition, if a laboratory or R&D facility or laboratory equipment becomes damaged or inoperable, including due to accidents and injuries, we may not be able to replace our testing capacity quickly or at all. In the event of a temporary or protracted loss of a laboratory, facility or equipment, we may face delays that could impact the delivery of our services and might not be able to rebuild any of them in a timely manner. Even if we could rebuild them, it would likely be time-consuming, particularly since any new laboratory would need to comply with the necessary regulatory requirements and we would need to receive certain regulatory approvals. Any damage or interruption of our laboratory operations could result in our inability to satisfy the demand of our testing services and could materially harm our business, financial condition and results of operations.

We are subject to the risks associated with sanctions, export controls, and evolving trade and regulatory policies.

Our operations may be negatively affected by trade policies, sanctions and export controls regulations administered by the government authorities in the countries in and with which we operate, including, but not limited to, regulation of economic and labor conditions, increased duties, taxes and other costs. These types of laws and regulations may be subject to frequent changes, and their implementation, interpretation and enforcement involve substantial uncertainties, which may be heightened by potential national security concerns or other factors that are out of our control. Similar or more expansive restrictions may be imposed by different jurisdictions in the future. We will need to maintain heightened internal control and risk management policies to ensure sound compliance with such restrictions, which require significant resources and efforts. Furthermore, such potential restrictions may materially and adversely affect our abilities and those of our business partners to acquire technologies, systems, devices or components that may be critical to business operations. Any of these developments could affect us, our customers and/or suppliers or economic conditions generally, any of which could adversely affect our business, results of operations and financial condition.

For instance, the United States has expanded sanctions and export control restrictions on China through the Export Administration Regulations (EAR), administered by the BIS. These regulations are designed to restrict the access of certain Chinese companies to sensitive U.S. technologies, particularly in industries like telecommunications, artificial intelligence, and semiconductors. In addition to the United States, various other governments are also imposing controls, licensing requirements, and restrictions applicable to exports to China, with a specific focus on high-tech goods and services. These types of restrictions could impact our ability to supply customers of affected countries, territories, and entities and could restrict our ability to obtain components and technologies we incorporate in or use to develop our solutions.

With respect to U.S. export controls, in October 2022, BIS issued an interim final rule (BIS October 2022 IFR) aiming at restricting China’s ability to obtain advanced computing integrated circuits, develop and maintain supercomputers, and manufacture advanced semiconductors. In October 2023, BIS issued another interim final rule (BIS October 2023 IFR) that updated and expanded U.S. export controls imposed by the BIS October 2022 IFR (collectively, the BIS 2022/23 IFRs). In addition to the restrictions introduced by the BIS 2022/23 IFRs, BIS maintains lists of persons that are subject to enhanced export control

RISK FACTORS

restrictions. One such list, the Entity List, includes a list of foreign persons on which certain trade restrictions are imposed, including business, research institutions, government and private organizations, individuals and other types of legal persons. The United States in recent years has placed an increasing number of entities, including a number of entities in China, on the Entity List and other restricted or prohibited parties lists. These lists may be updated unpredictably, and once a party is added to the Entity List, it becomes subject to severe restrictions on access to certain U.S.-origin goods and technologies. Given the sudden and unpredictable nature of these determinations, it is difficult to predict developments in this area, and we have no ability to influence such determinations. As these export control laws and regulations continue to expand and evolve, future sanctions and export controls may materially affect or target some of our significant customers or suppliers, raw materials or key components or technologies necessary for our operations, in which event our business may be affected if we fail to promptly secure alternative customers or sources of supply on terms acceptable to us. During the Track Record Period, we procured goods and/or services from certain entities that were subject to sanctions and export control restrictions, which the Directors believe did not constitute a violation of applicable sanctions or export control requirements.

In response to Russia's conflict with Ukraine, the United States, the European Union, and various other jurisdictions have imposed far-reaching sanctions and export control restrictions on Russia and many Russian entities and individuals such that sales to or other business in Russia or with such restricted entities or individuals are subject to heightened regulatory risks. These measures, including asset freezes and restrictions of specific financial and technological services, have been continuously expanded, making it increasingly difficult for firms to engage with Russian entities or individuals, directly or indirectly. These measures, as well as other economic and trade sanctions measures maintained by the United States, the European Union, and other jurisdictions, may prohibit or restrict our ability to, directly or indirectly, conduct activities or dealings in or with certain targeted countries and territories or involving certain targeted persons, or otherwise affect our business. Any failure to successfully comply with applicable sanctions or export controls rules may expose us to negative legal and business consequences, including civil or criminal penalties, the loss of access to controlled technologies, and government investigations.

Additionally, these regulatory risks are compounded by the uncertainty and fluidity of international trade policies and the evolving nature of domestic regulations in key markets. Governments around the world are increasingly focusing on national security concerns, data privacy, and the protection of critical infrastructure, leading to more stringent regulations in areas such as cybersecurity, data governance, and intellectual property protection. The growing complexity of these regulatory environments, combined with the shifting geopolitical landscape, means that our ability to predict and adapt to future sanctions, export controls, and trade restrictions may be increasingly challenged, potentially affecting our competitiveness and operational flexibility.

Changes in international trade and investment policies, escalations of tensions in international relations, and increased scrutiny from customs and other authorities, particularly with regard to China, could materially and adversely impact our business and results of operations. There have been heightened tensions in international relations in recent years, particularly with regard to China, which has resulted in and may continue to cause changes in international trade policies and additional barriers to trade.

RISK FACTORS

The price of medical devices, raw materials for reagents, reagents, medical consumables and other goods and services could adversely affect our margins and results of operations.

We procure medical devices, raw materials for reagents, reagents, medical consumables and other goods and services necessary for our operations. Selecting, managing and supervising these third-party suppliers and service providers requires significant resources and expertise. Unsatisfactory performance by these third parties, including their failure to provide laboratory equipment, medical devices, reagents and raw materials or services according to applicable legal and regulatory requirements, the terms of our contracts or otherwise below standard, could negatively affect the quality of our solutions and damage our reputation. During the Track Record Period, we did not experience any such incidents of unsatisfactory performance by our suppliers or service providers. The prices may increase in the future, or there may be a reduction in the availability of raw materials due to various factors beyond our control. The prices of the raw materials may be affected by a number of factors, including market supply and demand, the PRC or international environmental and regulatory requirements, natural disasters and economic conditions in China and around the world. In the event of significant price increases for such supplies, we may have to pass the increased costs to our consumers. However, we cannot assure you that we will be able to raise the prices of our solutions sufficiently to cover such increased costs. As a result, any significant price increase for or reduction in the availability of our raw materials may have an adverse effect on our profitability and results of operations.

In order to meet the increasing demand arising out of our growth in business, we will be required to increase our procurement of the abovementioned products. However, as we grow, our existing suppliers may not be able to meet our increasing demand, and we may need to find additional suppliers. We cannot assure you that we will always be able to secure suppliers who provide products at reasonable and acceptable prices, and the failure to do so will adversely affect our business performance and results of operations.

If we cannot maintain relationships with our key business partners or cannot establish or seek additional collaborations and strategic alliances in the future, our results of operations and prospects could be adversely affected.

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 and any future products that we may develop. We collaborate with certain key business partners in many aspects of our business, such as hospitals, ICLs, pharmaceutical and biotechnology companies, and medical research institutions. Our success in part depends on our ability to maintain our relationships with our key business partners and establish new collaborations in the future. Collaborations with our key business partners are subject to numerous risks, including:

- our key business partners may no longer be as competitive in the market as they are now;
- our key business partners have significant discretion in determining the efforts and resources that they will apply to a collaboration;

RISK FACTORS

- our key business partners 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;
- disputes may arise between us and key business partners 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; and
- collaboration may be terminated and, if terminated, may result in a need for additional capital to pursue further commercialization of the applicable products.

We are exposed to concentration risk of reliance on our major suppliers.

During the Track Record Period, we rely on our suppliers, primarily including suppliers of laboratory equipment, reagents, consumables and repair services. Purchases from our five largest suppliers in each year or period during the Track Record Period accounted for 41.5%, 71.5%, 67.4% and 68.1% of our total purchase amount for the year ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. For example, we depended on Supplier Group A to provide a substantial portion of our instruments, instrument components, reagents, consumables, spare parts and maintenance services during the Track Record Period. Purchases from Supplier Group A accounted for 17.1%, 61.0%, 55.2% and 58.8% of our total purchase amount for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. See “Business — Our Supply Chain Management — Suppliers” for more details.

Our reliance on these major suppliers subjects us to the concentration and counterparty risk from these suppliers. We cannot assure you that we will be able to maintain our relationships with our major suppliers in the future. Moreover, we cannot assure you that our major suppliers will not have a change of business scope or business model or will continue to maintain their market position and reputation. Any material adverse change to the operation, financial performance, or financial condition of our major suppliers may result in material adverse impact on their business with us. For example, if the supply of reagents is disrupted or delayed, there can be no assurance that we will be able to find new suppliers with similar supply capacity on comparable commercial terms within a reasonable period of time, or at all. Should any of these occur, our business, financial condition, results of operations, and profitability may be adversely affected.

Because of the complex proprietary nature of our products, if there were a disaster or other business disruption at any of our suppliers’ facilities, procurement of and transition to new suppliers would take a significant period of time to complete and would likely adversely affect our inventory, business, results of operations and financial condition. Further, we are vulnerable to the risk that our current suppliers may be unable to meet the demand for our products or cease operations altogether. Moreover, any shortage in the raw materials used by

RISK FACTORS

our suppliers may result in shortage in their supply of our products and delay in their packaging and testing process. Therefore, we are vulnerable to the risk that our current suppliers may be unable to meet our demand.

In addition, our ability to receive sufficient supplies of our products could be adversely affected by events such as natural disasters, including earthquakes, droughts and typhoons. Moreover, increased regulation or heightened societal and industrial expectations regarding responsible sourcing practices could increase our compliance costs. Any failure to comply with such regulations or meet such expectations as a result of misconduct by our suppliers could result in negative publicity that adversely affects our reputation. Given that we do not directly control the procurement or employment practices of our suppliers, we could be subject to financial or reputational risks as a result of their conducts. To the extent we are unable to manage these risks, our ability to timely supply competitive products will be harmed, our costs will increase, and our business, results of operations and financial condition will be adversely affected.

If we are unable to support the demand for our current or future solutions, including ensuring that we have adequate capacity to meet increased demand, our business could suffer.

As the market demand for our solutions grows, we will need to continue to carry out a series of strategies to meet the increasing demand, such as:

- increase our workflow capacity for consumer service, billing, and general process improvements;
- expand our internal quality assurance program; and
- extend our comprehensive suite of NGS testing products and services in various specialty areas.

In addition, we will need additional laboratory scientists and technicians and other scientific and technical personnel to process higher volumes of our solutions, and production facilities to ensure control over product and service qualities, intellectual property, and supply chain stability. The expansion of our operations, hiring of additional personnel or construction of new production facilities may lead to significant costs and divert our management attentions and development resources. We will also need to purchase additional equipment, some of which can take several months or more to procure, set up, and validate, and increase our software and computing capacity to meet increased demand. For example, our Shaoxing production base is completed and commences production as scheduled in 2026. We cannot assure you that any of these increases in scale, expansion of personnel, equipment, software and computing capacities, construction of production facilities or process enhancements will be successfully implemented, or that we will have adequate space in our laboratory facilities to accommodate such required expansion.

RISK FACTORS

As we commercialize additional solutions, we will need to incorporate new equipment, implement new technology systems and laboratory processes, hire new personnel with different qualifications, and construct new production facilities. Failure to manage this growth or transition could result in TAT delays, higher service costs, declining service quality, deteriorating consumer service, and slower responses to competitive challenges. A failure in any one of these areas could make it difficult for us to meet market expectations for our solutions and could damage our reputation and the prospects for our business.

Failure to maintain and predict inventory levels in line with the level of demand for our solutions could cause us to lose sales or face excess inventory risks and holding costs, either of which could adversely affect our business, financial condition and results of operations.

During the Track Record Period, we did not experience any inventory shortages. To operate our business successfully and meet our customers’ and consumers’ demands and expectations, we must maintain a certain level of inventory for our products to ensure our solutions can be provided promptly. Furthermore, we are required to maintain an appropriate level of inventory of our raw materials for our products, such as reagents and consumables. We maintain our inventory levels based on our internal forecasts, which are inherently uncertain. If our forecast demand is lower than actual demand, we may not be able to maintain an adequate inventory level of our medical devices and reagents 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 medical devices and reagents. Excess inventory levels may increase our inventory holding costs, risk of inventory obsolescence or write-offs.

In addition, we actively monitor our inventory level. However, we cannot assure you that the inventory information we collect is complete and accurate or that such information would allow us to effectively manage our inventory level. If we fail to maintain and predict inventory levels in line with the level of demand for our solutions, our business, financial condition and results of operations will be adversely affected.

We may fail to maintain sufficient marketing and sales capabilities.

Maintaining such in-house teams may require significant expenses, management resources and time. See “Business — Marketing — Our Sales and Marketing Team” for more details regarding the size of our sales team. We will have to compete with other life sciences, clinical genomics, and pharmaceutical companies to recruit, hire, train and retain suitable personnel. We also continuously train our in-house sales force to ensure that they could implement sales and marketing efficiently and in compliance with laws and regulations as well as our internal policies.

In addition to our direct sales, we also sell our products to hospitals through our distributors. We may have little control over the marketing and sales efforts of such third parties, and our revenue from distributor sales may be lower than that from commercializing ourselves.

RISK FACTORS

We cannot assure you that we will be able to develop in-house sales and commercial distribution capabilities or establish or maintain relationships with third-party collaborators to successfully market any products or services or solutions, and as a result, our financial condition and results of operations may be adversely affected if we are unable to generate sales revenue.

We use third-party logistics service providers for transporting IVD products and testing samples, and any delays, mishandling, contamination of testing samples or other performance issues encountered by our logistics providers may affect our business operation.

We rely on third-party logistics providers to deliver our IVD products and transport biological samples for our solutions. The effectiveness of our IVD products and the quality of our testing services depend on proper handling and timely transportation, which can be disrupted by various factors beyond our control, such as long distances, natural disasters, policy changes, labor strikes, bad weather, or mislabeling and packaging errors. During the Track Record Period, we did not experience any such disruptions in the transportation of our IVD products or biological samples. Any of such disruptions could delay deliveries, degrade and contaminate biological samples and lead to additional costs, customer dissatisfaction, opportunity loss and reputational harm.

We have limited control over their operations. Failures to meet performance standards or maintain proper conditions for sample transport could result in delays, inaccurate results, or service failures. Additionally, rising logistics costs could increase operational expenses, and if we cannot offset these costs through price adjustments, our profit margins may be impacted, thereby suffering from material adverse impacts on our financial condition and results of operations.

We have incurred net liabilities during the Track Record Period.

We recorded net liabilities of RMB905.0 million, RMB850.9 million, RMB1,275.3 million and RMB1,689.1 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. Such net liabilities are mainly related to our financial liabilities designated at FVTPL, representing Preferred Shares issued pursuant to the Pre-[REDACTED] Investments. This existing liability structure poses additional challenges to achieving and sustaining future profitability.

In addition, as we continue to grow our business in an intensifying competitive landscape, we cannot assure you that we will be able to continue to achieve profitability in the future. Our ability to achieve profitability and maintain our financial performance will depend on general factors affecting the markets we compete in, primarily including: global demand and competition for multi-omics solutions; the overall economic conditions; the advancement in technologies relating to multi-omics solutions; and government regulations, policies and initiatives affecting our business and operations. In addition to the above general factors, our results of operations have been, and are expected to continue to be, materially affected by various specific factors. See “Financial Information — Factors Affecting our Results of Operations and Financial Condition” for more details. We can not assure you that we will not incur net liabilities in the future, which may negatively affect our short-term financial performance.

RISK FACTORS

Failure to collect our trade receivables or bills receivables in a timely manner may adversely affect our liquidity.

During the Track Record Period, approximately 2.4%, 49.8%, 13.5% and 11.2% of our trade receivables net of allowance were aged over one year or above. Depending on the credit history of our customers and their transaction amounts with us, we generally allow a credit period of 30 to 180 days. There is no assurance that all such amounts due to our Group will be settled on time or at all, and we are subject to credit risk in collecting the trade receivables due from the customers. Our performance, liquidity and profitability will be adversely affected if significant amounts due to us are not settled on time. The bankruptcy or deterioration of the credit condition of any of our major customers could also adversely affect our business.

We recorded net operating cash outflows historically, and we can not assure you that we will have net cash inflow from operating activities in the future.

We recorded net cash used in operating activities of RMB112.0 million and RMB34.8 million in 2022 and the six months ended June 30, 2025, respectively. See “Financial Information — Liquidity and Capital Resources — Cash Flows — Net Cash Used in Operating Activities” for more details. We cannot assure you that we will be able to generate positive cash flows from operating activities in the future. If we record net operating cash outflows in the future, our working capital may be constrained, which may adversely affect our financial condition. Our future liquidity primarily depends on our ability to maintain adequate cash inflows from our operating activities and adequate external financing, or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all.

If we fail to obtain sufficient funding in a timely manner and on reasonable terms, or at all, we will be in default of our payment obligations and may not be able to expand our business. Thus, our business, results of operations and financial condition may be adversely affected.

We may be unsuccessful in obtaining or maintaining adequate intellectual property protection for one or more of our products and services, due to the failure of granting our patent applications or licensed patents, and issued intellectual properties covering one or more of our products and services could be found invalid or unenforceable if challenged in court or before administrative bodies.

Our commercial success will depend, in large part, on our ability to obtain, maintain and defend patents and trademarks and the proprietary technologies covering our products and services and maintain some of our proprietary technologies as trade secrets. We cannot assure you 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, be interpreted in a manner that does not adequately protect our products and services, or otherwise provide us with any competitive advantage. The patent position of life sciences, clinical genomics and pharmaceutical companies is generally uncertain because it involves complex legal and factual considerations. Patent applications we have applied for may not be granted in the end. Moreover, some of our patents and patent applications are, and may in the future be, co-owned with third parties. If we are unable to

RISK FACTORS

obtain an exclusive license to any such third-party co-owned interest in such patents or patent applications, we may not be able to license or transfer our rights to other third parties. 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 conditions, results of operations and prospects. As such, we do not know the degree of future protection that we will have on our products and technology, if any, and a failure to obtain adequate intellectual property protection with respect to our products and services could have a material adverse impact on our business.

Despite the fact that we can take measures to obtain patent and other intellectual property protections with respect to our products and services, we cannot assure you that the existence, validity, enforceability, or scope of our intellectual property rights will not be challenged by a third party, or that we can obtain sufficient scope of claim in those patents to prevent a third party from competing against our products and services. For example, in an infringement proceeding, a court may decide that patent rights owned by us are invalid or unenforceable, or may refuse to stop the other party from using the technology at issue on the ground that our patent rights do not cover the technology in question. An adverse result in any litigation proceedings could put our patent, 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, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

In addition, if we were to initiate legal proceedings against a third party to enforce a patent covering one of our products and services, the defendant could counterclaim that our patent is invalid and/or unenforceable. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example, lack of novelty, lack of obviousness, lack of written description or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the China National Intellectual Property Administration (CNIPA), or the applicable foreign counterpart, or made a misleading statement, during prosecution. Although we believe that we have conducted our patent prosecution in accordance with the duty of candor and in good faith, the outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. With respect to the validity question, for example, we cannot assure you that there is no invalidating prior art, of which we and the patent examiner were unaware 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 solutions. Even if a defendant does not prevail on a legal assertion of invalidity and/or unenforceability, our patent claims may be construed in a manner that would limit our ability to enforce such claims against the defendant and others.

Third parties may also raise similar claims before administrative bodies in the PRC or abroad, even outside the context of litigation. Such mechanisms include ex parte re-examination, inter partes review, post-grant review, derivation and equivalent proceedings, such as opposition proceedings. Such legal proceedings could result in revocation or amendment to our patents in such a way that they no longer cover and protect our products

RISK FACTORS

and services. The outcome following legal assertions of invalidity and unenforceability can be unpredictable. With respect to the validity of our patents, for example, we cannot assure you that there is no invalidating prior art of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we may lose part or all of the patent protection on our products and services. Any loss of patent protection could have a material adverse impact on one or more of our products and services and our business.

If we are unable to maintain the confidentiality of our trade secrets or know-how, our reputation, business and competitive position may be harmed.

Our commercial success will depend, in large part, on our ability to obtain, maintain and defend know-how and other intellectual property protection. We seek to protect our trade secrets or know-how, in part, by entering into agreements, including confidentiality agreements and non-disclosure agreements or containing such provisions, with parties that have access to them, such as our employees, corporate partners and other third-party service providers. Nevertheless, we cannot assure you that an employee or a third party will not make an unauthorized disclosure of such proprietary confidential information. This might happen intentionally or inadvertently. It is possible that a competitor will make use of such information, and that our competitive position will be compromised, despite any legal action we might take against persons making such unauthorized disclosure. 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 work completed or the resulting know-how and inventions. Enforcing a claim that a third party illegally obtained and is using any of our trade secrets or know-how is expensive and time-consuming, and the outcome is unpredictable.

We sometimes collaborate with third parties, such as research institutions, to conduct research relevant to our business. The ability of these third parties to publish or otherwise publicly disclose data and other information generated during the course of their research is subject to certain contractual limitations. These contractual provisions may be insufficient or inadequate to protect our confidential information. If we do not apply for patent protection prior to such publication, or if we cannot otherwise maintain the confidentiality of our confidential information, then our ability to obtain patent protection or to protect our trade secrets or know-how may be jeopardized. Failure to protect our intellectual property may severely disrupt our business operations, reduce or eliminate any competitive advantage we have developed and materially harm our business, financial condition, results of operations and prospects, and any remediation may significantly divert management's attention and resources from other activities.

We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time-consuming and unsuccessful.

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,

RISK FACTORS

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, despite our efforts, 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.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

We currently hold issued trademark registrations and have trademark applications pending, any of which may be the subject of a governmental or third-party objection, which could prevent the registration or maintenance of the same. See “Business — Intellectual Property Rights” for more details. If we are unsuccessful in obtaining trademark protection for our primary 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, or engaging in conduct that constitutes unfair competition, defamation or other violation of our rights, our business could be materially adversely affected.

Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our business, financial condition, results of operations and prospects.

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, the USPTO and other patent agencies in several stages over the lifetime of the patent. The

RISK FACTORS

CNIPA, the USPTO and various governmental patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process. Although an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, 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.

Patent terms may not be sufficient to effectively protect our products and services and business.

In most countries in which we plan to file applications for patents, the term of an issued patent is generally ten to 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country. Although various extensions may be available, the life of a patent and the protection it affords are limited. Even if patents covering our products and services are obtained, we may be open to competition from other companies once our patent rights expire. Furthermore, there is no currently effective law or regulation providing patent term extension in China. Upon expiration of our issued patent or patents that may issue from our pending patent application, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected.

Intellectual property rights do not necessarily protect us from all potential threats to our competitive advantage.

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.

The following examples are illustrative:

- others may be able to independently develop similar or alternative technologies or designs that are similar to our products and services but that are not covered by the claims of the patents that we own or have exclusively licensed;
- we might not have been the first to make the inventions covered by the issued patents or pending patent applications that we own or may in the future exclusively license, which could result in the patent applications not issuing or being invalidated after issuing;
- we might not have been the first to file patent applications covering certain of our inventions, which could result in the patent applications not issuing or being invalidated after issuing;

RISK FACTORS

- our competitors might conduct R&D activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products and services for commercialization in our major markets;
- we may fail to apply for or obtain adequate intellectual property protection in all the jurisdictions in which we operate; and
- the patents of others may have an adverse effect on our business, for example, by preventing us from commercializing one or more of our products and services candidates for one or more cancer types.

Any of the aforementioned threats to our competitive advantage could have a material adverse effect on our business.

We depend on our information technology systems, and any failure of these systems could harm our business.

We depend on our information technology for significant elements of our operations. For instance, our AI technology is able to automatically analyze DNA sequencing data to generate a ready-to-read data report. We have also installed, and expect to expand, a number of enterprise software systems that affect a broad range of business processes and functional areas, including, for example, systems handling customer relationship management, laboratory information management systems, and other infrastructure operations.

Our information and other technology systems are vulnerable to damage from a variety of sources, including telecommunications or network failures, malicious or inadvertent human acts and natural disasters. Our servers are potentially vulnerable to physical or electronic break-ins, employee errors, computer viruses and similar disruptive problems. Although we have taken precautionary measures to prevent unanticipated problems that could affect our information technology and telecommunications systems, we, or our third-party service providers, may experience failures or significant downtime of our information technology or telecommunications systems. These incidents could prevent us from conducting tests, preparing and providing reports to our customers, billing customers, collecting revenue, handling inquiries from our customers, conducting research R&D activities, and managing the administrative aspects of our business. Any disruption or loss of information technology or telecommunications systems on which critical aspects of our operations depend could have an adverse effect on our business.

Security breaches, loss of data, and other disruptions could compromise business-critical information related to our business or prevent us from accessing business-critical information and expose us to liability, which could adversely affect our business and our reputation.

In the ordinary course of our business, we mainly collect and store data extracted from biological samples that reflect specific gene segment structures or functional genomic activities. We manage and maintain our applications and data by utilizing both local storage and cloud-based data centers, which temporarily cache data solely for the purpose of secure transmission to our customers for local storage. These applications and data encompass a

RISK FACTORS

wide variety of business-critical information, including R&D information, commercial information, and business and financial information. We face a number of risks related to protecting this business-critical information, including loss of access risk, inappropriate use or disclosure, inappropriate modification, and the risk of our being unable to adequately monitor, audit, and modify our controls over our critical information.

The secure processing, storage, maintenance, and transmission of this business-critical information are vital to our operations and business strategy, and we devote significant resources to protecting such information. Although we take measures to protect data from unauthorized access, use or disclosure, our information technology and infrastructure, and the information technology systems and applications of our vendors, may be vulnerable to attacks by hackers or viruses or breached due to employee error, malfeasance, or other malicious or inadvertent disruptions. If our third-party vendors fail to protect their information technology systems and our confidential and proprietary information, we may be vulnerable to disruptions in service and unauthorized access to our confidential or proprietary information, and we could incur liability and reputational damage. The risk of a security breach or disruption, particularly through cyberattacks or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. We and our third-party service providers and partners may also face increased cybersecurity risks if we continue to rely on internet technology and if our employees continue to work remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may experience security breaches that may remain undetected for an extended period. Our third-party service providers and partners are also subject to these heightened risks. Unauthorized access, loss, or dissemination could also result in delays of our solutions development and commercialization as well as damage our reputation, including our ability to conduct our analysis, deliver test results, process claims and appeals, provide customer assistance, conduct R&D activities, collect, process, and prepare company financial information, provide information about our tests, and manage the administrative aspects of our business.

Any such unauthorized access, loss, or dissemination of information could also result in legal claims or proceedings, liabilities under PRC laws and regulations in relation to the protection of data and cybersecurity. The costs to us to investigate and mitigate network security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and while we have implemented security measures to protect our data security and information technology systems from system failure, accident and security breach, our efforts to address these problems may not be successful, and these problems could result in unexpected interruptions, delays, disruption of our development programs and our business operations, cessation of service, negative publicity and other harm to our business and our competitive position, whether due to a loss of our trade secrets or other proprietary information or other disruptions.

RISK FACTORS

We face challenges from the evolving regulatory environment and increasing public awareness on privacy, personal data protection and cyber security. Actual or alleged failure to comply with privacy, cybersecurity and data protection-related laws and regulations could adversely affect our business and reputation.

The data protection landscape is rapidly evolving, and we are or may become subject to numerous laws, requirements and regulations governing the collection, use, disclosure, retention, and security of personal data. This evolution may create uncertainty in our business, affect our ability and those of our collaborators, service providers, and contractors to operate in certain jurisdictions or to collect, store, transfer, use and share personal data, necessitate the acceptance of more onerous obligations in our contracts, result in liability or impose additional costs on us. We operate in an environment where privacy, cybersecurity and data protection laws and regulations are constantly evolving and requiring significant efforts of compliance. In the course of providing our precision diagnostics solutions, drug R&D enablement solutions and clinical research and translation solutions, we collect and use data extracted from biological samples that reflect specific gene segment sequence structures or indicators of gene functional activity, as well as limited personal information such as age, gender and disease status. We use such data internally for service delivery purposes and, where permitted, to expand reference datasets and refine our analytical methodologies.

In recent years, government authorities across the world have been increasingly focusing on privacy and data protection. Particularly in China, the substantial base of our business operations, the PRC government has enacted a series of laws and regulations on the protection of data and personal information. For instance, the PRC Cybersecurity Law (《中華人民共和國網絡安全法》) came into effect on June 1, 2017, which was amended on October 28, 2025, and the amendment of which will take effect on January 1, 2026, the Standing Committee of the National People’s Congress of China promulgated the PRC Data Security Law (《中華人民共和國數據安全法》) which came into effect on September 1, 2021, and the Measures for Cybersecurity Review (《網絡安全審查辦法》) came into effect on February 15, 2022. See “Regulatory Overview — Regulations Relating to Cybersecurity, Data Protection” for more details. Although we are not obliged to apply for a cybersecurity review pursuant to the Measures for Cybersecurity Review with respect to our proposed [REDACTED], since the interpretation and implementation of these laws and regulations with respect to the cybersecurity review keep evolving, we cannot assure you that there will not be any additional regulatory requirements regarding the cybersecurity review relating to the new laws and regulations.

We have adopted various measures to ensure legal compliance. See “Business — Information Security and Privacy Protection” for more details. However, we cannot assure you that our cybersecurity, data protection and personal information protection measures are, and will be, always considered sufficient under applicable laws and regulations. Additionally, the effectiveness of our protection measures is also subject to system failure, interruption, inadequacy, security breaches or cyberattacks. Any failure or perceived failure to comply with applicable privacy, data protection and cyber security laws and regulations could result in reputational damage or proceedings or actions against us by governmental authorities, individuals or others. These proceedings or actions could subject us to significant civil or criminal penalties and negative publicity, and materially harm our business, prospects, financial condition and results of operations. Furthermore, a data breach affecting personal data could result in significant legal and financial exposure and reputational damage that could potentially have an adverse effect on our business.

RISK FACTORS

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

As we seek to advance our solutions through continued R&D efforts, we will need to expand our development, manufacturing, marketing and sales capabilities or contract with third parties to provide these capabilities for us. 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 additional responsibilities on members of management. Our future financial performance and our ability to commercialize our solutions and to compete effectively will depend, in part, on our ability to manage any future growth effectively. To that end, we must be able to manage our development and commercialization efforts 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.

In addition, as our business may enter new geographic regions, we will invest substantial resources and face new operational risks and challenges associated with the business, economic and regulatory environment that we are not familiar with. We will be required, among other things, to understand and comply with the local regulations, to partner with local healthcare providers, and to meet the expectations of local customers.

Failure to attract and retain our senior executives and other key employees could adversely affect our business.

Our future success depends upon the continuing services of members of our senior management team and key R&D personnel and consultants. Although we typically require our key personnel to enter into non-compete and confidentiality agreements with us, we cannot prevent them from joining our competitors after the non-compete period. The loss of their services could adversely impact our ability to achieve our business objectives. If one or more of our senior management or key clinical and scientific personnel are unable or unwilling to continue serving us, join a competitor, or form a competing company, we may not be able to replace them in a timely manner or at all, which will have a material and adverse effect on our business, financial condition and results of operations.

In addition, the continued growth of our business depends on our ability to hire additional qualified personnel with expertise in molecular biology, chemistry, biological information processing, software, engineering, sales, marketing, and technical support. We compete for qualified management and scientific personnel with other life science and technology companies, universities, and research institutions in the PRC and overseas. Competition for these individuals is intense, and the turnover rate can be high. Failure to attract and retain management and scientific and engineering personnel could prevent us from pursuing collaborations or developing our products, services or technologies.

RISK FACTORS

Any litigation, legal and contractual disputes, claims, investigations, or legal and administrative proceedings against us could be costly and time-consuming to defend or settle.

We may from time to time become a party to litigation, arbitration, administrative proceedings, or disputes in the ordinary course of our business. These may be brought against us by customers, suppliers, business partners, shareholders, employees, competitors, governmental authorities, or other third parties, and may involve a variety of matters, including product liability, intellectual property, labor and employment, securities liability, contract disputes, and property rights. We cannot assure you that we will be successful in defending ourselves in such proceedings or in asserting our rights. Even if we prevail, legal proceedings can be expensive, time-consuming, and disruptive to our operations, and enforcing our rights against other parties involved may prove difficult or ultimately futile. These proceedings could also divert our management's attention, result in negative publicity, and expense us to substantial legal costs, monetary damages, injunctive relief, and criminal, civil, or administrative fines and penalties. Any of these outcomes could materially and adversely affect our business, results of operations, and financial condition. In addition, our Directors, management, Shareholders and employees and their affiliates may from time to time be subject to litigation, regulatory investigations, proceedings and/or negative publicity or otherwise face potential liability and expense in relation to commercial, labor, employment, securities or other matters, which could adversely affect our reputation and results of operations.

Failure in testing and manufacturing quality control may adversely affect our business, reputation and results of operations.

Our success depends on our ability to provide reliable, high-quality data and analysis and to rapidly evolve to meet our customers' and patients' needs. However, we cannot assure you that our solutions will perform as expected at all times. For example, our NGS tests may fail to accurately detect gene variants or other cancer indicators, or fail to, or incompletely or incorrectly, identify the significance of gene variants or other cancer indicators or make other errors. We classify variants in accordance with guidelines that are subject to change and subject to our interpretation. There can be flaws in the databases, third-party tools, algorithms we use, and in the software that handles automated parts of our classification protocol. If we receive poor quality or degraded samples, our tests may be unable to accurately detect or we may fail to or incompletely or incorrectly identify the significance of gene variants or other cancer indicators, which could have a significant adverse impact on our business. In addition, patients also rely on the interpretations by physicians of our testing reports, and we are not able to ensure the interpretations will be correct and complete. Inaccurate results or misunderstanding of, or inappropriate reliance on, the information we provide to our customers could lead to termination of our services or claims against us. A product liability or professional liability claim could result in substantial damages and be costly and time consuming for us to defend, and our liability insurance, if any, may not cover at all, or have sufficient coverage on, such liability claims or damages.

RISK FACTORS

We may be exposed to potential product liability claims and product recalls, and our insurance coverage may be inadequate to protect us from all the liabilities we may incur.

We may be subject to product liability claims if our products have quality issues. For example, we may be sued if our products are perceived to cause injury or are found to be otherwise unsuitable during clinical testing and manufacturing. Any serious failures or defects could cause us to withdraw or recall products, and subject us to product liabilities, which may damage our brand name and may have a material adverse effect on our business, financial condition, results of operations and prospects. During the Track Record Period and up to the Latest Practicable Date, other than sporadic product returns or exchanges, we had not experienced any material customer complaint or product return from customers.

The coverage of our insurance policies may not be broad enough or the indemnifiable amount may not be sufficient to cover all of our losses incurred. Furthermore, we may be unable to acquire such insurance at a reasonable cost or in an amount adequate to satisfy any liability that may arise. In this regard, if we cannot successfully defend ourselves against a product liability claim, obtain indemnification from our collaborators, or acquire sufficient insurance at an acceptable cost, we may incur substantial liabilities or be required to limit commercialization of our product candidates, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

We, our Shareholders, Directors, senior management, employees or third-party suppliers and commercial partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements, which could adversely affect our reputation, operations and prospects.

We are exposed to the risk that our employees, collaborators, service providers, independent contractors, consultants, vendors, and commercial partners may engage in fraudulent or other illegal activities with respect to our business. Misconduct by these individuals and institutions could include intentional, reckless or negligent conduct or unauthorized activity that violates the regulations of the NMPA and other regulatory authorities.

Misconduct by these parties could involve the creation of fraudulent data in our preclinical studies or clinical trials. Their improper activities could also involve individually identifiable information, including the improper use of information obtained in the course of clinical trials, or illegal misappropriation of medical devices.

We may not be able to identify and deter employees' and third parties' misconduct, and the precautions we take to detect and prevent these activities 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 a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and defending ourselves or asserting our rights, those actions could severely delay our R&D programs, or result in failure to obtain regulatory approvals for our product candidates. In addition, our employees and third parties who are responsible for the claims, disputes or legal proceedings against us due to their misconduct may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings. The regulatory

RISK FACTORS

authorities may also impose civil, criminal and administrative penalties, damages and monetary fines on us, which could materially and adversely affect our reputation and business operation.

We require substantial capital for our operations. If we cannot satisfy such requirement with cash from operations or raise sufficient additional capital on acceptable terms, our business, financial condition and prospects may be adversely affected.

In order to further expand our business, develop new products and services, and remain competitive, we may require additional capital to be expended in our operations. We expect to satisfy such capital commitments using cash from operations and various channels and instruments available to us. Financing may be unavailable in amounts or on terms acceptable to us. Our ability to use cash from operations and to obtain additional capital is subject to a variety of uncertainties, including our future financial condition, results of operations and cash flows, general market conditions for capital-raising activities and economic, political and other conditions in China. The future incurrence of indebtedness may result in debt service obligations and could result in operating and financing covenants restricting our operations or our ability to make acquisitions or pay dividends. Any failure to meet our capital requirements may materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO CONDUCTING BUSINESS IN CHINA

The medical device industry and the pharmaceutical industry in China are highly regulated and such regulations are subject to change, which may affect our operations, revenue and profitability or impose additional compliance burden on us.

We currently conduct our operations in China. The medical device and pharmaceutical industry in China are subject to comprehensive government regulation and supervision, encompassing the approval, registration, manufacturing, packaging, licensing and marketing of new devices and products. In recent years, the regulatory framework in China regarding the medical device industry and pharmaceutical industry has undergone significant changes, and we expect that they will continue to undergo significant changes. Any such changes or amendments may result in increased compliance costs on our business or cause delays in or prevent the successful development of our solutions in China and reduce the benefits we believe are available to us from developing and manufacturing our products in China.

The economic, social and other general conditions in China could affect our business, results of operations, financial condition and prospects.

Due to our extensive operations in China, our business, results of operations, financial condition and prospects may be influenced by economic, social and other general conditions in China. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic and social conditions in China generally and by continued economic growth in China as a whole.

RISK FACTORS

While the Chinese economy has experienced significant growth over the past decades, we cannot assure you that the growth would be maintained or equitable across sectors. The Chinese government has implemented various measures to encourage economic growth. Some of these measures may benefit the overall Chinese economy but may not have the same effect on us.

In addition, the global economic, political and social conditions are evolving rapidly and are subject to uncertainties. Geopolitical tension and conflicts, energy crisis, inflation risk, interest rate increases, and the instability in the financial system impose new challenges and uncertainties on the global economy. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term. Furthermore, sanctions and export control measures are unilaterally imposed by the U.S. or other jurisdictions from time to time. These measures may have a 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 complicated regulations and measures and could face penalties for any violation, even if inadvertent.

Policies regarding foreign currency conversion may affect our foreign exchange transactions and our ability to pay dividends and meet other obligations. Fluctuations in exchange rates of the Renminbi could result in foreign currency exchange losses.

The conversion of RMB is subject to applicable laws and regulations in the PRC. We receive most of our payments from customers in RMB and may need to convert RMB into foreign currencies for the payment of dividends, if any, to holders of our H Shares. Under the existing foreign exchange regulations in China, following the completion of the [REDACTED], we will be able to pay dividends in foreign currencies without prior approval from SAFE or its local branches by complying with certain procedural requirements. However, we may not be able to pay dividends in foreign currencies to our Shareholders if access to foreign currencies for current account transactions is restricted in the future. Foreign exchange transactions under our capital account continue to be subject to foreign exchange controls and require the approval of the SAFE or its local branches. These limitations could affect our ability to obtain foreign exchange through equity financing, or to obtain foreign exchange for capital expenditures.

Changing international circumstances could result in appreciation of the RMB against the U.S. dollar, the Hong Kong dollar or other foreign currencies. If the RMB appreciates against other currencies significantly, and as we need to convert and remit the [REDACTED] from the [REDACTED] and future financing into the Renminbi for our operations, appreciation of the RMB against the relevant foreign currencies would reduce the RMB amount we would receive from the conversion. On the other hand, because the dividends on our H Shares, if any, will be paid in Hong Kong dollars, any devaluation of the RMB against the Hong Kong dollar could reduce the amount of any cash dividends on our H Shares in Hong Kong dollar terms. In addition, there are limited instruments available for us to reduce our exposure to foreign currency risk at reasonable costs. Any of the foregoing factors may materially and adversely affect our businesses, results of operations, financial condition and prospects.

RISK FACTORS

You may have limited recourse in effecting service of legal process, enforcing foreign judgments or bringing original actions in China against us, our Directors and our senior management.

Substantially all of our business and operations are located in the PRC. In addition, almost all of our Directors and officers reside in China and substantially all of their assets are located in China. It may be difficult for investors to effect service of process upon those persons residing in China or to enforce against us or them in China any judgments obtained from non-PRC courts. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of most other jurisdictions. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions outside China may be difficult or even impossible.

On July 14, 2006, the Supreme People’s Court of the PRC and the Government of the Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (《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當事人協議管轄的民商事案件判決的安排》) (the Arrangement). Under the Arrangement, a party with an enforceable final court judgment rendered by any designated people’s court of China or any designated Hong Kong court requiring payment of money in a civil and commercial case, according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant people’s court of China or Hong Kong court. A written choice of court agreement is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court 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 Hong Kong court in China if the parties in the dispute did not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for investors to effect service of process against certain of our assets or Directors in China in order to seek recognition and enforcement of foreign judgments in China.

On January 18, 2019, the Supreme People’s Court of the PRC and Hong Kong entered into an agreement regarding the scope of judgments which may be enforced between China and Hong Kong (《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》) (the New Arrangement). The New Arrangement will broaden the scope of judgments that may be enforced between China and Hong Kong under the Arrangement. Whereas a choice of jurisdiction needs to be agreed in writing in the form of an agreement between the parties for the selected jurisdiction to have exclusive jurisdiction over a matter under the Arrangement, the New Arrangement provides that the court where the judgment was sought could apply jurisdiction in accordance with the certain rules without the parties’ agreement. The New Arrangement will replace the Arrangement when the former becomes effective. The New Arrangement became effective on January 29, 2024, both in China and Hong Kong. Under the New Arrangement, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the effective judgments in civil and commercial cases subject to the conditions set forth in the New Arrangement. Although the New Arrangement has been signed, the outcome and effectiveness of any action brought under the New Arrangement may still be uncertain. We cannot assure you that an effective judgment that complies with the New Arrangement can be recognized and enforced in a PRC court.

RISK FACTORS

Payment of dividends or gains from the sale or other disposition of our H Shares is subject to taxation under PRC law.

Non-Chinese resident individual holders of H Shares whose names appear on the register of members of H Shares (Non-Chinese Resident Individual Holders) are subject to Chinese individual income tax on dividends received from us. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知(國稅函[2011]348號)) dated June 28, 2011, and issued by the State Tax Administration (SAT), the tax rate applicable to dividends paid to Non-Chinese Resident Individual Holders of H Shares varies from 5% to 20% (usually 10%), depending on whether there is any applicable tax treaty between China and the jurisdiction in which the Non-Chinese Resident Individual Holder of H Shares resides, as well as the tax arrangement between China and Hong Kong. Non-Chinese Resident Individual Holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. See “Regulatory Overview — Regulations Relating to the PRC Tax” for more details. In addition, under the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) (Individual Income Tax Law) and its implementation regulations, Non-Chinese Resident Individual Holders of H Shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H Shares. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from 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) issued by the Ministry of Finance and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. As of the Latest Practicable Date, none of the aforesaid provisions had expressly provided that whether individual income tax shall be levied from non-mainland China resident individual holders on the transfer of shares in mainland China resident enterprises listed on overseas stock exchanges. To the best of our knowledge, the Chinese tax authorities have not in practice sought to collect individual income tax on such gains. If such tax is collected in the future, the value of such individual holders’ investments in H Shares may be materially and adversely affected.

Under the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) (EIT Law) and its implementation regulations, a non-Chinese resident enterprise is generally subject to enterprise income tax at a rate of 10% with respect to its income sourced from China, including dividends received from a Chinese company and gains derived from the disposition of equity interests in a Chinese company. This rate may be reduced under any special arrangement or applicable treaty between China and the jurisdiction in which the non-Chinese resident enterprise resides. Pursuant to the Circular on Questions Concerning Withholding of Enterprise Income Tax for Dividends Distributed by Resident Enterprises in China to Non-resident Enterprises Holding H-shares of the Enterprises (Guo Shui Han [2008] No. 897) (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繳企業所得稅有關問題的通知(國稅函[2008]897號)) promulgated by the SAT on November 6, 2008, we intend to withhold tax at 10% from dividends payable to non-Chinese resident enterprise holders of H Shares (including [REDACTED]). Non-Chinese resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the Chinese 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 Chinese tax

RISK FACTORS

authorities’ approval. See “Regulatory Overview — Regulations Relating to the PRC Tax” for more details. There are uncertainties as to the interpretation and implementation of the EIT Law and its implementation rules by the Chinese tax authorities, including whether and how enterprise income tax on gains derived upon the sale or other disposition of H Shares will be collected from non-Chinese resident enterprise holders of H Shares. If such tax is collected in the future, the value of such non-Chinese resident enterprise holders’ investments in H Shares may be materially and adversely affected.

Failure to comply with PRC property-related laws and regulations regarding certain of our leased properties may adversely affect our business, financial condition and results of operations.

As of the Latest Practicable Date, we leased 19 properties in the PRC with a total gross floor area (GFA) of 28,051.19 sq.m., which were primarily utilized as premises for our R&D buildings, production facilities and administrative offices. As of the Latest Practicable Date, two leased properties with a total GFA of 5,253.19 sq.m. were leased from lessors who failed to or were unable to provide sufficient or valid title certificates or relevant authorization documents evidencing their rights to lease the properties to us. There may be risks that these leases may be held invalid or early terminated, and therefore we may not be able to continue to occupy and use such properties and may be exposed to a potential relocation risk. In this event, our operations in such properties may be impaired, and we may not be adequately indemnified by the landlords for our related losses. Moreover, if our lease agreements are challenged by third parties, it could result in diversion of management attention and cause us to incur costs associated with defending such actions, even if such challenges are ultimately determined in our favor. As of the Latest Practicable Date, one leased property has inconsistent contractual purpose with the usage stated in the property ownership certificates. If a property’s usage has been altered in violation of applicable regulations, the lessor is prohibited from leasing such property. In the event of non-compliance, the competent authorities may order rectification within a prescribed period and impose a fine ranging from one to three times the illegal gains, subject to a maximum of RMB30,000. If any lessor is unable to continue providing the relevant leased premises due to such non-compliance, or is penalized by the competent authorities, we may face potential risks of being unable to continue using these leased properties. Furthermore, as of the Latest Practicable Date, our 19 lease agreements failed to be registered with the relevant PRC government authorities. As advised by our PRC Legal Advisors, failure to register an executed lease agreement will not affect its validity. However, we may be subject to a fine of not less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. As a result, we may face a total maximum fine of up to RMB190,000, assuming a maximum fine of RMB10,000 is imposed on each unregistered lease agreement. See “Business — Properties” for more details.

RISK FACTORS

We are subject to regulatory requirements in labor-related laws and regulations.

Pursuant to the PRC Labor Contract Law (Labor Contract Law), which became effective in January 2008 and was amended in December 2012, with its implementing rules became effective in September 2008, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees’ probation and unilaterally terminating labor contracts. We believe our current practice complies with the Labor Contract Law and its amendments. However, the relevant governmental authorities may take a different view and impose fines on us.

Companies operating in the PRC are required to participate in various employee benefit plans mandated by the government, including social insurance, housing provident fund, and other welfare-related contributions. See “Regulatory Overview — Regulations Relating to Labor and Social Security” for more details. The requirements and implementation of these plans may differ across regions due to varying levels of economic development. Relevant government authorities may review whether the employer has made adequate contributions, and employers who fail to comply may face late payment fees, fines, or other penalties. During the Track Record Period, we used third-party service providers to pay the employee benefits for some of our employees.

Under the agreements between the third-party service providers and us, the third-party service providers have the obligation to pay the employee benefits to our relevant employees. As of the Latest Practicable Date, none of the third-party service providers that we cooperate with had failed to pay, or delayed in paying, any of the employee benefits to our employees. As of the Latest Practicable Date, we had not received any notice or inquiry from the relevant governmental authorities with regard to the abovementioned practice of making contributions to the employee benefits, and we obtained compliance certificates with respect to contributions to the employee benefits.

As advised by our PRC Legal Advisor, based on the confirmation from the local authorities, and in the absence of employee complaints, the likelihood that the relevant authorities would collectively take initiative to recover the historically unpaid social insurance and housing provident funds from us and/or impose the administrative penalties on us due to our failure to make full payment of the social insurance and housing provident funds is remote.

As the interpretation and implementation of labor-related laws and regulations are still evolving, our employment practice could inadvertently violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

RISK FACTORS

Any uncertainties embedded in the legal systems of China where we operate could affect our business, financial condition and results of operations.

Our business and operations are primarily conducted in China and are governed by Chinese laws and regulations. The Chinese legal system is based on written statutes and their interpretation by the legislative bodies, the judicial authorities and the enforcement bodies. Prior court decisions may be cited for reference but have limited weight as precedents. In recent years, the Chinese government has significantly enhanced the Chinese legislation and regulations to provide protection to various forms of foreign investments in China. However, as many of these laws and regulations are relatively new, and due to the limited number of published cases and judicial interpretations and their lack of precedential value, enforcement of these laws and regulations involves uncertainties. Furthermore, the legal protection available to us under these laws, rules and regulations may be limited. Any litigation or regulatory enforcement action in China may be protracted and may result in substantial costs and the diversion of resources and management attention.

The approval, filing or other requirements of the CSRC or other PRC government authorities may be required in connection with this [REDACTED] under PRC laws.

On July 6, 2021, the relevant PRC government authorities issued the Opinions on Strictly Cracking Down 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》). These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies.

On February 17, 2023, the CSRC promulgated the Trial Measures for Overseas Listing, which became effective on March 31, 2023. The Trial Measures for Overseas Listing require, among others, that PRC domestic companies that seek to initially offer and list securities in overseas markets, either directly or indirectly, file the required documents with the CSRC within three Business Days after its application for overseas listing is submitted. We will file with CSRC within a specific time limit as required by the Trial Measures for Overseas Listing and the [REDACTED] would not be completed if we fail to complete such filing.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《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》) (Archives Rules), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, be required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may further develop, and failure to comply with which may materially affect our business, financial condition or results of operations.

RISK FACTORS

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required for our future financing activities, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all, and may face sanctions by the CSRC or other regulatory authorities for such failure.

RISKS RELATING TO THE [REDACTED]

No [REDACTED] currently exists for our H Shares, and an active [REDACTED] for our H Shares may not develop and the [REDACTED] for our H Shares may decline or become volatile.

There was no [REDACTED] for our H Shares prior to the [REDACTED]. We cannot assure you that a [REDACTED] for our H Shares with adequate liquidity and [REDACTED] will develop and be sustained following the completion of the [REDACTED]. In addition, the [REDACTED] of our H Shares is expected to be fixed by agreement between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and us, which may not be indicative of the [REDACTED] of our H Shares following the completion of the [REDACTED]. We have applied to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the H Shares on the Stock Exchange, however, does not assure that an active and liquid [REDACTED] for the H Shares will develop, or if it does develop, that it will be sustained following the [REDACTED], or that the [REDACTED] of the H Shares will not decline following the [REDACTED].

In addition, the [REDACTED] and [REDACTED] of the H Shares may be subject to significant volatility in response to various factors, including:

- variations in our results of operations;
- unexpected business interruptions resulting from natural disasters or outbreaks of contagious diseases;
- changes in financial estimates by securities analysts;
- announcements made by us or our competitors;
- [REDACTED] perception of us and of the [REDACTED] environment in regions where we operate;
- changes in pricing made by us or our competitors;
- acquisitions by us or our competitors;
- the depth and liquidity of the market for our H Shares;
- additions to, or departures of, our executive officers and other members of our senior management;

RISK FACTORS

- release or expiry of lock-up or other transfer restrictions on our H Shares;
- developments in laws and regulations in regions where we operate; and
- political, economic, financial and social developments in regions where we operate and in the global economy.

Moreover, the capital market has from time to time experienced significant [REDACTED] and [REDACTED] fluctuations that were unrelated or not directly related to the operating performance of any particular company. It is possible that our H Shares may be subject to changes in price not directly related to our performance and as a result, [REDACTED] in our H Shares may suffer substantial losses.

The [REDACTED] and [REDACTED] of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of securities in Hong Kong and elsewhere in the world.

The [REDACTED] and [REDACTED] 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. The Hong Kong Stock Exchange and other securities markets have, from time to time, experienced significant [REDACTED] and [REDACTED] volatility that is not related to the operating performance of any particular company. The business and performance and the [REDACTED] of the shares of other companies engaging in similar business may also affect the [REDACTED] and [REDACTED] of our H Shares. In addition to market and industry factors, the [REDACTED] and [REDACTED] of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our customers and suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Hong Kong Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

[REDACTED] will incur immediate and significant dilution and may experience further dilution if we [REDACTED] additional H Shares or other equity securities in the future, including pursuant to the share incentive schemes.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, [REDACTED] of the [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] combined net tangible asset value. We cannot assure you that if we were to immediately liquidate after the [REDACTED], any assets will be distributed to Shareholders after the creditors’ claims. If we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a shareholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt,

RISK FACTORS

making capital expenditures, limitations on our ability to acquire or license intellectual property rights or declaring dividends, or other operating restrictions.

Future [REDACTED] or perceived [REDACTED] of our H Shares in the [REDACTED] by major Shareholders following the [REDACTED] could materially and adversely affect the price of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.

The [REDACTED] of our Shares is higher than our net tangible assets value per Share immediately prior to the [REDACTED]. Therefore, [REDACTED] and [REDACTED] of our Shares under the [REDACTED] will experience an immediate dilution in [REDACTED] net tangible assets value per Share. In order to expand our business, we may consider [REDACTED] and [REDACTED] additional Shares in the future or raising additional funds in the future to finance our business expansion, for existing operations or new acquisitions. If additional funds are raised through the [REDACTED] of new equity or equity-linked securities of our Company, other than on a pro-rata basis to existing Shareholders, then (i) the percentage ownership of the existing Shareholders may be reduced, and they may experience subsequent dilution and reduction in their earnings per share, (ii) such newly issued securities may have rights, preferences or privileges superior to those of the Shares of the existing Shareholders and/or (iii) subscribers and purchasers of our Shares may experience dilution in the net tangible assets value per Share if we issue additional Shares in the future at a price which is lower than our net tangible assets value per Share.

Any possible conversion of our Unlisted Shares into H Shares in the future could increase the [REDACTED] of our H Shares in the market and negatively impact the [REDACTED] of our H Shares.

According to the stipulations by the State Council’s securities regulatory authority and the Articles of Association, our Unlisted Shares may be converted into H Shares, and such converted H Shares may be [REDACTED] or [REDACTED] on an overseas stock exchange, provided that prior to the conversion and [REDACTED] of such converted shares, the requisite internal approval processes (but without the necessity of Shareholders’ approval) have been duly completed and the filing with the CSRC has been completed. In addition, such conversion, [REDACTED] and [REDACTED] must comply with the regulations prescribed by the State Council’s securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. We can [REDACTED] for the [REDACTED] 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 [REDACTED]. This could increase the [REDACTED] of H Shares in the market, and future [REDACTED], or perceived [REDACTED], of the converted H Shares may adversely affect the [REDACTED] of H Shares.

The interests of our Controlling Shareholder may not be aligned with the interests of our other Shareholders.

The interests of our Controlling Shareholders may differ from the interests of our other Shareholders. Our Controlling Shareholders may have significant influence on the outcome of any corporate transactions or other matters submitted to our Shareholders for approval, including mergers, consolidations, sales of all or substantially all of our assets, election of Directors and other significant corporate actions. This concentration of ownership may discourage, delay or prevent changes in control of the Company that would otherwise benefit our other Shareholders. To the extent that the interests of our Controlling Shareholders

RISK FACTORS

conflict with those of our other Shareholders, our other Shareholders may be deprived of opportunities to advance or protect their interests.

We cannot assure you when, if and in what form or size we will pay dividends in the future.

We cannot assure when and in what form dividends will be paid on our [REDACTED] following the [REDACTED]. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, such as our business and financial performance, capital and regulatory requirements and general business and operation conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

We cannot assure you that certain facts, forecasts, and other statistics obtained from various government publications and contained in this document are accurate or complete.

This document, particularly the section headed Industry Overview, contains information and statistics relating to our industry. Such information and statistics have been derived from the CIC’s report, which was commissioned by us, and from various official government publications and other publicly available publications. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. However, we cannot assure the quality or reliability of such source materials. Information and statistics from official government sources have not been independently verified by us, the Joint Sponsors, [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], any of our or their respective directors, officers or representatives or any other person involved in the [REDACTED], and no representation is given as to their accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere in this document. In any event, you should consider carefully the importance placed on such information or statistics.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations, the [REDACTED] and [REDACTED] may decline.

The [REDACTED] for our H Shares will be influenced by research or reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our H Shares or publish negative opinions about us, the [REDACTED] for our H Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the [REDACTED] or [REDACTED] of our H Shares to decline.

RISK FACTORS

You should read the entire document 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 [REDACTED].

There may have been, prior to the publication of this document, and there may be, subsequent to the date of this document but prior to the completion of the [REDACTED], press and media coverage regarding us and the [REDACTED], such as the [REDACTED] information. You should rely solely upon the information contained in this document and any formal announcements made by us in Hong Kong in making your [REDACTED] decision regarding the [REDACTED]. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any estimates, views or opinions expressed by the press or other media regarding the [REDACTED] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Accordingly, [REDACTED] should not rely on any such information, reports or publications in making their decisions whether to [REDACTED] in the [REDACTED]. Prospective [REDACTED] in the [REDACTED] are reminded that, in making their decisions as to whether to purchase our [REDACTED], they should rely only on the financial, operational and other information included in this document. By [REDACTED] to [REDACTED] our [REDACTED] in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document.

WAIVERS AND EXEMPTION

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we 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, the arrangements for maintaining regular communication with the Stock Exchange.

Our management, business operations and assets are primarily based outside Hong Kong. Our headquarters and our business operations are primarily based, managed and conducted in the PRC. As our executive Directors play very important roles in our business operation, it is in our best interest for them to be based in the places where the Group has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily reside in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. The Company has made the following arrangements to maintain effective communication between the Stock Exchange and us:

- (i) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives (the “**Authorized Representatives**”), namely Dr. Yang Ling (楊玲博士) and Mr. Xiong Li (熊力先生), who will act as the Company’s principal channel of communication with the Stock Exchange. The Authorized Representatives will be readily contactable by phone and email to promptly deal with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon request of the Stock Exchange;
- (ii) when the 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) promptly at all times. In the event that any Director expects to travel or otherwise be out of office, he/she will provide a contactable phone number to the Authorized Representatives. Pursuant to Rule 3.20 of the Listing Rules, each of our Directors shall provide their telephone number, mobile phone number, facsimile number (if available), email address (if available), residential address and correspondence address to the Stock Exchange. To the best of our knowledge and information, each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange;

WAIVERS AND EXEMPTION

- (iii) we have appointed CMBC International Capital Limited (the “**Compliance Adviser**”) upon [REDACTED] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the [REDACTED]. The Compliance Adviser will serve as the additional channel of communication with the Stock Exchange when the Authorized Representatives are not available and will have access at all times to the Authorized Representatives, the Directors and the senior management who will provide such information and assistance as our Compliance Adviser may reasonably request in connection with the performance of its duties as set out in Chapter 3A of the Listing Rules; and
- (iv) we will appoint other professional advisers (including legal adviser in Hong Kong) after the [REDACTED] to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange.

We will inform the Stock Exchange as soon as practicable in respect of any change in the Authorized Representatives and/or the Compliance Adviser in accordance with the Listing Rules.

APPOINTMENT OF JOINT COMPANY SECRETARIES

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 Stock Exchange, capable of discharging the functions of the company secretary.

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

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

Note 2 to Rule 3.28 of the Listing Rules further sets out the factors that the Stock Exchange will consider in assessing an individual’s “relevant experience”:

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

WAIVERS AND EXEMPTION

- (ii) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Codes;
- (iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (iv) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- (i) whether the applicant has principal business activities primarily outside Hong Kong;
- (ii) whether the applicant is able to demonstrate the need to appoint a person who does not have the acceptable qualification nor relevant experience as a company secretary; and
- (iii) why the directors consider the proposed company secretary to be suitable to act as the issuer’s company secretary.

Further, pursuant to Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions:

- (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (ii) the waiver will be revoked if there are material breaches of the Listing Rules by the applicant.

Our Group’s principal business operations are in the PRC. We consider that apart from being able to meet the professional qualification or the relevant experience requirements under the Listing Rules, its company secretary also needs to have (i) experience relevant to the Company’s operations; (ii) nexus to the Board; and (iii) close working relationship with the management of the Company, in order to perform the function of a company secretary and to take the necessary actions in the most effective and efficient manner. It is for the benefit of the Company to appoint a person who is familiar with our business and affairs as a company secretary.

WAIVERS AND EXEMPTION

The Company has appointed Mr. Xiong Li (熊力先生) (“**Mr. Xiong**”) as one of the joint company secretaries. The Company believes that it would be in the best interests of the Company and the corporate governance of our Group to appoint Mr. Xiong who has extensive experience of the Group’s board and corporate management matters as a joint company secretary. Since Mr. Xiong presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, he may not be able to solely fulfil the requirements of the Listing Rules. Therefore, we have appointed Ms. Fong Christine Haiman (方希琳女士) (“**Ms. Fong**”), 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 Mr. Xiong for an initial period of three years from the [REDACTED] to enable Mr. Xiong 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. For biographical details of Mr. Xiong and Ms. Fong, see “Directors, Supervisors and Senior Management.”

Given Ms. Fong’s professional qualification and experience, she will be able to explain to both Mr. Xiong and the Company the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Fong will also assist Mr. Xiong in organizing Board meetings and Shareholders’ general meetings as well as other matters of the Company which are incidental to the duties of a company secretary. Ms. Fong is expected to work closely with Mr. Xiong and will maintain regular contact with Mr. Xiong, the Directors and the senior management of the Company. Mr. Xiong will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. We will further ensure that Mr. Xiong will also be assisted by our Compliance Adviser and our legal adviser as to Hong Kong law on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Mr. Xiong does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Xiong may be appointed as a joint company secretary of the Company. The waiver is valid for an initial period of three years from the [REDACTED] on the conditions that (i) Mr. Xiong must be assisted by Ms. Fong, who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver will be revoked immediately if and when Ms. Fong ceases to provide such assistance to Mr. Xiong as a joint company secretary or if there are material breaches of the Listing Rules by the Company.

Before the expiration of the initial three-year period, the qualifications of Mr. Xiong 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 Stock Exchange to enable it to assess whether Mr. Xiong, having benefited from the assistance of Ms. Fong for the preceding three years, will have acquired the skills necessary to carry out the duties of a 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.

WAIVERS AND EXEMPTION

CONTINUING CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transaction that will constitute non-exempt or partially exempt continuing connected transactions of our Group under the Listing Rules upon the [REDACTED]. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with (where applicable) (i) the announcement requirement, (ii) the independent shareholders’ approval requirement of the continuing connected transactions set out in Chapter 14A of the Listing Rules for such continuing connected transactions. For further details in this respect, see “Connected Transactions.”

[REDACTED]

WAIVERS AND EXEMPTION

[REDACTED]

WAIVERS AND EXEMPTION

[REDACTED]

WAIVERS AND EXEMPTION

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Yi Xin (易鑫博士)	No. 52, Sanlihe West Street Xicheng District Beijing PRC	Chinese
Dr. Yang Ling (楊玲博士)	Room 607, Unit 4, Building 28 Xibahe Beili Chaoyang District Beijing PRC	Chinese
Mr. Xiong Li (熊力先生)	No. 15, Building 501 Tairan 9th Road Futian District Shenzhen Guangdong Province PRC	Chinese
Ms. Zhao Meiru (趙美茹女士)	Room 2006, Unit B, Building 2 Huating Phase 1 Xiyueli, Manjinghua Bixin Road Longgang District Shenzhen Guangdong Province PRC	Chinese
Independent Non-executive Directors		
Ms. Lu Qing (陸晴女士)	Flat A, 12/F, Block 5 Harbour Glory 32 City Garden Road North Point Hong Kong	Chinese (Hong Kong)
Mr. Ben Yong	12627 El Camino Real B San Diego California United States of America	American
Mr. Guo Yaoli (郭耀黎先生)	Room H, 7/F, Block 13 Yee Lok Court South Horizons Ap Lei Chau Hong Kong	Chinese (Hong Kong)

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

SUPERVISORS

Name	Address	Nationality
Mr. Chen Yongsheng (陳永勝先生)	Zonghe Building, Beishan Industrial Zone Beishan Road Yantian District Shenzhen Guangdong Province PRC	Chinese
Mr. Liu Tao (劉濤先生)	No. 187, Andingmen Outer Street Dongcheng District Beijing PRC	Chinese
Dr. Guan Yanfang (管彥芳博士)	Room 901, Unit 3, Building 1 No. 2 Courtyard Nengyuan West Road Changping District Beijing PRC	Chinese

For further details of our Directors and Supervisors, see “Directors, Supervisors and Senior Management.”

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

CCB International Capital Limited

12/F, CCB Tower, 3 Connaught Road Central
Central
Hong Kong

CMBC International Capital Limited

45/F, One Exchange Square, 8 Connaught Place
Central
Hong Kong

[REDACTED]

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

Legal Advisors to the Company

As to Hong Kong and United States law:

Cooley HK

35/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC law:

Haiwen & Partners

20/F Fortune Financial Center
No. 5 Dong San Huan Central Road
Chaoyang District
Beijing
PRC

Legal Advisors to the Joint

Sponsors and the [REDACTED]

As to Hong Kong law:

Jingtian & Gongcheng LLP

Suites 3203-3209, 32/F, Edinburgh Tower
The Landmark, 15 Queen’s Road
Central
Hong Kong

As to PRC law:

Jingtian & Gongcheng

34/F, Office Tower 3, China Central Place
No. 77 Jianguo Road
Chaoyang District
Beijing
PRC

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

**Reporting Accountants and
Independent Auditor**

Deloitte Touche Tohmatsu

Certified Public Accountants

*Public Interest Entity Auditor registered in accordance
with the Accounting and Financial Reporting Council
Ordinance*

35/F, One Pacific Place

88 Queensway

Admiralty

Hong Kong

Industry Consultant

China Insights Industry Consultancy Limited

10th Floor, B Block, Jingan International Business
Center

88 Puji Road

Jingan District

Shanghai

PRC

Compliance Advisor

CMBC International Capital Limited

45/F, One Exchange Square, 8 Connaught Place
Central

Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office, Head Office and Principal Place of Business in the PRC	Room 701, Building 3 Tongchuang Digital-Intelligence Sci-Tech Park No. 687 Yangming North Road Jishan Subdistrict Yuecheng District Shaoxing Zhejiang Province PRC
Principal Place of Business in Hong Kong	Room 1919, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company’s Website	<u>www.geneplus.cn</u> <i>(The information contained on this website does not form part of this document)</i>
Joint Company Secretaries	Mr. Xiong Li (熊力先生) No. 15, Building 501 Tairan 9th Road Futian District Shenzhen Guangdong Province PRC Ms. Fong Christine Haiman (方希琳女士) Room 1919, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Dr. Yang Ling (楊玲博士) Room 607, Unit 4, Building 28 Xibahe Beili Chaoyang District Beijing PRC Mr. Xiong Li (熊力先生) No.15, Building 501 Tairan 9th Road Futian District Shenzhen Guangdong Province PRC

CORPORATE INFORMATION

Audit Committee

Ms. Lu Qing (陸晴) (*Chairperson*)
Mr. Guo Yaoli (郭耀黎)
Mr. Ben Yong

Nomination Committee

Dr. Yi Xin (易鑫) (*Chairperson*)
Mr. Guo Yaoli (郭耀黎)
Ms. Lu Qing (陸晴)

Remuneration Committee

Mr. Guo Yaoli (郭耀黎) (*Chairperson*)
Dr. Yang Ling (楊玲)
Mr. Ben Yong

[REDACTED]

Principal Bank

China Merchants Bank Co., Ltd. Shaoxing Branch
No.357 Shengli East Road
Yuecheng District
Shaoxing
Zhejiang Province
PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the report prepared by China Insights Consultancy, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged China Insights Consultancy to prepare the CIC Report, an independent industry report, in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED] (excluding China Insights Consultancy), and no representation is given as to its accuracy.

THE MULTI-OMICS SOLUTIONS IN CHINA

Multi-omics solutions refer to comprehensive platforms that integrate multi-dimensional biomolecule data such as genomics, transcriptomics, proteomics, and metabolomics, extract valuable information through bioinformatics analysis and big data technology, and provide support for disease mechanism research, biomarker discovery, and personalized medicine. The core of this type of solution is to overcome the limitations of single-omics analysis and more comprehensively reveal the mechanisms of disease occurrence and development through the integrated analysis of multi-level biological data, thereby providing accurate guidance for clinical diagnosis and treatment.

The AI multi-omics solution is to use artificial intelligence (AI) technology to integrate, analyze and interpret multi-omics biological data, aiming to gain a deeper understanding of life processes, disease mechanisms, and ultimately achieve more precise medical and health applications. The application scenarios of AI multi-omics solutions mainly cover precision diagnostics, drug R&D enablement, clinical research and translation, and other medical and healthcare settings.

In precision diagnostics, AI multi-omics solution helps shift from traditional symptom- and site-based diagnosis to molecular-level disease classification and personalized management. In drug R&D enablement, AI multi-omics solutions improve the success rate and efficiency of target discovery, candidate compound screening and clinical trials. In clinical research and translation, AI multi-omics solution enables researchers to mine large-scale biological data to uncover new scientific principles and push the boundaries of medical cognition.

Definition and Application of Multi-Omics Biomarker Discovery

Multi-omics biomarker discovery refers to the discovery, verification and application of indicators that can indicate biological processes, pathological processes or drug intervention responses. By detecting specific molecules in biological samples to evaluate physiological or pathological states, it provides essential insights for disease prediction, prevention, diagnosis, treatment and prognosis assessment. As a foundational driver of modern precision medicine, multi-omics biomarker and target discovery enable more efficient, accurate and safe medical decision-making. Biomarker and target discovery play a crucial role in the fields of precision diagnostics, drug R&D enablement, and clinical research and translation.

INDUSTRY OVERVIEW

Precision diagnostics. The discovery of multi-omics biomarkers is the cornerstone of precision diagnostics. They elevate traditional, vague, symptom-based diagnoses to precise molecular classification. By identifying specific biomarkers such as gene mutations and protein expression, doctors can accurately classify diseases and guide personalized treatment strategies. They can also dynamically monitor disease progression, evaluate treatment efficacy, predict recurrence risk, and optimize treatment plans. This molecular-based diagnostic approach not only significantly improves diagnostic objectivity and accuracy but also shifts the diagnostic and treatment philosophy from a “one disease, one treatment” model to a “one disease, multiple tailored treatments” framework, providing patients with truly personalized healthcare and significantly improving the quality of life.

Drug R&D enablement. In the new drug development process, many new drugs begin with the discovery of a multi-omics biomarker closely associated with the disease, or a potential target. By testing specific biomarkers, it is also possible to screen patients who are most likely to respond to investigational drugs, enabling precise patient enrollment. This not only increases the success rate of clinical trials, but also reduces the required sample size, accelerating the development timelines. More importantly, biomarker-based patient enrichment strategies help validate the biological effects of drugs in early clinical stages, significantly lowering the risk and cost of failures in later clinical trials. At the same time, the development of CDx and the launch of targeted drugs are synergistically driving the implementation of the precision medicine paradigm, shifting new drug development from a “one-size-fits-all” approach to a biomarker-driven approach, significantly improving the efficiency and success rate of drug development.

Clinical research and translation. In clinical research, multi-omics biomarkers and targets help uncover the underlying mechanisms of disease development, validate hypotheses, and even redefine disease classification systems. By functionally validating and exploring the mechanisms of candidate multi-omics biomarkers discovered through multi-omics data, researchers can dissect complex disease pathway networks and identify key drivers, providing a theoretical basis for developing novel intervention strategies. Furthermore, biomarker-based molecular disease classification is transforming traditional disease classification methods based solely on clinical manifestations, advancing medicine toward a more refined and precise approach.

The Core Role of AI in Enabling Multi-Omics

AI technology has significantly optimized the entire multi-omics data analysis workflow through automation and intelligent processing. By unifying multimodal processes into an automated pipeline, AI enables parallel processing and greatly enhances efficiency. For example, by integrating built-in AI quality control models such as deep learning-based outlier detection with a rule’s engine, data quality can be monitored in real time, automatically eliminating low-quality samples and reducing the need for manual intervention. According to CIC, this automated process shortens analysis cycles from weeks to days, while reducing the cost per sample by approximately 30%-50%. For example, AI-driven bioinformatics analysis platforms can reduce manual review time by 70%. This improvement in cost-effectiveness has directly contributed to higher technology transfer rates and increased market acceptance.

INDUSTRY OVERVIEW

Industry Chain

The industry chain for multi-omics solutions is a vibrant, collaborative, and integrated system in which the upstream, midstream, and downstream segments are closely interconnected through the flow of data, technology, and value.

Upstream. The upstream segment comprises the tool and data supply layer, which forms the foundational support for the development of the entire industry. This layer mainly provides essential data generation tools, experimental materials, and biological data resources to midstream and downstream participants. Its technical level and supply stability are directly related to the operating efficiency and quality control of the entire industry chain. Key participants mainly include sequencing and detection equipment manufacturers; biological reagent and consumable suppliers; database and knowledge base providers.

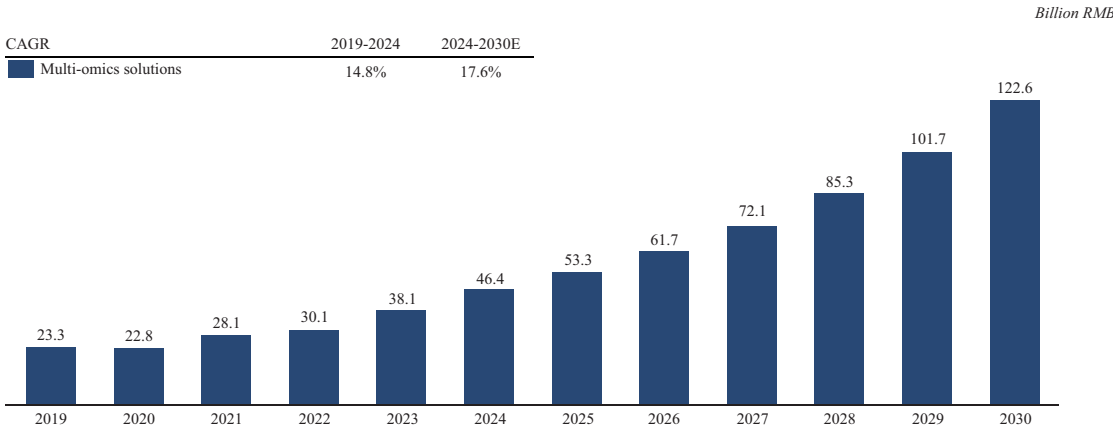
Midstream. The midstream segment represents the core layer of technical services and solutions, where value creation is concentrated and innovation is active. Midstream companies are primarily responsible for transforming raw data generated upstream into biomedically meaningful insights and solutions, serving as the critical link between foundational tools and downstream applications. Based on their business models and technological focus, midstream participants generally include multi-omics service providers, multi-omics analysis platform developers, and integrated solution providers.

Downstream. Downstream participants are end-users of industrial applications, such as pharmaceutical companies, medical institutions, and insurance companies.

Market Size and Competition Landscape

The multi-omics solution market in China expanded from RMB23.3 billion in 2019 to RMB46.4 billion in 2024, representing a CAGR of 14.8% from 2019 to 2024, and is projected to reach RMB122.6 billion by 2030, representing a CAGR of 17.6% from 2024 to 2030.

Market Size of Multi-omics Solutions in China, 2019-2030E



Source: CIC, Companies' annual reports

INDUSTRY OVERVIEW

The following table sets forth detailed information of the major players in the multi-omics solution market, in terms of business coverage:

Company	Core Positioning	Main Omics Types	Collaborations & Delivery
The Company	• End-to-end AI multi-omics + CDx platform • From biomarker discovery to new drug development to clinical deployment	cfDNA/cfRNA panels; WES/WGS, RNA-seq, MRD series, etc.	Full-process collaboration with oncology cohorts and pharma
Company A ⁽¹⁾	• Large-scale testing and multi-omics solutions • Scientific research and clinical practice	WGS/WES, RNA-seq, methylation, single-cell, MRD spatial transcriptome, etc.	Large-sample, multi-center projects and real-world evidence closure
Company B ⁽²⁾	• Multimodal platform with self-developed base models	DNA/RNA panels, WES, MRD, etc.	Large overseas sample base and deep algorithms, cross-border projects and benchmarking methodologies
Company C ⁽³⁾	• End-to-end multi-omics + AI platform • From biomarker discovery to trials and clinical deployment	cfDNA/cfRNA panels, WES/WGS; methylation, MRD series, etc.	Mainly oncology MRD-enabled adjuvant and monitoring studies and transplant

Source: CIC, Companies’ annual report and official website

- (1) Established in 1999, headquartered in Shenzhen, China, Company A is a genomics company providing sequencing-based products and services, including clinical testing, research and biopharma solutions, etc. Company A was listed on the Shenzhen Stock Exchange (ChiNext) in 2017.
- (2) Established in 2015, headquartered in Chicago, Illinois, the United States, Company B is a health technology company applying AI and data analytics to precision medicine, with a focus on oncology diagnostics and data-driven clinical decision support and biopharma research. Company B was listed on the Nasdaq Global Select Market in 2024.
- (3) Established in 2004, headquartered in Austin, Texas, the United States, Company C is a clinical genetic testing company specializing in cell-free DNA testing across women’s health, oncology, and organ health. Company C was listed on the Nasdaq Global Select Market in 2015.

Leveraging its integrated AI multi-omics infrastructure, the Company positions itself not merely as a testing or sequencing provider, but as a leading precision medicine company in China with AI capabilities embedded at every stage of the biomarker value chain. It operates large-scale automated wet-lab facilities, maintains deep domestic multi-omics datasets, and has developed proprietary large models and agents. Through its close integration with hospitals, and pharmaceutical companies, the Company has become the first to introduce a platform with a built-in multi-omics database. Collectively, these capabilities position the Company within the multi-omics solution market, especially for China-focused precision-medicine and drug-development programs.

Entry Barriers

Technical expertise. Multi-omics solution is a highly specialized field, encompassing multiple disciplines such as biology, genetics, and bioinformatics. The success of companies entering this field depends largely on the optimization and stability of automated workflows, the ability to process complex samples, and the accuracy of data analysis and interpretation. New entrants need to possess strong R&D capabilities and accumulated technical expertise. Additionally, existing patents and intellectual property protections may also restrict new entrants from accessing certain key technologies or methodologies.

INDUSTRY OVERVIEW

Regulatory and policy compliance. According to Guiding Principles for Registration and Review of Artificial Intelligence Medical Devices (《人工智能醫療器械註冊審查指導原則》) and other related guidelines issued by the NMPA, multi-omics solution providers must obtain approvals or complete filings for the use of human genetic resources, comply with China’s personal information protection, data-security and cybersecurity laws, and keep their AI models explainable with clear version records. When these services are delivered in hospitals, they must also operate under qualified laboratory quality-management systems, secure ethics-committee approvals and informed consent, and connect to traceable real-world data pipelines. Collectively, these ongoing compliance requirements raise fixed costs and extend time-to-market and create a considerable entry barrier.

Capital investment. Developing multi-omics solutions requires expensive equipment and reagents, such as high-throughput sequencers and computer servers, as well as initial laboratory construction. These capital expenditures are significant. Generally, a provincial-level medical laboratory requires more than RMB10.0 million in initial construction funding. Furthermore, R&D and marketing efforts also require continuous funding support.

Brand and reputation barriers. Building a brand and reputation takes time. Incumbents have already established customer trust and loyalty, as well as stable cooperative relationships with research institutions, hospitals, and other customers, making it more difficult for new entrants to compete.

Talent scarcity. Multi-omics solution requires multidisciplinary professionals across biology, genetics, bioinformatics, and other related disciplines. These professionals must possess not only deep theoretical knowledge but also practical operational and analytical expertise, as well as extensive experience. The scarcity of such talent creates an additional barrier for new entrants.

Data assets and algorithmic barriers. High-quality, well-annotated multi-omics datasets are scarce and costly to develop. Companies with large proprietary datasets and trained models benefit from superior performance, establishing advantages that are difficult for new entrants to replicate.

Growth Drivers

Increased medical applications. Multi-omics technologies are rapidly expanding from early applications in genetic disease screening and precision oncology diagnosis and treatment, such as early cancer screening, MRD monitoring, and CDx, to a wide range of clinical fields, including chronic disease management, neuroscience, pathogen detection, and personal health management. For example, in oncology, MRD detection based on multi-omics data has become a core component of cancer management throughout the entire cancer lifecycle. The integration of AI technology has further enhanced detection sensitivity, making it a quantifiable decision-making metric.

INDUSTRY OVERVIEW

Increased investment in scientific research. The continued growth in scientific research investment provides a solid foundation and a continuous driving force for innovation in the AI multi-omics market. According to CIC, in 2024, China invested a total of RMB3,632.7 billion in R&D, representing an increase of RMB297.0 billion, or 8.9%, year-on-year.

Application of various technologies. Rapid technological advancements propel the transition of AI multi-omics solutions from concept to large-scale application. AI enables the integration of high-dimensional datasets such as genomes, transcriptomes and proteomes, reducing analytical complexity and extracting key biological insights with greater efficiency and depth.

Policy support. National and local policy support has created a favorable environment for the AI multi-omics industry. National-level plans, such as the “14th Five-Year Plan for the Development of the Pharmaceutical Industry” (十四五醫藥工業發展規劃), list genetic testing and AI healthcare as strategic emerging industries, clarifying the development priorities. In 2024, the National Healthcare Security Administration issued project approval guidelines, officially recognizing the value of AI in the healthcare industry for the first time. This policy signal marks the official entry of medical AI applications into a new stage of policy recognition, providing new opportunities for industry development.

Future Trends

Full-chain upgrade from device iteration to algorithm integration. Sequencing continues to evolve, integrating multi-omics with AI. Feature alignment and fusion modeling are achieved within a unified data platform and algorithm pipeline, moving towards high-throughput, rapid, and intelligent processing. These upgrades improve accuracy and speed, lower manpower requirements and costs, and support more granular molecular typing, immune cell analysis, and CDx and efficacy assessment, thereby better meeting the needs of multiple downstream application scenarios.

Laboratory automation. Automation improves efficiency in modern laboratories while reducing the risk of error. It facilitates the entire laboratory testing process and various management activities, including data collection, storage, analysis, and application. Currently, various automated systems are widely used in scientific research and clinical practice and are developing toward intelligent operation.

Expanding application scenarios and needs. The market will exhibit a two-pronged driving force in terms of application scenarios and demand. On one hand, in the pharmaceutical sector, demand will shift from service outsourcing to strategic collaboration, and AI multi-omics will become the core infrastructure for accelerating target discovery and clinical trials. On the other hand, applications will rapidly penetrate serious illnesses to common and chronic diseases and health management.

Diversified and value-oriented business model. Business models will become more diversified and value-oriented. Pure data analysis will lose standalone value, with core value shifting toward data insights. Consequently, pay-for-value business models will emerge, such as sharing revenue with pharmaceutical companies based on milestones or with insurance companies based on health outcomes. At the same time, the B2B2C model will become

INDUSTRY OVERVIEW

increasingly important, as solution providers will empower hospitals, pharmaceutical companies, and health examination centers to ultimately reach and serve a broad consumer base, creating a sustainable business cycle.

THE PRECISION DIAGNOSTICS SOLUTION MARKET IN CHINA

Precision diagnostics refers to the accurate and timely identification of a patient’s health condition through detailed examination at the cellular and molecular levels, such as biomarker testing. Taking cancer screening as an example, biomarker testing analyzes genes, proteins and other substances that can provide information about a patient’s cancer and its related signaling pathways, thereby helping doctors select the most appropriate treatment for everyone. Some kinds of biomarkers can help doctors diagnose and monitor cancer during and after the treatment, while some may indicate the possibility of cancer formation or progress before malignant changes occur.

Downstream Demand

Downstream demand primarily stems from unmet clinical needs, such as ineffective treatments and limitations in detection methods, which drive the R&D of precision diagnostics solutions and products. For example, for pancreatic cancer, the traditional marker CA19-9 has limited sensitivity and specificity and is often detected in late stages. Early screening and stratification through AI-based multi-omics can enable more precise medication decisions based on KRAS and other driver mutations and immune microenvironmental characteristics, thereby improving efficiency and follow-up efficiency.

Cancer treatment. Oncology is an area where precision diagnostics that is urgently needed and has more mature applications. Precision diagnostics solution contributes value across the entire lifecycle: early screening, diagnosis, typing, medication guidance, efficacy monitoring, and recurrence warning.

Pathogen detection. Precision diagnostics solutions are widely used for rapid pathogen identification in critical and severe infections, such as sepsis and meningitis, screening for difficult pathogens, and identifying emerging infectious diseases. This approach addresses challenges such as unknown pathogens, lengthy traditional culture processes, and low positive rates in critical and severe infections.

Chronic disease management. For major chronic diseases, cardiovascular and cerebrovascular disease, diabetes, chronic respiratory diseases, and cancer, precision diagnostics solution is driving a shift from one-size-fits-all solution to personalized risk prediction, early intervention, and dynamic management.

Other applications. High-precision HLA typing and donor-recipient cross-matching accurately assess rejection risk, optimize donor matching, and utilize highly sensitive detection technologies to monitor post-transplant rejection reactions. In neurodegenerative diseases such as Alzheimer’s disease, biomarkers are used for early identification and staging. In the field of stroke, AI-assisted diagnosis systems can integrate multimodal data for rapid classification, enabling timely thrombolysis and thrombectomy. Precision diagnostics solutions can also apply to autoimmune diseases.

INDUSTRY OVERVIEW

Applications of Precision Diagnostics

Application of precision diagnostics in cancer treatment

Demand for early screening. With increasing health awareness, more healthy individuals, as well as those at high risk, are seeking early cancer screening to achieve early detection, diagnosis and treatment, thereby reducing cancer mortality. According to the World Health Organization, between 30-50% of cancers can currently be prevented by avoiding risk factors and implementing evidence-based prevention strategies such as early screening through precision diagnostics. The cancer burden can also be reduced through early detection and appropriate treatment and care.

Personalized treatment plans. Tumors in different patients may harbor distinct genetic mutations and molecular characteristics. Genetic testing can provide clinicians with precise molecular diagnostic information, helping tailor treatment plans. A study published in The Lancet Oncology demonstrated that patients with cancers of unknown primary who used genetic testing to predict the tumor tissue of origin and then received site-specific treatment achieved a median progression-free survival of 9.6 months, significantly superior to the 6.6 months achieved with traditional empirical chemotherapy, reducing the risk of disease progression by 32% and prolonging median overall survival by nine months.

CDx for targeted drugs and immunotherapies. CDx are medical tests that identify which patients are most likely to benefit from or be harmed by a specific drug, so that the therapy can be used more safely and effectively. Currently, targeted therapies and immunotherapies are important modalities in cancer treatment, but their use requires clear biomarkers to screen suitable patients. Genetic testing can monitor the mutation status and expression levels of tumor-related genes, providing a basis for the use of targeted drugs and immunotherapies, thereby improving treatment efficacy and reducing unnecessary treatment and adverse reactions.

MRD detection. Even after cancer treatment, and even when imaging shows that the tumor has completely disappeared, MRD may still exist, which is a major cause of recurrence. Genetic testing can detect ctDNA in the blood, enabling earlier detection than traditional imaging. This allows timely therapeutic intervention and reduces recurrence risk.

Applications of precision diagnostics in pathogen detection

Performance of Polymerase Chain Reaction (PCR), tNGS and mNGS. PCR, tNGS, and mNGS are the three mainstream methods for pathogen detection. tNGS offers the advantages of short detection cycles, high sensitivity, and specificity, while mNGS can detect a wide range of pathogens, including emerging and rare pathogens.

Subtype-specific precision medication and drug resistance management. Based on tNGS and mNGS identifying and annotating bacterial subtypes or serotypes, virulence factors and drug-resistance gene profiles can shift empirical broad-spectrum drug use to targeted treatment, with narrower spectrum, shorter treatment courses, and more appropriate combinations, enabling early warning of drug resistance risks and medication adjustments.

INDUSTRY OVERVIEW

According to CIC, the Company could offer both tNGS and mNGS technology platforms, the tNGS platform offers multiple advantages combining breadth, depth, and precision. It covers over 1,000 ~ 3,000 clinically important pathogens and meets 99% of pathogen detection needs. With LoDs as low as 5-25 copies/mL, it efficiently detects low-load pathogens.

Other applications of precision diagnostics

Organ health and transplant monitoring. Multi-omics and imaging-based precision diagnostics can non-invasively assess liver, kidney, lung and other organ function, detect early injury, and monitor graft rejection or dysfunction after transplantation.

Cardiovascular and cerebrovascular disease risk stratification. Precision diagnostic tools integrate genetic, metabolic and imaging markers to identify high-risk patients, refine prediction of myocardial infarction and stroke, and guide individualized prevention and intervention strategies.

Chronic disease management. For diabetes, autoimmune disorders and other chronic conditions, precision diagnostics enable early detection of disease progression, treatment response and complications, supporting more tailored therapy adjustments and long-term management.

The Comparison of the Precision Diagnostics Solutions

Traditional precision-diagnostics solution providers usually supply only individual components such as instruments or test kits, leaving laboratories and hospitals to manually integrate bioinformatics analysis, clinical interpretation, and after-sales support by themselves. In contrast, full-process automated solution providers build a complete closed loop from sequencing equipment, detection kits and bioinformatics analysis software to clinical interpretation services and subsequent technical support, enabling a comprehensive solution including products and services, and achieving full automation. Currently, only a small number of companies in the industry can achieve the level of integration.

Advantages of the Full-Process Automated Precision Diagnostic Business Model

	Full-process automated service providers	Single-product or service providers
Core Products/Services	An integrated solution, “Sample in, result out”	Products focused on a single process, such as standardized kits and specific sequencer
Technical Barriers	High - Requires integration of hardware, reagents, software, algorithms, and databases, ensuring seamless integration and system stability across all processes	Relatively Low or Specialized - Typically possesses deep technical expertise in a specific niche
Typical Business Model	B2B2C: Partners with hospitals, third-party laboratories, and large research institutions to provide comprehensive solutions, charging by sample volume or project	B2B: Acts as a supplier, providing services to sequencing service companies and medical institutions. Hospital laboratories and research institutes sell specialized products or equipment
Target Customer Groups	Large hospitals, third-party medical laboratories, and large genomics research centers (institutions requiring independent, high-quality, standardized testing within their hospitals)	Sequencing service companies (CROs), research laboratories, and other gene sequencer manufacturers (institutions requiring specific components or technologies to complement their existing processes)

Source: CIC, NIH

INDUSTRY OVERVIEW

By leveraging advanced gene sequencing technology, together with specialized laboratory equipment, bioinformatics analysis software, and technical support, companies provide gene sequencing services to diverse users, meeting individual needs and driving the development of gene sequencing toward greater scale and intelligence. Additionally, the integrated domestic NGS platform provides hospitals with standardized and compliant overall solutions for in-hospital testing, enabling them to quickly carry out clinical inspection projects while improving testing efficiency and regulatory compliance.

HDT Model of Precision Diagnostics Solutions in China

In China, the HDT model is emerging as a hospital-only pathway for precision diagnostics. Under this model, tests are designed, validated and used within a hospital’s clinical laboratory for its own patients. They are built using approved instruments and reagents combined with a validated workflow, and are managed through the hospital’s quality system, including SOPs, verification records, proficiency testing, rather than formal product registration. Commercial IVD products in China must obtain NMPA registration as medical devices and follow the standard “registration–manufacturing–distribution” pathway before they can be marketed and supplied to multiple hospitals.

The table below summarizes the key features of the HDT model of precision diagnostics solutions in China:

	China’s HDT Market
Core Idea	Test developed, verified, and used within a hospital clinical lab for its own patients, not marketed as a kit.
Location	In-hospital only (central lab or department lab).
Legal codification	No single “HDT law” now, governed by Medical Institution Clinical Lab rules, PIPL, Cybersecurity, HGR measures, etc.
Strength	Rapid clinical fit and iteration, direct clinician feedback, data sovereignty compliance.
Risks and Limits	Ambiguous national definition, in-hospital scope only, HGR and data compliance burden.
Human Genetic Resources (HGR)	Approval and filing required for using Chinese HGR, cross-border data export strictly controlled.
Typical use cases	MRD monitoring, transplant cfDNA, targeted pathogen, tumor NGS tailored to hospital pathways.

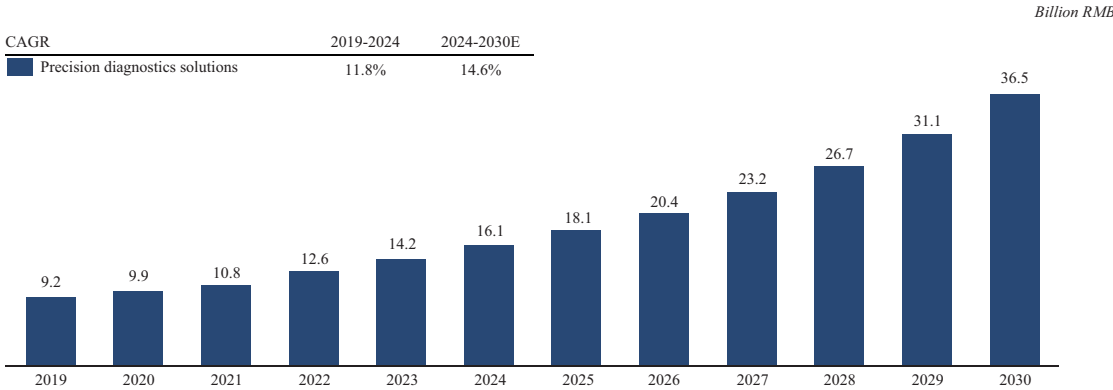
Source: CIC, NIH, Science Net

INDUSTRY OVERVIEW

Market Size and Competition Landscape of Precision Diagnostics Solutions in China

The precision diagnostics solution market in China expanded from RMB9.2 billion in 2019 to RMB16.1 billion in 2024, representing a CAGR of 11.8% from 2019 to 2024, and is projected to reach RMB36.5 billion by 2030, representing a CAGR of 14.6% from 2024 to 2030.

Market Size of Precision Diagnostics Solutions in China, 2019-2030E



Source: CIC, Companies' annual reports

Based on our market cultivation and technologies, the Company ranked among the top players in China's precision diagnostics solution market. According to CIC, in China's precision diagnostics solution market in 2024, the top five companies together accounted for 26.9% of market share, with the Company ranking third among the top five companies in terms of revenue.

Competition Landscape of China's Precision Diagnostics Solution Market, 2024, in Terms of Revenue

Rank	Company name	Revenue (Million RMB)	Share (% revenue of the whole market)
1	Company A ⁽¹⁾	2,477.6	15.4%
2	Company D ⁽²⁾	617.5	3.8%
3	The Company	436.4	2.7%
4	Company E ⁽³⁾	408.5	2.5%
5	Company F ⁽⁴⁾	400.1	2.5%
Others			73.1%

Source: CIC, Companies' annual report and official website

(1) Established in 1999, headquartered in Shenzhen, China, Company A is a genomics company providing sequencing-based products and services, including clinical testing, research and biopharma solutions, etc. Company A was listed on the Shenzhen Stock Exchange (ChiNext) in 2017.

INDUSTRY OVERVIEW

- (2) Established in 2012, headquartered in Nanjing, China, and also maintaining operations in Toronto, Canada, Company D is a precision oncology company providing genomic profiling and related molecular diagnostic solutions to support cancer detection, diagnosis, and treatment selection.
- (3) Established in 2010, headquartered in Shanghai, China, Company E is a precision diagnostic company focused on delivering precise, automated and rapid disease diagnostic solutions.
- (4) Established in 2014, headquartered in Guangzhou, China, Company F is a precision oncology company providing NGS-based cancer testing and related clinical services and diagnostics solutions. Company F was listed on Nasdaq in 2020.

Growth Drivers

Public health demand. In recent years, the incidence of cancer in China has continued to rise. According to National Cancer Center, the number of new malignant tumor cases has increased from 4.57 million in 2020 to 4.83 million in 2022. This large and growing patient population has led to a steadily increasing demand for cancer diagnostics.

Awareness of health management. Public awareness of health management is increasing, and more people are pursuing personalized and precise health management. Gene technology is able to customize health management programs for individuals based on their genetic characteristics, including nutritional guidance, exercise advice, disease prevention, meeting the growing demand for personalized health management.

Consumption upgrade. As living standards improve, willingness and ability to pay for health services are increasing. Consumers are more willing to pay for high-quality gene technology health solutions, which drives the prosperity of the market. Meanwhile, the expansion of health insurance coverage and the higher penetration of commercial insurance provide stronger payment support for these services.

Policy support. The National Health Commission and other relevant departments have issued the Healthy China Initiative — Implementation Plan for the Prevention and Treatment of Cardiovascular and Cerebrovascular Diseases and Cancer (2023–2030) (健康中國行動——癌症防治行動實施方案(2023-2030年)). The plan advocates for the integration of precision diagnostics with traditional screening methods in cancer diagnostics to enable earlier tumor detection and more efficient selection of appropriate drugs based on individual patient profiles.

Future Trends

Accelerated technological integration. The cost of gene sequencing has dropped from hundreds of millions of dollars to less than \$1,000. In the future, the combination of spatial omics technology and AI imaging analysis will enable tumor microenvironment analysis to reach single-cell level accuracy.

INDUSTRY OVERVIEW

Co-built laboratories. As regulatory oversight strengthens, the volume of outsourced testing has decreased. Hospitals are more inclined to co-build laboratories with companies to complete the entire process from sampling, testing, and analysis within the hospital. Genetic testing companies provide a comprehensive laboratory solution that integrates hardware, software, and human maintenance teams.

Multidisciplinary integration. Precision diagnostics will continue to integrate with clinical medicine, public health, bioinformatics, drug development and other multidisciplinary fields to form a more complete and systematic industry chain, providing more comprehensive and accurate solutions for the diagnosis, treatment and prevention of diseases.

Integrated testing platforms. The traditional testing process was complex, with incompatibility issues among different reagents, equipment, and analysis software from different manufacturers. By integrating reagents, equipment, and software into a single testing platform, companies can provide hospitals and other customers with a comprehensive solution, reducing deployment complexity and achieving an integrated testing platform.

Domestic substitution. With the rapid development of China’s life sciences and medical industries, the trend of domestic substitution for imports is becoming increasingly evident. Through technological innovation and quality improvement, domestic companies are gradually gaining a foothold in the market, particularly in the fields of biopharmaceuticals and medical devices.

THE DRUG R&D ENABLEMENT SOLUTION MARKET IN CHINA

The drug R&D enablement solutions refer to innovative medical approaches that develop targeted drugs based on molecular-level research results such as genomics and proteomics. The core of such solution is to design interventions targeting specific molecular mechanisms of disease occurrence through technical means such as biomarker discovery and validation and the application of pharmacogenomics, thereby achieving treatment goals with higher efficacy and lower toxicity. This type of solution covers the entire process from targeted drug development to companion diagnostic development, representing a high level of modern pharmaceutical R&D.

Downstream Demand

Medical institutions. Medical institutions conducting new drug trials need support in numerous tasks, including identifying eligible patients, performing genetic and imaging tests, collecting samples, and tracking patients over time. These steps are complicated and require accuracy; therefore, medical institutions increasingly rely on outside service providers for testing, data collection, and logistics, specifically, stratified enrollment and CDx, trial execution and follow-up, and high-throughput testing. As new drug trials expand and real-world evidence becomes more important, medical institutions require professional support to run studies faster, more consistently and at lower cost.

INDUSTRY OVERVIEW

Pharmaceutical companies. Large pharmaceutical companies need support across the whole R&D chain from early laboratory research to clinical trials and regulatory filings, and prefer partners who can run multi-center studies, analyze data, and prepare documents to accelerate multiple projects simultaneously. Smaller biotech companies often lack personnel, equipment, and funding, so they rely on plug-and-play preclinical and IND packages: external partners run key experiments, assess safety and efficacy, and deliver clear data packages for regulators and investors, helping them advance drug candidates faster under tight timelines and budgets.

Research institutions. Universities and research centers require long-term partners for cohort building, biobank management, sample collection, and long-term health studies. They also rely on external support to develop new scientific methods, study disease mechanisms, and conduct population-level monitoring. Industry-academia collaboration is increasing, with research institutions using commercial platforms to speed up large-scale projects, driving sustained procurement and deeper partnerships.

Advantages of AI Multi-Omics in Drug R&D

Systematic discovery and mechanistic insights. Large-panel gene sequencing products can simultaneously cover hundreds or thousands of genes and multiple variant types. Wide-area scanning improves the efficiency of new target and biomarker discovery. Multi-pathway, multi-dimensional data helps elucidate mechanisms of tumorigenesis, drug resistance, and heterogeneity, providing clues for combination therapy strategies.

Supporting clinical trial designs. Precision medicine clinical trial models such as basket and umbrella trials rely on large-panel testing to screen and match patients. This enables the development of new drugs based on biomarkers rather than tumor tissue type, accelerating clinical application across different cancer types.

Integrated solutions centered on CDx. AI multi-omics platforms provide end-to-end solutions across the entire chain from biomarker discovery and validation to entry testing, and to follow-up or real-world evidence (RWE). This allows for the simultaneous development and joint application of drugs and diagnostics, improving enrollment efficiency and trial quality.

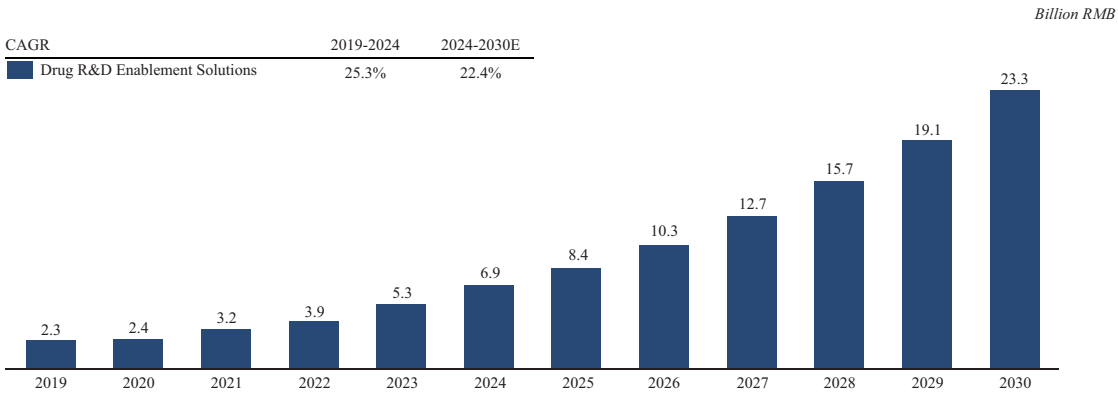
Virtual clinical trial capabilities. Based on large models trained with longitudinal, cross-modal tumor data, virtual and synthetic control arms and population stratification engines are constructed for dose and sample size optimization, inclusion and exclusion rules, and endpoint selection, shortening design and execution timelines and improving predictability.

Market Size and Competition Landscape

The drug R&D enablement solution market in China expanded from RMB2.3 billion in 2019 to RMB6.9 billion in 2024, representing a CAGR of 25.3% from 2019 to 2024, and is projected to reach RMB23.3 billion by 2030, representing a CAGR of 22.4% from 2024 to 2030.

INDUSTRY OVERVIEW

Market Size of Drug R&D Enablement Solutions in China, 2019-2030E



Source: CIC, Companies’ annual reports

The following table sets forth detailed information of the major players in the drug R&D enablement solution market in China, in terms of business coverage:

Company	Core Services	Order & Project Pipeline
The Company	- AI multi-omics clinical research and translation platform - Strong CDx co-research and commercialization capability - CAP-grade central lab; MRD and real-world research - Supports clinical laboratory testing services to IVD conversion & registration	600,000+ tumor samples, 70+ global pharma partners 40+ pharma audits, 40+ recruitment projects
Company G ⁽¹⁾	- AI-driven early discovery and screening to preclinical automation - Robotics + cloud + quantum computation	280+ customers - FY2024 revenue +53% YoY
Company H ⁽²⁾	Full CRDMO: Discovery → Preclinical → Clinical/Registration → Manufacturing	5,500+ active customers - Continuing operations backlog RMB49.3B
Company I ⁽³⁾	- Leading clinical CRO - Protocol design, center launch/monitoring	- Net new orders: RMB8.4B - Contract value: RMB15.8B 344 projects completed
Company J ⁽⁴⁾	CRO/CDMO: Discovery → Preclinical → Clinical → Manufacturing	781 discovery projects 1,062 clinical CRO projects 670+ hospitals/centers

Source: CIC, Companies’ annual report and official website

- Established in 2015, headquartered in Shenzhen, China, Company G is an AI- and automation-enabled drug discovery and R&D platform company that integrates AI, quantum physics, and robotics to accelerate pharmaceutical research and related scientific workflows. Company G was listed on the Stock Exchange of Hong Kong in 2024.
- Established in 2000, headquartered in Shanghai, China, Company H is a global CRDMO providing services across drug discovery, development, and manufacturing for the pharmaceutical and biotechnology industries. Company H was listed on the Shanghai Stock Exchange in 2018 and the Stock Exchange of Hong Kong in 2018.
- Established in 2004, headquartered in Hangzhou, China, Company I is a CRO providing comprehensive biopharmaceutical R&D services, including clinical development and related support services. Company I was listed on the Shenzhen Stock Exchange (ChiNext) in 2012 and the Stock Exchange of Hong Kong in 2020.
- Established in 2004, headquartered in Beijing, China, Company J is a pharmaceutical R&D service platform providing integrated services across drug discovery, preclinical, CMC, and clinical development. Company J was listed on the Shenzhen Stock Exchange in 2019 and the Stock Exchange of Hong Kong in 2019.

INDUSTRY OVERVIEW

Compared to other players, the Company serves as a multi-omics solution provider and CDx partner across the whole lifecycle, and a key enabler of targeted therapy commercialization, rather than merely a project-based CRO or contract development and manufacturing organization (CDMO). With over one million clinical data records and extensive pharma collaborations, the Company offers an integrated “AI + biomarker + China clinical data + CDx” end-to-end drug R&D enablement solution.

Growth Drivers

Technological advance and cost reduction. Technologies such as NGS are maturing, with increasing throughput and decreasing costs. This makes large-scale genomic sequencing economically feasible for all stages of drug development, from early target discovery to late-stage clinical trials. Furthermore, AI is improving throughput and yield in machine-parameter optimization, read-length error correction, variant and expression quantification, and batch quality control, enabling data to yield higher levels of usable information. Breakthroughs in high-throughput screening and AI-powered drug design have significantly improved drug development efficiency. New technologies such as single-cell sequencing and long-read sequencing provide unprecedented tools for understanding disease heterogeneity and complex genomic regions.

The need to improve drug development efficiency and success rates. Traditional drug development is time-consuming, costly and characterized by high failure rates. AI, combined with multi-omics and phenotypic or imaging approaches, can enable target discovery and validation, lead compound screening and generative molecular design, patient stratification, and CDx, thereby reducing the risk of failure, shortening development cycles, and controlling costs.

Integration of research and application. Breakthroughs in multi-omics for complex diseases and rare-disease genetics offer new opportunities for drug discovery. Cross-omics fusion modeling and causal inference accelerate the translation from discovery to application, while algorithmic pipelines expand coverage from early research to CMC and mass production. Growing clinical needs and market drivers stimulate deeper translational research.

Future Trends

End-to-end AI multi-omics platforms. Future platforms will integrate multiple data types (NGS, single-cell) with cloud computing and generative AI to support the full drug-discovery workflow — from target identification to early testing. Automated laboratories and robotics will take over repetitive steps, speeding up early R&D. Standardized CDx and MRD processes will be embedded directly into clinical development, enabling a continuous “learn and improve” system across studies.

Clinical development goes smart. Clinical trials will rely on digital tools, such as remote patient sampling, electronic consent and reporting, and AI-based site or patient matching. Roughly 20-30% of clinical trials adopted decentralized or hybrid models around 2020–2021, and this ratio continued to increase to about 45% in 2024 and is expected to become mainstream. New approaches, such as adaptive trial designs and synthetic control groups, will help reduce trial duration, lower the burden on patients, and increase the chance of technical and regulatory success.

INDUSTRY OVERVIEW

THE CLINICAL RESEARCH AND TRANSLATION SOLUTION MARKET IN CHINA

Clinical research and translation solutions provide end-to-end support for evidence generation. The market typically covers high-throughput multi-omics production and testing services, including centralized sample logistics, standardized preparation, sequencing, and AI-enabled clinical research platforms that work with hospitals to design studies, build multi-disease cohorts, and translate findings into decision tools and real-world evidence. Together, these solutions deliver reproducible, multi-center-consistent outputs that support biomarker discovery and validation, patient prescreening and stratification, and RWE decision-making.

Applications of Clinical Research and Translation Solution

Multi-omics cohort building and disease-mechanism studies. Using the Company’s Omics Factory, hospitals and research institutes can generate large-scale, standardized multi-omics datasets, supporting population-level cohorts across oncology, cardiovascular, neurological, metabolic and rare diseases.

Biomarker discovery and validation for precision medicine. By combining multi-omics data with AI4S modeling, biomarkers for early screening, diagnosis, prognosis and treatment response can be identified, validated and optimized, laying the foundation for HDT, IVD and CDx development.

Real-world and longitudinal outcome studies. These solutions support multi-center follow-up and real-world data collection, linking omics profiles with long-term clinical outcomes to evaluate drug efficacy and safety and to explore indication expansion.

Translational research and productization support. From study design and data analysis to method transfer, research findings can be translated into practical clinical tests and decision-support tools, accelerating the path from discovery to HDT and IVD products and clinical guidelines.

Entry Barriers

Technical and talent barriers. A multidisciplinary team with expertise in clinical methodology, data management, biostatistics, medical information technology, and project operations is required for clinical research. AI and automation must be integrated into GCP-compliant, auditable and reproducible workflows. The technology complexity and rapidly evolving industry require specialized expertise and stable, experienced scientific and technical teams.

Regulatory barriers. China maintains a stringent regulatory regime for human genetic resources (HGR). Clinical research and translation solution providers must comply with the Regulations on the Management of Human Genetic Resources (《中華人民共和國人類遺傳資源管理條例》) and related biosecurity rules, including requirements on HGR collection, storage, use and cross-border collaboration or data export, often necessitating project filings or approvals and qualified partner institutions. They must also comply with personal information protection, data security and cybersecurity laws, and build compliant consent, sample-management and auditing systems. These requirements significantly raise compliance costs and timelines, forming a substantial entry barrier for new entrants.

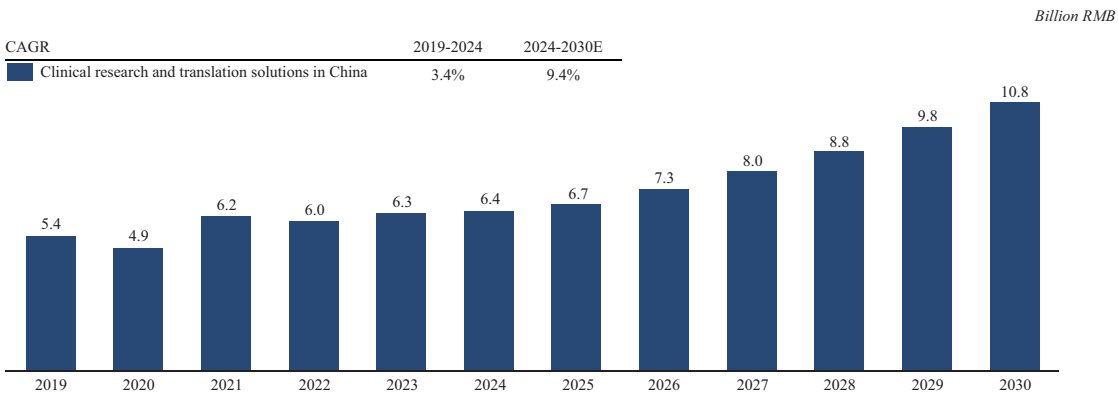
INDUSTRY OVERVIEW

Brand and reputation barriers. Clinical research relies heavily on verifiable success cases, audit records, and the reputation of the PI or hospital. Multi-center collaboration experience and the accumulation of publications or registrations create a “path dependency,” making it difficult for new entrants to quickly gain trust and secure core projects, even if they possess advanced technologies.

Market Size and Competition Landscape

The clinical research and translation solution market in China expanded from RMB5.4 billion in 2019 to RMB6.4 billion in 2024 and is projected to reach RMB10.8 billion by 2030, representing a CAGR of 9.4% from 2024 to 2030.

Market Size of Clinical Research and Translation Solutions in China, 2019-2030E



Source: CIC, Companies’ annual reports

The following table sets forth detailed information of the major players in the clinical research and translation solution market in China, in terms of business coverage:

Company	Core Positioning & Services	Adaptation Scenarios
The Company	- AI multi-omics clinical research and translation platform - Biomarker & target discovery and validation; CDx & MRD co-research; multi-cancer early screening - Central lab interpretation; multi-center consistency; clinical laboratory testing services to IVD compliance; real-world research	- Tumor biomarkers: CDx, MRD, MCED - Pathogen biomarkers: typing, drug resistance - Other diseases: organ transplant, panvascular and autoimmune diseases
Company A ⁽ⁱ⁾	- Large-scale multi-omics & testing network - Precision medicine solutions across multiple diseases - Strong capacity for large-sample, multi-center studies for pharma and scientific research	Reproductive, tumor, infection, etc.
Company K ⁽ⁱⁱ⁾	- Global multi-omics research + clinical testing platform - Genome, transcriptome, epigenetics, proteomics, metabolomics - Multi-center sample testing, biomarker research, data analysis & compliance reporting	Tumors, genetic diseases, infections, metabolic diseases, etc.

Source: CIC, companies’ annual report and official website

INDUSTRY OVERVIEW

- (1) Established in 1999, headquartered in Shenzhen, China, Company A is a genomics company providing sequencing-based products and services, including clinical testing, research and biopharma solutions, etc. Company A was listed on the Shenzhen Stock Exchange (ChiNext) in 2017.
- (2) Established in 2011, headquartered in Beijing, China, Company K is a genomics services provider focused on NGS and bioinformatics/multi-omics analysis, offering research and related genomic solutions for life science and medical/clinical research. Company K was listed on the Shanghai Stock Exchange STAR Market in 2021.

The Company’s Omics Factory stands out for its dedicated multi-omics capabilities, which remain rare across the industry. It operates one of the very few multi-omics data platforms, offering end-to-end services — covering genetic data storage, sharing, analysis and management — providing a highly integrated, all-in-one solution.

Growth Drivers

Technological advancement and innovation. Digital platforms, decentralized clinical care, AI-powered patient stratification and enrollment prediction, as well as mature centralized image interpretation and data governance significantly shorten execution cycle, reduce errors and omissions, and improve data traceability.

Growing market demand. RWE, health economics, decentralized and hybrid trials, digital pathology and radiomics, and remote follow-up management are rapidly expanding. The number of innovative drugs, devices, and diagnostic tests continues to rise, while RWE and follow-up at the hospital level have become routine. The dual drivers of scientific research and regulatory registration have increased project volume and outsourcing penetration, driving a shift from single-point services to integrated solutions.

Increasing research investment. China’s investment in R&D continues to increase, particularly in biotechnology and pharmaceutical R&D clinical research and translation, providing strong financial support for the clinical research services market. According to the National Bureau of Statistics, R&D expenditures in 2024 reached RMB3.6 trillion, an increase of 8.9% over the previous year. China has also designated genomics as a key foundational technology for the development of cutting-edge biotechnologies.

Policy support. China’s 14th Five-Year Plan (十四五計劃) and the forward-looking 15th Five-Year sci-tech agenda (《中共中央關於制定國民經濟和社會發展第十五個五年規劃的建議》) prioritize precision/translation medicine, multi-center collaboration, and data infrastructure, expanding budgets and project pipelines. National major chronic disease programs (《國家重點研發計劃為重大慢性非傳染性疾病防控研究為重點專項》) create sustained, funded demand for enrollment pre-screening, centralized reads, and RWE generation. The draft Regulation on Clinical Research and Clinical Translation of Biomedical New Technologies (《生物醫學新技術臨床研究和臨床轉化應用管理條例》) advances risk-based oversight and standardized multi-center filing/ethics and data-governance requirements, further de-risking clinical research services.

INDUSTRY OVERVIEW

Future Trends

AI multi-omics infrastructure is becoming the backbone of clinical research and translation. Clinical research and translation solution providers are evolving from single-modality laboratories into AI-native platforms that integrate high-throughput wet-lab systems, cloud-based data management and large-scale AI models. Such infrastructures can generate and analyze massive, standardized multi-omics datasets and will increasingly serve as the core engine for biomarker-driven clinical studies and evidence generation.

Multi-disease and real-world evidence programs. Hospitals and research networks are building cohorts across oncology, infectious diseases, organ health, integrating multi-omics and clinical analytics. Clinical research and translation solutions that can curate, link and model these complex datasets to discover and validate biomarkers across multiple diseases will see accelerating demand.

From research to test adoption through biomarker-centric translational pathways. The market is shifting toward structured pathways that take assays from exploration studies into routine use, combining clinical research, hospital-based implementation and formal IVD registration. Providers that can support biomarker validation in clinical studies, deploy assays in hospital labs and convert them into regulatory test kits will be best positioned.

SOURCE OF INFORMATION

CIC was commissioned to conduct research, provide an analysis of, and to produce a report on the digital retail solution industry in China, and other related economic data. The commissioned report has been prepared by CIC independent of the influence of the Company and other interested parties.

We have agreed to pay a fee of RMB0.6 million to CIC in connection with the preparation of the CIC Report. During the preparation of this report, CIC conducted both primary and secondary research through a variety of resources to obtain in-depth knowledge, statistical data, and industry insights regarding market trends in the target sector. Primary research involved interviews with key industry experts and leading market participants, while secondary research drew on publicly available sources such as publications issued by the Chinese government, annual reports released by relevant industry players, information from industry associations, and CIC’s proprietary database.

The findings and projections presented in this report are based on the following key assumptions: (i) the overall global social, economic, and political environment is expected to remain stable over the next decade; (ii) major industry drivers will continue to support the growth of AI multi-omics solution market throughout the forecast period; and (iii) there will be no force majeure events or regulatory shifts that could significantly disrupt or fundamentally alter current market dynamics.

Our Directors confirm that, to the best of their knowledge and after making all reasonable enquiries, there has been no material adverse change in the market information since the date of the CIC Report that would limit, conflict with, or otherwise affect the information presented in this section.

REGULATORY OVERVIEW

This section sets out an overview of the current laws and regulations applicable to the Group in the PRC that may materially affect the Group and its operations. The principal objective of this summary is to provide potential [REDACTED] with an overview of the key laws and regulations applicable to the Group.

This summary does not purport to be a comprehensive description of all the laws and regulations applicable to the business and operations of the Group and/or which may be important to potential [REDACTED].

REGULATIONS RELATING TO FOREIGN INVESTMENT

The Company Law of the PRC (《中華人民共和國公司法》), promulgated by the Standing Committee of the National People’s Congress of the PRC (全國人民代表大會常務委員會) (the “SCNPC”) on December 29, 1993, last amended on December 29, 2023 and came into effect on July 1, 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign-invested companies shall abide by the Company Law of the PRC.

Foreign investment in the PRC is subject to the Catalogue of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the “**Catalogue**”), amended on October 26, 2022 and effective since January 1, 2023 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), promulgated on September 6, 2024 and effective since November 1, 2024, both of which issued by the National Development and Reform Commission (中華人民共和國國家發展和改革委員會) (the “**NDRC**”) and the Ministry of Commerce of the PRC (中華人民共和國商務部) (the “**MOFCOM**”). The Catalogue and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: “encouraged”, “restricted”, and “prohibited”. Industries not listed in the Catalogue or the Negative List are generally deemed as falling into a fourth category, “permitted”, unless specifically restricted by other PRC laws and regulations.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**FIL**”), promulgated by the National People’s Congress (全國人民代表大會) on March 15, 2019, effective since January 1, 2020, and the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the “**Implementation Regulations for FIL**”), promulgated by the State Council (國務院) on December 26, 2019, effective since January 1, 2020, are the principal existing law and regulation governing foreign investment in the PRC. The FIL and the Implementation Regulations for FIL are enacted to further expand opening-up, actively promote foreign investment, protect legitimate rights and interests in foreign investment, and standardize foreign investment management. Pursuant to the FIL and the Implementation Regulations for FIL, the PRC adopts a system of national treatment plus the Negative List with respect to foreign investment administration. Foreign investment and domestic investment in industries outside the scope of the Negative List issued or released upon approval by the State Council would be treated equally.

REGULATORY OVERVIEW

On December 30, 2019, the MOFCOM and State Administration for Market Regulation (國家市場監督管理總局) (the “SAMR”) promulgated the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) (the “**Reporting Measures**”), which came into effect on January 1, 2020. The Reporting Measures regulate information reporting relating to foreign investment in the PRC. Pursuant to the Reporting Measures, foreign investors and foreign-invested enterprises who directly or indirectly carry out investment activities in the PRC shall report investment information to the competent departments of commerce by submitting initial reports, change reports, cancellation reports and annual reports.

According to the Notice on Launching Pilot Programs for Expanding Opening-up in the Medical Sector issued by the Ministry of Commerce, the National Health Commission, and the National Medical Products Administration on September 7, 2024, as of the date of its issuance, foreign-invested enterprises are permitted to engage in the development and application of technologies for human stem cells, genetic diagnosis, and treatment in the China (Beijing) Pilot Free Trade Zone, the China (Shanghai) Pilot Free Trade Zone, the China (Guangdong) Pilot Free Trade Zone, and the Hainan Free Trade Port, for the purpose of product registration, marketing authorization, and manufacturing. All products that have obtained marketing authorization and manufacturing approval may be used nationwide. Foreign-invested enterprises intending to participate in the pilot programs must comply with the relevant laws and administrative regulations of China, meet the requirements related to the management of human genetic resources, drug clinical trials (including international multi-center clinical trials), drug registration and marketing authorization, drug manufacturing, and ethical review, and fulfill the relevant administrative procedures.

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. Foreign investor or relevant parties in China must declare the security review prior to (i) the investments in the military industry, military industrial supporting and other fields relating to the security of national defense, and investments in areas surrounding military facilities and military industry facilities; and (ii) investments in important agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies and other important fields relating to national security; and obtaining control in the target enterprise.

REGULATIONS RELATING TO OVERSEAS LISTING

Trial Administrative Measures of Overseas Securities Offering and Listing

On February 17, 2023, the CSRC promulgated 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 relevant guidelines, which became effective on March 31, 2023. Meanwhile, the Special Provisions of the State Council for the Share Offerings and Listings Overseas of Joint Stock Limited Companies

REGULATORY OVERVIEW

(《國務院關於股份有限公司境外募集股份及上市的特別規定》) and the Circular of the State Council Concerning Further Strengthening the Administration of Share Issuance and Listing Overseas (《國務院關於進一步加強在境外發行股票和上市管理的通知》), which were previously the main institutional basis for overseas offering and listing by domestic enterprises, were repealed on March 31, 2023.

According to the Overseas Listing Trial Measures, PRC domestic enterprises which seek to issue and list securities in overseas markets by direct or indirect means are required to complete the filing procedures with and submit relevant materials to the CSRC. The Overseas Listing Trial Measures provides that an overseas offering and listing is prohibited if there is one of the following circumstances: (i) the listing is specifically prohibited for financing purposes by laws, administrative regulations, or applicable requirements imposed by the country; (ii) the overseas offering and listing might endanger national security as reviewed and determined by competent authorities under the State Council in accordance with relevant laws; (iii) the domestic enterprise or its controlling shareholder(s) and de facto controller(s) have committed corruption, bribery, embezzlement, misappropriation of property, or other criminal offenses disruptive to the order of the socialist market economy in recent three years; (iv) the domestic enterprise is currently under judicial investigations for suspicion of criminal offenses or materially breaching laws or regulations, where no definitive conclusions have been reached; or (v) there are material ownership disputes with respect to equity interests held by controlling shareholder(s) or equity interests held by other shareholders controlled by controlling shareholder(s) and/or de facto controller(s).

The Overseas Listing Trial Measures also provides that if the issuer meets both the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as an indirect overseas offering and listing by PRC domestic enterprises: (i) the amount of any of the operating revenue, total profit, total assets or net assets of the domestic enterprise represents over 50% of that of the relevant item in the issuer’s audited consolidated financial statements for the most recent fiscal year; and (ii) the main parts of the issuer’s business activities are conducted in mainland China, or its principal place of business is located in mainland China, or the majority of senior management in charge of its business operations and management are PRC citizens or have their usual place of residence located in mainland China. Where an issuer submits an application for an initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as a change of control or voluntary or forced delisting of the issuer who has completed an overseas offering and listing.

To enhance confidentiality and archive management for domestic enterprises’ overseas offerings and listings, CSRC, the Ministry of Finance of the PRC (財政部), National Administration of State Secrets Protection (國家保密局), and National Archives Administration (國家檔案局) promulgated the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises (CSRC Announcement [2023] No. 44) (《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》(證監會公告[2023]44號)) on February 24, 2023, which came into effect on March 31, 2023, and at the same time, replaced the Provisions on

REGULATORY OVERVIEW

Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings (CSRC Announcement [2009] No. 29) (《關於加強在境外發行證券與上市相關保密和檔案管理工作的規定》(證監會公告[2009]29號)). These provisions now cover domestic joint stock companies directly listing overseas and entities indirectly listing abroad. They outline procedural requirements and specify enterprises’ confidentiality responsibilities and accounting archives administration, in alignment with the Overseas Listing Trial Measures.

Full Circulation of H Shares

“Full circulation” represents listing and circulating on the Stock Exchange of the domestic unlisted shares of a domestic H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On August 10, 2023, CSRC announced the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請「全流通」業務指引》), allows certain qualified H-share listed companies and H-share companies to be listed for the application of full circulation to CSRC.

According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies, 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, 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, and the corresponding H-share listed company may be entrusted to file the said application for “full circulation”. Pursuant to the Overseas Listing Trial Measures, shareholders holding unlisted shares in the PRC should comply with the relevant requirements of the CSRC and appoint a domestic enterprise to file a report with the CSRC.

REGULATIONS RELATING TO MEDICAL INSTITUTIONS

The Administrative Measures on Medical Institutions (《醫療機構管理條例》), which was promulgated on February 26, 1994 by the State Council, came into effect on September 1, 1994 and amended on February 6, 2016 and March 29, 2022, and its Implementation Measures (《醫療機構管理條例實施細則》), which was promulgated by the MOH on August 29, 1994 and amended on November 1, 2006, June 24, 2008 and February 21, 2017, stipulate that the establishment of a medical institution by an entity or individual that is required by the provisions of the State Council to obtain an approval letter for the setup of a medical institution shall go through the examination and approval procedures with the health administrative department of the local people’s government at the county level or above and obtain the approval letter for the setup of a medical institution. Medical institutions must be registered for practice and obtain the Medical Institution Practicing License (醫療機構執業許可證) and clinics may practice after filing a record with the health administrative department of the people’s government at the county level in the places where they are located in accordance with the provisions of the health administrative department of the State Council. The Medical Institution Practicing License shall not be forged, altered, sold, transferred or lent. Where a medical institution violates the provisions hereof, and sells, transfers or lends

REGULATORY OVERVIEW

the Medical Institution Practicing License, the competent health department of the people’s government at the county level or above shall order it to make corrections, confiscate its illegal gains, and impose a fine of not less than five times but not more than 15 times the illegal gains. If the illegal gains are less than RMB10,000, the amount shall be taken as RMB10,000 for calculation. If the circumstance is serious, the Medical Institution Practicing License shall be revoked.

According to the Interim Measures for the Administration of Chinese-Foreign Joint Venture and Cooperative Medical Institutions issued by the Ministry of Health and the Ministry of Foreign Trade and Economic Cooperation on May 15, 2000, in any Chinese-foreign joint venture or cooperative medical institution established thereunder, the equity stake or interest held by the Chinese party must account for no less than 30 percent.

REGULATIONS RELATING TO CLINICAL LABORATORY

In accordance with the Measures for the Administration of Clinical Laboratories in Medical Institutions (《醫療機構臨床實驗室管理辦法》), promulgated by the former Ministry of Health on February 27, 2006 and most recently amended on July 10, 2020, each medical institution shall, subject to the professional diagnostic categories duly approved and recorded under its Department of Laboratory Medicine by the competent health authority, establish clinical testing items and provide corresponding clinical laboratory services. The clinical laboratory of every medical institution is further required to participate in the external quality assessment programmes for clinical laboratory testing organised by qualified external quality assessment providers.

According to the Administration Measures for Clinical Gene Amplification Test Laboratories of Medical Institutions (《醫療機構臨床基因擴增管理辦法》), promulgated by the Ministry of Health (a predecessor of NHC) and effective from December 6, 2010, a clinical gene amplification testing laboratory is prohibited from conducting any clinical amplification testing items that have not been registered with the relevant health administrative authority in accordance with the Catalogue of Clinical Laboratory Items for Medical Institutions (2013) (《醫療機構臨床檢驗項目目錄》(2013年版)) (the “**Testing Items Catalogue**”). In February 2016, the NHFPC, a predecessor of NHC, issued the Notice on Issues Related to the Management of Clinical Laboratory Items (《國家衛生計生委辦公廳關於臨床檢驗項目管理有關問題的通知》), pursuant to which medical institutions are required to establish and improve the management of clinical laboratory items, and clinical testing items that are not included in the Testing Items Catalogue but are with clear clinical significance, relatively high specificity and sensitivity, and reasonable price, should be validated in time to meet clinical needs.

According to the Basic Standards and Management Norms for Medical Testing Laboratories (Trial) (《醫學檢驗實驗室基本標準和管理規範(試行)》) issued by the National Health and Family Planning Commission on July 20, 2016, basic requirements for medical testing laboratories are stipulated, including their clinical service scope, departmental setup, staffing, premises and facilities, and quality management. In accordance with the Interim Measures for the Administration of Medical Testing Laboratories (《醫學檢驗實驗室管理暫行辦法》) issued by the Joint Prevention and Control Mechanism of the State Council in response to the COVID-19 pandemic on August 1, 2020, medical testing laboratories shall

REGULATORY OVERVIEW

formulate and implement management rules and regulations, comply with nationally established or recognized technical standards and operating procedures, and clearly define the responsibilities of all personnel. Medical testing laboratories shall follow the requirements of the Administrative Measures for Clinical Laboratories in Medical Institutions, and with reference to ISO 15189 Medical Laboratories — Requirements for Quality and Competence, establish and operate a quality management system for medical testing.

REGULATIONS RELATING TO MEDICAL DEVICES

The manufacturing, using and operation of medical devices in China are subject to extensive regulations.

Pursuant to the Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), or the Medical Devices Regulation, promulgated by the State Council and effective from April 1, 2000, and latest amended on February 9, 2021, and the Administrative Measures for the Registration and Record-filing of IVD Reagents (《體外診斷試劑註冊與備案管理辦法》), promulgated by SAMR, and effective from October 1, 2021, medical devices, including in-vitro diagnostic reagents, are classified into three different categories, Class I, II and III on the basis of their respective degrees of risk. Medical devices of Class I refer to such devices with low level of risk, the safety and effectiveness of which can be ensured through routine administration. Medical devices of Class II refer to such devices with medium level of risk, the safety and effectiveness of which shall be strictly controlled. Medical devices of Class III refer to such devices with high level of risk, the safety and effectiveness of which shall be guaranteed and be subject to strict control through special administrative measures. Pursuant to the Notice of Strengthening the Administration of Products and Technologies Relating to Clinical Gene Sequencing (《關於加強臨床使用基因測序相關產品和技術管理的通知》) promulgated by the General Office of NHFPC and the General Office of China Food and Drug Administration, predecessor of National Medical Products Administration, or NMPA, gene sequencing diagnostic products, including gene sequencers and relevant diagnostic reagents and software, shall be regulated as medical devices.

Registration and Filing of Medical Devices

Pursuant to the Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), the Administrative Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》) promulgated by the SAMR on August 26, 2021 and came in to effect on October 1, 2021, and the Administrative Measures for the Registration and Record-filing of IVD Reagents (《體外診斷試劑註冊與備案管理辦法》), which was promulgated by the NMPA and took effect on October 1, 2021, for the filings of Class I medical devices, including in-vitro diagnostic reagents, the filing materials shall be submitted to the local branches at the city level of the NMPA. Class II and Class III medical devices, including in-vitro diagnostic reagents, must obtain their respective product registrations before they can be marketed and sold in China. Class II medical devices shall be examined by the provincial branches of the NMPA and Class III medical devices shall be examined by the NMPA, and a Medical Device Registration Certificate (醫療器械註冊證) for such medical device shall be issued upon approval. According to the Administrative Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》), clinical evaluations are required for the filings and registration of medical devices unless otherwise prescribed thereunder.

REGULATORY OVERVIEW

Pursuant to the Notice of Strengthening the Administration of Products and Technologies Relating to Clinical Gene Sequencing (《關於加強臨床使用基因測序相關產品和技術管理的通知》), gene sequencing diagnostic products, including gene sequencers and relevant diagnostic reagents and software, shall be regulated as medical devices. In addition, the classification of specific medical devices is stipulated in the Medical Device Classification Catalog (《醫療器械分類目錄》), which was issued by the CFDA on August 31, 2017, became executive on August 1, 2018 and last revised on August 15, 2023. The catalog of Class II and Class III IVD Reagents exempted from clinical trials shall be formulated, amended and promulgated by the NMPA. On September 16, 2021, the NMPA published the Catalog of Class II and Class III IVD Reagents Exempted from Clinical Trials (《免於臨床試驗體外診斷試劑目錄》) which took effect from October 1, 2021. On September 18, 2021, the NMPA issued The Technical Guiding Principles for Clinical Evaluation of IVD Reagents Exempted from Clinical Trials (《免於臨床試驗的體外診斷試劑臨床評價技術指導原則》).

Production Permit and GMP for Medical Devices

Pursuant to the Regulation on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》) and the Administrative Measures on the Production of Medical Devices (《醫療器械生產監督管理辦法》) promulgated by the SAMR on March 10, 2022 and came into effect on May 1, 2022, the enterprises engaging in the production of medical devices of Class I shall make filings for such medical devices of Class I with the drug supervision and administration departments of the local people's governments at the city level and submit proofing materials of qualification to engage in the production of such medical devices. The enterprises engaging in the production of medical devices of Class II or Class III shall apply for production licenses to the drug supervision and administration departments of the local people's governments of the provinces, autonomous regions or municipalities, submit proofing materials of qualification to engage in the production of such medical devices and registration certificates for such medical devices produced.

A production permit for a medical device is valid for five years and the registrant shall apply to the original departments that issued such permit for renewal 30 business days to 90 business days prior to its expiration date.

Pursuant to the Administrative Measures on the Supervision of the Production of Medical Devices (《醫療器械生產監督管理辦法》) promulgated by the SAMR on March 10, 2022 and came into effect on May 1, 2022, and the Standards on Production and Quality Management of Medical Devices (《醫療器械生產質量管理規範》) issued by the CFDA on December 29, 2014 and came into effect on March 1, 2015, 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 Standards on Production and Quality Management of Medical Devices.

REGULATORY OVERVIEW

Permit for Medical Devices Operation

Pursuant to the Administrative Measures for Medical Devices Operation (《醫療器械經營監督管理辦法》), promulgated by the SAMR on March 10, 2022 and effective from May 1, 2022, an entity engaging in the operation of Class I medical devices is not required to obtain approval or filing for record with NMPA or its local counterparts; an entity engaging in the operation of Class II medical devices shall file for record with NMPA at city level where such entity is located; an entity engaging in the operation of Class III medical devices shall apply for an operation permit from NMPA at city level. The permit for medical devices operation is valid for five years and the holder of such permit shall apply for extension within 30 business days to 90 business days prior to its expiration. In addition, according to the Administrative Measures for Medical Devices Operation (《醫療器械經營監督管理辦法》), no additional operation permit or filing is required for any registered holder or record holder of medical devices or manufacturer of medical devices if it sells the medical devices at the place where it is domiciled or where the medical devices are manufactured. Pursuant to the Good Sales Practice of Medical Devices (《醫療器械經營質量管理規範》) promulgated by NMPA and effective on July 1, 2024, an entity engaging in the procurement, acceptance, preservation, sales, transportation and after-sales of medical devices shall take effectively quality control measures.

REGULATIONS RELATING TO HDT

On 9 December 2022, the National Medical Products Administration (“NMPA”) and the National Health Commission (“NHC”) jointly promulgated the Notice on the Launch of the Pilot Programme for Medical Institutions to Develop and Use In-House In-Vitro Diagnostic Reagents (《關於開展醫療機構自行研製使用體外診斷試劑試點工作的通知》), or the First Pilot Notice, which was supplemented on 15 July 2025 by the Notice on the Launch of the Second Batch of the Pilot Programme for Medical Institutions to Develop and Use In-House In-Vitro Diagnostic Reagents (《關於開展第二批醫療機構自行研製使用體外診斷試劑試點工作的通知》), or the “Second Pilot Notice” (together with the First Pilot Notice, the “**Pilot Notices**”). The Pilot Notices elaborate upon the Supervision and Administration of Medical Devices by expressly permitting designated pilot hospitals (each, a “**Pilot Hospital**”) to develop and use, solely within their own facilities and under the supervision of a duly licensed physician, in-house in-vitro diagnostic reagents (“**IH-IVDs**”) for which no equivalent product has been approved for marketing in the PRC.

Prior to any clinical use of an IH-IVD, the relevant Pilot Hospital must file the product with the provincial-level drug regulatory authority where the hospital is located (the “**Competent Authority**”). Where a Pilot Hospital lacks the requisite manufacturing capability, it may outsource the production process to a medical-device manufacturer that (i) is domiciled in the same municipality as the Pilot Hospital, (ii) holds a valid Medical Device Manufacturing Licence that expressly covers in-vitro diagnostic reagents, and (iii) has prior experience in manufacturing the same category of IVDs (each, a “**Qualified Manufacturer**”).

REGULATORY OVERVIEW

In any such outsourcing arrangement, (i) the Pilot Hospital shall remain exclusively responsible for the quality of the outsourced IH-IVD and for supervising all manufacturing activities of the Qualified Manufacturer; (ii) the Pilot Hospital and the Qualified CM must enter into a written manufacturing agreement and a separate quality agreement specifying, inter alia, the rights, obligations and liabilities of each party, and (iii) the Qualified Manufacturer must manufacture the IH-IVD in strict compliance with all applicable laws and regulations, the Good Manufacturing Practice for Medical Devices, mandatory national standards, the approved product technical requirements, and the terms of the manufacturing agreement and the quality agreement, and must accept all oversight exercised by the Pilot Hospital.

REGULATIONS RELATING TO HUMAN GENETIC RESOURCES

The Biosecurity Law of the PRC (《中華人民共和國生物安全法》) (the “**Biosecurity Law**”), which was promulgated by SCNPC on October 17, 2020 and last amended on April 26, 2024, establishes a comprehensive legislative framework for the pre-existing regulations in such areas as epidemic control of infectious diseases for humans, animals and plants, research, development, and application of biology technology, biosecurity management of pathogenic microbial laboratories, security management of human genetic resources and biological resources, countermeasures for microbial resistance, and prevention of bioterrorism and defending threats of biological weapons. According to the Biosecurity Law, the research and development activities of high-risk and medium-risk biotechnology shall be carried out by a legal person organization established within the territory of the PRC in accordance with the law, upon obtaining the approval or record-filing. The following activities are subject to approval of the competent health department: (i) collecting human genetic resources of important genetic families or specific areas in the PRC, or collecting human genetic resources of which the types and quantities are subject to provisions of the competent health department under the State Council, (ii) preserving China’s human genetic resources, (iii) using China’s human genetic resources to carry out international scientific research cooperation, or (iv) transporting, mailing, and carrying China’s human genetic resource materials out of the country.

The Regulation for the Administration of Human Genetic Resources of the PRC (《中華人民共和國人類遺傳資源管理條例》), or the HGR Regulation, promulgated by the State Council on May 28, 2019, last amended on March 10, 2024 and came into effect on May 1, 2024, regulates entities engaging in collection, preservation, utilization and outbound provision of human genetic resources. Human genetic resources include (i) human genetic resources materials, such as organs, tissues and cells that contain hereditary substances such as human genomes genes, and (ii) human genetic resources information, such as data generated from human genetic resources.

Pursuant to the HGR Regulation, collection, preservation, utilization and external provision of human genetic resources must comply with ethical principles and be subject to ethical review in accordance with relevant national regulations.

According to the Regulations on the Bio-safety Management of Pathogenic Microbe Laboratories (《病原微生物實驗室生物安全管理條例》) promulgated by State Council and latest amended in December 2024, the pathogenic microorganism laboratories are classified

REGULATORY OVERVIEW

into Level I, Level II, Level III and Level IV in accordance with its biosafety level for pathogenic microorganisms and the national standards for the bio-safety. Experimental activities with pathogenic microorganisms should be conducted in laboratories of the appropriate level. Laboratories engaged in experimental activities with pathogenic microorganisms shall be of a level not lower than the level of the laboratory required for such experimental activities as specified in the catalog of pathogenic microorganisms. Level I and II laboratories can only engage in pathogenic microorganisms catalog can be carried out in the Level I and II laboratory experimental activities of highly pathogenic pathogenic microorganisms. Level III and IV laboratories may engage in highly pathogenic pathogenic microorganism experimental activities under certain conditions.

REGULATIONS RELATING TO POLLUTANT DISCHARGE

According to the Catalogue of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (《固定污染源排污許可分類管理名錄》) promulgated by the Ministry of Ecology and Environment on December 20, 2019 and came into effect on the same day, the PRC implements key management, simplified management and registration management of pollutant discharge permits based on factors such as the amount of pollutants generated, the amount of pollutants discharged and the degree of impact on the environment of the pollutant discharging entities. For pollutant discharging entities subject to registration management, applications for pollutant discharge permits are not required.

According to the Catalog of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources (2019 Version) (固定污染源排污許可分類管理名錄(2019年版)) issued by the MEE on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented according to factors including the amount of pollutants generated, the amount of pollutants discharged, the degree of impact on the environment, etc.

REGULATIONS RELATING TO CYBERSECURITY, DATA PROTECTION

The Cybersecurity Law of the People’s Republic of China (the “**Cybersecurity Law**,” 《中華人民共和國網絡安全法》), which was promulgated on November 7, 2016 and came into effect on June 1, 2017, was last amended on October 28, 2025, with such amendments scheduled to take effect on January 1, 2026, requires that when constructing and operating a network, or providing services through a network, technical measures and other necessary measures shall be taken in accordance with laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cybersecurity incidents, to prevent criminal activities committed on the network, and to maintain the integrity, confidentiality and availability of network data. The Cybersecurity Law emphasizes that any individuals and organizations that use networks must not endanger cybersecurity or use networks to engage in activities endangering national security, economic order and social order or infringing the reputation, privacy, intellectual property rights and other lawful rights and interests of others. The state shall, on the basis of the rules for graded protection of cybersecurity, emphasizes the protection of important sectors and areas such as public telecommunications and information services, energy, transportation, irrigation, finance, public services, and e-government, etc., and critical information infrastructure, that, once damaged, disabled or

REGULATORY OVERVIEW

data leaked, may gravely harm national security, national economy, people’s livelihood, and public interest. The Cybersecurity Law also reiterates certain basic principles and requirements on personal information protection previously specified in other existing laws and regulations. Any violation of the provisions and requirements under the Cybersecurity Law may subject a network operator to rectifications, warnings, fines, confiscation of illegal gains, revocation of business permits, cancellation of business license, closedown of websites or even criminal liabilities.

The Data Security Law of the People’s Republic of China (the “**Data Security Law**,” 《中華人民共和國數據安全法》) was passed on June 10, 2021 and came into effect on September 1, 2021. The Data Security Law requires a data processor to establish and improve a whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to safeguard data security. In conducting data processing activities using the Internet or any other information networks, a data processor shall perform the above data security protection obligations on the basis of the hierarchical cybersecurity protection system. Any violation of the provisions and requirements under the Data Security Law may subject a data processor to rectifications, warnings, fines, suspension of the related business, revocation of business permits or even criminal liabilities.

The Personal Information Protection Law of the PRC (the “**Personal Information Protection Law**,” 《中華人民共和國個人信息保護法》) was promulgated 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 (i) the individual’s consent has been obtained; (ii) the processing is necessary for the conclusion or performance of a contract to which the individual is a party; (iii) the processing is necessary to fulfill statutory duties and statutory obligations; (iv) the processing is necessary to respond to public health emergencies or protect a natural person’s life, health and property safety under emergency circumstances; (v) the personal information that has been made public voluntarily by the individual or otherwise legally made public is processed within a reasonable scope in accordance with the Personal Information Protection Law; (vi) personal information is processed within a reasonable scope to conduct news reporting, public opinion-based supervision and other activities in the public interest; or (vii) under any other circumstance as provided by any law or regulation. It also stipulates the obligations of a personal information processor. The Personal Information Protection Law clarifies the definition of “sensitive personal information”, which means personal information that, once leaked or illegally used, may give rise to discrimination against individuals or endanger personal or property security, including information on biometrics, religious beliefs, specific identifications, medical health, financial accounts, and personal whereabouts, among others. Where a personal information processor processes sensitive personal information with the individual’s consent, a separate consent shall be obtained from the individual. Where any law or administrative regulation provides that written consent shall be obtained for processing sensitive personal information, such provision shall prevail. 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, inclusion in relevant credit record, or even criminal liabilities.

REGULATORY OVERVIEW

On December 28, 2021, thirteen PRC governmental and regulatory agencies, including the CAC, promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》), which was published on January 4, 2022, and came into effect on February 15, 2022. The Measures for Cybersecurity Review specifies that the procurement of network products and services by critical information infrastructure operators and the activities of data processing carried out by online platform operators, that raise or may raise “national security” concerns are subject to cybersecurity review by the Office of Cybersecurity Review established by the CAC. In addition, an online platform operator that handles the personal information of more than one million users must apply for a cybersecurity review by the Cybersecurity Review Office, if it plans on listing abroad. The member organizations of the cybersecurity review working mechanism may initiate a cybersecurity review if any network products and services, activities of data processing or overseas listing of companies affects or may affect national security. Pursuant to the Measures for Cybersecurity Review, any violation shall be punished in accordance with the Cybersecurity Law and the Data Security Law, the sanctions under which include, among others, government enforcement actions and investigations, fines, penalties and suspension of our non-compliant operations. On November 27, 2025, the Company and the Company’s PRC Legal Adviser have conducted a real-name telephone consultation and communication with the competent regulatory authority, the China Cybersecurity Review, Certification and Market Regulation Big Data Center (中國網絡安全審查認證和市場監管大數據中心, the “CCRC”), and CCRC has confirmed that a listing in Hong Kong does not fall within the scope of the term of “listing abroad (國外上市)” under Article 7 of the Measures for Cybersecurity Review, and CCRC did not raise any objection to our [REDACTED], nor did CCRC give any specific instructions requiring us to apply for cybersecurity review for the [REDACTED]. Given that (i) as of the Latest Practicable Date, we had not been notified by any relevant authorities as a CHIO; (ii) CCRC has confirmed that listing in Hong Kong does not constitute a listing abroad (國外上市); and (iii) during the Track Record Period and as of the Latest Practicable Date, we had not received any notice that we are required to conduct a cybersecurity review or our product, service, or data processing activity affects or may affect national security, and the interpretation of products, services or data processing activities that “affect or may affect national security” under the current PRC laws and regulations requires further clarification from the competent authorities, therefore, as advised by our PRC Legal Adviser, we were of the view that the Measures for Cybersecurity Review is not applicable to us to the extent that we are not obliged to apply for a cybersecurity review pursuant to the Measures for Cybersecurity Review with respect to our [REDACTED]. However, as further advised by our PRC Legal Adviser, the interpretation and implementation of these laws and regulations with respect to the cybersecurity review keep evolving, we cannot assure you that there will not be any additional regulatory requirements regarding the cybersecurity review relating to the new laws and regulations, and we are suggested by our PRC Legal Adviser that we should keep abreast of the applicable laws and regulations in this regard and implement all necessary measures in a timely manner to ensure compliance with the relevant laws and regulations.

On September 24, 2024, the State Council promulgated the Regulations on Cyber Data Security Management (《網絡數據安全管理條例》), which came into force on January 1, 2025. This regulation clarifies the general provisions on network data security management, and also further supplements and refines the specific requirements on personal information protection, important data security management, cross-border security management of network data, and obligations of network platform service providers.

REGULATORY OVERVIEW

On 8 December 2022, the MIIT issued the Measures for the Administration of Data Security in the Field of Industry and Information Technology (for Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》), which became effective on 1 January 2023. The measures are aimed to regulate the processing activities of data in the field of industry and information technology field conducted by relevant data processors in China. Pursuant to the measures, data in the field of industry and information technology includes industrial data, telecommunication data, and radio data. The industrial data refers to data generated and collected by various industries and fields within the industrial sector during processes such as R&D and design, production and manufacturing, operation and management, operation and maintenance, and platform operation. The measures apply to industrial enterprises, software and information technology service companies, and companies holding licenses for operation of telecommunication services that independently determine the purposes and methods of data processing in the course of data processing activities. Data processing activities include, among others, the collection, storage, use, processing, transmission, provision, and disclosure of data. The measures provide for the classification of data in the field of industry and information technology as general, important, or core data, and provide specific requirements for the management of data classifications and data protection measures. Data processors processing important data and core data are required to complete filing with relevant authorities for the catalogue of important data and core data. The filing information includes basic information on the data and its processing activities, such as sources, category, classification, quantity, data carriers, processing purposes and methods of data processing, scope of use, liable entities, data sharing, cross-border transfer of data, and data security protection measures. If over 30% of the quantity (i.e. number of data items or amount of data stored) of important and core data changes or there is any material change to other filing information, data processors must file for changes with the relevant authorities within three months after such material change. In addition, the measures indicate that the legal representative or principal of the data processor should be the primary person held accountable for data security and the person in charge of data security should take direct responsibility for the security of data processing activities.

On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Data Flow (《促進和規範數據跨境流動規定》). The provisions set out scenarios under which certain obligations for the cross-border data transfer are waived, which include, among others, passing the security assessment of cross-border data transfer, concluding a standard contract for the cross-border transfer of personal information or passing the personal information protection certification. According to the provisions, except as otherwise explicitly stipulated in the provisions, data processors are subject to security assessments conducted by the CAC prior to any cross-border transfers of important data and personal information, if falling under any of the following circumstances: (i) where the critical information infrastructure operator intends to provide important data or personal information overseas; (ii) where the data processor other than critical information infrastructure operators intends to provide important data overseas; (iii) where the data processor other than critical information infrastructure operators, who has provided personal information (excluding sensitive personal information) of at least one million individuals or sensitive personal information of at least 10,000 individuals to overseas recipients accumulatively since January 1 of any given calendar year, intends to provide personal information overseas.

REGULATORY OVERVIEW

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) govern trademark registration, protection, and usage in China. Enacted on August 23, 1982, and last amended on April 23, 2019, the Trademark Law, effective from November 1, 2019, follows the “first-to-file” principle. It grants exclusive rights to trademark registrants, administered by the Trademark Office of the China National Intellectual Property Administration (國家知識產權局) (the “NIPA”).

Registered trademarks are valid for ten years, renewable in ten-year increments. Renewal procedures must be completed within twelve months before expiry, with a possible six-month extension. The Trademark Office announces trademarks eligible for renewal. Trademark registrants can authorize others via licensing contracts, but licensing details must be filed with the Trademark Office. Failure to file won’t affect bona fide third parties. Quality supervision is the licensor’s responsibility, and licensees must maintain product quality when using the registered trademark.

Patent

The Patent Law of the PRC (《中華人民共和國專利法》) and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) govern patent activities in China. Enacted on March 12, 1984, and last amended on October 17, 2020, the Patent Law became effective on June 1, 2021. The Patent Office of the NIPA oversees national patent work. Provincial, autonomous region, or municipal patent administration departments handle local jurisdictions.

The Patent Law and its Implementation Rules recognize three patent types: “invention,” “utility model” and “design.” Invention patents cover new technical solutions for products, methods, or their improvements. Utility model patents apply to practical technical solutions for product shapes, structures, or combinations. Design patents protect new aesthetic designs for products, including shape, pattern, and color combinations. Invention patents are valid for twenty years, design patents for fifteen years, and utility model patents for ten years from the application date.

China follows the “first to file” principle, granting patents to the earliest applicant for the same invention. Patentable inventions or utility models must be novel, inventive, and practical. Patent holders’ rights are legally protected, allowing others to use the patent only with proper authorization. Unauthorized use constitutes patent infringement unless specified by law.

REGULATORY OVERVIEW

Copyright

Pursuant to the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》) promulgated by the NPCSC on September 7, 1990 and most recently amended on November 11, 2020 and effective from June 1, 2021, Chinese citizens, legal persons or unincorporated organizations shall, whether published or not, enjoy copyright in their works in accordance with the law. Unless otherwise provided in the Copyright Law of the People’s Republic of China and other related systems, laws and regulations, reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein shall constitute infringements of copyrights. The infringer shall, according to the circumstances of the case, undertake to cease the infringement, eliminate impact, and offer an apology, pay damages and other civil liabilities. In exercising the rights, copyright owners and copyright-related rights holders shall not be in violation of the Constitution and laws nor prejudice to public interests. According to the Measures for the Registration of Computer Software Copyright issued by the Ministry of Machine Building and Electronics Industry (《計算機軟件著作權登記辦法》) (currently incorporated into the Ministry of Industry and Information Technology) on April 6, 1992 and most recently amended by the National Copyright Administration on February 20, 2002 and effective from the same date, and the Regulations on Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and most recently amended on January 30, 2013 and effective from March 1, 2013, the State Copyright Administration shall be responsible for the administration of software copyright registration nationwide, and the China Copyright Protection Center is recognized as the software registration authority. Applicants for computer software copyright satisfying the requirements of the Measures for the Registration of Computer Software Copyright and the Regulations on Protection of Computer Software will be issued a registration certificate by the China Copyright Protection Center.

Domain Name

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT on August 24, 2017 (effective from November 1, 2017), and the Implementation Rules for National Top-Level Domain Name Registration (《國家頂級域名註冊實施細則》) released by the China Internet Network Information Center on June 18, 2019 (effective on the same day), domain name owners must register their domain names. The MIIT oversees China’s Internet domain names, while provincial, autonomous region, and municipal telecommunications management bureaus are responsible for domain name services within their respective regions. Registration operates on a “first come, first file” basis. Applicants must provide accurate information and enter registration agreements with domain name registration service providers. Upon completing the registration process, applicants become the domain name holders.

REGULATORY OVERVIEW

REGULATIONS RELATING TO PROPERTY LEASING

Pursuant to the PRC Civil Code, a lessee may, upon the lessor’s consent, sublease the leased object to a third person. The lease contract between the lessee and the lessor shall continue to be valid despite the sublease by the lessee, and if the third person causes loss to the leased object, the lessee shall bear the liability for compensation. A change in the ownership of a leased object during the period that a lessee possesses the leased object in accordance with the lease contract shall not affect the validity of the lease contract. Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994 and was latest amended on August 26, 2019, and the Management Measures for the Lease of Commercial Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and effective on February 1, 2011, the parties to a housing lease shall enter into a lease contract in accordance with the law. Within 30 days after the conclusion of the housing lease contract, the parties to the lease shall go to the competent department of construction (real estate) of the people’s government of the municipality, city or county where the leased housing is located to register and file the housing lease. In violation of the foregoing provisions, the competent construction (real estate) departments of the people’s governments of the municipalities directly under the central government, cities and counties shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed. According to the PRC Civil Code, the parties’ failure to register the lease contract in accordance with the provisions of laws and administrative regulations does not affect the validity of the contract.

REGULATIONS RELATING TO LABOR AND SOCIAL SECURITY

Labor and Labor Contract

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated on July 5, 1994 and amended on August 27, 2009 and December 29, 2018, enterprises shall establish and improve their system of workplace safety and sanitation, strictly abide by state rules and standards on workplace safety, and conduct employees training on labor safety and sanitation in the PRC. Labor safety and sanitation facilities shall comply with statutory standards. Enterprises and institutions shall provide employees with a safe workplace and sanitation conditions which are in compliance with applicable laws and regulations of labor protection.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated on June 29, 2007 and amended on December 28, 2012, and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated on September 18, 2008 set out specific provisions in relation to the execution, the terms and the termination of a labor contract and the rights and obligations of the employees and employers, respectively. At the time of hiring, the employers shall truthfully inform the employees the scope of work, working conditions, working place, occupational hazards, work safety, salary and other matters which the employees request to be informed about.

REGULATORY OVERVIEW

Social Insurance and Housing Provident Fund

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was promulgated on October 28, 2010 and with effect from July 1, 2011 and latest amended on December 29, 2018, and the Interim Regulations on the Collection of Social Insurance Fees (《社會保險費徵繳暫行條例》) issued by the State Council on January 22, 1999 and last amended on March 24, 2019, 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. Pursuant to the Notice of the General Office of the State Council on Issuing the Plan for the Pilot Program of Combined Implementation of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於印發〈生育保險和職工基本醫療保險合併實施試點方案〉的通知》) and Opinions of the General Office of the State Council on Comprehensively Promoting the Implementation of the Combination of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於全面推進生育保險和職工基本醫療保險合併實施的意見》) promulgated on January 19, 2017 and March 6, 2019, the maternity insurance and basic medical insurance for employees shall be consolidated. According to the Social Insurance Law of PRC, employers must carry out social insurance registration at the local social insurance agency, provide social insurance and pay or withhold the relevant social insurance premiums for or on behalf of employees. 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 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. Where an employer fails to pay social insurance premiums in full or on time, the social insurance premium collection agency shall order it to pay or make up the balance within a prescribed time limit, and shall impose a daily late fee at the rate of 0.05% of the outstanding amount from the due date; if still failing to pay within the time limit prescribed, a fine of one time to three times the amount in default will be imposed on them by the competent administrative department.

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, employers shall timely pay the housing provident fund in full and overdue or insufficient payment shall be prohibited. Employers shall process the housing fund payment and deposit registration in the housing provident fund administrative center. For enterprises who violate the above laws and regulations and fail to apply for housing provident fund deposit registration or open housing provident fund accounts for their employees, the housing provident fund administrative center shall order the relevant enterprises to make corrections within a designated period. Those enterprises failing to process registration of provident fund accounts for their employees within the designated period shall be subject to a fine ranging from RMB10,000 to RMB50,000. When enterprises violate those provisions and fail to pay the housing provident fund in full amount as due, the housing provident fund administrative center will order such enterprises to pay up the amount within a prescribed period; if those enterprises still fail to comply with the regulations upon the expiration of the above-mentioned time limit, further application will be made to the People's Court for mandatory enforcement.

REGULATORY OVERVIEW

REGULATIONS RELATING TO THE PRC TAX

Income Tax

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) promulgated by the National People's Congress on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Enterprise Income Tax Implementation Regulations (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, and most recently amended on April 23, 2019 and effective from the same date, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises which are set up in China in accordance with law, or which are set up in accordance with the law of a foreign country (region) but which are actually under the administration of institutions in China. Non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or which have no such institutions or establishments but have income generated from inside China. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a 15% tax rate reduction for Enterprise Income Tax.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《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 most recently amended on November 19, 2017 effective from the same date, and the Detailed Rules for the Implementation of the Interim 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 most recently amended on October 28, 2011, and effective from November 1, 2011, all entities or individuals in the PRC engaged in the sale of goods, processing services, repair and replacement services, and the provision of services, sales of intangible assets, real estate and importation of goods are required to pay value-added tax (VAT). Unless otherwise provided, taxpayers engaged in provision of services and sales of intangible assets are subject to a tax rate of 6%.

According to the Notice on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (Cai Shui [2016] No. 36) (《關於全面推開營業稅改徵增值稅試點的通知》(財稅[2016]第36號)) promulgated by the MOF and the SAT promulgated on March 23, 2016 and effective from May 1, 2016, and amended on July 11, 2017, December 25, 2017 and March 20, 2019, with the approval of the State Council, as of May 1, 2016, the pilot program of replacing business tax with VAT shall be implemented across the country, all business tax taxpayers in the construction industry, the real estate industry, the financial industry, and the living service industry shall be included in the scope of the pilot program, and the payment of business tax shall be replaced by the payment of VAT. According to the Circular on Policies for Simplifying and Consolidating Value-added Tax Rates (Cai Shui [2017] No. 37) (《關於簡併增值稅稅率有關政策的通知》(財稅[2017]37號)), announced by the MOF and the SAT on April 28, 2017, and effective from July 1, 2017, the structure of value-added tax rates will be simplified from July 1, 2017, and the 13% VAT rate will be cancelled. The scope of goods with 11% tax rate and the provisions for deducting input tax are specified.

REGULATORY OVERVIEW

According to the Circular on Adjusting Value-added Tax Rates of Ministry of Finance and the State Administration of Taxation (Cai Shui [2018] No. 32) (《財政部、國家稅務總局關於調整增值稅稅率的通知》(財稅[2018]32號)) announced by the MOF and the SAT on April 4, 2018 and effective on May 1, 2018, from May 1, 2018, where a taxpayer engages in a taxable sales activity for the value-added tax purpose or imports goods, the previous applicable 17% and 11% tax rates are adjusted to be 16% and 10% respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (Announcement of the Ministry of Finance of the PRC, the State Taxation Administration and the General Administration of Customs of the PRC [2019] No. 39) (《關於深化增值稅改革有關政策的公告》(財政部、稅務總局、海關總署公告2019年第39號)) announced by the Ministry of Finance, the SAT, and the General Administration of Customs on March 20, 2019 and effective from April 1, 2019, with respect to VAT taxable sales or imported goods of a VAT general taxpayer, the originally applicable VAT rate of 16% shall be adjusted to 13%; the originally applicable VAT rate of 10% shall be adjusted to 9%.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

Our Group’s history can be traced back to April 2015 when Beijing Technology was founded by Dr. Yi Xin and Dr. Yang Ling, our experienced key founders and Controlling Shareholders. Under the leadership of Dr. Yi Xin and Dr. Yang Ling, we have grown into a leading precision medicine company in China with AI capabilities embedded at every stage of the biomarker value chain. For more information about Dr. Yi Xin and Dr. Yang Ling, see “Directors, Supervisors and Senior Management.”

The Company was incorporated in the PRC on June 30, 2025 as a joint stock company with limited liability, and is the holding company of our Group with businesses conducted through our subsidiaries. In preparation for the [REDACTED], we conducted the Reorganization, details of which are set out in “— Reorganization” below.

OUR KEY MILESTONES

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

Year	Event
2015	Beijing Technology was incorporated
2016	We commenced our oncology business
	We began the establishment of our large-scale multi-omics baseline databases
2017	We launched our core products, Gene ⁺ MRD Assay (吉長安 [®]) and Gene ⁺ Oncology Multi-Gene Variant Assay (吉致安 [™])
2018	We initiated our drug R&D enablement solution business and commenced our biomarker research
2019	We obtained Class III medical device certificates for three IVD products, including two domestically developed sequencers and one reagent kit, and obtained Class II medical device certification for a bioinformatics analysis software product.
2020	We commenced our pathogen detection service
2022	We served as the designated testing provider and contributed to the approval of China’s first FGFR2-targeted therapy

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Year	Event
2023	We launched the Gene⁺ Oncology 188-Gene Variant Assay (吉迅安[®]) We launched our pathogen infection detection core products, Gene⁺ CAPtNGS (吉知原[®])
2024	We launched the comprehensive “AI+” strategy based on our multi-omics infrastructure We launched our fully automated platform, GINSuper[®] (吉智號) under our precision diagnostic solutions business We commenced target discovery research We launched Gene⁺ Multi-Cancer Early Detection Assay (吉早安[®]) to assist high-risk individuals in precision cancer prevention and management We passed the CAP and ISO 15189 re-accreditation reviews, and holds all three internationally recognized major quality certifications: CAP, CLIA, and ISO 15189
2025	The Company was incorporated as a joint stock company with limited liability We launched our AI4S (AI for Scientific Service) business and initiated our development on AI Agents We launched Gene⁺ Transplanted Kidney Injury Detection Assay (移知安[®]), which is the first non-invasive transplant injury monitoring assay in the industry, according to CIC We launched our AI large models, GenoVision Multi-Modal Large Model, IG-NeoTri Immune Prediction Large Model and CellMap Cell Foundation Large Model Gene⁺ MRD Assay (吉長安[®]) entered the NMPA’s innovative medical device special review program

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR SUBSIDIARIES

The principal business activities and date of establishment of each of our subsidiaries are set out below:

Name of subsidiary	Place of Incorporation	Date of Incorporation	% of ownership directly or indirectly held by the Company ⁽¹⁾	Principal business
Beijing GenePlus Technology Limited (北京吉因加科技有限公司) (“Beijing Technology”) . . .	PRC	April 23, 2015	100%	Scientific research services and sequencing detection services
Suzhou GenePlus Biomedical Engineering Limited (蘇州吉因加生物醫學工程有限公司) (“Suzhou Biomedical”) . . .	PRC	August 26, 2016	100%	R&D, production, and sales of reagents and medical devices; biotechnology development
Shenzhen GenePlus Biotechnology Co., Ltd. (深圳吉因加生物科技有限公司) (“Shenzhen Biotechnology”) . . .	PRC	July 13, 2018	100%	Scientific research services and sequencing detection services
Chengdu GenePlus Technology Limited (成都吉因加科技有限公司) (“Chengdu Technology”) . . .	PRC	July 14, 2022	100%	Technical services and consulting
Suzhou GenePlus Technology Limited (蘇州吉因加科技有限公司) (“Suzhou Technology”) . . .	PRC	June 26, 2017	100%	Medical device operations; scientific research and sequencing and detection services
Changsha GenePlus Technology Limited (長沙吉因加科技有限公司) (“Changsha Technology”) . . .	PRC	July 25, 2022	100%	Technical services and consulting

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Name of subsidiary	Place of Incorporation	Date of Incorporation	% of ownership directly or indirectly held by the Company ⁽¹⁾	Principal business
Geneplus Biomedical Technology (Shaoxing) Limited (吉因加生物醫學科技(紹興) 有限公司) (“Shaoxing Biomedical”) . . .	PRC	June 13, 2024	100%	Medical device operations; scientific research and sequencing and detection services
Beijing Gene Health Information Technology Limited (北京吉因康信息科技有限公 司) (“Beijing Jiyinkang”) . . .	PRC	September 22, 2025	100%	Technical services and consulting
Shenzhen GenePlus Information Technology Limited (深圳吉因加信息科技 有限公司) (“Shenzhen Technology”) . . .	PRC	April 11, 2016	100%	Technical services and consulting
Changsha GenePlus Biotechnology Limited (長沙吉因加生物科技有限公 司) (“Changsha Biomedical”)	PRC	January 7, 2022	100%	R&D, production, and sales of raw materials for reagents and medical devices
Beijing Technology Medical Laboratory Co., Ltd. (北京吉因加醫學檢驗實驗室 有限公司) (“Beijing Lab”) . .	PRC	October 30, 2015	70%	Clinical laboratory services; scientific research and sequencing and detection services; testing services related to drug R&D enablement

Note:

1. As of the Latest Practicable Date.

For details of the above entities, see Note 43 to the Accountants’ Report in Appendix I to this document.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE DEVELOPMENT

Incorporations of the Company and Beijing Technology

The Company was incorporated as a joint stock company in the PRC with limited liability on June 30, 2025.

Prior to the Reorganization, Beijing Technology was the holding company of our principal operating subsidiaries. Beijing Technology was established in the PRC as a limited liability company on April 23, 2015 with an initial registered capital of RMB39.2 million by Dr. Yi Xin and Dr. Yang Ling, holding 57.00% and 43.00% of its then equity interest, respectively. Since its establishment, our Group has completed several rounds of financing through investments in Beijing Technology.

Series Angel Financing

On May 8, 2015, Beijing Technology, Dr. Yi Xin and Dr. Yang Ling entered into a series of capital increase agreements with, Zuo Deqi, Chen Wenhui, Xu Wei, and Wang Yun (together, the “**Series Angel Investors**”), pursuant to which Series Angel Investors agreed to subscribe for the increased registered capital in Beijing Technology of RMB24 million at a total consideration of RMB40 million (the “**Series Angel Financing**”).

The respective subscription amount and consideration for each Series Angel Investors are as follows:

<u>Subscribers</u>	<u>Amount of Registered Capital</u>	<u>Consideration</u>
	<i>RMB</i>	<i>RMB</i>
Zuo Deqi	9,000,000	15,000,000
Chen Wenhui	6,000,000	10,000,000
Xu Wei	6,000,000	10,000,000
Wang Yun	3,000,000	5,000,000
Total	24,000,000	40,000,000

Equity Transfers in 2015

Under the equity transfer agreement dated September 1, 2015 entered into among Dr. Yi Xin, Dr. Yang Ling and Tibet GenePlus, Dr. Yi Xin and Dr. Yang Ling agreed to transfer the registered capital of RMB23.34 million and RMB16.86 million of Beijing Technology to Tibet GenePlus at a nominal consideration of RMB0.57 and RMB0.43, respectively (the “**Equity Transfers in 2015**”). The nominal considerations were due to the fact that the relevant registered capital contributions had not yet been paid in at the time of the transfers and were subsequently waived by Dr. Yi Xin and Dr. Yang Ling. At that time, Tibet GenePlus was owned by Dr. Yi Xin, Dr. Yang Ling, Mr. Xiong Li, Mr. Tian Chao and Mr. Xia Xuefeng as to 40.00%, 30.00%, 10.00%, 10.00% and 10.00%, respectively. After the Equity Transfer in 2015, Tibet GenePlus held equity interest in Beijing Technology as a holding vehicle of Dr. Yi Xin, Dr. Yang Ling, Mr. Xiong Li, Mr. Tian Chao and Mr. Xia Xuefeng.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Series A Financing

In July and August 2016, Beijing Technology, Tibet GenePlus, Tibet LP, Dr. Yi Xin, and Dr. Yang Ling, entered into a series of capital increase agreements with Shenzhen BGI Co., Ltd. (深圳華大基因股份有限公司) (“**BGI**”), Shanghai Volcanic Rock Phase I Equity Investment Partnership Enterprise (Limited Partnership) (上海火山石一期股權投資合夥企業(有限合夥)) (“**Volcanic Rock Fund I**”), Shenzhen Songhe Growth No.1 Equity Investment Partnership Enterprise (Limited Partnership) (深圳市松禾成長一號股權投資合夥企業(有限合夥)) (“**Songhe Growth I Fund**”), Jiang Renfei, Shenzhen Songhe Guochuang Xinneng Equity Investment Fund Partnership (Limited Partnership) (深圳市松禾國創新能股權投資基金合夥企業(有限合夥)) (“**Songhe Guochuang Fund**”), Ningbo Meishan Bonded Port Area Boyuan Zhuoxing Investment Partnership Enterprise (Limited Partnership) (寧波梅山保稅港區博源卓星投資合夥企業(有限合夥)) (“**Boyuan Zhuoxing**”), Wang Sui, and Li Chengshan (together, the “**Series A Investors**”), pursuant to which Series A Investors agreed to subscribe for the increased registered capital in Beijing Technology of RMB11.61 million at a total consideration of RMB200 million (the “**Series A Financing**”).

The respective subscription amount and consideration for each subscriber are as follows:

Subscribers	Amount of Registered Capital	Consideration
	<i>RMB</i>	<i>RMB</i>
BGI	4,528,302	78,000,000
Volcanic Rock Fund I	2,902,758	50,000,000
Songhe Growth I Fund	1,832,220	31,560,000
Jiang Renfei	870,827	15,000,000
Songhe Guochuang Fund	489,985	8,440,000
Boyuan Zhuoxing	348,331	6,000,000
Wang Sui	348,331	6,000,000
Li Chengshan	290,276	5,000,000
Total	11,611,030	200,000,000

Equity Transfer in 2016

Under the equity transfer agreement in October 2016 entered into among Wang Yun and Wang Sui, Wang Sui purchased the registered capital in Beijing Technology of RMB163,786 from Wang Yun at a consideration of RMB3 million (the “**Equity Transfer in 2016**”). The consideration was determined based on arm’s length negotiations between the parties with reference to the timing of the investments and our Group’s development stage.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Equity Transfer in 2017

Under the equity transfer agreement dated June 16, 2017, Chen Wenhui transferred the registered capital of RMB1,364,913 in Beijing Technology to Xue Yanxiang at a consideration of RMB25 million (the “**Equity Transfer in 2017**”). The consideration was determined based on arm’s length negotiations between the parties with reference to the timing of the investments and our Group’s development stage.

Equity Transfers in 2018

Under the equity transfer agreements dated November 23, 2017, Chen Wenhui transferred the registered capital of RMB2,729,768 in Beijing Technology to Tian Xiqu at a consideration of RMB50 million; Zuo Deqi transferred the registered capital of RMB2,020,029 in Beijing Technology to Shenzhen Chengwei New Life Investment Partnership (L.P.) (深圳成濰新生命投資合夥企業(有限合夥)) (“**Shenzhen Chengwei**”) at a consideration of RMB37 million; and Wang Yun transferred the registered capital of RMB163,786 in Beijing Technology to Shenzhen Chengwei at a consideration of RMB3 million (the “**Equity Transfers in 2018**”). The consideration was determined based on arm’s length negotiations between the parties with reference to the timing of the investments and our Group’s development stage.

Series B Financing

Pursuant to a series of investment agreements from December 2018 to May 2019 and, where applicable, any subsequent agreement(s) entered into by Beijing Technology, Tibet GenePlus, Tibet LP, Dr. Yi Xin, and Dr. Yang Ling, and Shenzhen Lingrui CoStone Equity Investment Fund Partnership Enterprise (Limited Partnership) (深圳市領瑞基石股權投資基金合夥企業(有限合夥)) (“**Lingrui CoStone Fund**”), BGI, Shenzhen Aiwandou Technology Co., Ltd. (深圳愛豌豆科技有限公司) (“**Aiwandou**”), Chengdu Desun Kuayue Equity Investment Fund Center (Limited Partnership) (成都德商跨越股權投資基金中心(有限合夥)) (“**Desun Kuayue Fund**”), Volcanic Rock Fund I, Tian Xiqu, Shenzhen Songhe Venture Capital Co., Ltd. (深圳市松禾創業投資有限公司) (“**Songhe VC**”), Ningbo Songhe Self-Funded Investment Partnership (Limited Partnership) (寧波松禾自有資金投資合夥企業(有限合夥)) (“**Songhe Growth IV Fund**”), Jianxin Financial Asset Investment Co., Ltd. (建信金融資產投資有限公司) (“**CCB Financial Investment**”), Shenzhen Qianhai Yuhou Capital Management Co., Ltd. (深圳前海雨後資本管理有限公司) (“**Yuhou Capital**”), Guangzhou Zhongguan Investment Development Co., Ltd. (廣州中冠投資發展有限公司) (“**Guangzhou Zhongguan**”), Zuo Deqi, Boyuan Zhuoxing (together, the “**Series B Investors**”), the Series B Investors agreed to subscribe for the increased registered capital in Beijing Technology of RMB8.10 million at a total consideration of RMB159.13 million (the “**Series B Financing**”).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The respective subscription amount and consideration for each subscriber are as follows:

Subscribers	Amount of Registered Capital	Consideration
	<i>RMB</i>	<i>RMB</i>
Lingrui CoStone Fund	2,035,801	40,000,000
BGI	2,544,529	50,000,000
Aiwandou	508,950	10,000,000
Desun Kuayue Fund	508,950	10,000,000
Volcanic Rock Fund I	508,950	10,000,000
Tian Xiqiu	508,950	10,000,000
Yuhou Capital	356,265	7,000,000
Guangzhou Zhongguan	305,370	6,000,000
Zuo Deqi	254,475	5,000,000
Boyuan Zhuoxing	101,790	2,000,000
Songhe VC	232,448	4,567,208
Songhe Growth IV Fund	92,979	1,826,884
CCB Financial Investment	139,468	2,740,325
Total	8,098,925	159,134,417

Biyuewu Financing

On December 18, 2019, Beijing Technology, Tibet GenePlus, Tibet LP, Dr. Yi Xin, and Dr. Yang Ling, entered into a capital increase agreement with Ganzhou Biyuewu Equity Investment Partnership Enterprise (Limited Partnership) (贛州畢月烏股權投資合夥企業(有限合夥)) (“**Biyuewu**”) pursuant to which Biyuewu agreed to subscribe for the increased registered capital in Beijing Technology of RMB954,281 at a total consideration of RMB20 million (the “**Biyuewu Financing**”).

Equity Transfer in September 2020

On September 15, 2020, Yuhou Capital and Chen Wenhui entered into an equity transfer agreement, pursuant to which Chen Wenhui agreed to transfer the registered capital in Beijing Technology of RMB1.91 million to Yuhou Capital at a consideration of RMB3.18 million (the “**Equity Transfer in September 2020**”). Yuhou Capital was owned as to 90% and controlled by Chen Wenhui. The consideration was determined with reference to Chen Wenhui’s previous investment cost in the Series Angel Financing. After the Equity Transfer in September 2020, Chen Wenhui ceased to be a shareholder of Beijing Technology.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Series B+ Financing

On September 27, 2020, Beijing Technology, Tibet GenePlus, Tibet LP, Dr. Yi Xin, and Dr. Yang Ling entered into a series of capital increase agreements with Beijing Huagai Xincheng Yuanhang Medical Industry Investment Partnership Enterprise (Limited Partnership) (北京華蓋信誠遠航醫療產業投資合夥企業(有限合夥)) (“**Huagai Xincheng**”), Aier Healthcare Investment Co., Ltd. (愛爾醫療投資集團有限公司) (“**Aier Healthcare**”), Jiangsu Shengyu Heike Medical & Health Investment Fund (Limited Partnership) (江蘇盛宇黑科醫療健康投資基金(有限合夥)) (“**Shengyu Heike**”) (together, the “**Series B+ Investors**”), pursuant to which Series B+ Investors agreed to subscribe for the increased registered capital in Beijing Technology of RMB7,927,860 at a total consideration of RMB180 million (the “**Series B+ Financing**”).

The respective subscription amount and consideration for each subscriber are as follows:

Subscribers	Amount of Registered Capital	Consideration
	<i>RMB</i>	<i>RMB</i>
Huagai Xincheng	4,404,367	100,000,000
Aier Healthcare	2,202,183	50,000,000
Shengyu Heike	1,321,310	30,000,000
Total	7,927,860	180,000,000

Equity Transfers in October 2020

On October 15, 2020, Yuhou Capital and Zuo Deqi entered into a series of equity transfer agreements with the transferees as follows, pursuant to which Yuhou Capital and Zuo Deqi agreed to transfer their respective registered capital in Beijing Technology. (“**Equity Transfers in October 2020**”) The consideration was determined based on arm’s length negotiations between the parties with reference to the timing of the investments and our Group’s development stage.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The transfer amount of registered capital and consideration for each transfer are as follows:

<u>Transferors</u>	<u>Transferees</u>	Registered capital transferred	Consideration
		<i>RMB</i>	<i>RMB</i>
Yuhou Capital ⁽¹⁾ . .	Suzhou Shengshan Wins Venture Capital Investment Company (L.P.) (蘇州盛山鴻贏創業投資 企業(有限合夥)) (“ Shengshan Huiying ”)	1,277,266	29,000,000
Yuhou Capital ⁽¹⁾ . .	Jiaxing Shengyan Equity Investment Partnership Enterprise (Limited Partnership) (嘉興盛嚴股權投資 合夥企業(有限合夥)) (“ Jiaxing Shengyan ”)	924,917	21,000,000
Zuo Deqi	Guangzhou Zhongguan	59,401	1,348,700
Zuo Deqi	Guangzhou Zhongguan	72,729	1,651,300
Zuo Deqi	Biyuewu	880,875	20,000,000

Note:

- (1) After the Equity Transfers in October 2020, Yuhou Capital ceased to be a shareholder of Beijing Technology.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Series C Financing

In June 2021, Beijing Technology, Tibet GenePlus, Tibet LP, Dr. Yi Xin, and Dr. Yang Ling, and transferors in Equity Transfers in Series C Financing (as defined below) entered into a series of investment agreements (the “**Series C Investment Agreements**”) with Suzhou GGV Haoyue Venture Capital Partnership (Limited Partnership) (蘇州紀源皓月創業投資合夥企業(有限合夥)) (“**GGV Haoyue**”), Suzhou GGV Haoyuan Venture Capital Partnership (Limited Partnership) (蘇州紀源皓元創業投資合夥企業(有限合夥)) (“**GGV Haoyuan**”), Shanghai Zhongnuo Tongxin Management Consulting Partnership (Limited Partnership) (上海中諾同欣管理諮詢合夥企業(有限合夥)) (“**Zhongnuo Tongxin**”), Jiangsu Zhongguancun Zhongnuo Collaborative Investment Fund Partnership (Limited Partnership) (江蘇中關村中諾協同投資基金合夥企業(有限合夥)) (“**Zhongnuo Xietong**”), Beijing Zhongfazhan Golden Seed Venture Capital Center (Limited Partnership) (北京中發展金種子創業投資中心(有限合夥)) (“**Zhongfazhan Golden Seed**”), CCB International Industrial Investment (Zhuhai) Co., Ltd. (建銀國際產業投資(珠海)有限公司) (“**CCBI Investment**”), Beijing Jianxing Medical & Health Industry Equity Investment Partnership (Limited Partnership) (北京建興醫療健康產業股權投資合夥企業(有限合夥)) (“**Jianxing Med Fund**”), CCB Sci-Tech Innovation (Suzhou) Investment-Loan Linkage Equity Investment Fund (Limited Partnership) (建銀科創(蘇州)投貸聯動股權投資基金(有限合夥)) (“**CCB Inv-Loan Fund**”), Jiangsu Zijin Hongyun Health Industry Investment Partnership (L.P.) (江蘇紫金弘雲健康產業投資合夥企業(有限合夥)) (“**Zijin Hongyun**”), Jining Weiji Venture Capital Management Partnership (Limited Partnership) (濟甯蔚吉創業投資管理合夥企業(有限合夥)) (“**Weiji VC**”), Shengyu Heike, Guangdong-Zhuhai-Macao (Zhuhai) Frontier Industry Equity Investment Fund (Limited Partnership) (粵珠澳(珠海)前沿產業股權投資基金(有限合夥)) (“**GZM Frontier**”), Suzhou Industrial Park Industrial Investment Fund (Limited Partnership) (蘇州工業園區產業投資基金(有限合夥)) (“**SIP Industrial Fund**”), Shenzhen Dachen Chuanghong Private Equity Investment Enterprise (Limited Partnership) (深圳市達晨創鴻私募股權投資企業(有限合夥)) (“**Dachen Chuanghong**”), Shenzhen Caizhi Chuangying Private Equity Investment Enterprise (Limited Partnership) (深圳市財智創贏私募股權投資企業(有限合夥)) (“**Caizhi Chuangying**”), Tianjin Jinmao Beikejian Equity Investment Fund Partnership (Limited Partnership) (天津金茂北科建股權投資基金合夥企業(有限合夥)) (“**Jinmao Beikejian**”), Jiaxing Chuanghe Huimao Equity Investment Partnership (Limited Partnership) (嘉興創合匯茂股權投資合夥企業(有限合夥)) (“**Chuanghe Huimao**”), Zibo Bohua Equity Investment Partnership (Limited Partnership) (淄博華匯股權投資合夥企業(有限合夥)) (“**Huahui Fund**”), Zibo Qingxian Equity Investment Partnership (Limited Partnership) (淄博慶賢股權投資合夥企業(有限合夥)) (“**Qingxian Fund**”), CCB Financial Investment, Sanya Baichuan Zhixin Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (三亞百川致新私募股權投資基金合夥企業(有限合夥)) (“**Baidu VC**”) (together, the “**Series C Investors**”), pursuant to which Series C Investors agreed to subscribe for the increased registered capital in Beijing Technology of RMB15.09 million at a total consideration of RMB500.20 million (the “**Series C Financing**”).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The respective subscription amount and consideration for each subscriber are as follows:

Shareholders	Amount of Registered Capital	Consideration
	<i>RMB</i>	<i>RMB</i>
CCBI Investment	1,809,868	60,000,000
Dachen Chuanghong	1,755,572	58,200,000
Zijin Hongyun	1,508,223	50,000,000
SIP Industrial Fund	1,508,223	50,000,000
Jianxing Med Fund	1,085,921	36,000,000
Jinmao Beikejian	1,085,921	36,000,000
GGV Haoyue	727,500	24,117,767
CCB Inv-Loan Fund	723,947	24,000,000
GZM Frontier	542,960	18,000,000
GGV Haoyuan	539,408	17,882,233
Zhongnuo Xietong	361,974	12,000,000
Shengyu Heike	361,974	12,000,000
Chuanghe Huimao	361,974	12,000,000
Huahui Fund	349,153	11,574,977
Qingxian Fund	193,807	6,425,023
Zhongfazhan Golden Seed	180,987	6,000,000
Weiji VC	180,987	6,000,000
Zhongnuo Tongxin	126,691	4,200,000
Caizhi Chuangying	54,296	1,800,000
CCB Financial Investment	1,266,908	42,000,000
Baidu VC	361,974	12,000,000
Total	15,088,268	500,200,000

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Equity Transfers in Series C Financing

Under the Series C Investment Agreements, the following transfers of equity interest in Beijing Technology were agreed (the “**Equity Transfers in Series C Financing**”). The consideration was determined based on arm’s length negotiations between the parties with reference to the timing of the investments, our Group’s development stage and the liquidity needs of the transferors.

<u>Transferors</u>	<u>Transferees</u>	<u>Amount of Registered Capital</u>	<u>Consideration</u>
		<i>RMB</i>	<i>RMB</i>
Tibet GenePlus	Jinmao Beikejian	868,737	24,000,000
Tibet GenePlus	GGV Haoyuan	431,526	11,921,488
Tibet GenePlus	GGV Haoyue	398,772	11,016,579
Tibet GenePlus	Zhongnuo Xietong	289,579	8,000,000
Tibet GenePlus	Chuanghe Huimao	289,579	8,000,000
Tibet GenePlus	GZM Frontier	241,297	6,666,157
Tibet GenePlus	Zhongfazhan Golden Seed	144,789	4,000,000
Tibet GenePlus	Zhongnuo Tongxin	101,353	2,800,000
Tibet GenePlus	Huahui Fund	279,322	7,716,651
Tibet GenePlus	Qingxian Fund	155,046	4,283,349
Xu Wei	Dachen Chuanghong	1,404,458	38,800,000
Xu Wei	Baidu VC	289,579	8,000,000
Xu Wei	GZM Frontier	193,071	5,333,843
Xu Wei	Weiji VC	69,455	1,918,797
Xu Wei	Caizhi Chuangying	43,437	1,200,000
BGI	Jianxing Med Fund	542,514	14,987,676
BGI	CCBI Investment	530,317	14,650,696
Shenzhen Chengwei .	CCB Inv-Loan Fund	579,158	16,000,000
Shenzhen Chengwei .	Jianxing Med Fund	326,223	9,012,324
Shenzhen Chengwei .	GGV Haoyue	183,228	5,061,932
Xue Yanxiang	Shengyu Heike	289,579	8,000,000
Xue Yanxiang	Weiji VC	75,334	2,081,203
Biyuewu	CCBI Investment	917,578	25,349,304

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Equity Transfers in 2021

On November 19, 2021, Wang Yun and Wang Xiang (sister of Wang Yun), Xue Yanxiang and Lan Fu (spouse of Xue Yanxiang), effected the equity transfers as follows at nil consideration (“**Equity Transfers in 2021**”). The nil consideration was determined based on family shareholding arrangements.

<u>Transferors</u>	<u>Transferees</u>	<u>Amount of Registered Capital</u>	<u>Consideration</u>
		<i>RMB</i>	<i>RMB</i>
Wang Yun ⁽¹⁾	Wang Xiang	2,672,428	nil
Xue Yanxiang ⁽¹⁾	Lan Fu	1,000,000	nil

Note:

- (1) After the Equity Transfers in 2021, Wang Yun and Xue Yanxiang ceased to be shareholders of Beijing Technology.

Series D Financing

On September 5, 2025, Dr. Yi Xin, Dr. Yang Ling, Beijing Technology, Tibet GenePlus, Tibet LP, Shaoxing Biomedical and our Company entered into an investment agreement (“**Series D Investment Agreement**”) with Shaoxing Yuecheng District Yinzhi Technology Industry Equity Investment Fund Partnership Enterprise (Limited Partnership) (紹興市越城區引智科技產業股權投資基金合夥企業(有限合夥)) (“**Shaoxing Yinzhi**”), pursuant to which Shaoxing Yinzhi agreed to subscribe for the increased registered capital in Beijing Technology of RMB4,524,671 at a total consideration of RMB150 million (the “**Series D Financing**”).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Equity Transfers in 2025

On July 31, 2025, September 5, 2025, September 16, 2025 and November 25, 2025, Shaoxing Yinzhi, Beijing Changping Industrial Development Investment Fund (Limited Partnership) (北京昌平產業發展投資基金(有限合夥)) (“**Changping Investment**”), Wang Xiang and BGI entered into a series of agreements with the then shareholders of Beijing Technology, pursuant to which the following transfers of equity interest in Beijing Technology were agreed. The consideration was determined based on arm’s length negotiations between the parties with reference to the timing of the investments, our Group’s development stage, and the liquidity needs and investment costs of the transferors.

Transferors	Transferees	Amount of Registered Capital	Consideration
		<i>RMB</i>	<i>RMB</i>
CCB Inv-Loan Fund	Shaoxing Yinzhi	59,609	1,830,000
Dachen Chuanghong	Shaoxing Yinzhi	144,951	4,450,000
Caizhi Chuangying	Shaoxing Yinzhi	4,235	130,000
Jinmao Beikejian	Shaoxing Yinzhi	651,466	20,000,000
GGV Haoyue	Shaoxing Yinzhi	59,852	1,837,440
GGV Haoyuan	Shaoxing Yinzhi	44,383	1,362,560
GZM Frontier	Shaoxing Yinzhi	206,189	6,330,000
Zhongnuo Xietong	Shaoxing Yinzhi	29,642	910,000
Huahui Fund	Shaoxing Yinzhi	28,664	880,000
Qingxian Fund	Shaoxing Yinzhi	15,961	490,000
Zhongnuo Tongxin	Shaoxing Yinzhi	10,423	320,000
Shengyu Heike	Shaoxing Yinzhi	603,201	15,000,000
Huagai Xincheng	Shaoxing Yinzhi	273,448	6,210,000
Aier Healthcare	Shaoxing Yinzhi	396,301	9,000,000
Lingrui CoStone Fund	Shaoxing Yinzhi	762,970	15,000,000
Desun Kuayue Fund	Shaoxing Yinzhi	36,114	710,000
Songhe Growth IV Fund	Shaoxing Yinzhi	92,979	2,000,000
Volcanic Rock Fund I	Shaoxing Yinzhi	273,353	4,800,000
Songhe Growth I Fund	Shaoxing Yinzhi	400,232	6,900,000
Songhe Guochuang Fund	Shaoxing Yinzhi	106,729	1,840,000
SIP Industrial Fund	Changping Investment	651,466	20,000,000
Biyuewu ⁽¹⁾	Changping Investment	917,578	20,000,000
Wang Sui ⁽¹⁾	BGI	512,117	9,000,000
Li Chengshan ⁽¹⁾	BGI	290,276	5,000,000
Zijin Hongyun	Wang Xiang	780,957	20,000,000

Note:

- (1) After the Equity Transfers in 2025, Biyuewu, Wang Sui and Li Chengshan ceased to be shareholders of Beijing Technology.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Establishment of Employee Shareholding Platform

In recognition of the contributions of our employees and to incentivize them to further promote our development, Tibet LP was established as our employee incentive platform, with Tibet GenePlus being its general partner:

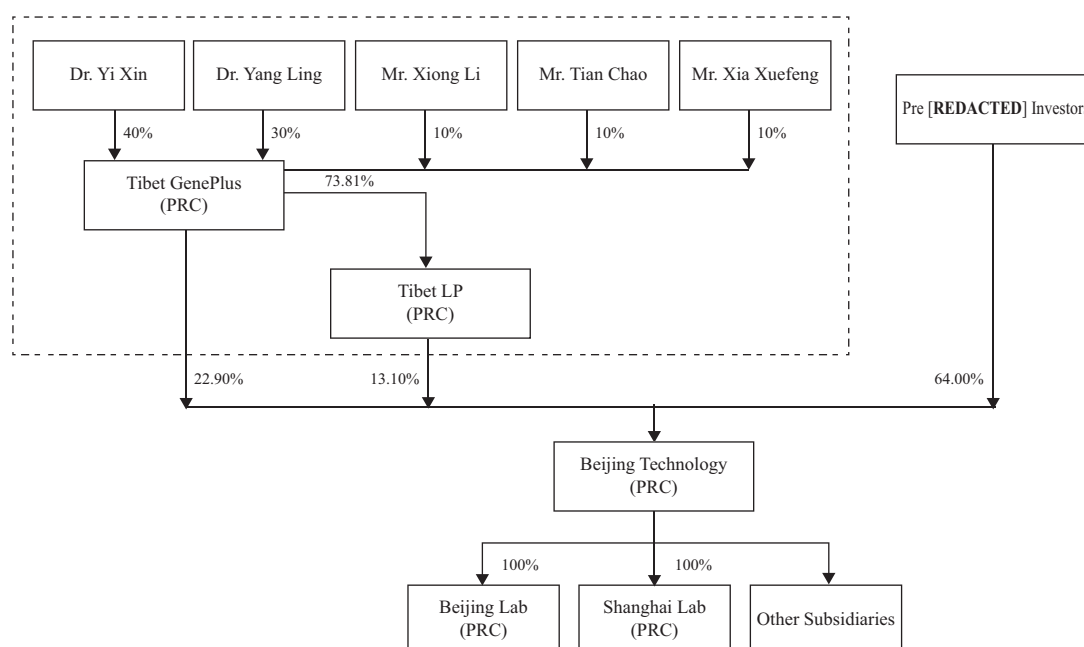
Date of Establishment ⁽¹⁾	As at the Latest Practicable Date	
	Shareholding in the Company ⁽²⁾	Limited Partners ⁽³⁾
August 18, 2015	13.10%	Mr. Chen Yongsheng (陳永勝) (our Supervisor), Mr. Liu Tao (劉濤) (our Supervisor), Dr. Guan Yanfang (管彥芳) (our Supervisor) and three current employees of our Group

Notes:

- (1) Such incentive is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of new Shares, options or awards by our Company after the [REDACTED].
- (2) Pursuant to the Shareholders resolution dated September 24, 2015, Tibet LP subscribed for Beijing Technology’s newly issued capital of RMB16,800,000 at the nominal value.
- (3) Mr. Chen Yongsheng, Mr. Liu Tao and Dr. Guan Yanfang each holds approximately 4.76% of the partnership interest in Tibet LP.

Reorganization

In preparation for the [REDACTED], we underwent a reorganization of our corporate structure (the “**Reorganization**”). The following diagram illustrates the simplified corporate and shareholding structure of our Group before the Reorganization:



HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Establishment of The Company

The Company was incorporated as a joint stock company with limited liability in the PRC on June 30, 2025 by Tibet GenePlus and Tibet LP, who held 68.18% and 31.82% of the registered capital, respectively.

Roll-over of the equity interests held by the Beijing Technology investors into the Company

The Beijing Technology investors effected a roll-over of their underlying equity interests in Beijing Technology into the Company through the following arrangements:

- (i) each shareholder (other than CCB Financial Investment) reduced its registered capital in Beijing Technology and received a capital reduction payment equal to its original investment cost, which was subsequently paid to the Company as consideration for subscribing for the Company’s increased share capital; and
- (ii) CCB Financial Investment contributed its equity interest in Beijing Technology in kind as consideration for subscribing for the Company’s increased share capital.

As a result of these arrangements, the investors’ equity interests in Beijing Technology (including the share compensation described below) were fully reflected at the Company level based on a ratio of RMB1 of the registered capital in Beijing Technology to 1 Share. The roll-over was completed on November 28, 2025.

Share Compensation

Tibet GenePlus agreed to transfer its approximately 5.17% equity interest in the Company to the following transferees at nil consideration as compensation to the certain Series A Financing, Series B Financing, Series B+ Financing and Series C Financing investors for the delayed [REDACTED] timeline and in expectation of continued collaboration from the Shareholders.

Based on arm’s length negotiations among the relevant parties, taking into consideration the exit chances in the Equity Transfers in 2025 and the Company’s intention to encourage long-term commitment of Shareholders to the Company, the basis of calculating the amount of compensation are determined as follows: i) for Series A Financing, Series B Financing, Series B+ Financing and Series C Financing investors who did not participate in the Equity Transfers in 2025, the number of Shares held by such investors after the compensation shall be adjusted to reflect implied valuations at the time of their respective investments equivalent to 90.25%, 90.25%, 88.30% and 77.25% of the actual valuations at the time of their respective investments, respectively; ii) for Series A Financing, Series B Financing, Series B+ Financing and Series C Financing investors who participated in the Equity Transfers in 2025 on a pro-rata basis by reference to their respective shareholdings among the group of transferring investors (“**Pro-rata Basis**”), the number of Shares held by such investors after the compensation shall be adjusted to reflect implied valuations at the time of their respective investments equivalent to 94.00%, 94.00%, 92.80% and 86.00% of the actual valuations at the time of their respective investments, respectively; and iii) for investors

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

participated in the Equity Transfers in 2025 in excess of their entitlement on Pro-rata Basis, no share compensation shall be granted.

Transferees	Shares Acquired
	<i>RMB</i>
Shenzhen Chengwei	118,319
Lan Fu	108,033
Jiang Renfei	94,078
Aiwandou	54,984
Shengshan Huiying	169,241
Jiaxing Shengyan	122,554
Huagai Xincheng	320,502
Zhongfazhan Golden Seed	95,941
Weiji VC	95,941
CCBI Investment	959,406
Jianxing Med Fund	575,644
Zijin Hongyun	444,169
Baidu VC	191,881
Chuanghe Huimao	191,907
BGI	648,199
Zuo Deqi	27,492
Tian Xiqiu	349,889
CCB Financial Investment	388,170
Boyuan Zhuoxing	48,628
Guangzhou Zhongguan	50,498
Volcanic Rock Fund I	200,321
Desun Kuayue Fund	30,181
Dachen Chuanghong	490,827
GGV Haoyue	203,431
CCB Inv-Loan Fund	202,430
GGV Haoyuan	150,834
Zhongnuo Xietong	101,241
Huahui Fund	97,644
Qingxian Fund	54,192
Zhongnuo Tongxin	35,427
Caizhi Chuangying	15,221

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Disposal of Shanghai Lab and Capital Increase in Beijing Lab

To comply with foreign investment restriction after listing and the H Share Full Circulation, we decided to dispose of Shanghai GenePlus Medical Laboratory Co., Ltd. (上海吉因加醫學檢驗實驗室有限公司) (“**Shanghai Lab**,” now known as Shanghai Xingshi Medical Laboratory Co., Ltd. (上海星實醫學檢驗實驗室有限公司) after the Reorganization), engaging in medical testing laboratory services. Pursuant to a share transfer agreement dated October 10, 2025, our Company transferred its 100% equity interests in the Shanghai Lab to Shanghai Xingshi Health Technology Co., Ltd. (上海星實健康科技有限公司) (“**Shanghai Xingshi**”) at a consideration of RMB2,800,000. The consideration was determined based on arm’s length negotiations between the parties with reference to the fair market value of Shanghai Lab. Each of Shanghai Xingshi and its shareholders, to the best knowledge of the Directors, is an independent third party of the Company.

Pursuant to the Interim Measures for the Administration of Sino-foreign Equity Joint Venture and Cooperative Joint Venture Medical Institutions (《中外合資、合作醫療機構管理暫行辦法》), as advised by our PRC legal advisor, the foreign equity percentage in a medical institution shall not exceed 70%. In order to retain the business license of medical testing laboratory services and obtain more funding support, on November 26, 2025, Beijing Lab entered into a capital increase agreement with Tibet GenePlus, pursuant to which Tibet GenePlus agreed to subscribe for 30% equity interests in Beijing Lab, our wholly-owned subsidiary before the capital increase, at a consideration of RMB6,748,525. The consideration was determined based on the net asset value of the Beijing Lab as of October 31, 2025.

For the year ended December 31, 2024, the revenue contribution by the Shanghai Lab and Beijing Lab were RMB11.25 million and RMB288.86 million, respectively. As of June 30, 2025, the total asset of Shanghai Lab and Beijing Lab were RMB29.34 million and RMB112.41 million, respectively.

The gain on the disposal of investment in Shanghai Lab amounted to approximately RMB2.75 million. We are of the view that the disposal of Shanghai Lab has no material adverse impact on our business operations or overall financial performance of our Group. We further confirm that as of the Latest Practicable Date, we were not aware of any potential or actual litigation, claims or other disputes arising from the disposal of Shanghai Lab or any material non-compliance incidents of Shanghai Lab during the Track Record Period prior to the disposal of Shanghai Lab.

For the corporate structure of our Group after completion of the Reorganization and immediately prior to the [REDACTED], see “— Corporate Structure — Corporate structure before the [REDACTED]” in this section.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

ACQUISITIONS, MERGERS AND DISPOSALS

Save as disclosed above and in the paragraph headed “— Reorganization” in this section, we had no other major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

PREVIOUS LISTING ATTEMPT

In the fourth quarter of 2021, Beijing Technology commenced preparation for a [REDACTED] on the Stock Exchange (the “**Previous Listing Attempt**”). Having taken into account the changes in the then regulatory and market conditions, pursuant to its board resolution dated April 26, 2022, Beijing Technology decided to prioritize its time and resources to the business development and terminated the Previous Listing Attempt.

As of the Latest Practicable Date, our Company did not submit any formal [REDACTED] in relation to the Previous Listing Attempt to any stock exchanges nor received any material inquiries or comments from the relevant securities regulatory authorities. The Directors and the Joint Sponsors are not aware of any matters that in relation to the Previous Listing Attempt that would affect the Company’s suitability for [REDACTED] on the Stock Exchange or would need to be brought to the attention of the Stock Exchange.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

PRE-[REDACTED] INVESTMENTS

We have received several rounds of Pre-[REDACTED] Investments since our establishment. The following table sets forth a summary of the details of the Pre-[REDACTED] Investments⁽¹⁾⁻⁽⁷⁾:

	Series Angel Financing	Series A Financing	Series B Financing	Biyuewu Financing	Series B+ Financing	Series C Financing	Series D Financing
Amount of consideration paid . . .	RMB40,000,000	RMB200,000,000	RMB159,134,367	RMB20,000,000	RMB180,000,000	RMB500,200,000	RMB150,000,000
Post-money valuation of the Company/Beijing Technology	RMB133.3 million	RMB1.6 billion	RMB2.0 billion	RMB2.1 billion	RMB2.5 billion	RMB4.1 billion	RMB4.3 billion
Date of payment of full consideration	June 1, 2015	December 14, 2016	September 30, 2019	December 27, 2019	July 21, 2021	July 28, 2021	November 28, 2025
Cost per registered capital paid . . .	RMB1.67	RMB17.23	RMB19.65	RMB20.96	RMB22.70	RMB33.15	RMB33.15
[REDACTED] to the [REDACTED] ⁽⁸⁾⁽⁹⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Basis of consideration The consideration for each round of the Pre-[REDACTED] Investments was determined based on arm’s length negotiations among the relevant parties taking into consideration the timing of the investments and our Group’s development stage.

Use of [REDACTED] and whether they have been fully utilized . . . We utilized the [REDACTED] from the Pre-[REDACTED] Investments for our principal business, including but not limited to the growth and expansion of the Company’s business and general working capital purposes. As of the Latest Practicable Date, all net [REDACTED] from the Pre-[REDACTED] Investments had been utilized except for the net [REDACTED] from the Series D Financing, which remained unused.

Strategic benefits At the time of the Pre-[REDACTED] Investments, the Directors were of the view that (i) the Company would benefit from the additional capital provided by the Pre-[REDACTED] Investors and their market influence, knowledge and experience and (ii) the Pre-[REDACTED] Investments demonstrated the Pre-[REDACTED] Investors’ confidence in the operation and development of our Group.

Lock-up period Under the applicable PRC laws and regulations, within the 12 months following the [REDACTED], no current Shareholders (including the Pre-[REDACTED] Investors) may dispose of any of the Shares held by them.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (1) The Equity Transfer in 2016 is not included in the above table as the consideration of the transfer in the total amount of RMB3 million was paid to Wang Yun (instead of Beijing Technology) by Wang Sui. The transaction was fully settled in September 2016. Taking into account of the Reorganization, the cost per Share of such transfer was approximately RMB18.32. The [REDACTED] to the [REDACTED] of such transfer is approximately [REDACTED]%. For details of the Equity Transfer in 2016, see “— Corporate Development — Equity Transfer in 2016” in this section.
- (2) The Equity Transfer in 2017 is not included in the above table as the consideration of the transfer in the total amount of RMB25 million was paid to Chen Wenhui (instead of Beijing Technology) by Xue Yanxiang. The transaction was fully settled on June 26, 2017. Taking into account of the Reorganization, the cost per Share of such transfer was approximately RMB18.32. The [REDACTED] to the [REDACTED] of such transfer is approximately [REDACTED]%. For details of the Equity Transfer in 2017, see “— Corporate Development — Equity Transfer in 2017” in this section.
- (3) The Equity Transfers in 2018 are not included in the above table as the consideration of the transfers in the total amount of RMB90 million was paid to Tian Xiqiu and Wang Yun (instead of Beijing Technology) by the relevant Pre-[REDACTED] Investors. The transactions were fully settled on January 10, 2018. Taking into account of the Reorganization, the cost per Share of such transfers was approximately RMB18.32. The [REDACTED] to the [REDACTED] of such transfers is approximately [REDACTED]%. For details of the Equity Transfers in 2018, see “— Corporate Development — Equity Transfers in 2018” in this section.
- (4) The Equity Transfer in September 2020 is not included in the above table as the consideration of the transfer in the total amount of RMB3.17 million was paid to Chen Wenhui (instead of Beijing Technology) by Yuhou Capital. The transaction was fully settled on November 25, 2020. Taking into account of the Reorganization, the cost per Share of such transfer was approximately RMB1.67. The [REDACTED] to the [REDACTED] of such transfer is approximately [REDACTED]%. For details of the Equity Transfer in September 2020, see “— Corporate Development — Equity Transfer in September 2020” in this section.
- (5) The Equity Transfers in October 2020 are not included in the above table as the consideration of the transfer in the total amount of RMB73.00 million was paid to Yuhou Capital and Zuo Deqi (instead of Beijing Technology) by the relevant Pre-[REDACTED] Investors. The transactions were fully settled on November 24, 2020. Taking into account of the Reorganization, the cost per Share of such transfers was approximately RMB22.70. The [REDACTED] to the [REDACTED] of such transfers is approximately [REDACTED]%. For details of the Equity Transfers in October 2020, see “— Corporate Development — Equity Transfers in October 2020” in this section.
- (6) The Equity Transfers in Series C Financing are not included in the above table as the consideration of the transfers in the total amount of RMB238.8 million was paid to relevant transferors (instead of Beijing Technology) by the relevant Pre-[REDACTED] Investors. The transactions were fully settled on October 19, 2021. Taking into account of the Reorganization, the cost per Share of such transfers was approximately RMB27.63. The [REDACTED] to the [REDACTED] of such transfers is approximately [REDACTED]%. For details of the Equity Transfers in Series C Financing, see “— Corporate Development — Equity Transfers in Series C Financing” in this section.
- (7) The Equity Transfers in 2025 are not included in the above table as the consideration of the transfers in the total amount of RMB174 million was paid to relevant transferors (instead of Beijing Technology) by the relevant Pre-[REDACTED] Investors. The transaction was fully settled on November 28, 2025. Taking into account of the Reorganization, the cost per Share of such transfers ranged approximately from RMB17.22 to RMB30.70. The [REDACTED] to the [REDACTED] of such transfers ranges approximately from [REDACTED]% to [REDACTED]%. For details of the Equity Transfers in 2025, see “— Corporate Development — Equity Transfers in 2025” in this section.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (8) For Series A Financing, Series B Financing, Series B+ Financing and Series C Financing investors who did not participate in the Equity Transfers in 2025, the Cost per registered capital paid after the Share Compensation is RMB15.55, RMB17.73, RMB20.05 and RMB25.61, respectively and the [REDACTED] to the [REDACTED] after the Compensation is [REDACTED]%, [REDACTED]%, [REDACTED]% and [REDACTED]%, respectively. For Series A Financing, Series B Financing, Series B+ Financing and Series C Financing investors who participated in the Equity Transfers in 2025 on a Pro-rata Basis, the Cost per registered capital paid after the Share Compensation is RMB16.19, RMB18.47, RMB21.07 and RMB28.51, respectively and the [REDACTED] to the [REDACTED] after the Compensation is [REDACTED]%, [REDACTED]%, [REDACTED]% and [REDACTED]%, respectively. For details of the Share Compensation, see “— Corporate Development — Reorganization — Share Compensation” in this section.
- (9) Calculated based on the assumptions that the [REDACTED] of HK\$[REDACTED], being the mid-point of the [REDACTED].

Special Rights of the Pre-[REDACTED] Investors

The Pre-[REDACTED] Investors were granted certain special rights, including but not limited to redemption rights, pre-emptive rights, anti-dilution rights, and information right. All special rights granted to our Pre-[REDACTED] Investors have been terminated in compliance with Chapter 4.2 of the Guide prior to the first submission of [REDACTED] on the Stock Exchange. Such special rights shall be automatically resumed upon the earliest to occur of (i) the return, withdrawal or the rejection of the Company’s [REDACTED] or (ii) the Company fails to consummate the [REDACTED] within 24 months after the first submission of the [REDACTED] by the Company to the Stock Exchange.

Joint Sponsors’ Confirmation

The Joint Sponsors confirms that the Pre-[REDACTED] Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants published by the Stock Exchange, on the basis that (1) the [REDACTED] will take place more than 120 clear days after completion of the Pre-[REDACTED] investments and (2) no special rights will survive the [REDACTED].

Information of the Pre-[REDACTED] Investors

Set out below is a description of our Pre-[REDACTED] Investors who hold 1% or more of the Shares as at the Latest Practicable Date. To the best knowledge of our Directors, save as disclosed below, each of the Pre-[REDACTED] Investors and their respective ultimate beneficial owners is an independent third party, and has no relationship with any connected persons of the Company or other Pre-[REDACTED] Investors.

Pre-[REDACTED] Investors	Background
BGI	BGI is a company limited by shares incorporated in the PRC. BGI is listed on the Shenzhen Stock Exchange (stock code: 300676.SZ).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors	Background
Volcanic Rock Fund I	Volcanic Rock Fund I is a limited partnership established in the PRC focusing on private equity investment. The general partner of Volcanic Rock Fund I is Shanghai Volcanic Rock Investment Management Partnership (Limited Partnership) (上海火山石投資管理合夥企業(有限合夥)) (“Volcanic Rock GP”). The general partner of Volcanic Rock GP is Volcanic Rock Capital Management Co., Ltd. (火山石投資管理有限公司) (“Volcanic Rock Capital”). Volcanic Rock Capital is owned as to 33.30% by Zhang Suyang (章蘇陽), 33.30% by Dong Yeshun (董葉順), and 33.30% by Wu Ying (吳穎). Volcanic Rock Fund I has 30 limited partners and none of the limited partners holds more than 30.00% of the partnership interest in Volcanic Rock Fund I.
Songhe	Songhe Growth I Fund and Songhe Guochuang Fund are limited partnerships established in the PRC focusing on private equity investment. Songhe VC is a limited company incorporated in the PRC focusing on private equity investment. The general partner of Songhe Growth I Fund is Shenzhen Songhe International Capital Management Partnership (深圳市松禾國際資本管理合夥企業(有限合夥)) (“Shenzhen Songheguoji”). Shenzhen songheguoji is owned as to 55.00% by Luo Fei (羅飛). Songhe Growth I Fund has 26 limited partners. Its largest limited partner is Songhe VC, and Shenzhen City Huitong Jinkong Fund Investment Co., Ltd. (深圳市匯通金控基金投資有限公司), each of which holds approximately 17.04% of the partnership interest in Songhe Growth I Fund. None of the 26 limited partners holds more than 30.00% of the partnership interest in Songhe Growth I Fund.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors

Background

The general partner of Songhe Guochuang Fund is Shenzhen Songhe Guochuang Capital Management Partnership Enterprise (Limited Partnership) (深圳市松禾國創資本管理合夥企業(有限合夥)) (“**Songhe Guochuangziben**”), The general partner of Songhe Guochuangziben is Shenzhen Songhe Industrial Capital Management Partnership Enterprise (Limited Partnership) (深圳市松禾產業資本管理合夥企業(有限合夥)) (“**Songhe Chanye**”). Songhe Chanye is owned as to 43.00% by Li Wei (厲偉), 32.00% by Luo Fei (羅飛), and 25.00% by Songhe VC. Songhe Guochuang Fund has 24 limited partners. Its largest limited partner is Shenzhen Futian Guiding Fund Investment Co., Ltd. (深圳市福田引導基金投資有限公司) (“**Shenzhen Futian**”), which holds approximately 30.00% of the partnership interest in Songhe Guochuang Fund. Shenzhen Futian is indirectly wholly owned by Shenzhen Futian District State-owned Assets Supervision and Administration Bureau (深圳市福田區國有資產監督管理局), through Shenzhen Futian Capital Operations Group Co., Ltd. (深圳市福田資本運營集團有限公司).

Songhe VC has 5 shareholders. Its largest shareholder is Cui Jingtao (崔京濤), who holds approximately 77.87% of the registered capital in Songhe VC. None of the 4 other shareholders holds more than 30.00% of the registered capital in Songhe VC.

Huagai Xincheng

Huagai Xincheng is a limited partnership established in the PRC focusing on private equity investment. The general partner of Huagai Xincheng Yuanhang is Huagai Medical Investment Management (Beijing) Co., Ltd. (華蓋醫療投資管理(北京)有限公司) (“**Huagai Medical**”). Huagai Xincheng has 36 limited partners. Its largest limited partner is Beijing Science and Technology Innovation Fund (Limited Partnership) (北京市科技創新基金(有限合夥)), which holds approximately 13.04% of the partnership interest. None of the limited partners holds more than 30.00% of the partnership interest in Huagai Xincheng.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors

Background

Huagai Medical is owned as to 70.00%, 15.00%, and 15.00% by Huagai Capital Co., Ltd. (華蓋資本有限責任公司) (“**Huagai Capital**”), Ningbo Meishan Bonded Port Area Huagai Kangyingan Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區華蓋康盈安股權投資合夥企業(有限合夥)), and Jiachen Weiye Investment (Beijing) Co., Ltd. (嘉宸偉業投資(北京)有限公司), respectively. Huagai Capital has 7 shareholders. Its largest shareholder is Liaoning Chengda Co., Ltd. (遼寧成大股份有限公司), a company on the Shanghai Stock Exchange (stock code: 600739.SH) holding 30.00% of its registered capital. None of the other 6 shareholders holds more than 30.00% of the registered capital in Huagai Capital.

Aier Healthcare

Aier Healthcare is a limited company incorporated in the PRC focusing on healthcare industry investment. Aier Healthcare is owned as to approximately 79.99% and 20.01% by Chen Bang (陳邦) and Li Li (李力), respectively.

CCB

CCB Financial Investment, CCBI Investment, CCB Inv-Loan Fund and Jianxing Med Fund are ultimately controlled by China Construction Bank Corporation (中國建設銀行股份有限公司) (“**CCB**”), a listed company on the Stock Exchange (stock code: 00939.HK) and the Shanghai Stock Exchange (stock code: 601939.SH).

CCB Financial Investment is a limited company incorporated in the PRC focusing on private equity investment and is a wholly-owned subsidiary of CCB.

CCBI Investment is a limited company incorporated in the PRC focusing on private equity investment. CCBI Investment is indirectly owned as to 100.00% by CCB International (Holdings) Limited (建銀國際(控股)有限公司) (“**CCBI Holdings**”) through CCBI Industry Fund Management Co., Ltd. (建銀國際產業基金管理有限公司) (“**CCBI Industry**”) and CCBI Wealth Management (Tianjin) Co., Ltd. (建銀國際財富管理(天津)有限公司). CCBI Holdings is a wholly-owned subsidiary of CCB.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors

Background

CCB Inv-Loan Fund is a limited partnership established in the PRC focusing on private equity investment. The general partner of CCB Inv-Loan Fund is Tianjin CCB International Jinhe Equity Investment Management Co., Ltd. (天津建銀國際金禾股權投資管理有限公司) (“**CCBI Jinhe**”), a subsidiary indirectly owned as to 100.00% by CCBI Holdings through CCB International (China) Co., Ltd. (建銀國際(中國)有限公司) and CCB International Capital (Tianjin) Ltd. (建銀國際資本管理(天津)有限公司) (“**CCBI Capital Tianjin**”). None of the limited partners in CCB Inv-Loan Fund holds more than 30.00% of its partnership interest.

Jianxing Med Fund is a limited partnership established in the PRC focusing on private equity investment. The general partners of Jianxing Med Fund are CCBI Private Equity Fund Management (Beijing) Co., Ltd. (建銀國際產業基金管理(北京)有限公司) (“**CCBI Industry Beijing**”) and Beijing New Aerotropolis Fund Management Co., Ltd. (北京新航城基金管理有限公司) (“**New Aerotropolis**”). Jianxing Med Fund has 3 limited partners. Beijing Xingchan Fund Management Center (Limited Partnership) (北京興產基金管理中心(有限合夥)), Tianjin Nuode Investment Co., Ltd. (天津諾德投資有限公司), and Beijing Municipal Bureau of Economy and Information Technology Industrial Development Promotion Center (北京市經濟和信息化局產業發展促進中心), a PRC government related institution, hold approximately 42.50%, 33.33%, and 20.00% of the partnership interest in Jianxing Med Fund respectively. CCBI Industry Beijing is wholly owned by CCBI Capital Tianjin. New Aerotropolis is owned as to 80.00% by Beijing New Aerotropolis Capital Investment Management Co., Ltd. (北京新航城資本投資管理有限責任公司), a wholly owned subsidiary of Beijing New Aerotropolis Holdings Co., Ltd. (北京新航城控股有限公司) (“**NA Holdings**”). NA Holdings is owned approximately as to 78.19% by Beijing Daxing Development State Owned Capital Investment and Operation Co., Ltd. (北京大興發展國有資本投資運營集團有限公司), a wholly owned subsidiary of the State-owned Assets Supervision and Administration Commission of Daxing District People’s Government of Beijing Municipality the Municipal People’s Government of Daxing District (大興區國有資產監督管理委員會).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors

Background

Dachen Caizhi

Dachen Chuanghong and Caizhi Chuangying are limited partnerships established in the PRC, both of which are controlled by their general partner Shenzhen Fortune Venture Capital Co., Ltd. (深圳市達晨財智創業投資管理有限公司) (“**Dachen Caizhi**”), a limited company focusing on private equity investment. Dachen Caizhi is owned as to 35.00% and 20.00% by Shenzhen Fortune Venture Capital Co., Ltd. (深圳市達晨創業投資有限公司) (“**Dachen VC**”) and Hunan TV & Broadcast Intermediary Co., Ltd. (湖南電廣傳媒股份有限公司) (“**Hunan TV**”) respectively. Dachen VC is a wholly owned subsidiary of Hunan TV. Hunan TV is a listed company on the Shenzhen Stock Exchange (stock code: 000917.SZ). None of the other shareholders of Dachen Caizhi holds more than 30.00% of its registered capital.

Dachen Chuanghong has 49 limited partners. None of the limited partners holds more than 30.00% of the partnership interest in Dachen Chuanghong.

Caizhi Chuangying has 30 limited partners. None of the limited partners holds more than 30.00% of the partnership interest in Caizhi Chuangying.

Zijin Hongyun

Zijin Hongyun is a limited partnership established in the PRC focusing on private equity investment. The general partner of Zijin Hongyun is Huatai Zijin Investment Co., Ltd. (華泰紫金投資有限責任公司) (“**Huatai Zijin**”). Zijin Hongyun has 19 partners. None of its partners holds more than 30.00% of the partnership interest in Zijin Hongyun.

Huatai Zijin is a wholly-owned subsidiary of Huatai Securities Co., Ltd (華泰證券股份有限公司), a listed company on the Shanghai Stock Exchange (stock code: 601688.SH) and the Stock Exchange (stock code: 06886.HK).

Jinmao Beikejian

Jinmao Beikejian is a limited partnership established in the PRC focusing on private equity investment. The general partners of Jinmao Beikejian are Beijing Kehui Venture Capital Fund Management Co., Ltd. (北京科慧創業投資基金管理有限公司) (“**Kehui Capital**”) and Jinmao Chuangxin (Tianjin) Investment Management Co., Ltd. (金茂創信(天津)投資管理有限公司) (“**Jinmao Chuangxin**”). Jinmao Beikejian has 2 limited partners. Jinmao Zhicheng Equity Investment (Tianjin) Partnership (Limited Partnership) (金茂智城股權投資(天津)合夥企業(有限合伙)) and Beijing Science Park Construction (Group) Co., Ltd. (北京科技園建設(集團)股份有限公司) each holds approximately 49.67% of the partnership interest in Tianjin Jinmao Beikejian.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors

Background

Kehui Capital is wholly owned by Beijing Science and Technology Park Construction (Group) Co., Ltd. (北京科技園建設(集團)股份有限公司) (“**BSTP Construction**”). BSTP Construction is owned as to 69.93% by Beijing State-owned Assets Management Co., Ltd., a wholly-owned subsidiary of Beijing Municipal People’s Government (北京市人民政府). None of the other shareholders holds more than 30.00% of the registered capital in BSTP Construction.

GGV

GGV Haoyue and GGV Haoyuan are limited partnerships established in the PRC focusing on private equity investment, both of which are controlled by Shanghai Jican Management Consulting Co., Ltd. (上海紀璨管理諮詢有限公司) (“**Shanghai Jican**”), which is owned as to approximately 33.40%, 33.30% and 33.30% by Xu Bingdong (徐炳東), Wu Chenyao (吳陳堯) and Li Haojun (李浩軍), respectively.

The general partner of GGV Haoyue is Zhangjiagang Yuanyu Enterprise Management Partnership (Limited Partnership) (張家港源宇企業管理合夥企業(有限合夥)) (“**Zhangjiagang Yuanyu**”). GGV Haoyue has 16 limited partners. Its largest limited partner is China Merchants Wealth Asset Management Co., Ltd. (招商財富資產管理有限公司), who holds approximately 21.22% of the partnership interest. None of the partners holds more than 30.00% of the partnership interest in GGV Haoyue.

The general partner of Zhangjiagang Yuanyu is Shanghai Jican. Zhangjiagang Yuanyu has 3 limited partners. Its largest limited partner is Tianjin Ji yuan Honghui Consulting Partnership (Limited Partnership) (天津紀源宏慧諮詢合夥企業(有限合夥)) (“**GGV Honghui**”), who holds approximately 58.81% of the partnership interest in Zhangjiagang Yuanyu. The general partner of GGV Honghui is Shanghai Jican. GGV Honghui has 1 limited partner, which is Tianjin GGV Hongying Investment Partnership (Limited Partnership) (天津紀源宏盈投資合夥企業(有限合夥)) (“**GGV Hongying**”), who holds approximately 97.56% of the partnership interest. The general partner of GGV Hongying is Shanghai Jican. GGV Hongying has 2 limited partners. JI-XUN FOO and HONG WEI JENNY LEE each holds approximately 49.22% of the partnership interest in GGV Hongying.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors

Background

The general partner of GGV Haoyuan is Shanghai Jiyuan Huining Enterprise Management Partnership (Limited Partnership) (上海紀源匯寧企業管理合夥企業(有限合夥)) (“**GGV Huining**”). GGV Haoyuan has 23 limited partners. Its largest limited partner is Beijing Xindongli Equity Investment Fund (Limited Partnership) (北京新動力股權投資基金(有限合夥)), which holds approximately 12.49% of the partnership interest. None of the limited partners holds more than 30.00% of the partnership interest in GGV Haoyuan. The general partner of GGV Huining is Shanghai Jican. GGV Huining has 3 limited partners. Its largest limited partner is GGV Honghui, which holds approximately 58.20% of the partnership interest in GGV Huining. None of the other 2 partners holds more than 30.00% of the partnership interest in GGV Huining.

Shengyu Heike

Shengyu Heike is a limited partnership established in the PRC focusing on private equity investment. The general partner of Shengyu Heike is Shanghai Yukang Equity Investment Center (Limited Partnership) (上海宇康股權投資中心(有限合夥)) (“**Shanghai Yukang**”).

The general partner of Shanghai Yukang is Shanghai Sharewin Equity Fund Management Co., Ltd. (上海盛宇股權投資基金管理有限公司) (“**Shanghai Sharewin**”). Shanghai Sharewin is owned as to 99.00% by Nanjing Mingyu Investment Management Center (Limited Partnership) (南京明鈺投資管理中心(有限合夥)) (“**Nanjing Mingyu**”). The general partner of Nanjing Mingyu is Danyang Yongxin Enterprise Management Center (Limited Partnership) (丹陽湧鑫企業管理中心(有限合夥)) (“**Danyang Yongxin**”). The general partner of Danyang Yongxin is Danyang Xinkangcheng Enterprise Management Co., Ltd. (丹陽新康成企業管理有限公司) (“**Danyang Xinkangcheng**”). Danyang Xinkangcheng is owned as to 80.00% by Zhu Jiangsheng (朱江聲). Danyang Yongxin has 3 limited partners. The largest limited partner is Shanghai Shenyu Enterprise Management Firm (上海榮鬱企業管理事務所) (“**Shanghai Shenyu**”), a sole proprietorship owned by Zhu Jiangsheng, which holds approximately 57.06% of the partnership interest in Danyang Yongxin. None of the other 2 limited partners holds more than 30.00% of the partnership interest in Danyang Yongxin. Nanjing Mingyu has 1 limited partner, which is Shanghai Dijia Enterprise Management Center (上海迪賈企業管理中心) (“**Shanghai Dijia**”), holding 49.50% of the partnership interest. Shanghai Dijia is a sole proprietorship owned by Zhu Jiangsheng.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors

Background

Shanghai Yukang has 1 limited partner, which is Jiangsu Yuyue Technology Development Co., Ltd. (江蘇魚躍科技發展有限公司) (“**Jiangsu Yuyue**”), holding 40.00% of the partnership interest. Jiangsu Yuyue is owned as to approximately 93.03% by Wu Guangming (吳光明). Shengyu Heike has 16 limited partners. Its largest limited partner is Danyang Investment Group Co., Ltd. (丹陽投資集團有限公司) (“**Danyang Investment**”), who holds 30.00% of the partnership interest in Shengyu Heike. Danyang Investment is indirectly wholly owned by Danyang State-owned Assets Operation Service Center (丹陽市國有資產運行服務中心), through Danyang Guofa Holdings Group Co., Ltd. (丹陽國發控股集團有限公司). None of the other 15 partners holds more than 30.00% of the partnership interest in Shengyu Heike.

Chuanghe Huimao

Chuanghe Huimao is a limited partnership established in the PRC focusing on private equity investment. The general partner of Chuanghe Huimao is Shanghai Chuanghehui Investment Management Co., Ltd (上海創合匯投資管理有限公司) (“**Shanghai Chuanghehui**”). Shanghai Chuanghehui is owned as to approximately 63.41% by Shanghai Chuanghehui Sci Tech Innovation Investment Group Co., Ltd (上海創合匯科創投資集團有限公司) (“**Chuanghehui Kechuang**”). Chuanghehui Kechuang is owned as to approximately 72.73% by Shao Jun (邵鈞). None of other 4 shareholders holds more than 30.00% of the registered interest in Chuanghehui Kechuang.

Chuanghe Huimao has 3 limited partners. Jinmao Zhicheng Equity Investment (Tianjin) Partnership Enterprise (Limited Partnership) (金茂智城股權投資(天津)合夥企業(有限合夥)) (“**Jinmao Zhicheng**”) and Jiaxing Chuanghe Huirui Equity Investment Partnership Enterprise (Limited Partnership) (嘉興創合匯瑞股權投資合夥企業(有限合夥)) (“**Chuanghehui Rui**”), each holding 49.00% of the partnership interest in Chuanghe Huimao.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors

Background

The general partner of Jinmao Zhicheng is Jinmao Chuanglong (Tianjin) Consulting Co., Ltd. (金茂創隆(天津)諮詢有限公司) (“**Jinmao Chuanglong**”). Jinmao Chuanglong is a wholly-owned subsidiary of Jinmao Chuangrui (Tianjin) Consulting Co., Ltd. (金茂創瑞(天津)諮詢有限公司) (“**Jinmao Chuangrui**”), which is owned as to 40.00% each by Tianjin Chuangyao Enterprise Management Consulting Partnership (Limited Partnership) (天津創耀企業管理諮詢合夥企業(有限合夥)) (“**Tianjin Chuangyao**”) and Tianjin Chuangqi Management Consulting Co., Ltd. (天津創啟管理諮詢有限公司) (“**Tianjin Chuangqi**”). The general partner of Tianjin Chuangyao is Tianjin Qizhi Era Enterprise Management Consulting Partnership Enterprise (Limited Partnership) (天津啟智時代企業管理諮詢合夥企業(有限合夥)) (“**Tianjin Qizhi**”). The general partner of Tianjin Qizhi is Tianjin Maomao Consulting Co., Ltd. (天津茂茂諮詢有限公司), which is owned as to 78.00% by Wang Bin (王斌). Tianjin Qizhi has 1 limited partner, which is Yu Yang (于洋), holding approximately 99.93% of the partnership interest in Tianjin Qizhi. Tianjin Chuangyao has 1 limited partner, which is Taiping Guofa Hehe (Beijing) Investment Management Co., Ltd. (太平國發禾和(北京)投資管理有限公司) (“**Guofa Hehe**”), holding approximately 99.62% of the partnership interest of Tianjin Chuangyao. Guofa Hehe is owned as to approximately 34.43% by Hehe Zhongshuo (Beijing) Investment Consulting Co., Ltd. (禾和眾燦(北京)投資顧問有限公司) (“**Hehe Zhongshuo**”), which is owned as to 80.00% by Zhangwenwen (章文雯). None of the other partners holds more than 30.00% of the partnership interest in Hehe Zhongshuo. Tianjin Chuangqi is owned wholly by Jinmao Chuangying (Tianjin) consulting Co., Ltd. (金茂創贏(天津)諮詢有限公司) (“**Jinmao Chuangying**”), which is wholly owned by Jinmao Capital Holdings Co., Ltd. (金茂資本控股有限公司), a wholly-owned subsidiary of China Jinmao Holdings Group Limited (中國金茂控股集團有限公司) (“**China Jinmao**”), a company listed on the Stock Exchange (stock code: 00817.HK).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors

Background

Jinmao Zhicheng has 1 limited partner, Jinmao Innovation City Operation Management (Tianjin) Partnership Enterprise (Limited Partnership) (金茂創新城市運營管理(天津)合夥企業(有限合夥)) (“**Jinmao Chuangxin**”), holding 99.93% of the partnership interest in Jinmao Zhicheng. The general partner of Jinmao Chuangxin is Tianjin Jinmao Xinhe Investment Management Co., Ltd. (天津金茂信和投資管理有限公司) (“**Jinmao Xinhe**”) and Jinmao Chuanglong. Jinmao Xinhe is wholly owned by Jinmao Investment Consulting (Shenzhen) Co., Ltd. (金茂投資諮詢(深圳)有限公司) (“**Jinmao Investment**”). Jinmao Investment is owned as to 50.00% each by HongYuanHuiZhi Investment Co., Ltd. (宏源匯智投資有限公司) (“**Hongyuan Huizhi**”) and BRIGHT MOUNT LIMITED (峰亮有限公司) (“**Brightmount**”). Hongyuan Huizhi is owned wholly by Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司), a company listed on the Stock Exchange (stock code: 06806.HK) and Shenzhen Stock Exchange (stock code: 000166.SZ). Brightmount is owned wholly by JM CAPITAL LIMITED, a wholly-owned subsidiary of China Jinmao.

Jinmao Chuangxin is owned as to approximately 99.93% by Jinmao Investment Management (Tianjin) Co., Ltd. (金茂投資管理(天津)有限公司), which is wholly owned by Beijing Fangxing Yicheng Real Estate Co., Ltd. (北京方興亦城置業有限公司) (“**Fangxing Yicheng**”). Fangxing Yicheng is wholly owned by China Jinmao Holdings Group Limited (上海金茂投資管理集團有限公司) (“**Shanghai Jinmao**”). Shanghai Jinmao is owned as to 80.00% by China Jinmao.

The general partner of Chuanghehui Rui is Chuanghehui Management. Chuanghehui Rui has 15 limited partners, the largest limited partner is Nanjing Liheng Venture Capital Enterprise (Limited Partnership) (南京利恒創業投資企業(有限合夥)), which holds 18.00% of the partnership interest in Chuanghehui Rui. None of the limited partners holds more than 30.00% of the partnership interest in Chuanghehui Rui.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors

Background

Shaoxing Yinzhi

Shaoxing Yinzhi is a limited partnership established in the PRC focusing on private equity investment. The general partner of Shaoxing Yinzhi is Beijing Shengshi Zhida Investment Fund Management Co., Ltd. (北京盛世智達投資基金管理有限公司) (“**Shengshi Zhida**”). Shengshi Zhida is owned approximately as to 78.87% by Shanghai Shengshi Hongming Investment Group Co., Ltd. (上海盛世鴻明投資集團有限公司) (“**Shanghai Shengshi**”), which is owned approximately as to 57.44% by Jiang Mingming (姜明明). None of the other shareholders holds more than 30.00% of the registered capital in Shanghai Shengshi. None of the other shareholders holds more than 30.00% of the registered capital in Shengshi Zhida. Shaoxing Yinzhi has 1 limited partner, Shaoxing Yuecheng District Transformation and Upgrading Industrial Equity Investment Co., Ltd. (紹興市越城區轉型升級產業股權投資有限公司) (“**Yuecheng Investment**”), holding 99.90% of the partnership interest in Shaoxing Yinzhi. Yuecheng Investment is indirectly wholly owned by Shaoxing Yuecheng District Bureau of Finance (紹興市越城區財政局) through Shaoxing Yuecheng State Owned Capital Investment and Operation Group Co., Ltd. (紹興越城國有資本投資運營集團有限公司).

Changping Investment

Changping Investment is a limited partnership established in the PRC focusing on private equity investment. The general partner of Changping Investment is Beijing Changke Gold Investment Co., Ltd. (北京昌科金投資有限公司), which is indirectly wholly owned by State-owned Assets Supervision and Administration Commission of the People’s Government of Changping District (北京市昌平區人民政府國有資產監督管理委員會) (“**Changping SA Commission**”) through Beijing Changping Science and Technology Park Development Group Co., Ltd. (北京昌平科技園發展集團有限公司) (“**Changping STP**”). Changping Investment has 2 limited partners, which are Changping STP and Beijing Changxin State-owned Assets Investment Management Co. (北京昌鑫建設投資有限公司) (“**Changxin Investment**”), holding 50.00% and 49.90% of the partnership interest in Changping Investment, respectively. Changxin Investment is ultimately controlled by Changping SA Commission.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pre-[REDACTED] Investors	Background
Shengshan Asset	Shengshan Huiying and Jiaxing Shengyan are limited partnerships established in the PRC focusing on private equity investment, both of which are controlled by Shengshan Asset Management (Shanghai) Co., Ltd. (盛山資產管理(上海)有限公司) (“Shengshan Asset”). Shengshan Asset is owned as to 51.00% by Gan Shixiong (甘世雄) and none of the other shareholders holds more than 30.00% of the registered capital in Shengshan Asset. The general partner of Shengshan Huiying is Suzhou Shengshan Chuanghe Entrepreneurship Investment Center (Limited Partnership) (蘇州盛山創禾創業投資中心(有限合夥)) (“Shengshan Chuanghe”). The general partner of Shengshan Chuanghe is Shengshan Asset. None of the limited partners holds more than 30.00% of the partnership interest in Shengshan Chuanghe. Shengshan Huiying has 18 limited partners, the largest limited partner is Suzhou Lvchuang Industry Investment Partnership Enterprise (Limited Partnership) (蘇州綠創產投投資合夥企業(有限合夥)), holding approximately 15.46% of the partnership interest. None of the limited partners holds more than 30.00% of the partnership interest in Shengshan Huiying. The general partner of Jiaxing Shengyan is Shengshan Asset. Jiaxing Shengyan has 9 limited partners. None of the limited partners holds more than 30.00% of the partnership interest in Jiaxing Shengyan.
Individual Investors	Each of Zuo Deqi, Xu Wei, Tian Xiqu and Wang Xiang is an individual investor and an independent third party to the best knowledge of our Directors.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CAPITALIZATION OF THE COMPANY

The following table sets out our shareholding structure as of the date of this document and immediately upon the completion of the [REDACTED]:

Shareholder	As at the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	
	Number of Shares	Percentage of Shareholding in the Shares	Number of Total Shares	Percentage of Shareholding in the Total Issued Share Capital
Tibet GenePlus	29,362,775	22.90%	[REDACTED]	[REDACTED]%
Tibet LP	16,800,000	13.10%	[REDACTED]	[REDACTED]%
Sub-total	46,162,775	36.00%	[REDACTED]	[REDACTED]%
Shaoxing Yinzhi	8,725,373	6.81%	[REDACTED]	[REDACTED]%
BGI	7,450,592	5.81%	[REDACTED]	[REDACTED]%
Zuo Deqi (左德起)	6,308,334	4.92%	[REDACTED]	[REDACTED]%
Huagai Xincheng	4,451,421	3.47%	[REDACTED]	[REDACTED]%
CCBI Investment	4,217,169	3.29%	[REDACTED]	[REDACTED]%
Xu Wei (徐偉)	4,000,000	3.12%	[REDACTED]	[REDACTED]%
Tian Xiqiu (田錫秋)	3,588,607	2.80%	[REDACTED]	[REDACTED]%
Dachen Chuanghong	3,505,906	2.73%	[REDACTED]	[REDACTED]%
Wang Xiang (王湘)	3,453,385	2.69%	[REDACTED]	[REDACTED]%
Volcanic Rock Fund I	3,338,676	2.60%	[REDACTED]	[REDACTED]%
Jianxing Med Fund	2,530,302	1.97%	[REDACTED]	[REDACTED]%
Aier Healthcare	1,805,882	1.41%	[REDACTED]	[REDACTED]%
CCB Financial Investment	1,794,546	1.40%	[REDACTED]	[REDACTED]%
Changping Investment	1,569,044	1.22%	[REDACTED]	[REDACTED]%
GGV Haoyue	1,453,079	1.13%	[REDACTED]	[REDACTED]%
Shengshan Huiying	1,446,507	1.13%	[REDACTED]	[REDACTED]%
CCB Inv-Loan Fund	1,445,926	1.13%	[REDACTED]	[REDACTED]%
Songhe Growth I Fund	1,431,988	1.12%	[REDACTED]	[REDACTED]%
Shengyu Heike	1,369,662	1.07%	[REDACTED]	[REDACTED]%
Jinmao Beikejian	1,303,192	1.02%	[REDACTED]	[REDACTED]%
Lingrui CoStone Fund	1,272,831	0.99%	[REDACTED]	[REDACTED]%
Shenzhen Chengwei	1,213,525	0.95%	[REDACTED]	[REDACTED]%
Zijin Hongyun	1,171,435	0.91%	[REDACTED]	[REDACTED]%
Lan Fu (蘭福)	1,108,033	0.86%	[REDACTED]	[REDACTED]%
GGV Haoyuan	1,077,385	0.84%	[REDACTED]	[REDACTED]%
Jiaxing Shengyan	1,047,471	0.82%	[REDACTED]	[REDACTED]%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shareholder	As at the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	
	Number of Shares	Percentage of Shareholding in the Shares	Number of Total Shares	Percentage of Shareholding in the Total Issued Share Capital
Jiang Renfei (姜任飛)	964,905	0.75%	[REDACTED]	[REDACTED]%
SIP Industrial Fund	856,757	0.67%	[REDACTED]	[REDACTED]%
Chuanghe Huimao	843,460	0.66%	[REDACTED]	[REDACTED]%
Baidu VC	843,434	0.66%	[REDACTED]	[REDACTED]%
GZM Frontier	771,139	0.60%	[REDACTED]	[REDACTED]%
Zhongnuo Xietong	723,152	0.56%	[REDACTED]	[REDACTED]%
Huahui Fund	697,455	0.54%	[REDACTED]	[REDACTED]%
Aiwandou	563,934	0.44%	[REDACTED]	[REDACTED]%
Desun Kuayue Fund	503,017	0.39%	[REDACTED]	[REDACTED]%
Boyuan Zhuoxing	498,749	0.39%	[REDACTED]	[REDACTED]%
Guangzhou Zhongguan	487,998	0.38%	[REDACTED]	[REDACTED]%
Weiji VC	421,717	0.33%	[REDACTED]	[REDACTED]%
Zhongfazhan Golden Seed	421,717	0.33%	[REDACTED]	[REDACTED]%
Qingxian Fund	387,084	0.30%	[REDACTED]	[REDACTED]%
Songhe Guochuang Fund	383,256	0.30%	[REDACTED]	[REDACTED]%
Zhongnuo Tongxin	253,048	0.20%	[REDACTED]	[REDACTED]%
Songhe VC	232,448	0.18%	[REDACTED]	[REDACTED]%
Caizhi Chuangying	108,719	0.08%	[REDACTED]	[REDACTED]%
[REDACTED] taking part in the [REDACTED]	—	—	[REDACTED]	[REDACTED]%
Total	128,205,035	100%	[REDACTED]	100%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

PUBLIC FLOAT AND FREE FLOAT

Pursuant to Rule 19A.13A(1) of the Listing Rules, assuming that the [REDACTED] is not exercised, (i) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the low end of the [REDACTED]), our expected market capitalization upon the [REDACTED] is HK\$[REDACTED], and the minimum prescribed public float percentage applicable to our Shares is [REDACTED]%; (ii) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED]), our expected market capitalization upon the [REDACTED] is HK\$[REDACTED], and the minimum prescribed public float percentage applicable to our Shares is [REDACTED]%; and (iii) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the high end of the [REDACTED]), our expected market capitalization upon the [REDACTED] is HK\$[REDACTED], and the minimum prescribed public float percentage applicable to our Shares is [REDACTED]%.

Upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), apart from [REDACTED] H Shares held by Tibet GenePlus and Tibet LP, our Controlling Shareholders, all the H Shares will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules.

Upon completion of the [REDACTED] and conversion of the Domestic Shares into H Shares (assuming that the [REDACTED] is not exercised), [REDACTED] H Shares representing approximately [REDACTED]% of our total issued Shares, will be counted towards the public float, which is in compliance with the requirement under Rule 19A.13A(1) of the Listing Rules.

In addition, the Company will satisfy the free float requirement under Rule 19A.13C of the Listing Rules upon the [REDACTED]. Take into consideration the number of issued share capital of the Company, [REDACTED] to be issued under the [REDACTED], and Shares held by the existing Shareholders subject to lock-up requirement under the PRC laws and regulations the expected market value of the H Shares being held by the public and not subject to any disposal restrictions at the time of [REDACTED] under Rule 19A.13C of the Listing Rules would amount to approximately HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the low end of the [REDACTED], and the [REDACTED] is not exercised).

PRC LEGAL COMPLIANCE

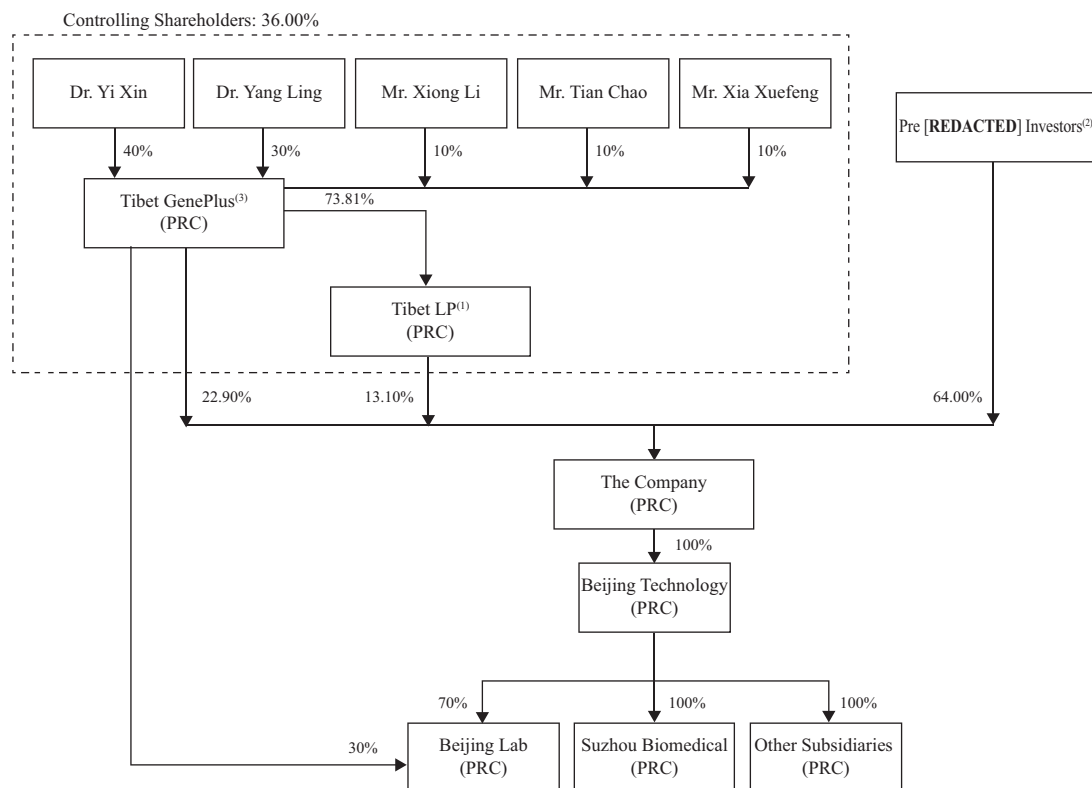
As advised by our PRC Legal Advisors, all the transfers and changes in registered capital and shares and the Reorganization as described above have been properly and legally completed, all necessary approvals from competent authorities have been obtained, and all applicable PRC laws and regulations have been complied with in all material aspects.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate Structure before the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of the Company immediately prior to the completion of the [REDACTED]

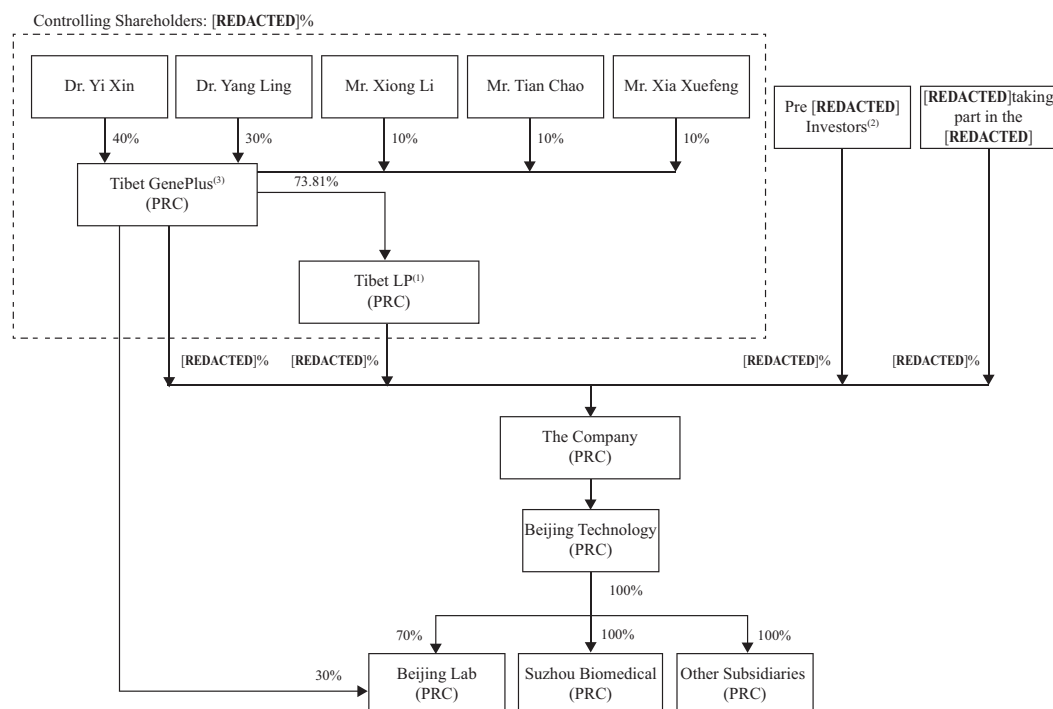


- (1) Tibet LP was established in the PRC as our employee incentive platform with Tibet GenePlus being its general partner. See “— Employee Incentive Platform” in this section.
- (2) For details on the other Pre-[REDACTED] investors, see “— Pre-[REDACTED] Investments,” “— Capitalization of the Company” and “— Information of the Pre-[REDACTED] Investors” in this section.
- (3) On January 1, 2016, Dr. Yi Xin, Dr. Yang Ling, Mr. Xiong Li, Mr. Tian Chao and Mr. Xia Xuefeng entered into a concert party agreement to confirm that they would act in concert when exercising their shareholder rights at the level of Tibet GenePlus. See “Relationship with Our Controlling Shareholders — Our Controlling Shareholders” for details.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Corporate structure immediately following the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of the Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



(1) - (3) Please see the details contained in the preceding pages.

BUSINESS

WHO WE ARE

We are a leading precision medicine company in China with AI capabilities embedded at every stage of the biomarker value chain. Built on a proprietary multi-omics infrastructure incorporating large models and agentic AI, we have forged full-cycle capabilities ranging from multi-omics biomarker and target discovery, validation, product development to commercialization. We provide three solution lines, namely precision diagnostics, drug R&D enablement and clinical research and translation, mainly to hospitals, pharmaceutical and biotechnology companies and medical research institutions. Through a synergistic multi-omics and AI framework, we aim to accelerate the shift of AI-powered multi-omics technologies into scalable clinical application, addressing critical unmet medical needs across China’s vast patient population.

Multi-omics biomarkers serve as the cornerstone of precision medicine, offering a comprehensive view of disease biology that enables sharper patient stratification, earlier detection and more precise therapeutic alignment than single-omics methods. China’s multi-omics solution market is expanding rapidly, primarily propelled by the exponential growth of multi-omics datasets, accelerated discovery of new biomarkers and targets, deeper AI penetration, the emergence of agentic AI technologies, and national policies that prioritize high-value diagnostics. According to CIC, the multi-omics solution market grew from RMB23.3 billion in 2019 to RMB46.4 billion in 2024, representing a CAGR of 14.8% from 2019 to 2024, and is projected to reach RMB122.6 billion by 2030, representing a CAGR of 17.6% from 2024 to 2030.

BUSINESS

We established one of the industry’s earliest large-scale multi-omics baseline databases, according to CIC. We pursue a development strategy centered on the deep convergence of AI technologies and clinical value, which has enabled the accumulation of differentiated data assets, supported early entry into key applications, and sustained an ongoing cycle of innovation that strengthens our competitive positioning in China’s precision medicine market.

The following diagram highlights our key achievements:



Notes:

- (1) as of December 31, 2024, according to CIC
- (2) in terms of revenue in 2024, according to CIC
- (3) as of the Latest Practicable Date

Our leadership and sustainable growth are underpinned by five core strengths:

- **Deep AI Penetration.** Our proprietary AI multi-omics architecture offers broad AI coverage across the full workflow, spanning Omics Factory for large-scale data generation, the Bioinformatics Cloud & Database for analysis and management, and Large Models & Agents for insight derivation and clinical decision support. This integrated infrastructure empowers us to independently discover and clinically validate novel biomarkers, differentiating us from peers focused on known targets or single-function analytics.

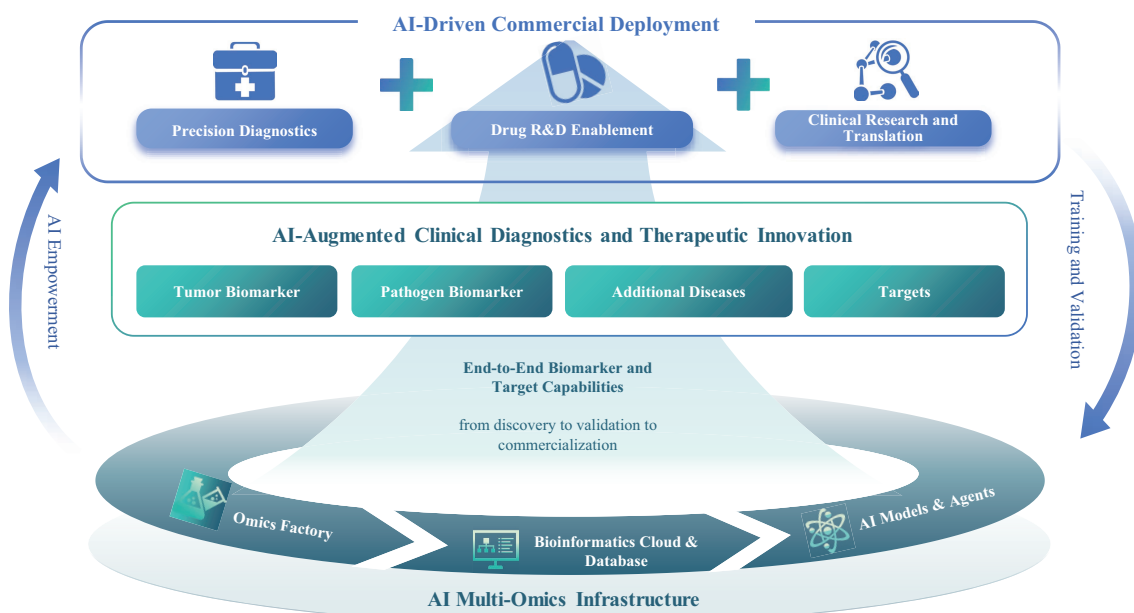
BUSINESS

- **China’s Only Full-Stack Biomarker Platform.** We operate the only fully integrated multi-omics biomarker platform covering discovery, validation, product development and commercialization in China, according to CIC. For example, our early conviction in the clinical value of MRD monitoring exemplifies our differentiated platform. By validating the clinical relevance of MRD biomarkers through early clinical studies across multiple cancer types, we accelerated translation into deployable products. Our MRD solution is being used in leading hospitals under the HDT model and became the first domestic MRD assay accepted into the NMPA’s Innovative Medical Device Special Review Program (創新醫械特別審查程序), according to CIC. This achievement places us on track to potentially deliver China’s first commercial MRD reagent kit, a clear demonstration of our integration and execution strength.
- **Expansive, Innovative Biomarker Coverage.** According to CIC, we possess the broadest biomarker coverage in China by disease spectrum and progression stage as of December 31, 2024, providing us with strong horizontal scalability. Our portfolio spans oncology, infectious diseases, organ health, cardio-cerebrovascular diseases, neurological disorders and autoimmune conditions. Our research pipeline extends through the clinical continuum, from early screening and diagnosis to disease monitoring and therapy response prediction. In therapeutics, we enable biopharma partners to accelerate R&D through the ongoing discovery of novel biomarkers supporting modalities such as small molecules, antibody drugs and CGTs.
- **Proven Commercial Scale.** Our three business lines complement each other. As of the Latest Practicable Date, we have served over 1,000 hospitals, including 30 of China’s Top 100 hospitals, and we partner with more than 200 pharmaceutical companies and over 500 clinical research customers. These long-term relationships validate our ability to translate scientific breakthroughs into clinical and commercial value.
- **Market-Leading Solutions Portfolio.** We have delivered multiple category-defining advances in precision medicine. According to CIC, we rank third in China’s precision diagnostics solution market in terms of revenue in 2024. In the drug R&D enablement, we provide the full-lifecycle services built around CDx, a key enabler of targeted therapy commercialization. Our clinical research and translation platform is among the most advanced domestically, being the first to commercialize biomarkers in the organ health field, according to CIC.

BUSINESS

OUR AI-ENABLED PRECISION MEDICINE ARCHITECTURE

Our leadership in precision medicine is built on our AI-led business architecture, the engine driving discovery, validation and clinical application. It underpins the precision medicine workflow from data generation to translational application, building a scalable foundation for continuous innovation and clinical impact.



AI Multi-Omics Infrastructure

Our AI multi-omics infrastructure consists of three tightly coupled layers: the Omics Factory, the Bioinformatics Cloud & Database, and our suite of Large Models & Agents. These layers form a closed-loop technical architecture that powers the full biomarker lifecycle, spanning data generation, multi-modal data fusion, and eventually AI-led discovery and validation.

We have developed three specialized large models focused on specific precision medicine use cases. Each combines deep biological understanding, extensive clinical datasets and real-world feedback to transform raw biological signals into actionable scientific and clinical intelligence.

- **GenoVision Multi-Modal Large Model** synthesizes diverse data types (genomics, transcriptomics, proteomics and electronic health records) to drive granular disease classification and molecular interpretation.
- **IG-NeoTri Immune Prediction Large Model** identifies and characterizes novel targets and biomarkers, with a focus on immunology and neoantigen discovery for next-generation therapeutics.
- **CellMap Cell Foundation Large Model** analyzes cellular behavior and signaling dynamics, providing the computational backbone for understanding disease mechanisms, target identification and early-stage drug discovery.

BUSINESS

These large models power a suite of specialized AI agents, such as AiBox, MarkerMind, and TargetMind, that translate core intelligence into deployable clinical and commercial applications. Each agent targets a defined use case, turning scientific capability into measurable clinical and commercial value.

AI-Augmented Clinical Diagnostics and Therapeutic Innovation

Our AI-augmented clinical diagnostics and therapeutic innovation transform years of biomarker discovery, systematic validation and clinical collaboration into actionable insights for clinical decision-making. It generates insight into oncology, infectious disease, and other major therapeutic areas through a tightly connected workflow that spans screening, diagnosis, monitoring and treatment guidance.

Screening uses multi-omics AI analysis for early risk detection and more sensitive disease identification. Diagnosis applies deep molecular profiling to reveal genome and proteomic signatures that guide precision treatment. Monitoring tracks disease evolution, therapeutic response, and MRD, supporting early relapse prediction and adaptive treatment planning. Treatment guidance predicts outcomes, optimizes drug selection, and supports target discovery for biopharma partners, creating a data-driven cycle that sharpens precision and expands therapeutic understanding.

Through this AI-led pipeline, we deliver tangible progress in precision diagnostics and personalized therapeutic strategies.

AI-Driven Commercial Deployment

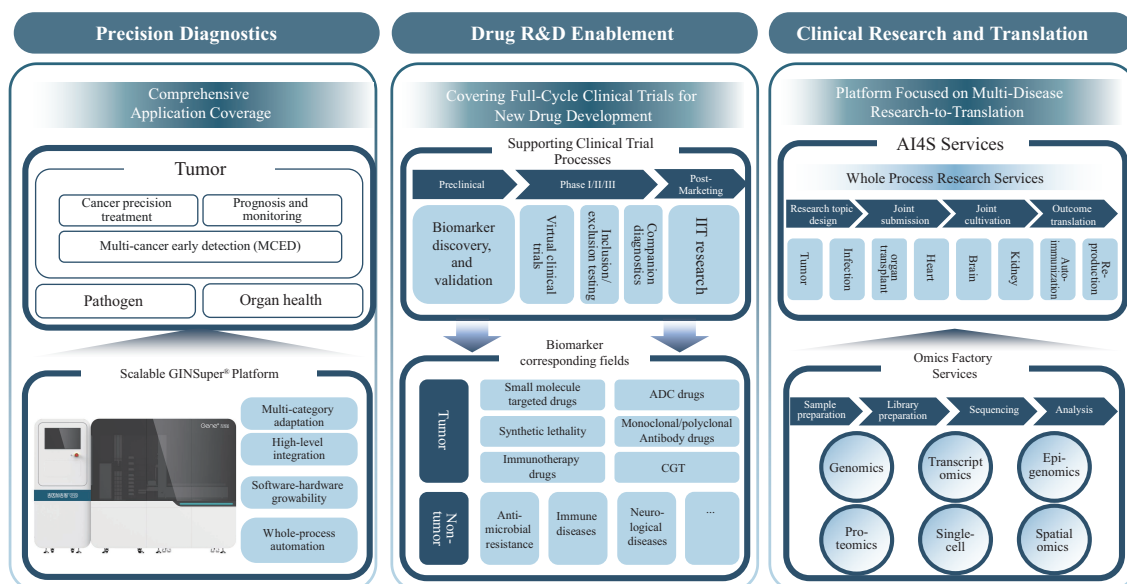
We convert discovery into commercial deployment through three solutions that connect clinical practice, pharmaceutical development and clinical research, each embedded with proprietary AI capabilities designed to enhance precision, efficiency and growth potential. For example, we deliver point-of-care molecular intelligence through AiBox, a locally deployed analysis platform operating on site at hospitals to enable rapid, data-backed decisions with high clinical confidence. Our drug R&D enablement leverages virtual patient models to simulate in silico trials, compressing screening cycles, optimizing trial plans and lowering development cost. Our clinical research, powered by proprietary AI4S services, applies predictive modeling and intelligent hypothesis generation to streamline translational research and advance findings that can be applied in clinical practice.

Every commercial deployment generates high-quality, AI-ready real-world data that continuously feeds back into our AI multi-omics infrastructure, sharpening model fidelity, expanding clinical knowledge and reinforcing competitive strength with each new dataset.

BUSINESS

OUR SOLUTIONS

As the cornerstone of precision medicine, multi-omics biomarkers provide a high-definition, dynamic view of disease research. They span diagnostic markers for early discovery and molecular subtyping, therapeutic markers that guide drug selection and resistance profiling, and monitoring markers that assess treatment response and tissue injury. Built on this foundation, our business spans three synergistic solution streams, namely precision diagnostics, drug R&D enablement, and clinical research and translation, that connect discovery, validation and clinical application.



Precision Diagnostics

Precision diagnostics is our primary business line. Centered on the innovative clinical application of NGS and multi-omics analysis, we provide end-to-end solutions primarily for hospitals, ICLs and individual customers, which merge automated workstations with a portfolio of diagnostic products addressing key disease domains, including oncology, infectious diseases and organ health.

Our precision diagnostics solutions are characterized by the following key highlights:

- Industry’s First Automated Diagnostics Platform.** Our proprietary GINSuper® platform is China’s first intelligent molecular diagnostics system, according to CIC. It integrates AI, big data and IoT technologies to achieve true “walk-away” operation, managing the entire testing process from sample input to report generation without manual intervention. Deployed in leading hospitals in Beijing and Changsha, Hunan Province, GINSuper® significantly improves testing throughput and shortens TAT, setting a new industry benchmark for molecular diagnostics in China.

BUSINESS

- ***Comprehensive Product Portfolio.*** Our diagnostics portfolio covers disease areas with substantial clinical demand. In oncology, we offer a suite of products including CDx panels for precision therapy guidance, MRD monitoring tools for recurrence risk assessment, and MCED assays powered by our proprietary GM-seq methylation technology. According to CIC, our MRD test was the first pan-cancer product in China to enter the Innovative Medical Device Special Review Program of the NMPA, establishing a strong first-mover position in MRD commercialization. Meanwhile, our MCED assay demonstrates performance consistent with international benchmarks, according to the same source, achieving a validated sensitivity of 82.4%, specificity of 99% and CSO prediction accuracy of 93.6%.

Drug R&D Enablement

We deliver comprehensive R&D enablement services to pharmaceutical companies. Our offering spans the entire drug development lifecycle, from biomarker and target discovery and validation to patient enrollment and exclusion testing, CDx co-development and in silico clinical trials. As of the Latest Practicable Date, we have partnered with over 200 domestic and international pharmaceutical companies, supporting drug development across a broad spectrum of therapeutic modalities such as small molecule drugs, monoclonal antibodies and CGT. Leveraging our proprietary large models and vast clinical database, we can rapidly identify molecular targets linked to disease progression and therapeutic response.

Furthermore, our virtual patient modeling capability allows pharmaceutical companies to simulate clinical outcomes using real-world, multi-omics data, significantly improving trial design and reducing attrition rates in late-stage development. In addition, our translational capability enables us to convert novel biomarkers into regulatory-grade IVD products, facilitating concurrent regulatory submissions of innovative drugs and their CDx.

Clinical Research and Translation

Our AI4S services empower research institutions and clinical centers with a full spectrum of services, from multi-omics data acquisition and processing to AI-powered analytical modeling and clinical translation. It enables collaborative research across a wide range of complex disease areas, including oncology, cardiovascular and cerebrovascular disorders and neurological diseases.

BUSINESS

Built on our AI multi-omics infrastructure, AI4S combines large-scale data integration with expert-led clinical collaboration, creating a powerful research infrastructure that bridges discovery and application. Our technological leadership is recognized in both liquid biopsy multi-omics and single-cell multi-omics, two prominent frontiers in clinical research, according to CIC.

- Our proprietary GM-seq methylation technology, an innovative advancement in liquid biopsy, has been validated in early cancer screening and organ transplantation monitoring and was awarded the China Outstanding Patent Award by CNIPA in 2023. In 2024, our GM-seq technology achieved a top score of 95 in the inaugural NCCL external quality assessment for whole-genome methylation sequencing.
- In single-cell multi-omics, we maintain a cell dissociation success rate exceeding 95% and operate an advanced library preparation platform that consistently exceeds industry benchmarks. Our interactive Single-Cell Cloud Platform further accelerates biomarker discovery and validation, enabling faster and more efficient scientific collaboration.
- Our research partnerships have already yielded tangible translational outcomes. In collaboration with a leading national cardiovascular institute, we identified cardiovascular biomarkers that led to the development of Gene⁺ Pan-Vascular Early Screening product line and enabled its progression toward national-level program funding for clinical translation.
- Our joint research with one of China’s foremost mental health research centers on single-cell & cfRNA for Alzheimer’s disease has also demonstrated outstanding data performance and is advancing toward clinical application.

OUR STRENGTHS

China’s Precision Medicine Leader with Deeply Embedded AI Capabilities

We are a leading precision medicine company in China, distinguished for our deeply embedded AI capabilities across the biomarker value chain. According to CIC, we ranked third in China’s precision diagnostics solution market in terms of revenue in 2024. Our business is structured around a self-reinforcing model that connects precision diagnostics, drug R&D enablement, and clinical research and translation into one continuous innovation cycle, which enables a seamless translation of molecular insights into clinical and therapeutic value. According to CIC, we are the first enterprise in China to establish an AI multi-omics infrastructure that spans the entire precision medicine value chain from biomarker discovery and validation to product development and commercialization, establishing ourselves as the innovation standard-bearer in China’s precision medicine landscape.

BUSINESS

We have built one of the most comprehensive AI multi-omics infrastructures in the field, according to CIC. We are among the few companies capable of delivering an end-to-end data and analytics cycle that encompasses multi-omics data generation, advanced modeling and clinical deployment through proprietary AI agents, according to the same source. This technological edge has materialized into market-leading products, including China’s first large-panel NGS therapeutic panel and the first commercial personalized MRD assay. Leveraging the same infrastructure, we expanded beyond oncology into organ health with the industry’s first transplant kidney injury monitoring solution, marking a strategic expansion into the fast-growing organ health field. A major pillar of our differentiation is GINSuper[®], our proprietary end-to-end NGS automation platform and the first of its kind in China, according to CIC. The system delivers true “walk-away” operation by integrating DNA extraction, library preparation, sequencing and data analytics within one autonomous workflow. Incorporating AI, big data and IoT, GINSuper[®] redefines industry standards for efficiency and precision, delivering substantial reductions in TAT, labor intensity and laboratory footprint. Our large models and AI agents further reinforce this leadership position by translating complex multi-omics signals into clinically actionable outputs at scale, strengthening our role as a technology leader in precision medicine.

Our leadership is further validated and reinforced by extensive market coverage, diversified partnerships and robust regulatory credentials. As of the Last Practicable Date, our solutions have been in active use in over 1,000 partner hospitals, including clinical access in approximately 30 leading institutions ranked among China’s National Top 100 hospitals. Our customer base spans over 200 biopharmaceutical companies and 500 clinical research organizations, reflecting deep, synergistic collaboration across the precision medicine value chain. We are also one of the enterprises in the industry holding the most comprehensive regulatory portfolios in the industry, according to CIC. For instance, we are among the earliest adopters of the HDT model, with six HDT products in the filing pathway and 21 in active development. Our regulatory track record includes 47 approved IVD certificates of regulatory authorities and ten additional products under registration, providing a clear and de-risked pathway for market expansion. Beyond commercialization, we have participated in drafting 11 industry standards and six national drug standards, and contributing nearly 500 SCI papers with a cumulative impact factor over 4,000, a strong testament to our scientific leadership and sustained innovation.

AI Multi-Omics Infrastructure Powering Precision Medicine Innovation

Our technical core is a deeply synergistic AI multi-omics infrastructure built for continuous self-reinforcement and scalability. The infrastructure integrates three foundational pillars: the Omics Factory, a high-throughput, fully automated wet-lab system for data generation; the Bioinformatics Cloud and Database, serving as our analytical backbone and data repository; and a suite of proprietary large models and AI agents. Together, they create a unified ecosystem that embeds AI into every stage of the omics workflow. According to CIC, our Omics Factory is China’s largest fully automated omics service platform, capable of producing massive, high-quality datasets with industry-leading efficiency and precision, forming the foundation of our data-driven innovation engine, empowering scalable learning and clinical translation.

BUSINESS

We have developed a triad of AI models purpose-built to address core challenges in precision medicine, enhancing both diagnostic interpretation and therapeutic innovation. GenoVision, our multimodal LLM, fuses genomic reports, pathological images, and other clinical data to deliver interpretable, clinically actionable insights. By integrating structured and unstructured data, GenoVision supports hospitals in building intelligent precision oncology systems and continuously refines itself through data feedback, improving disease subtyping accuracy and interpretability. In immunotherapy, our IG-NeoTri Immune Prediction Large Model accelerates screening and affinity prediction of neoantigen. Validated in collaboration with top medical institutions, it materially improves biomarker discovery speed and translational reliability. Additionally, our CellMap Cell Foundation Large Model combines single-cell sequencing and deep learning to identify disease-relevant cell populations, enabling advanced target identification and drug discovery.

We operationalize AI through a family of specialized agents designed to solve distinct clinical and research bottlenecks, creating a reusable, continuously evolving digital workforce. AiBox automates the full NGS reporting pipeline, cutting report turnaround to roughly 30 minutes and lowering implementation barriers for hospitals. MarkerMind applies multimodal data analytics and digital-twin simulation to autonomously discover and validate biomarkers, streamlining patient stratification and late-stage clinical trial design. TargetMind combines cellular modeling with AI-driven protein prediction to efficiently screen and validate drug targets, reducing trial-and-error costs and improving discovery precision.

Our “data–algorithm–application” flywheel forms the structural core of our long-term advantage. Each application continuously generates real-world, high-quality data that fuels the training of our proprietary AI models, which, in turn, elevate analytical accuracy and solution performance, enhance data output and expand commercial adoption. The loop accelerates self-learning, strengthens data defensibility, and compounds technical differentiation over time, which not only drives faster innovation but also establishes durable entry barriers, positioning us at the forefront of AI-enabled precision medicine in China.

Multi-Omics Biomarker System Advancing Full-Cycle Clinical Development

By synergizing CDx capabilities, real-world clinical cohort data and AI multi-omics infrastructure, we support global pharmaceutical partners at every stage of the clinical trial lifecycle to enhance R&D efficiency, de-risk clinical programs and accelerate regulatory milestones.

We leverage multi-omics data mining and deep AI analytics to pinpoint biomarkers predictive of drug response. This precision enables pharmaceutical partners to stratify patient populations most likely to benefit from investigational therapies, optimizing trial design and avoiding costly development dead ends. Our AI-driven patient screening tools further streamline recruitment by accurately identifying eligible participants and enforcing protocol adherence, which has reduced recruitment timelines by roughly 50% while cutting trial-related costs significantly. Through virtual patient modeling built on real-world clinical data, our algorithms can simulate trial outcomes, predict safety signals and refine clinical trial protocols. This proactive risk management empowers customers to optimize trial strategy before first-patient-in, improving resource efficiency and trial success probability.

BUSINESS

We combine scientific depth with regulatory-compliant development capabilities. Our CDx development and central laboratory services operate to both NMPA and FDA standards, enabling synchronized therapeutic–diagnostic development and simultaneous regulatory submission. An example is our partnership on the pivotal clinical trial of pemigatinib, where we served as the designated testing provider and contributed to the approval of China’s first FGFR2-targeted therapy. Such achievements demonstrate not only our technical capability but also our regulatory credibility in bringing precision medicines to market. In frontier fields such as CGT, our AI models and omics factory uncover novel targets and design personalized therapeutic strategies. We plan to collaborate a leading domestic biopharma on a Phase II trial for a neoantigen-targeted therapy in high-risk cancers, addressing pressing unmet clinical needs. As of the Latest Practicable Date, we have partnered with over 200 global and domestic pharmaceutical companies, and participated in over 230 clinical trials spanning solid tumors, hematologic malignancies and CGT programs. These collaborations reinforce our role as a strategic innovation partner within the global precision medicine ecosystem.

End-to-End Biomarker Clinical Translation System Driving Product Innovation

The foundation of our innovation system is a proprietary three-tier translational framework that transforms genomic discoveries into regulatory-grade diagnostics at scale. In the clinical research phase, we collaborate with hospitals to validate and refine assay performance using real-world data, building robust clinical and technical evidence. In the HDT acceleration phase, new testing projects are deployed through HDT model to generate utility data and confirm clinical value, significantly shortening development timelines and reducing regulatory risk. After passing technical validation, the project will enter the IVD commercialization phase for formal registration and large-scale rollout.

The “research–HDT–IVD” pathway gives us a route from biomarker discovery to clinical deployment, creating a continuous innovation loop that links the full biomarker value chain. We are among the few players in China to support HDT model at scale through structured collaboration with leading medical institutions, which provides early clinical exposure and practical insight into HDT development and application. We maintain active collaborations with 18 of the 29 designated National Medical Centers, achieving a high institutional coverage rate of 62.1%. This extensive network provides unrivaled clinical validation, strengthens professional credibility, and forms a powerful launchpad for scaling our precision diagnostic portfolio nationwide.

We are establishing a strong position in China’s rapidly expanding precision medicine market through a strategically built, AI-powered product pipeline. Our portfolio focuses on high-value disease areas, chiefly precision oncology and infectomics, and is extending into adjacent therapeutic domains such as organ health. For example, we introduced the industry’s first transplant kidney injury monitoring solution, according to CIC, which marked our entry into the rising organ-health segment.

BUSINESS

Scalable Business Model with Demonstrated Commercial Traction

We have built a multi-omics-centered ecosystem that fuses precision diagnostics, drug R&D enablement, and clinical research and translation into a single revenue-generating cycle. Powered by our AI multi-omics infrastructure, every diagnostic interaction generates new data, every algorithmic advancement enhances prediction power, and every research collaboration expands clinical insight. The result is a continuously learning system that compounds value across the healthcare chain, powering sustainable growth and solidifying our leadership in AI-enabled precision medicine.

In precision diagnostics, our hospital-deployable platforms and testing product portfolios have achieved stable revenue growth through sustained reagent consumption and strong customer retention. Moreover, GINSuper[®] has been deployed in over 60 major hospitals nationwide, deeply embedded within daily hospital workflows. Its broad application ranging from oncology profiling to infectious disease testing has driven high utilization and repurchase rates, with a device repurchase rate of 43.28% and a reagent repurchase rate of 98%, creating a recurring revenue base and long-term customer value. Our MRD assays operate as multi-use tools for hospitals, clinical studies and research programs, enabling repeated use across care and research settings. As of the Latest Practicable Date, we have established collaborations with over 1,000 hospitals, integrating AI-assisted interpretation tools that elevate diagnostic accuracy and accelerate translational research.

In drug R&D enablement, our data assets and algorithmic capabilities support biomarker discovery, patient segmentation and companion-diagnostic programs for more than 200 biopharmaceutical companies. Collaborative programs have advanced from exploratory biomarker assessment toward diagnostic-assay development and CDx co-development. Several partnerships expanded into MRD-based clinical studies that progressed toward registration-level clinical trials. These programs illustrate a repeatable path from scientific insight to commercially relevant diagnostic solutions without describing case-specific outcomes.

In clinical research and translation, through close collaborations with top academic centers and national research initiatives, we accelerate the generation of clinical evidence and disease models for next-generation therapies. Our AI multi-omics infrastructure underpins major scientific programs, including nine national research projects launched since 2023, supporting data analytics, biomarker validation and regulatory-grade evidence generation. These partnerships not only advance translational research and clinical guidelines but also feed new knowledge back into our data repository, enabling a steady pipeline of validated diagnostic and therapeutic innovations.

Visionary Leadership Backed by Strategic Investors

We are led by a seasoned management team with proven expertise spanning genomics, clinical medicine, AI, and life sciences innovation. With an average of over 15 years in the field, the team combines deep technical insight with strategic foresight, bridging research, regulation, and commercialization to drive sustained growth in precision medicine. Their collective experience enables us to anticipate industry shifts, advance innovation and execute with discipline in a rapidly evolving AI-driven healthcare landscape.

BUSINESS

Dr. Xin Yi, our co-founder, is widely regarded for his pioneering contributions to genomics and AI-driven precision medicine in China. With training in both clinical medicine and genomics, he brings a dual vantage point that links clinical demands with translational logic. Over the course of his career, he has focused on the full journey of scientific discovery to industrial deployment and has led the development and launch of multiple core diagnostic technologies. Dr. Yi has authored more than 130 SCI papers and holds over 90 granted patents. He has also played a crucial role in shaping national standards and expert consensus for multi-omics testing, advancing the development of AI-powered omics in China. Under his leadership, we have advanced toward a broad, high-value application landscape in precision diagnostics.

Dr. Ling Yang, our co-founder, is a leading figure in clinical NGS testing and the broader medical diagnostics field in China. A graduate of Peking Union Medical College, she has more than 20 years of experience in clinical laboratory medicine and diagnostic assay development. Early in her career, she established China’s first clinical testing center built around NGS as the core technology and later participated in the development of China’s first industry standard for NGS testing. Dr. Yang has advanced the translation and clinical uptake of high-throughput sequencing technologies across multiple disciplines and has mentored a substantial cohort of practitioners who now form an integral part of the genetic testing sector. She is responsible for enterprise-level strategic planning and key operational decision-making, including talent governance, capital initiatives, government affairs and compliance. She has also developed a data-driven quality management system that underpins our nationwide diagnostic service network.

Our management team’s multidisciplinary expertise forms an end-to-end competitive advantage, ranging from R&D and platform engineering to commercialization and clinical operations. Their complementary strengths drive the continuous refinement of our AI multi-omics ecosystem, allowing rapid adaptation to market dynamics and accelerating the translation of innovation into impact. A cohesive leadership culture rooted in scientific rigor, execution discipline and long-term vision reinforces organizational agility and sustained innovation momentum.

Our strategic value and growth potential have earned long-term support from world-renowned institutional and strategic investors. Their investment extends beyond capital, bringing global networks, technology collaboration and strategic perspective that amplify our innovation and market reach. This backing affirms confidence in our scalable AI-driven business model and our pivotal role in advancing the global AI-powered precision medicine ecosystem. Together with our investors, we are shaping the next era of data-intelligent healthcare.

OUR STRATEGIES

Strengthen Our AI Multi-Omics Infrastructure

We are advancing our AI multi-omics intelligence stack to support full-stack technological autonomy and expand the scope of clinically meaningful applications. Our goal is to accelerate diagnostic and therapeutic innovation, uncover new biomarkers and therapeutic targets, and translate these findings into deployable clinical solutions that address unmet clinical needs.

BUSINESS

We plan to advance a suite of specialized large models and AI agents that span the entire data lifecycle. These models integrate multi-omics signals, clinical data and experimental evidence to deepen analytical insight into areas such as disease-mechanism inference, biomarker discovery, target identification and drug-research exploration. They also reinforce core diagnostic capabilities, including molecular profiling, therapy selection and monitoring of disease evolution, while supporting biopharma partners in trial design and drug-development workflows. In parallel, we aim to broaden the deployment of MarkerMind and TargetMind by bringing them into a wider range of clinical research programs, deepening their use in prospective studies, translational medicine and partnership-driven investigations.

We plan to evolve Omics Factory into a more advanced, scalable data-generation platform that delivers higher throughput, improved turnaround and lower unit cost, which include expanding the platform beyond existing genomic capabilities into third-generation long-read sequencing technologies and proteomics. We aim to strengthen self-directed innovation in core life-science technologies and support larger commercial programs. In parallel, we intend to advance the Bioinformatics Cloud & Database by further automating variant calling, annotation and clinical interpretation, positioning the platform to handle broader multi-omics modalities and greater sample volumes.

Advance End-to-End Capabilities from Discovery to Commercialization

We are strengthening our end-to-end capabilities to translate biomarker discoveries into diagnostic solutions that support clinical use and regulatory submission, covering analytical validation, clinical validation and approval pathways. By linking clinical research, diagnostic product development and collaboration with pharmaceutical partners, we accelerate the conversion of scientific discovery into diagnostic solutions aligned with clinical demand and regulatory standards. These efforts are supported by participation in national-level research programs and the accumulation of real-world evidence, enabling products to progress toward broader clinical adoption and scalable deployment.

Our biomarker discovery initiatives, initially focused on oncology, have expanded into organ health and are expected to extend further into additional disease areas with high unmet clinical needs, including cardiovascular, immunological, neurological and metabolic disorders. This multi-disease strategy broadens the application scope of our technology platform and supports early detection, longitudinal monitoring and individualized intervention for complex diseases, strengthening both the clinical value and long-term market potential of our diagnostic products.

Building on biomarker discovery across multiple disease areas, we are developing a biomarker-driven R&D service platform that supports the full drug development cycle. The platform incorporates AI-powered virtual clinical trial capabilities and extends coverage to advanced therapeutic modalities such as antibodies, antibody drug conjugates (ADCs) and CGTs. Through coordinated development of diagnostics and therapeutics, the platform improves translational efficiency and supports the commercial feasibility of innovation programs.

BUSINESS

We operate a dual-track product strategy that combines the IVD pathway with the HDT model. Under the HDT model, products can enter early clinical use and real-world evaluation at leading medical institutions, supporting rapid assessment of clinical utility and shorter development timelines. In parallel, the IVD pathway advances products to regulatory-grade standards and supports large-scale commercialization, including completion of required registrations for diagnostic kits, devices and software. Over the next three to five years, we plan to prioritize the advancement of MRD monitoring and MCED portfolios through this dual pathway, progressing from research-stage assays toward approved commercial IVD products. In parallel, we intend to initiate international registration programs across multiple clinical indications to support future global market entry.

Expand a Diversified and Collaborative Sales Network

We are expanding our institutional network through data connectivity and AI-driven capabilities that support multiple products and services for the same customer base. This strategy shifts collaboration from single-product engagement toward longer-term, multi-stage value relationships. For healthcare providers, we plan to translate biomarker advances in cardiovascular, immune, neurological and metabolic diseases into multi-scenario diagnostic modules deployed on our GINSuper[®] platform, enabling broader service coverage and portfolio-based adoption. For pharmaceutical partners, we offer end-to-end solutions spanning target discovery, patient enrollment, treatment-response monitoring and real-world studies, extending collaboration from project-based services toward strategic alignment and joint commercialization, and increasing customer lifetime value.

At the same time, we are broadening our customer footprint beyond large tertiary hospitals and leading pharmaceutical companies to include regional medical centers, specialty-care networks, innovative biotechnology companies, CROs and healthcare payors. By flexibly aligning with differing clinical needs, procurement models and decision pathways, we aim to deepen penetration in existing markets while opening new growth scenarios. This dual focus on vertical expansion within core accounts and horizontal extension into adjacent customer segments supports a diversified and scalable growth engine.

Forge Strategic Collaborations to Drive Industry Adoption

We are advancing strategic collaborations across the healthcare ecosystem to accelerate precision medicine adoption, focusing on two key pillars: insurance integration and public health partnerships.

With insurance providers, we are co-developing cancer risk prediction models based on multi-omics data to enable more accurate risk stratification. Our diagnostic products and health management tools will be embedded throughout the insurance lifecycle from pre-underwriting risk assessment to post-policy intervention, creating a new paradigm in data-driven health management. We are deepening cooperation with major insurers on critical illness and medical insurance products, while expanding into inclusive insurance programs to balance accessibility and sustainability.

We are also participating in large-scale, government-led screening initiatives to advance public health management. Working with local governments, we plan to integrate population

BUSINESS

screening data with clinical datasets to build regional cancer control big data platforms, supporting evidence-based policy and early intervention. We advocate the inclusion of cutting-edge technologies such as methylation-based liquid biopsy into national clinical guidelines and technical standards. By engaging in industry standard-setting and multi-center clinical studies with leading hospitals, we aim to validate product utility and enhance our professional influence within the national precision medicine agenda.

Develop Global Collaboration and Market-Entry Channels

We are pursuing a globally oriented collaboration strategy to accelerate the international deployment of our AI-powered precision medicine solutions. Through partnerships with leading pharmaceutical companies, diagnostic providers, and research institutions, we aim to co-develop and commercialize next-generation diagnostics and therapeutics addressing global unmet needs.

We are engaging multinational pharmaceutical partners in oncology, autoimmune disease, and infectious disease programs. These collaborations will generate high-quality data supporting synchronized regulatory submissions and global commercialization.

To scale international reach, we are implementing a strategic out-licensing model for proprietary technologies, partnering with regional leaders for product registration, manufacturing, and distribution. This asset-light approach reduces market-entry risk while leveraging partners’ local regulatory expertise and commercial networks. We will strategically expand into Europe through early validation projects and laboratory partnerships in Greece, Italy and Spain to establish regional demonstration hubs. Moreover, we plan to broaden overseas commercial development by extending existing business activities, including channel build-out, brand development and partner-driven market expansion.

Build an Intelligent, Globally Oriented R&D and Manufacturing System

We plan to establish a globally oriented R&D and manufacturing system covering the full pathway from R&D to regulatory registration and commercial production. The system will be built to align with leading international regulatory and quality standards, including FDA and CE requirements, and will support multi-jurisdictional registration and market entry. By structuring a coordinated pathway from innovation to compliant commercialization, we aim to shorten time-to-market and support international business expansion.

We will advance manufacturing capabilities through AI-driven upgrades and capacity expansion, focusing on intelligent manufacturing practices across critical production stages. We plan to deploy AI-enabled production scheduling, predictive equipment maintenance, real-time quality monitoring and digitally supported process control to raise operational efficiency. We will build a data-driven production management platform to support precise resource allocation, dynamic capacity adjustment and rapid response to delivery requirements. Through these initiatives, we aim to improve production efficiency, asset utilization and quality consistency, and to develop manufacturing capabilities that support agility, resilience and scalable growth in global markets.

BUSINESS

OUR BUSINESS MODEL

Our business model is structured around three solutions that address distinct needs of industry stakeholders.

The table below sets forth our revenue by business segment for the years/periods indicated:

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
(unaudited)										
Precision diagnostics solutions	1,735,788	95.6	335,800	71.0	436,393	78.3	200,184	79.2	221,550	77.7
Clinical research and translation solutions . .	61,417	3.4	111,361	23.6	92,785	16.7	37,622	14.8	50,333	17.7
Drug R&D enablement solutions	17,770	1.0	25,670	5.4	27,954	5.0	15,080	6.0	13,102	4.6
Total	1,814,975	100.0	472,831	100.0	557,132	100.0	252,886	100.0	284,985	100.0

Precision Diagnostics Solutions

Our precision diagnostics solutions apply multi-omics biomarker identification and longitudinal monitoring to guide medical decision-making across screening, diagnosis, treatment planning and long-term management. Centered on the innovative clinical application of NGS and multi-omics analysis, we provide end-to-end precision diagnostics solutions primarily to hospitals, ICLs and individual customers.

During the Track Record Period, our precision diagnostics solutions comprised (i) the sales of IVD products, (ii) the provision of clinical laboratory testing services, and (iii) the provision of COVID-19 nucleic acid testing services, which were phased out in 2023. In 2022, 2023 and 2024, and for the six months ended June 30, 2025, our revenue from our precision diagnostics solutions amounted to RMB1,735.8 million, RMB335.8 million, RMB436.4 million and RMB221.6 million, respectively, accounting for 95.6%, 71.0%, 78.3% and 77.7% of our total revenues for these years/periods.

BUSINESS

IVD Products

We sell IVD products, including IVD kits, reagents, equipment and bioinformatics software. We procure raw materials and equipment components from upstream suppliers and carry out product development and manufacturing before selling our proprietary IVD products to hospitals and ICLs through direct sales or distributorship.

Under the direct sales model, customers place orders for our IVD products, and we are responsible for delivering the locations designated by the customers. We typically grant credit terms to our customers based on their historical performance and the nature of their business relationship with us. We also adopt distribution sales model for our sales of IVD products. Following the deployment of our proprietary instruments and software, hospitals and independent clinical laboratories generally continue to purchase compatible kits and reagents, creating recurring demand and cross-selling opportunities across our IVD product portfolio.

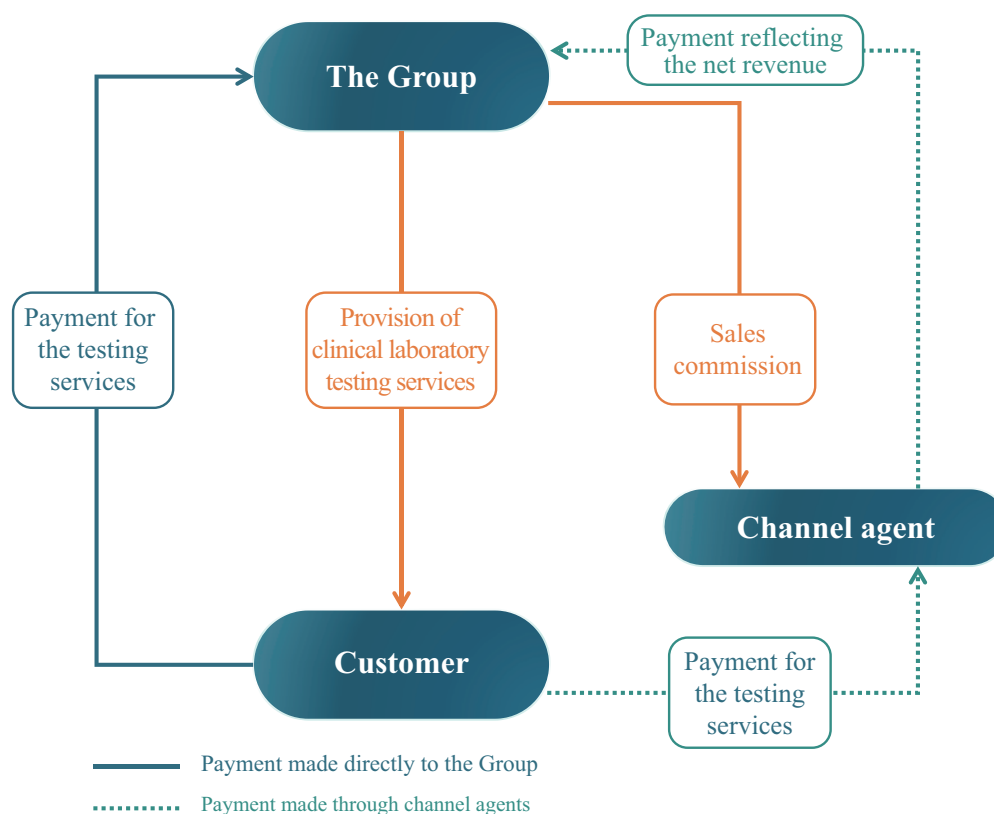
Clinical Laboratory Testing Services

During the Track Record Period, we provided clinical laboratory testing services under our central laboratory business model. Under this model, hospitals, ICLs and individual customers place testing orders by submitting a testing application form and arranging for the shipment of samples to our central laboratory for analysis. We commence testing services upon receipt of a duly executed testing application form, an informed consent form, payment and the relevant samples. Upon completion of testing, we generate and deliver a test report to the customer.

We provided these clinical laboratory testing services directly to customers. Individual customers may choose to pay service fees to channel agents, who retain an agreed commission and remit the remaining net proceeds to us on a monthly basis. Alternatively, individual customers may pay the full-service fees directly to us, in which case we settle the agreed commission with the channel agents on a monthly basis.

BUSINESS

The following diagram illustrates the workflow of our clinical laboratory testing services during the Track Record Period:



Recently, Beijing Municipal Health Commission and Beijing Municipal Medical Products Administration issued a notification to streamline and provide regulatory guidance on the provision of clinical high-throughput sequencing laboratory testing services by medical institutions in Beijing using medical devices, including: (i) standardize the filing of clinical high-throughput sequencing technology and regulate its clinical implementation, (ii) enhance quality control and supervisory management of clinical high-throughput sequencing, and (iii) strengthen oversight of the use of related medical device products (Formal Notice). In response to the Formal Notice, Beijing Lab participated in laboratory qualification assessments conducted by the relevant government authorities in December 2025 in order to complete its registration for high-throughput sequencing laboratory operations. Our Directors are of the view that there is no material impediment to completing the aforementioned assessments and registration in the first half of 2026.

After the completion of such assessments and registration, Beijing Lab will be qualified to provide commissioned high-throughput sequencing testing services using products have been registered with the NMPA, including our Human EGFR/KRAS/ALK Gene Mutation Detection Kit (cPAS) for the detection of non-small cell lung cancer (NSCLC), which accounted for the majority of our clinical laboratory testing services during the Track Record Period. Furthermore, we expect to progressively complete the requisite NMPA registration procedures for other clinical laboratory testing service products from the second half of 2026 onwards, after which our Beijing Lab will be qualified to provide commissioned high-throughput sequencing testing services using those registered products.

BUSINESS

During the interim period in which Beijing Lab is in the process of completing the aforementioned assessments and registrations, it temporarily adjusted its business model, under which we collaborate with an independent third-party clinical testing institution located outside Beijing) to provide clinical laboratory testing services in compliance with the Formal Notice.

HDT Solutions

HDTs are IVD projects that address specific clinical needs identified by hospitals but have not yet obtained product registration and are developed, validated and used within a single hospital for its own patients. Under this model, assays are designed, analytically validated and implemented within a hospital’s clinical laboratory.

Within this context, we provide hospitals with a range of essential product modules and technical support for conducting their HDT projects. Our services are structured around a full-chain delivery model, covering technology transfer, assay and kit development, quality management system establishment, regulatory filing support and clinical implementation. We launched our HDT solutions business in 2025 and as of the Latest Practicable Date, our revenue from HDT solutions was insignificant.

Drug R&D Enablement Solutions

Under our drug R&D enablement solutions, we leverage our AI multi-omics infrastructure and our NGS-based products and services to identify and validate multi-omics biomarkers associated with drug targets and treatment response. These solutions cover key stages of drug development, including target discovery, patient stratification and efficacy assessment, helping pharmaceutical and biotechnology companies refine candidate selection, shorten development cycles and improve research success rates.

We mainly offer four types of services under the drug R&D enablement solutions to pharmaceutical and biotechnology companies, namely (i) biomarker discovery and validation services, (ii) patient enrollment and screening services, (iii) new drugs companion diagnostic services, and (iv) virtual patient services. During the Track Record Period, the number of customers for our drug R&D enablement solutions increased from 163 in 2022 to 213 in 2023, and further to 250 in 2024. The number of such customers also increased from 249 the six months ended June 30, 2024 to 265 for the six months ended June 30, 2025.

Clinical Research and Translation Solutions

Built on our AI multi-omics infrastructure, our clinical research and translation solutions provide hospitals and medical research institutions with a broad range of services covering multi-omics biomarkers discovery and clinical translation. Under these solutions, we offer omics research services and AI4S services, which include multi-omics profiling, data analysis and clinical validation support. These services enable customers to advance from exploratory research findings to clinically meaningful insights and potential downstream product development. During the Track Record Period, the number of customers for our clinical research and translation solutions increased from 176 in 2022 to 400 in 2023, and further to 548 in 2024. The number of such customers also increased from 486 for the six months ended June 30, 2024 to 604 for the six months ended June 30, 2025.

BUSINESS

OUR OFFERINGS

Precision Diagnostics Solutions

Our precision diagnostics solutions leverage our integrated AI multi-omics infrastructure to analyze multi-omics biomarkers (such as EGFR mutations, microsatellite instability (MSI) status, and dynamic changes in ctDNA) from tumor tissue or blood. Our precision diagnostics solutions comprise a comprehensive suite of proprietary IVD products, including kits, reagents, equipment and software, along with our clinical laboratory testing services and HDT solutions. The portfolio of those products and services is applicable to a broad range of scenarios, such as cancer precision treatment, prognosis and monitoring, MCED, pathogen infection detection, and post-transplant monitoring.

IVD Products

Leveraging our AI multi-omics infrastructure and our NGS technology, we have developed multiple IVD products, including kits, reagents, equipment and software. Among these, our Human EGFR/KRAS/ALK Gene Mutation Detection Kit (cPAS) has received Class III medical device registration from the NMPA in 2019. In addition, several of our sequencers and other equipment, as well as our bioinformatics analysis software, have also received their medical device registration from the NMPA.

Upon a physician’s recommendation, hospitals and ICLs may utilize our IVD reagents and kits to screen and monitor samples delivered from at-risk individuals. The clinical workflow begins with sample collection by hospitals or ICLs. These samples are then processed on our proprietary sequencing equipment, and the resulting data is analyzed by our advanced bioinformatics software to identify genetic anomalies indicative of specific disorders. Following the analysis, clinicians conduct follow-up consultations to interpret test reports for their patients. Based on these results, clinicians can implement preventive care measures, recommend further diagnostic testing, or initiate personalized treatment plans.

BUSINESS

The following chart sets forth the development and approval status of our major IVD products as of the Latest Practicable Date:

Type	Usage	Product's Name	Indication	Product Classification	Development Stage			Design and Development Stage	Expected Certification Time
					Non-clinical Research	Clinical Evaluation	Registration Review		
Platform	Library preparation	Gene' GIN96 Fully Automatic Gene Sequencing Library Preparation System	–	II				Registration Review Completed	2025
	Sequencing	Gene' Seq-100 Gene Sequencer	–	III				Registration Review Completed	2024
		Gene' Seq-200 Gene Sequencer	–	III				Registration Review Completed	2019
		Gene' Seq-2000 Gene Sequencer	–	III				Registration Review Completed	2019
		Gene' Seq-T1 Gene Sequencer	–	III				Registration Review in Progress	2026
	Analysis	Non-Small Cell Lung Cancer Mutation Gene Analysis Software	–	II				Registration Review Completed	2019
		Gene Detection Data Analysis Software	–	II				Registration Review Completed	2022
		Pathogen Microorganism Sequencing Data Analysis Software	–	II				Registration Review Completed	2022
Application	CDx	Human EGFR/KRAS/ALK Gene Mutation Detection Kit (cPAS)	Lung Cancer	III				Registration Review Completed	2019
		Human Tumor Multi-Gene Detection Kit (cPAS)	Multi-cancer	III				Registration Review Ongoing	2026
		Human Circulating Tumor DNA Multi-Gene Mutation Detection Kit (cPAS)	Breast Cancer	III				In Clinical Trials	2028
		Human Tumor Multi-Gene Mutation Detection Kit (cPAS)	Multi-cancer	III				In Non-Clinical Studies	2027
	MRD	Tumor Molecular Residual Disease Detection Kit (cPAS)	–	III				In Non-Clinical Studies	2028
	MCED	Human DNA Methylation Detection Kit (cPAS)	Multi-cancer	III				In Non-Clinical Studies	2029-2030
	Pathogen	Pathogen Microorganism Detection Kit (cPAS)	–	III				In Non-Clinical Studies	2029
	General Reagents	Sequencing Reagents	–	I				Registration Review Completed	–

Human EGFR/KRAS/ALK Gene Mutation Detection Kit (cPAS)

According to CIC, lung cancer is one of the leading causes of cancer-related mortality globally, with NSCLC accounting for the majority of diagnosed cases. Clinical management of NSCLC increasingly relies on molecular testing to identify actionable genetic alterations that inform targeted treatment selection. Key biomarkers include mutations in the EGFR and KRAS genes, as well as rearrangements involving the ALK gene. Accurate and timely detection of these alterations is necessary to determine patient eligibility for approved targeted therapies.

Our Human EGFR/KRAS/ALK Gene Mutation Detection Kit (cPAS) is an NGS-based in vitro diagnostic product developed for the qualitative detection of selected EGFR and KRAS gene mutations and ALK gene fusions in formalin-fixed paraffin-embedded (FFPE) tumor tissue samples from patients with NSCLC. According to CIC, it is one of the leading NGS-based multi-gene detection kits for NSCLC in China. The kit enables simultaneous assessment of these clinically relevant biomarkers in a single test, reducing the need for multiple sequential single-gene assays and minimizing tumor tissue consumption.

BUSINESS

The kit obtained a Class III medical device registration certificate from the NMPA in 2019, representing the highest regulatory classification for IVD products in the PRC. It is approved for use as a companion diagnostic to support clinical treatment decision-making.

The kit is designed to support treatment selection for multiple targeted therapies used in NSCLC. Detection of EGFR exon 19 deletions and EGFR L858R point mutations is relevant to the clinical use of gefitinib and icotinib. Detection of the EGFR T790M resistance mutation is relevant to treatment with osimertinib. Detection of ALK gene fusions is relevant to treatment with crizotinib. By providing consolidated molecular test results, the kit assists physicians in identifying appropriate targeted treatment options based on a patient’s tumor genotype.

The testing process uses FFPE tumor tissue samples commonly available in routine clinical practice. DNA is extracted from the sample and subjected to targeted capture sequencing using probes designed to enrich genomic regions covering the EGFR, KRAS and ALK genes. Captured DNA fragments are sequenced on compatible high-throughput sequencing platforms, and the resulting data are analyzed using approved bioinformatics software to identify relevant mutations and gene fusions.

Analytical performance of the kit has been evaluated through validation studies. Using both the kit’s reference materials and the applicable national reference materials, the kit achieved 100% concordance in accuracy, specificity and reproducibility for the detection of target gene variants, with a limit of detection of 2.5%. Testing of 1,161 clinical samples demonstrated a high level of consistency between the kit and the comparative method as well as the original companion diagnostic reagent. The kit is compatible with our approved Gene⁺ Seq-200 and Gene⁺ Seq-2000 sequencing platforms, and test results are interpreted using our Class II Gene⁺ NSCLC Mutation Gene Analysis Software approved by the NMPA.

Human Tumor Multi-Gene Detection Kit (cPAS)

According to CIC, FGFR2 fusions or rearrangements represent one of the most clinically significant FGFR alterations in cholangiocarcinoma. Since 2020, FGFR2 inhibitors have been approved or have entered NDA stages for the treatment of patients with locally advanced or metastatic cholangiocarcinoma harboring FGFR2 fusions or rearrangements. On April 17, 2020, the FDA granted accelerated approval to pemigatinib for previously treated adults with unresectable locally advanced or metastatic cholangiocarcinoma with FGFR2 fusions or rearrangements. In parallel, clinical guidelines have increasingly emphasized the role of biomarker testing in supporting treatment selection for this patient population.

Although multiple NGS-based multi-gene cancer testing kits have been approved in China and overseas, most domestically available products are primarily developed for high-incidence cancers such as NSCLC and colorectal cancer. NGS-based testing kits specifically designed for rare cancers, together with CDx aligned with targeted therapies for such indications, remain limited in the PRC market.

BUSINESS

To address this unmet clinical need, we collaborated with our partners to jointly develop an NGS-based companion diagnostic kit for cholangiocarcinoma using a domestically developed, high-throughput sequencing platform.

As of the Latest Practicable Date, clinical trials for the kit had been completed. The kit is expected to obtain a Class III medical device registration certificate in 2026. Once approved, it is expected to become the first approved multi-cancer and multi-target kit in China.

Human Circulating Tumor DNA Multi-Gene Mutation Detection Kit (cPAS)

Breast cancer represents a significant global and domestic disease burden. According to CIC, there were approximately 2.26 million new cases of breast cancer worldwide in 2020, making it the most common malignancy by incidence globally and the most prevalent cancer type among women. In China, the incidence of breast cancer has continued to rise, with approximately 420,000 new cases diagnosed annually, according to CIC. Advances in precision oncology have expanded available treatment options for breast cancer, including the increasing use of targeted therapies. Clinical practice guidelines recommend biomarker testing to support treatment selection and disease management. In this context, molecular testing based on ctDNA has become an important tool, particularly for patients with advanced disease where tissue sampling may be limited.

Our Human Circulating Tumor DNA Multi-Gene Mutation Detection Kit (cPAS) is an NGS-based IVD product designed for the qualitative detection of gene mutations recommended by clinical treatment guidelines in cell-free DNA (cfDNA) extracted from plasma samples of breast cancer patients. The kit is developed using a domestic high-throughput sequencing platform and optimized domestic raw materials, supporting high-sensitivity liquid biopsy testing and addressing clinical testing needs in advanced breast cancer. It is also being used in the co-development of CDx with targeted breast cancer therapeutics under development in China.

The testing workflow of this kit begins with extraction of cfDNA from peripheral blood plasma. The cfDNA undergoes end repair, A-tailing and adaptor ligation to generate an intermediate sequencing library. Target regions are enriched through hybridization capture using biotin-labeled oligonucleotide probes. The enriched library is then sequenced on a high-throughput sequencing platform. Sequencing data are analyzed using compatible bioinformatics software to identify clinically relevant gene variants in accordance with assay specifications.

According to CIC, as of the Latest Practicable Date, there were no approved IVD reagents or kits in China specifically indicated for ctDNA testing in advanced breast cancer. Our kit was undergoing clinical trials as of the Latest Practicable Date and is expected to obtain a Class III medical device registration certificate from the NMPA in 2028. Upon approval, the kit is expected to support molecular testing and companion diagnostic needs in the clinical management of breast cancer patients.

BUSINESS

Human Tumor Multi-Gene Mutation Detection Kit (cPAS)

The Human Solid Tumor Multi-Gene Mutation Detection Kit is designed for the qualitative detection of gene variants recommended by clinical diagnosis and treatment guidelines in FFPE tumor tissue samples from patients with NSCLC and colorectal cancer. Certain genetic loci included in the panel are used as companion diagnostic markers to support clinical decision-making in relation to anti-tumor drug selection.

The testing process begins with extraction of genomic DNA (gDNA) from FFPE tumor tissue samples. The extracted DNA is fragmented, followed by end repair and A-tailing. Sequencing adapters with known sequences are ligated to both ends of the DNA fragments. Using tag-specific primers and polymerase, the fragments are amplified by PCR to generate a pre-library. The pre-library is then hybridized with biotin-labeled oligonucleotide probes, and probe-bound fragments are captured using streptavidin-coated magnetic beads. The captured fragments undergo further PCR amplification to generate the final enriched library. High-throughput sequencing is subsequently performed, and sequencing data are analyzed using dedicated bioinformatics software to identify gene variants present in the sample.

The kit has been developed on a domestic NGS platform using the combined probe-anchor synthesis (cPAS) method and incorporates carefully selected domestic raw materials. Compared with conventional testing methods such as Sanger sequencing, quantitative PCR (qPCR), immunohistochemistry (IHC) and fluorescence in situ hybridization (FISH), NGS enables higher throughput, broader mutation coverage and improved cost efficiency, supporting simultaneous detection of multiple mutation types across multiple genes in a single test. The kit has been designed with a forward-looking structure that allows inclusion of additional genetic loci that may become clinically relevant as drug development progresses and new therapeutic indications emerge.

Large-panel tumor gene mutation assays based on NGS technology address clinical needs that differ from those of single-gene or small-panel assays. Their primary advantages lie in scalability and adaptability, allowing timely updates in response to evolving clinical guidelines and therapeutic developments. Developed using a domestic high-throughput sequencing platform and anchored multiplex PCR (AMP) technology, the kit qualifies as a large-panel assay. The kit is designed to support current diagnostic use as well as future applications, including basket trials and umbrella trials, which are increasingly adopted in global oncology drug development.

The kit is currently in the non-clinical research stage and is expected to obtain Class III medical device registration certificate in 2027. Upon approval, the kit is expected to serve as a large-panel multi-cancer diagnostic solution and is expected to cover over 20 solid tumor types, supporting identification of patients who may benefit from targeted therapy or immunotherapy and helping reduce unnecessary treatment.

BUSINESS

Tumor Molecular Residual Disease Detection Kit (cPAS)

According to CIC, surgical resection remains the primary curative treatment for tumor. However, postoperative recurrence continues to present a significant clinical challenge. Existing assessment tools, including imaging, pathological evaluation and serum tumor markers, have limited accuracy in stratifying recurrence risk, which may lead to both undertreatment and overtreatment. These limitations highlight the need for more precise molecular tools to support risk assessment and individualized management in early-stage tumor.

According to CIC, lung cancer MRD refers to tumor-derived molecular abnormalities that remain detectable through liquid biopsy following treatment, even when conventional imaging modalities, including PET/CT, and routine laboratory tests show no evidence of disease. Detection of such molecular signals may indicate residual disease and risk of progression.

The kit has been designed to address the clinical need for sensitive and scalable MRD detection through the following features: (i) ultra-high analytical sensitivity, achieved through an average sequencing depth of approximately 100,000× and a reported limit of detection of approximately 0.02%; (ii) consistent performance, with each variant required to meet claimed technical specifications under validated testing conditions; and (iii) improved accessibility, supported by an assay design intended to facilitate real-world data generation at a comparatively lower cost to patients.

The kit is currently at the non-clinical trial stage and is expected to obtain a Class III medical device registration certificate from the NMPA in 2028.

Human DNA Methylation Detection Kit (cPAS)

According to CIC, cancer is a leading cause of mortality in China and continues to pose a significant public health challenge. Early screening among high-risk populations allows detection of malignancies at asymptomatic or early stages, when intervention options are broader and treatment burden may be reduced. Current clinical screening methods, including protein-based tumor markers, imaging examinations and endoscopic procedures, are subject to limitations such as restricted cancer coverage, invasiveness or limited sensitivity at early stages.

The Human DNA Methylation Detection Kit (cPAS) has been developed to support non-invasive multi-cancer early screening. The kit incorporates a proprietary methylation library construction method, targeted capture technology and a high-throughput sequencing platform to detect abnormal DNA methylation signals at cancer-related gene loci. Based on methylation patterns in circulating cfDNA the kit supports early risk assessment for eight cancer types, namely lung, liver, colorectal, gastric, esophageal, pancreatic, breast and ovarian cancers. By applying tissue-specific methylation signatures, the assay also provides organ-level risk localization through prediction of the likely tissue of origin.

BUSINESS

In case-control study cohorts conducted on over 3,000 samples, the kit achieved an overall sensitivity of 81.9% at a specificity of 99.0%, with sensitivities for Stage I, II, III, and IV cancers of 65.5%, 79.7%, 90.1%, and 92.4%, respectively. For tissue-of-origin prediction, the kit achieved a top-1 accuracy of 87.4% and a top-2 accuracy of 94.5%, demonstrating its ability to localize cancer risk signals to specific organs. Compared with conventional screening approaches, the kit offers broader cancer coverage, high reported sensitivity and specificity, and non-invasive sampling, supporting repeat testing where clinically appropriate, according to CIC.

The kit is currently in the non-clinical research stage and is expected to obtain the Class III medical device certificate as early as 2029. Once approved, it will serve as a multi-cancer screening solution, providing clinicians with a comprehensive tool to guide treatment decisions across several tumor types.

Pathogen Microorganism Detection Kit (cPAS)

Infectious diseases have long posed a major threat to human health, and rapid, accurate pathogen identification is essential for effective treatment. In the face of rare or newly emerging complex pathogens and mixed infections, particularly respiratory tract infections, traditional pathogen detection methods such as culture and PCR suffer from limitations including low throughput, narrow coverage, and lengthy TAT.

Metagenomic next-generation sequencing (mNGS) has emerged as a broad-range, unbiased diagnostic approach and has gained increasing clinical acceptance. However, conventional mNGS workflows typically require separate DNA and RNA testing, and their performance may be affected by host nucleic acid interference, low pathogen load and background microorganisms introduced by reagents, which may reduce analytical sensitivity and complicate result interpretation.

To address these limitations, we have developed the Pathogen Microorganism Detection Kit (cPAS), which combines molecular marker enrichment technology with mNGS. The kit is designed for patients with severe respiratory tract infections and applies targeted enrichment to improve detection of key respiratory RNA viruses, bacterial pathogens that are difficult to detect using conventional mNGS, and molecular markers that assist in distinguishing reagent-derived background organisms. This kit employs an industry-first probe capture method, according to CIC, achieving for the first time the simultaneous detection of DNA and RNA from a single sample. This not only significantly improves detection efficiency but also ensures comprehensive coverage of a wide range of pathogens, making it particularly suitable for complex, unknown mixed infections. Under validated testing conditions, the kit has demonstrated a reported limit of detection as low as 25 copies/mL.

BUSINESS

Beyond enrichment, this kit retains the broad-range, unbiased, hypothesis-free advantages of mNGS, covering detection of more than 30,000 pathogens. In addition, it can detect clinically significant antimicrobial resistance genes and virulence factors, meeting the need for precision treatment. Therefore, our pathogen microbial detection kit is a one-stop pathogen diagnostics solution characterized by broad coverage and high sensitivity.

The kit is currently in the non-clinical research stage and is expected to obtain the Class III medical device certificate in 2029. Once approved, it will serve as a pathogen diagnostic solution, providing clinicians with a comprehensive tool to guide treatment decisions across several pathogen types.

Gene⁺ Universal Sequencing Reagents

The Gene⁺ Universal Sequencing Reagents is a series of core reagent components specifically designed for IVD use and has been approved as a Class I medical device product. It is fully compatible with our Gene⁺ Seq series of genetic sequencers, jointly enabling high-throughput sequencing workflows.

Through a standardized workflow, primarily comprising DNB preparation, sequencing reagent setup and instrument sequencing, the reagent ensures stability and reproducibility of the sequencing process and meets stringent performance criteria including intact appearance with no damage, clear liquid components, sequence alignment accuracy not less than 99% (90% for certain models), and coefficient of variation (CV) in repeatability tests not exceeding 5%. All performance indicators have been validated against enterprise reference standards.

The flexible design of our reagent supports diverse application scenarios. Customers may select different loading methods depending on the sequencing platform for parallel multi-sample processing, thereby enhancing data output efficiency.

Gene⁺ GIN96 Fully Automated Gene Sequencing Library Preparation System

This is a high-throughput automated instrument for NGS library preparation, designed to efficiently complete sample preparation from nucleic acid to DNB, with the entire process running without manual intervention. The system is equipped with a 96-channel pipettor, a PCR module, and a quality control module, enabling it to process 96 samples in a single run. It requires only a single operator to manage library preparation and hybridization, with manual hands-on time as low as five minutes and a manual participation rate as low as 1%. It is compatible with multiple scenarios and is also compatible with our assay kits.

This system utilizes its pipetting module, temperature-control module, shaking module, and PCR module to aspirate samples and reagents and processes the samples according to predefined protocols. It performs a series of steps including DNA extraction, PCR reactions, enzymatic reactions and magnetic-bead purification, ultimately producing a sequencing library for analysis on gene sequencers. Its pipetting range is 2 µL – 200 µL, with pipetting accuracy of <5% at 2 µL and <1% at 200 µL.

BUSINESS

This system received Class II medical device registration from the NMPA in 2025.

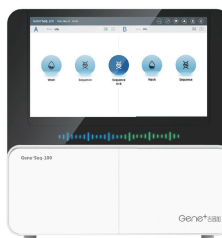


Gene⁺ Seq-100 Gene Sequencer

Gene⁺ Seq-100 Gene Sequencer is a benchtop sequencer with medium-to-low throughput that we have launched. It incorporates advanced, innovative biochemical, optical systems, enabling customers to obtain higher-quality sequencing data. Gene⁺ Seq 100 employs cPAS technology to sequence DNA and RNA derived from human samples in clinical applications.

It leverages core technologies including advanced DNA nanoball (DNB) technology and cPAS technology and uses a special surface-modified regular array flow cell. Each modified site immobilizes a single DNB, ensuring that the optical signals from different nanoballs do not interfere with one another. This design significantly improves the accuracy of signal processing. It offers broad library compatibility and supports a wide range of applications, including oncology and infectious disease testing.

Gene⁺ Seq-100 Gene Sequencer allows on-demand sample testing, and enables single-side, dual-side, or rolling loading sequencing modes, delivering multi-time-point data output. A single chip supports multiple applications and accommodates mixed-load detection scenarios. Our Gene⁺ Seq-100 Gene Sequencer received Class III medical device registration from the NMPA in 2024.



Gene⁺ Seq-200 Gene Sequencer

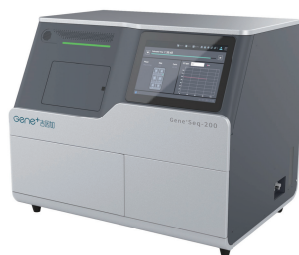
Our Gene⁺ Seq-200 Gene Sequencer is a high-throughput benchtop digital imaging sequencer that integrates sequencing biochemical reactions, image acquisition, data analysis and processing, and result reporting into a single system. It also employs advanced DNB and cPAS sequencing technologies.

BUSINESS

Through its gas-liquid system, DNBs and sequencing reagents are pumped into the sequencing chip. The DNBs inside the chip bind to fluorescent groups, which are excited by a laser to emit fluorescence. The light signals emitted by different fluorescent groups are captured by a camera, processed into digital signals, transmitted to a computer for analysis, and used to obtain the base-sequence information of the sample under test.

Our sequencer ensures sequencing accuracy for DNA from various sources and of different sizes. We have performed sequencing on Ecoli, Olsenella, HPV, and human DNA, and compared the results with reference sequences. The results showed that, in three independent replicate experiments, the alignment accuracy ranged from 99.76% to 99.92%.

Our Gene⁺ Seq-200 Gene Sequencer enables accurate, rapid, and comprehensive analysis of samples. Available in two chip formats, it meets fast-sequencing requirements across various throughput levels. Built on DNBSEQ technology, Gene⁺ Seq-200 Gene Sequencer effectively prevents the accumulation of PCR errors, giving it a significant advantage in variant detection accuracy. It supports a wide range of read lengths, such as SE50, SE100, PE100, and PE150, extending its applicability to broader application scenarios. Our Gene⁺ Seq-200 Gene Sequencer received Class III medical device registration from the NMPA in 2019.



Gene⁺ Seq-2000 Gene Sequencer

Our Gene⁺ Seq-2000 Gene Sequencer utilizes advanced biochemical and optical systems, enabling simultaneous loading of two chip sizes, along with multiple read-length modes to meet throughput and TAT requirements across diverse application scenarios, and to deliver high-quality sequencing output data.

Incorporating DNBSEQ technology and advanced systems such as the quad-channel optical recognition system, our Gene⁺ Seq-2000 Gene Sequencer ensures fast and stable operation while delivering a significant advantage in variant detection accuracy. It reduces error rates across multiple dimensions, enabling more precise variant calling. With hardware and software co-optimization, it cuts sequencing output data analysis and transfer time by 60%.

We once performed sequencing on Escherichia coli genomic DNA, high-GC bacterial genomic DNA, HPV type 11 genomic DNA, and human genomic DNA on Gene⁺ Seq-2000 Gene Sequencer. The results showed that, in three independent replicate experiments, the alignment accuracy ranged from 99.68% to 99.92%, demonstrating good reproducibility among replicates of the same reference material.

BUSINESS

Our Gene⁺ Seq-2000 Gene Sequencer has received Class III medical device registration from the NMPA in 2019.



Gene⁺ Seq-T1 Gene Sequencer

Our Gene⁺ Seq-T1 Gene Sequencer features seamless DNA Nanoball (DNB) preparation and loading, a breakthrough that integrates DNB preparation functionality directly into the instrument for the first time, allowing users to initiate fully automated sample preparation with a single click, eliminating manual quantification and complex procedures.

The prepared DNBs are automatically fed into the sequencing process inside the device, which also offers sample retention for DNB quality traceability. It supports a broad range of multi-omics tools, including but not limited to high/low-depth whole-genome sequencing, methylation sequencing, transcriptome sequencing, single-cell sequencing, and spatiotemporal omics.

With extensive application coverage, it empowers diverse fields such as molecular breeding, rapid pathogen detection, liquid biopsy, targeted therapy selection, and early-stage cancer screening. It completes PE150 sequencing of a DNA library in as little as 24 hours with one click, and can finish SE50 sequencing in up to seven hours, significantly accelerating research and clinical workflows. We expect to receive the Class III medical device certificate for our Gene⁺ Seq-T1 Gene Sequencer in 2026.



BUSINESS

Gene⁺ AiBox

Our AiBox is powered by our intelligent agent, AiBox Agent, and is an intelligent system designed for NGS clinical report generation. It is driven by our proprietary knowledge graphs and pre-trained large language models. AiBox emulates human-like cognitive functions to automate the entire reporting workflow. Its perception capabilities enable processing of raw data, after which the decision-making core assesses risks and delivers a comprehensive interpretation of variant classification and its clinical significance.

AiBox is an all-in-one automated data analysis and management system built for NGS laboratories, with broad applications in oncology and pathogen analysis. Operating in a secure, fully offline environment, it streamlines NGS workflows for hospitals, delivering automated clinical-grade reports within 30 minutes and requiring only single-person sign-off. The system integrates high-performance computing hardware, a laboratory management system, bioinformatics analysis software, and a genetic interpretation database. Moreover, multiple IVD-specific analysis software products from our portfolio can run seamlessly on our AiBox.

- *NSCLC Mutation Gene Analysis Software.* This software is classified as a Class II medical device and specifically developed for use with its compatible sequencing kit. It analyzes DNA sequence data from targeted regions of three critical NSCLC-associated genes: EGFR, KRAS, and ALK. The core function involves aligning the obtained short sequencing fragments to a human reference genome, identifying variations, and generating a comparative analysis report. It detects key mutations, including specific EGFR variants (such as exon 19 deletions, L858R, and T790M), KRAS hotspot mutations (e.g., G12C, G12D), and ALK gene fusions (e.g., EML4-ALK). The software incorporates data filtering, redundancy removal, and variant calling algorithms to ensure precise identification of these genetic alterations, providing critical information for therapy selection in NSCLC.
- *Gene Detection Data Analysis Software.* It is classified as a Class II medical device. The software is designed to work seamlessly with applicable sequencing kits and sequencers to analyze genetic sequencing data derived from solid tumor tissue samples. It processes raw sequencing data generated by the sequencer, compares it against reference genomes, and generates structured analysis reports to assist clinicians in interpreting complex genomic variants and supporting diagnostic decisions.

BUSINESS

- Pathogen Microorganism Sequencing Data Analysis Software.** This software is designed to analyze mNGS data from clinical samples. It supports a wide range of sample types, including sputum, bronchoalveolar lavage fluid, blood, cerebrospinal fluid and pus. The software aligns sequencing reads against a comprehensive and curated pathogen database to detect and identify potential causative agents. Its detection scope encompasses 333 clinically relevant bacterial species (including Mycoplasma, Chlamydia, Rickettsia, and Spirochetes), 140 viruses, 38 fungi, and 31 parasites. By filtering host-derived sequences, classifying microbial reads and reporting relative abundances, it assists healthcare providers in rapidly identifying a broad spectrum of pathogens for infectious disease diagnosis.

Our Integrated Platform for Precision Diagnostics, GINSuper®

In 2024, we launched our GINSuper®, an industry-leading integrated platform for NGS library preparation and sequencing that is compatible with multiple clinical applications, redefining the standard of efficiency for precision diagnostics.



The core value of our GINSuper® lies in transforming the complex NGS testing process into a highly integrated and intelligent all-in-one solution that directly empowers healthcare providers. It addresses the challenges medical institutions face when establishing traditional NGS testing systems, such as fragmented suppliers (requiring coordination with separate vendors for instruments, reagents, and software) and inefficient workflow integration. We provide an integrated service through GINSuper® that covers equipment transportation, installation, and optimization.

Fully Automated Gene Sequencing Library Preparation

GINSuper® can be provided with various customized versions to meet specific customer needs and accommodate different application scenarios. The major components of GINSuper® mainly include our proprietary nucleic acid extraction system, automated library preparation system, gene sequencers and our bioinformatics software, AiBox.

BUSINESS

Through its modular design and open architecture, GINSuper[®] is endowed with the capability for continuous evolution in both technical applications and hardware expansion, ensuring our customers’ investments can adapt to future needs.

- *Versatile Application Expansion:* GINSuper[®] enables rapid switching across a diverse range of applications, including CDx, pathogen detection, early cancer screening, and various diseases assays. This provides seamless support for a comprehensive portfolio of testing needs, from single-cancer detection to multi-cancer detection, and from single-disease analysis to comprehensive diseases profiling.
- *Smart Hardware Extensibility:* Featuring intelligent control and expansion capabilities, GINSuper[®] offers open interfaces that create a robust framework for integrating a growing ecosystem of third-party devices.
- *Evolving Software Ecosystem:* GINSuper[®] is equipped with a full-lifecycle management system, which includes GINOS, an intelligent operation system, and a professional bioinformatics interpretation system. This encompasses bioinformatics analysis as well as automated report interpretation, enabling intelligent management of the entire workflow from sample processing to report output.

GINSuper[®] has set a new milestone for the TAT of high-throughput sequencing, ushering in the 24-hour era for targeted NGS testing in oncology. For example, when paired with our proprietary reagent kits, it can complete the entire NGS testing process within 24 hours. This significantly improves the responsiveness and efficiency of clinical diagnostics. Furthermore, GINSuper[®] significantly reduces the reliance on highly experienced technical personnel. Compared to traditional methods, it can decrease manual labor by over 50% and effectively avoids the costs of repeat testing caused by human error.

Clinical Laboratory Testing Services

During the Track Record Period, we provided clinical laboratory testing services under our central laboratory business model. The portfolio of our clinical laboratory testing services is also applicable to a broad range of scenarios, such as cancer precision treatment, prognosis and monitoring, MCED, pathogen infection detection, and post-transplant monitoring.

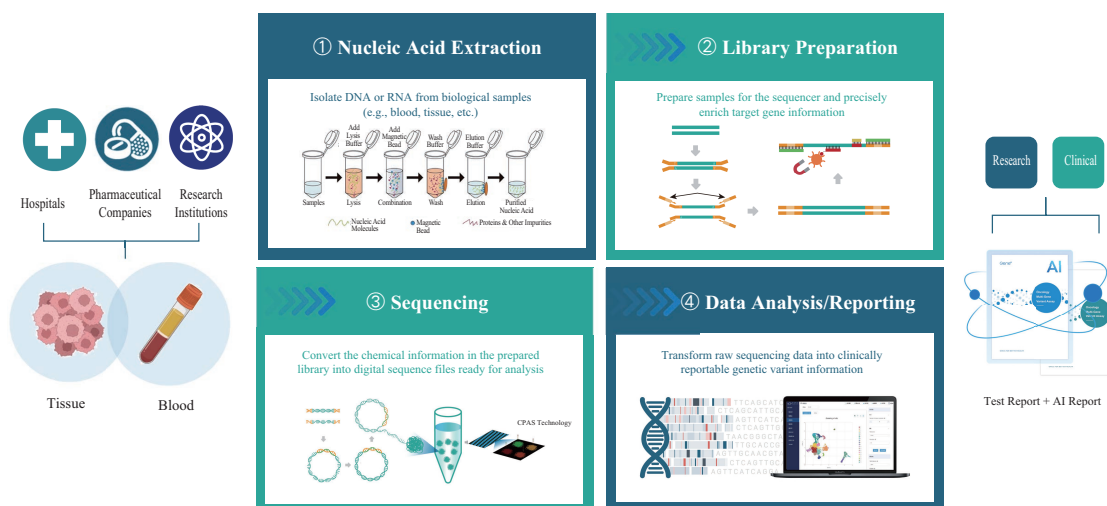
The general testing process for our clinical laboratory testing services comprises four principal stages:

- *Sample Processing and Nucleic Acid Extraction:* DNA or RNA is extracted from tumor tissue, blood or other biological samples using proprietary extraction reagents and automated instruments. Strict quality control procedures are applied to assess nucleic acid concentration, purity and integrity, forming the basis for reliable downstream analysis.

BUSINESS

- Library Preparation and Target Enrichment:** Genomic DNA samples undergo fragmentation and library preparation, followed by adaptor ligation and sample indexing. Target regions are enriched through hybrid capture and selective elution to focus sequencing on clinically relevant genomic loci.
- High-Throughput Sequencing:** Prepared libraries are converted into single-stranded circular DNA, amplified using rolling-circle amplification to generate DNA nanoballs, and sequenced using advanced DNBSEQ-based technologies. Sequencing data that meet quality control thresholds proceed to bioinformatics analysis.
- Bioinformatics Analysis and Reporting:** Sequencing data are analyzed to identify genetic variants, including single-nucleotide variants, insertions and deletions, copy number changes and structural variants. Detected variants are annotated using curated databases to assess clinical relevance. A test report, including methodological details, quality metrics, detected variants and clinical interpretation supported by AI-assisted analysis, is generated for clinical or research use.

The following diagram illustrates the general testing process for our clinical laboratory testing services:



BUSINESS

Gene⁺ Oncology 3-Gene Variant Assay (吉先鋒®)

Gene⁺ Oncology 3-Gene Variant Assay is our proprietary NGS-based precision diagnostic service and our first NGS service to obtain Class III medical device registration from the NMPA. The assay is designed for the *in vitro* qualitative detection of key genetic alterations in patients with NSCLC, including mutations in the EGFR and KRAS genes and fusions involving the ALK gene, using FFPE tissue samples. The assay targets clinically relevant alterations in three genes, namely EGFR, KRAS and ALK. These genetic alterations are widely used in clinical practice to guide targeted treatment decisions for NSCLC.

This assay supports potential expansion to a broader panel of up to 59 genes, enabling biomarker-level detection for additional solid tumor indications and supporting future clinical applications, while retaining the regulatory foundation of an approved product.

Gene⁺ Oncology 188/126-Gene Variant Assay (吉迅安®)

Our Gene⁺ Oncology 188-Gene Variant Assay is our NGS-based medium-panel oncology testing service designed to support molecular profiling throughout the disease course, including treatment selection at initial diagnosis, analysis of resistance mechanisms and longitudinal assessment of treatment response. The product comprises two assay configurations, namely the 188-gene variant assay and the 126-gene variant assay, each tailored to specific clinical contexts. Both configurations apply hybrid-capture NGS technology to identify multiple classes of genomic alterations in a single test, including single-nucleotide variants, small insertions and deletions, copy number variations and gene fusions. The assays also assess MSI status, providing molecular information relevant to precision treatment decisions.

- **Gene⁺ Oncology 188-Gene Variant Assay** is designed for patients with a broad range of solid tumors, including lung, colorectal and gastric cancers, covering approximately 20 common cancer types. The assay targets 188 cancer-related genes, including guideline-referenced therapeutic targets and additional genes associated with emerging treatment options.
- **Gene⁺ Oncology 126-Gene Variant Assay** is designed for breast cancer indications. It focuses on 126 genes associated with breast cancer pathogenesis and treatment response, with interpretation structured around key signaling pathways relevant to breast cancer, including pathways related to PIK3, homologous recombination repair and estrogen receptor signaling.

Both assay configurations use hybrid-capture sequencing and high-throughput analysis to enable comprehensive detection of clinically relevant genomic alterations from a single sample. The assays are compatible with both tissue and blood samples, allowing testing in cases where tissue biopsy is not available or not suitable. The assays incorporate ER-Seq error-correction technology, which reduces sequencing background noise and supports detection of low-frequency variants.

BUSINESS

Gene⁺ Oncology Multi-Gene Variant Assay (吉致安™)

Gene⁺ Oncology Multi-Gene Variant Assay is the first NGS-based large-panel oncology assay in the industry, designed to provide comprehensive genomic profiling for patients with solid tumors, according to CIC. The assay analyzes a broad set of cancer-related genes in a single test and is intended to support treatment selection and disease management across targeted therapy, immunotherapy and chemotherapy. The assay detects four classes of genomic alterations, including single-nucleotide variants, small insertions and deletions, copy number variations and gene fusions. It also evaluates immunotherapy-related biomarkers and pharmacogenomic markers relevant to chemotherapy response and tolerability.

The assay covers 1,021 cancer-related genes and integrates biomarkers associated with multiple treatment modalities. It includes more than 100 gene targets linked to over 190 approved or late-stage investigational targeted therapies. For immunotherapy, the assay evaluates over 30 biomarkers, including tumor mutational burden (TMB) and MSI. In addition, it assesses more than 30 single-nucleotide polymorphisms associated with response or toxicity to over 23 chemotherapy agents. Through this coverage, the assay provides molecular information that may assist clinicians in treatment selection, dosing considerations and disease monitoring.

The assay has been applied in clinical practice across multiple tumor types, including lung, colorectal and liver cancers. Based on testing conducted using the assay, clinical experience has been accumulated and reported in peer-reviewed international medical journals, including *Journal of Thoracic Oncology* and *Signal Transduction and Targeted Therapy*. These publications reflect real-world clinical application and contribute to the evidence base supporting use of the assay.

Gene⁺ Personalized MRD Assay (吉長安®)

Gene⁺ Personalized MRD Assay is our proprietary NGS-based liquid biopsy service designed for MRD detection and longitudinal monitoring in patients with solid tumors. The assay is intended to support prognosis assessment and recurrence-risk monitoring following treatment, including surgery, across a broad range of solid tumor indications. The assay adopts a personalized testing strategy. Tumor tissue is first analyzed to identify patient-specific tumor-associated genetic alterations, which are then used to construct a customized MRD detection panel for longitudinal ctDNA monitoring. This approach enables individualized monitoring throughout the disease course, from early post-operative assessment to longer-term surveillance.

BUSINESS

The following diagram illustrates the testing process for our Gene⁺ Personalized MRD Assay:



The testing process for Gene⁺ Personalized MRD Assay comprises four principal stages:

- *Tumor Tissue Profiling:* High-depth sequencing is performed on a patient’s tumor tissue sample to identify tumor-associated genetic mutations.
- *Personalized Panel Design:* Identified mutations are used as molecular markers to construct a personalized MRD monitoring panel for the patient.
- *Blood Sample Testing:* Following completion of probe customization, peripheral blood samples are collected and analyzed for ctDNA using the personalized panel.
- *Longitudinal Monitoring:* Serial testing is conducted to assess MRD status and molecular changes over time.

Clinical evidence relating to the assay has been generated through participation in multiple expert consensus initiatives and peer-reviewed research. Relevant findings have contributed to expert consensus documents on MRD testing and clinical application in solid tumors and lung cancer. Product-related studies have been published in international peer-reviewed medical journals, including *Cancer Discovery*, *Cancer Cell* and *JAMA Oncology*.

Gene⁺ Personalized MRD Assay is designed for use across a broad range of solid tumors and throughout the disease course, from early-stage post-operative monitoring to longer-term surveillance.

BUSINESS

Gene⁺ Multi-Cancer Early Detection Assay (吉早安®)

Gene⁺ Multi-Cancer Early Detection Assay is our liquid biopsy-based early cancer screening service designed to provide cancer risk assessment for high-risk and health-conscious populations. The assay is developed using our proprietary methylation sequencing technology and is intended to support early risk identification and organ-of-origin localization for multiple cancer types through a single test. The assay analyzes methylation signatures of ctDNA in peripheral blood to identify abnormal epigenetic patterns associated with tumorigenesis. Based on these signatures, the test provides risk signals for eight high-incidence and high-mortality cancers in China, including lung, breast, colorectal, liver, esophageal, gastric, pancreatic and ovarian cancers, which together account for a substantial proportion of cancer incidence nationwide.

The assay is designed for use by individuals with elevated cancer risk, including those with a family history of cancer, long-term exposure to risk factors such as smoking, occupational or environmental carcinogens, and individuals seeking proactive health assessment. In addition to the screening test, related services may include report interpretation support and referral assistance following positive test results.

Gene⁺ CAPtNGS and Gene⁺ CAPmNGS (吉知原®)

Gene⁺ CAPtNGS and Gene⁺ CAPmNGS are our core NGS-based pathogen infection detection services. According to CIC, it is the first probe-enrichment-based targeted pathogen detection assay in the industry. Both assays are designed to support clinical diagnosis and treatment decision-making in infectious diseases by enabling simultaneous detection of DNA and RNA pathogens from a single test. The products are applicable to patients with severe or critical infections, cases with poor response to empirical therapy, fever of unknown origin, immunocompromised status, or negative results from conventional pathogen testing.

Both CAPtNGS and CAPmNGS apply probe hybridization capture technology and support a broad range of sample types, including blood, cerebrospinal fluid, respiratory samples and tissue specimens.

- **Gene⁺ CAPtNGS** is a targeted pathogen sequencing assay based on probe capture. It is designed for high-sensitivity detection of clinically relevant known pathogens. Depending on clinical application, different panels are available, including a general infection panel covering up to approximately 1,872 pathogens with integrated detection of 94 antimicrobial resistance genes, a respiratory infection panel covering approximately 800 pathogens, and a panel optimized for tissue samples covering approximately 1,242 pathogens. Under validated conditions, the assay has demonstrated a reported limit of detection as low as approximately 5–25 copies/mL.

BUSINESS

- **Gene⁺ CAPmNGS** is a probe-capture-based metagenomic sequencing assay that combines targeted NGS and mNGS through a dual-library workflow. The assay enables broad screening of more than approximately 30,000 pathogens, while applying deep enrichment to over 3,000 clinically relevant pathogens, 94 antimicrobial resistance genes and 287 virulence genes. Under validated conditions, the reported limit of detection is approximately 25 copies/mL, representing a substantial improvement compared to conventional mNGS approaches.

Through probe capture enrichment and sequencing on our GINSuper[®] platform, CAPtNGS and CAPmNGS increase the number of detectable pathogen-derived sequencing reads compared to conventional mNGS approaches. Under reported testing conditions, enrichment efficiency has been observed to improve detected pathogen sequence counts by approximately ten to 100 times, depending on pathogen type and sample background. The assays are designed to support parallel testing of CAPtNGS and CAPmNGS within the same sample batch. Under standard operating conditions, the overall TAT from sample receipt to result reporting may be as short as approximately 24 hours.

Gene⁺ Transplanted Kidney Injury Detection Assay (移知安[®])

According to CIC, kidney transplantation represents the largest patient population among organ transplant procedures, and post-transplant monitoring gives rise to long-term, high-frequency testing demand. Conventional monitoring methods, such as serum creatinine testing, often lack sensitivity for early injury detection, while renal biopsy is invasive and carries procedural risks.

Gene⁺ Transplanted Kidney Injury Detection Assay is our next-generation, non-invasive liquid biopsy assay for monitoring kidney transplant injury. The product was launched in 2025 and is designed for use in kidney transplant recipients, including patients undergoing living-donor transplantation and complex transplant procedures. According to CIC, Gene⁺ Transplanted Kidney Injury Detection Assay is the first non-invasive transplant injury monitoring assay in the industry.

The assay enables assessment of transplant injury through three functional dimensions, namely injury quantification, injury localization and immune-related evaluation, supporting clinical decision-making in post-transplant management.

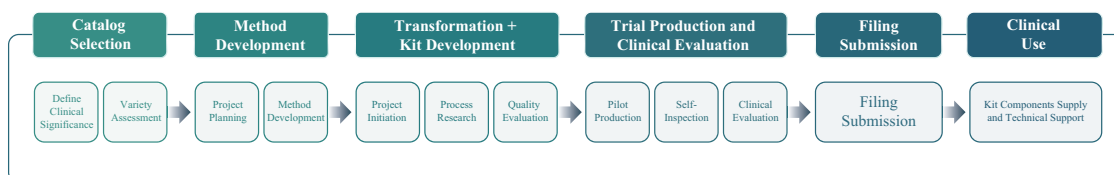
BUSINESS

The assay is based on probe-hybridization capture methylation sequencing combined with a proprietary quantitative algorithm. From a single blood sample, the assay enables relative quantification of multiple cell-origin cfDNA components, including donor-derived cell-free DNA (dd-cfDNA), renal epithelial cell cfDNA and renal endothelial cell cfDNA. Through combined analysis of these signals, the assay supports early detection of transplant rejection, assessment of injury severity and evaluation of kidney injury associated with BK virus (BKV) infection.

Gene⁺ Transplanted Kidney Injury Detection Assay has demonstrated quantitative performance in transplant injury monitoring. For detection of transplant rejection, the assay has achieved a reported sensitivity of up to approximately 85.71% and a reported specificity of up to approximately 95.38%. These performance characteristics indicate potential utility in reducing reliance on invasive kidney biopsy in certain clinical scenarios. In addition, the assay has demonstrated a reported sensitivity of approximately 90% for identifying kidney injury associated with BKV infection, supporting earlier identification of BKV-related nephropathy. The assay has also shown a reported accuracy of approximately 75% in distinguishing antibody-mediated rejection (ABMR) from T-cell-mediated rejection (TCMR) under relevant study conditions.

HDT Solutions

We provide a range of essential product modules and technical support to hospitals for conducting HDT projects. Our services are structured around a full-chain delivery model, covering technology transfer, assay and kit development, quality management system establishment, regulatory filing support and clinical implementation.



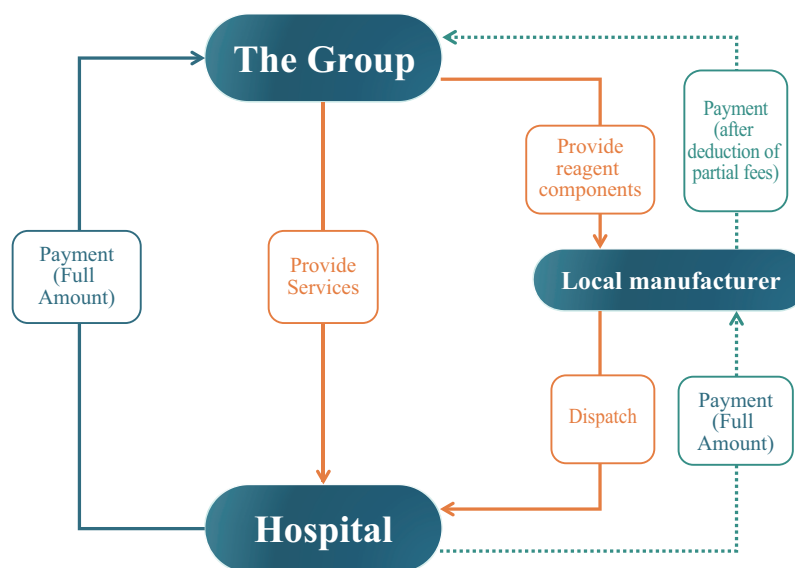
Our HDT solutions comprise six sequential stages: (i) catalogue selection, (ii) method development, (iii) transformation and kit development, (iv) trial production and clinical evaluation, (v) filing submission, and (vi) clinical use.

- *Catalog Selection:* We assist hospitals in assessing whether a proposed HDT solution satisfies applicable regulatory requirements, evaluating technical maturity, and confirming the clinical relevance and non-substitutability of the testing methodology.
- *Method Development:* We support hospitals in designing appropriate technical pathways, optimizing existing analytical methods and conducting preliminary performance verification, providing a scientific basis for project initiation.
- *Transformation & Kit Development:* We convert laboratory-scale methods into standardized and scalable kit formats, optimize formulations and production processes, and support hospitals in establishing GMP-aligned production environments and quality management systems.

BUSINESS

- *Trial Production & Clinical Evaluation:* We assist hospitals in organizing pilot production and clinical evaluation, including multi-center studies where applicable, and prepare self-inspection and clinical evaluation reports to assess analytical accuracy, precision, sensitivity and clinical applicability.
- *Filing Submission:* We provide technical and regulatory support for the preparation of filing materials, including product specifications, testing reports, manufacturing process documentation and risk analyses, with a view to meeting NMPA filing requirements.
- *Clinical Use:* Following completion of filing procedures, we continue to supply kit components and technical support.

Furthermore, we adopt a dual-revenue model comprising (i) milestone-based fees for R&D and regulatory filing services and (ii) recurring revenue from the ongoing supply of kit components. During the early stages of HDT projects, pilot hospitals are charged for R&D and regulatory support services to meet their clinical testing needs. After such tests are approved for in-hospital use, recurring revenue may be generated through continued supply of kit components to support routine and large-scale clinical testing. As HDT policies continue to evolve and the number of participating hospitals increases, this model is expected to support the development of a sustainable precision diagnostics service platform.



BUSINESS

We have developed a variety of types of kit modules for different HDT projects, and some of those solutions have entered the stage of acceptance by the relevant local authorities. For example,

- *Digestive System Gastric Cancer, Colorectal Cancer, Pancreatic and Biliary Tract Cancers Multi-Gene Mutation Detection Kit (cPAS)*. This kit is designed for in vitro qualitative detection of MSI status, TMB, and gene mutations from FFPE tissue samples of patients with gastric, colorectal, and pancreaticobiliary cancers. It supports molecular typing and prediction of immunotherapy response, offering a consolidated solution compared to sequential single-gene assays.
- *Solid Tumor 1021-Gene Mutation Detection Kit (cPAS)*. The kit is intended for in vitro qualitative detection of MSI status, TMB, and gene mutations from FFPE tissue samples across a wide range of solid tumors, including lung, breast, digestive, urological, gynecological cancers and melanoma. It analyzes SNVs, Indels, SVs, and CNVs across 1,021 genes, providing a comprehensive genomic profile to support molecular subtyping and prediction of immunotherapy efficacy. Its broad coverage enables identification of rare but clinically significant alterations such as NTRK fusions, meeting the need for a unified multi-cancer diagnostic tool.
- *Lung Cancer Molecular Typing Multi-Gene Detection Kit (NGS)*. The kit detects mutations in 75 genes from FFPE tissue samples of lung cancer patients, covering SNVs, Indels, and gene rearrangements/fusions. It supports molecular subtyping and prediction of efficacy for targeted therapies and immunotherapies. By simultaneously assessing sensitive mutations, resistance mechanisms and immunotherapy potential, it aids in first-line treatment selection, post-resistance re-testing, and clinical trial enrollment.
- *Human Tumor Molecular Residual Disease Detection Kit (NGS)*. The kit uses a two-phase strategy for personalized MRD monitoring. First, it performs molecular profiling on tumor tissue to identify patient-specific mutations. Second, based on these results, a custom probe set is designed to perform ultra-deep sequencing of ctDNA from plasma samples. This enables highly sensitive detection of tumor-derived abnormalities to assess MRD status and evaluate disease progression or recurrence risk during post-treatment surveillance. With a clinical sensitivity of 100% and a specificity of 100%, the kit can guide therapy selection accurately.

BUSINESS

Drug R&D Enablement Solutions

We mainly offer four types of services under our drug R&D enablement solutions to pharmaceutical and biotechnology companies: (i) biomarker discovery and validation services, (ii) patient enrollment and screening services, (iii) new drugs companion diagnostic services, and (iv) virtual patient services.

By leveraging our AI multi-omics infrastructure, we can accurately identify multi-omics biomarkers closely associated with disease progression and treatment response and assist pharmaceutical companies in efficiently selecting optimal patient populations for clinical trials, significantly improving drugs’ R&D success rates and shortening development timelines. During the validation phase, our virtual patient models provide comprehensive evaluations of candidate drugs’ safety and cost-effectiveness. We could also provide global pharmaceutical companies with comprehensive, companion diagnostic-centered solutions for the entire drug R&D process. Specifically, we possess the expertise to translate multi-omics biomarkers into fully validated IVD products, enabling concurrent regulatory approval of new drugs and their CDx.

As of the Latest Practicable Date, we have provided our drug R&D enablement solutions to over 200 domestic and international pharmaceutical companies and research institutions.

Biomarker Discovery and Validation Services

The core risk pharmaceutical companies face in the early stages of drug R&D is target misjudgment. If the relied-upon biomarker has insufficient real correlation with the disease mechanism and drug response, subsequent clinical trials may fail, resulting in the loss in R&D investment, and, more critically, missing the valuable market window.

To address this challenge, we integrate our multi-omics clinical data from cancer patients with proprietary AI infrastructure. By deeply mining key molecular events in disease onset and progression, we could rapidly identify potential multi-omics biomarkers strongly associated with tumor progression and drug sensitivity or resistance. These multi-omics biomarkers are not only preliminarily validated with clinical samples but can also be assessed through virtual patient simulation technology to predict their applicability across different populations. This helps pharmaceutical companies precisely pinpoint high-potential targets, avoiding resource wastage caused by blind following or data bias.

Our biomarker and target discovery workflow comprises the following stages:

- *Data Integration:* Leveraging multi-omics database, we integrate multidimensional data, including genomics, transcriptomics, epigenomics, and single-cell sequencing. Through pathway analysis and machine learning algorithms, we conduct preliminary screening of candidate targets.

BUSINESS

- *Functional Validation:* Using a virtual patient platform, we simulate the biological effects and drug responses following target modulation. By comparing virtual control group data with treated group data, we precisely differentiate predictive target characteristics and optimize combination strategies.
- *Outcome Delivery:* We deliver a prioritized target list encompassing mechanistic interpretation, validation data and potential translational pathways. This supports the development of diverse drug modalities, including small-molecule targeted therapies, immunotherapies, ADCs, and CGTs, empowering target translation from preclinical exploration through to clinical trial design.



We have also successfully integrated multi-dimensional datasets encompassing cfDNA, cfRNA, single-cell multi-omics, and spatial transcriptomics. At the application level, we have extended our capabilities beyond oncology to encompass a broader spectrum of critical therapeutic areas, including infectious diseases, autoimmune disorders and cardiovascular diseases. These offerings could provide comprehensive and diverse omics data to research institutions, hospitals, and industry partners in the technology service sector.

Patient Enrollment and Screening Services

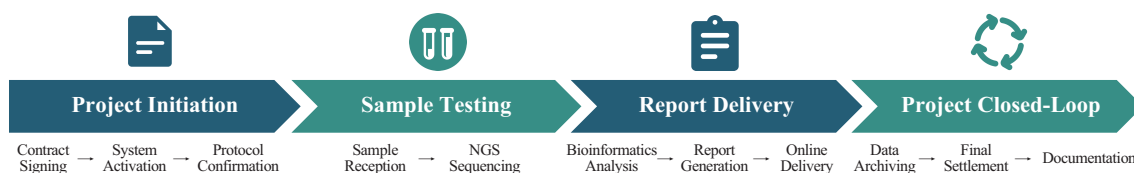
When conducting clinical trials, pharmaceutical companies often face difficulties recruiting eligible patients, which can prolong trial durations and increase costs. They may also enroll patients who do not fit the intended treatment population, leading to unexpected trial results.

We provide patient enrollment and screening services to assist in patient screening by quickly identifying target patient groups, shortening recruitment timelines and saving costs for our customers. Additionally, we can exclude patients who do not meet criteria of clinical trials, such as those unlikely to respond to the drug, further helping our customers control expenses and comprehensively improve the quality of clinical trial data.

Our patient enrollment and screening services provide pharmaceutical companies with an efficient and reliable solution for clinical trial patient selection. We initiate each engagement through standardized contract execution and assign a dedicated project manager to oversee the entire process. Utilizing our self-developed testing products and equipment, we conduct the full workflow from sample receipt and standardized testing to data analysis and report generation, enabling results to be delivered in as few as three days.

BUSINESS

This service significantly enhances the efficiency of clinical trial patient screening and positions us as a long-term partner for pharmaceutical companies in innovative drug development.



Our patient enrollment and screening services are engineered to optimize the efficiency and precision of clinical trial subject screening, fundamentally shortening drug development cycles. By integrating our robust portfolio of assays with our AI models and agents, we deliver a customizable, end-to-end solution that spans the entire clinical workflow from initial patient stratification and screening to dynamic monitoring and efficacy evaluation.

We address diverse disease stages and complex trial designs by offering flexible services. Customers can tailor the number of genes and targets to align precisely with their specific R&D objectives. Built on our proprietary technology platform, our patient enrollment and screening services include in-depth, bespoke data analytics, ensuring comprehensive support for personalized new drug development. Our laboratory operates under a comprehensive quality management system aligned with international standards, holding three prestigious accreditations such as CAP, CLIA, and ISO 15189.

New Drug Companion Diagnostic Services

CDx are a pivotal determinant of commercial success for innovative therapeutics. We provide pharmaceutical partners with comprehensive, full-life cycle solutions ranging from early-stage R&D to final marketing authorization submission. Anchored by our proprietary large-panel gene testing capacities, we have established a highly scalable pipeline of companion diagnostic products, which are the foundation for our new drugs companion diagnostic services.

Our companion diagnostic services provide support from study design through to commercialization for pharmaceutical companies. Centered on their needs, our service offers two flexible collaboration pathways: (i) co-development, in which pharmaceutical companies can rapidly access our existing mature technology pipeline under an efficient, non-exclusive collaboration model; and (ii) custom development, which involves deep alignment with the pharmaceutical company to tailor solutions for a specific new drug.

Once the collaboration model is determined, the pharmaceutical company is responsible for providing clinical samples, while we lead the entire workflow of sample testing and analysis. The data we generate supports both clinical research and regulatory approval. The testing reports could directly assist the new drug’s clinical studies and form the core evidence for the registration applicant to file companion diagnostic kit dossiers with the NMPA, allowing clinical work and product registration to progress together.

BUSINESS

At the commercialization stage, leveraging our established hospital network and market infrastructure, we collaborate with pharmaceutical companies to promote broad clinical adoption of the approved kit.



Besides, our new drugs companion diagnostic services can rapidly adapt to testing requirements driven by diverse drug mechanisms of action. On the regulatory front, we have also built a robust framework for efficient kit development and clinical validation. Our new drugs companion diagnostic services allow our customers to leverage our core products to achieve a “develop once, file for multiple indications” efficiency advantage.

We also use our practical experience in registering companion diagnostic kits to support global clinical trials for innovative drug companies. We provide central lab testing and companion diagnostic development to help drugs target treatments more accurately and speed up their approval. We develop testing methods based on the new drug’s mechanism to select patients suitable for clinical trials. At the same time, we work on developing companion diagnostic kits that meet different countries’ regulatory requirements. This ensures the tests can accurately select patients during trials and be used for routine diagnosis after the new drug is approved.

For example, a targeted drug for cholangiocarcinoma focusing on the FGFR2 gene rearrangement, we were the designated gene testing central lab for domestic clinical trials. We tested tumor samples of enrolled patients for FGFR2 rearrangement to identify those truly suitable for the treatment. Our testing helped ensure the patient group matched the drug target closely, improving the reliability of the trial results. In 2022, the drug was approved in China, and during this process, we developed an NGS-based multi-gene testing kit for multiple cancer types, including FGFR2 detection. This was the first such central lab test in China to support an FGFR2-targeted drug approval using this technology, according to CIC.

Virtual Patient Services

Pharmaceutical companies face unknown safety risks and insufficient dose optimization before initiating real clinical trials. Conducting experiments directly on real patients may lead to trial suspension or termination due to severe adverse effects of the drug on patients, resulting in prolonged trial duration and increased costs.

Leveraging our proprietary technology stack, we have systematically aggregated oncology clinical trial data from 1995 to the present. By synthesizing multi-dimensional variables, ranging from drug targets, mechanisms of action, and eligibility criteria to CDx and biomarkers, with our distinct database accumulated over a decade, we have engineered a virtual patient model which becomes the foundation for our virtual patient services.

BUSINESS

Our virtual patient model, built upon real-world disease characteristics and drug response data, can prospectively simulate outcomes under different trial scenarios, supporting pharmaceutical companies in optimizing trial protocols in advance. For example, dynamically adjusting exclusion criteria for high-risk populations and precisely optimizing drug dosages can effectively mitigate major risks in real trials.

In practice, many clinical trials fail at Phase III due to difficulties in identifying suitable patients, resulting in substantial losses and resource wastage. For those clinical trials that fail to meet primary endpoints, our virtual patient services could refine patient inclusion/exclusion criteria. We conduct retrospective analyses to identify potential biomarkers correlated with drug efficacy or safety signals. Furthermore, our virtual patient services could enable our customers to analyze unmet clinical needs and quantify target patient populations.

Our Clinical Research and Translation Solutions

We offer our omics research service and AI4S service under clinical research and translation solutions to collaborate closely with multiple leading research and medical institutions. Based on our Omics Factory, we provide high-throughput, standardized multi-omics data generation services to our customers, laying the data foundation for studying disease mechanisms and biomarker screening. The AI4S platform integrates multi-omics data with machine learning algorithms, focusing on model development and translational applications in areas such as cancer, neurodegenerative diseases, metabolic disorders, and rare diseases. We have supported numerous national-level projects and clinical studies, driving the publication of high-quality papers and the translation of innovative results in precise diagnostics and new drug development.

Omics Research Service

Leveraging our self-developed AI multi-omics infrastructure, our omics research services mainly include integrated sequencing and analysis services for research institutions, hospitals, and industry partners in the scientific and technological service sector. We offer comprehensive omics research services covering the four core pillars of multi-omics: pre-processing, library preparation, sequencing, and bioinformatics analysis. Our end-to-end integrated model offers modular flexibility, allowing customers to engage us in specific stages or the entire workflow.

Prior to launching any omics research initiatives, we actively consult customers to clarify their research objectives and sequencing requirements and then design an optimized sequencing strategy. Following sample submission, we execute the complete workflow from sample processing and library construction to sequencing and bioinformatics analysis. When sequencing concludes, we deliver test reports to our customers, summarizing the analysis results and providing critical insights for their projects.

BUSINESS

We maintain a robust computational infrastructure featuring a peak performance of 60 trillion operations per second, 35 TB of total memory, and 40 PB of storage capacity. Furthermore, our interdisciplinary team comprising experts in biology, bioinformatics, AI, and engineering, empowers us to deliver customized omics research services for a spectrum of research projects.

Our omics research service offers distinctive competitive advantages. It provides a comprehensive, in-house workflow spanning pre-processing to data analysis. Since we have standardized the time-consuming pre-processing and library preparation stages, our omics research service features one of the fastest TAT, from sample receipt to report delivery, according to CIC.

As of the Latest Practicable Date, we operate a strategic network of sequencing centers across North, East, and South China, facilitating rapid sample logistics and delivery to our laboratories. Each center is fully equipped with automated library preparation systems, high-throughput sequencing platforms, and advanced analytical servers.

AI4S Services

Our AI4S services empower research institutions and clinical centers with a full spectrum of services, from multi-omics data acquisition and processing to AI-powered analytical modeling and clinical translation. It enables collaborative research across a wide range of complex disease areas, including oncology, cardiovascular and cerebrovascular disorders and neurological diseases. Built on our AI multi-omics infrastructure, AI4S combines large-scale data integration with expert-led clinical collaboration, creating a powerful research infrastructure that bridges discovery and application.

Our AI4S service consists of three core service models, including joint application service, joint training service and scientific research translation service.

Joint Application Services

We partner with industry leaders and academic institutions to synergize technological resources and research capabilities. We conduct innovative research to accelerate the discovery and clinical translation of critical biomarkers and therapeutic targets. Leveraging our AI multi-omics infrastructure, we work closely with customers to fully integrate the strengths of multiple parties in technology, resources and scientific research capabilities, assisting our customers in conducting research projects and jointly advancing the discovery of biomarkers and therapeutic targets as well as their clinical application and translation.

BUSINESS

For instance, in the field of molecular classification and targeted therapy for NSCLC, we collaborated with a top domestic specialized cancer hospital. By utilizing multi-omics analysis of clinical cohorts combined with multimodal AI algorithms, we successfully identified and characterized multiple novel therapeutic targets. This project received formal approval and commenced operations in December 2024.

Furthermore, we participated in a National Key R&D Program of China. In a consortium with one of the top comprehensive hospitals in China and other premier institutions, we focused on early screening biomarkers for malignant tumors. We executed comprehensive multi-omics detection, established a robust big-data analytics framework, and developed standardized methodologies for evaluating IVD reagents.

Joint Training Services

Distinguishing ourselves from traditional single-service providers, we have established a closed-loop ecosystem that synergizes multi-omics testing, technical training, and cloud-based translation. This integrated approach effectively addresses the critical bottlenecks in bioinformatics analysis faced by clinical research teams.

Clinical research in China currently faces challenges including technology gap and shortages of specialised talent. Many research teams, in the process of transforming biological samples into scientific outcomes, often become trapped in a dilemma, where they have samples but lack bioinformatics analysis capabilities. We can provide research support to relevant R&D teams and offer personnel training services to address these gaps. Our joint training services strategically target PIs and department heads in key specialties at top-tier hospitals.

Case Study

An oncology department at a leading hospital secured a major National Natural Science Foundation grant requiring the genomic sequencing and analysis of 1,000 tumor samples. Facing a lack of internal high-throughput sequencing infrastructure and bioinformatics capabilities, the customer engaged our AI4S services. We provided a hybrid solution comprising sample testing services and concurrent bioinformatics training. The customer utilized our AI4S service to independently execute automated data annotation and downstream analyses. This collaboration enabled the client to meet project milestones and publish an SCI paper.

BUSINESS

Clinical Translation Services

Our clinical translation services cover the entire spectrum from study design to validation, facilitating the translation of biomarkers into HDT-IVD products and connecting therapeutic targets to pharmaceutical pipelines.

We provide clinical research teams with one-stop support spanning sample processing, high-throughput sequencing, and multi-dimensional data integration and analysis services, enabling researchers to bridge the entire pathway from hypothesis generation to clinical translation and application. Our milestone-based payment model allows our customers to pay in stages according to key research milestones, lowering the upfront investment threshold.

Our scientific research translational capabilities are evidenced by the following collaborations.

- Partnering with a provincial CDC, we executed large-scale RSV surveillance across the Yangtze River region. This project identified new viral subtypes and yielded a co-developed “RSV Whole Genome Detection Kit” and analysis software, enhancing the customer’s independent pathogen surveillance capabilities.
- Under the 14th Five-Year National Key R&D Program, we collaborated with a premier research team to advance precision tumor immunotherapy. We co-developed proprietary models including specific algorithms and dedicated assessment models, enabling accurate prediction of immunotherapy outcomes. These technological assets have driven substantial commercial growth.

Case Study

Our clinical research services have achieved tangible results and gained recognition from renowned hospitals and research teams. For example, through a strategic partnership with a leading national cardiovascular institute, we launched the Vascular Digital Atlas Project. We have successfully constructed methylation maps for over ten distinct vascular endothelial cell types, establishing a foundational infrastructure for assessing vascular injuries. Validation is currently underway in patient cohorts with carotid artery stenosis and coronary heart disease, with results expected to be published in 2026. Moving beyond research, we are developing custom panels targeting novel vascular markers. These are being translated into hospital-based diagnostic solutions, paving the way for routine clinical practice and scalable revenue generation.

BUSINESS

Our Bioinformatics Analysis and Management System

Our Gene⁺ Cloud

Bioinformatics analysis is essential for interpreting large volumes of genetic data generated by the sequencing. Our Gene⁺ Cloud has integrated large models to enhance its efficiency and is more than just a data analysis tool. It is a unified, cloud-based platform that provides end-to-end digital management from data generation to bioinformatics analysis, clinical interpretation, and research application. It offers ultra-large cloud storage capacity and powerful cloud computing capabilities, enabling our customers to store and access data with low cost and high efficiency, and to perform one-click, standardized and visual analysis of data.



Two single-cell analysis workflow loaded on the Gene⁺ Cloud system

Results display of a single-cell annotation performed on the Gene⁺ Cloud system

It is distinguished by the following key features and technical advantages:

Operational Convenience and Automation: Our Gene⁺ Cloud offers streamlined user experience. It automatically associates sequencing data with customer accounts and allows for real-time monitoring of data generation status. This eliminates the need for manual data uploads and seamlessly links data to the analysis pipeline, enabling users to initiate and complete sample data analysis with “a single click.”

Powerful and Interactive Visualization: Our Gene⁺ Cloud provides over 80 cloud-based analysis tools that offer a rich suite of functions, including visualized data processing, data analysis, and both static and interactive plotting. With a wide variety of available bioinformatics charts and the ability for users to independently adjust plotting parameters, the Gene⁺ Cloud effectively meets diverse and multi-dimensional analytical needs.

High-Value Data Mining and Clinical Insights: Our proprietary GM-seq and cfRNA sequencing technology is integrated into our Gene⁺ Cloud, and combined with a standardized analysis workflow, facilitating the efficient discovery and interpretation of data’s clinical significance. This unique synergy allows users to obtain critical information linking their data to clinical meaning with just one click, maximizing the value extracted from each dataset.

BUSINESS

Deep Adaptation for Multiple Scenarios: Gene⁺ Cloud is a comprehensive platform tailored to the specific needs of clinicians, pharmaceutical companies, and research institutions. According to CIC, it is one of the few multi-omics data analysis platforms in the industry providing a full suite of services, including gene data storage, sharing, analysis, and management, making it an integrated solution for various scenarios.

Our V-USE Database

We have accumulated a wealth of real-world clinical data, forming our proprietary database, V-USE database. Our V-USE database has now been fully developed and integrated with our AI agent, LiLi, and we have already begun deploying it in hospitals for validation.

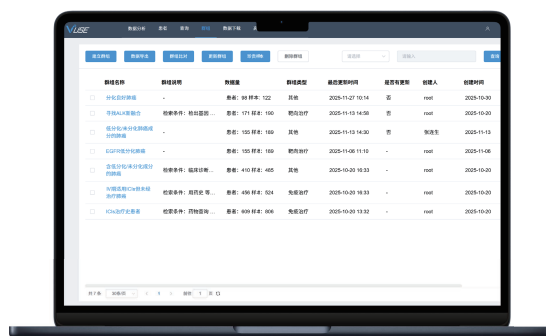
Specifically, our V-USE database could be locally deployed in our customers’ hospitals or laboratories, serving as a data storage and management system, breaking the long-standing data silos by integrating in-hospital fragmented molecular pathology, clinical phenotype, and genetic testing data. Our AI agent, AiBox, could extract key information from unstructured medical records and reports with an accuracy rate exceeding 99% and integrate it into the V-USE database. Meanwhile, physicians can effortlessly perform complex bioinformatics analyses through a code-free interactive interface, significantly lowering the barrier to data mining. This integration creates a comprehensive and intelligent data solution for the medical field.

According to CIC, our V-USE database is one of the few in China that allows for a seamless “data-in, biomarkers-out” workflow. It empowers researchers to go directly from raw data to discovering actionable targets and biomarkers without needing any programming skills or waiting for analysis to be completed. This dramatically lowers the barrier to entry and accelerates the pace of biomarker discovery. It also enables us to become the first in China to offer a platform with a built-in, multi-omics database, according to CIC. Therefore, our V-USE database has been widely adopted by the clinical scientific community.

Our V-USE database is distinguished by the following key features and technical advantages:



Cohort data analysis and management interface on the V-USE system



Cohort case display on the V-USE system

BUSINESS

On-Demand Customization: Our V-USE database can integrate with third-party data interfaces to automatically consolidate data from external systems, achieving seamless, cross-system connectivity. Furthermore, the V-USE database can be dynamically expanded based on customer needs, precisely adapting to the diverse research requirements of genomics, clinical medicine and drug discovery.

Superior Compatibility: Deeply integrated with the industry ecosystem, our V-USE database is compatible with raw data formats from major NGS vendors in the industry. This allows for direct data integration without the need for manual conversion, completely resolving the “data silo effect” caused by disparate data standards in the industry.

Intuitive Operation: Our V-USE database features a “one-click execution” mode, requiring no coding or complex parameter configuration. Users can perform the entire workflow from data filtering to results of output through an intuitive visual interface.

Our AI Agents

Powered by our large models, we embed them into our AI agents to empower both our internal teams and our customers in the discovery and validation of novel biomarkers. As of the Latest Practicable Date, we have already implemented three specific AI agents, including AiBox Agent, MarkerMind Agent, and TargetMind Agent. See “— IVD Products — AiBox” for more details.

MarkerMind Agent

Our MarkerMind Agent is a novel biomarker discovery agent powered by our multi-modal large model and virtual patient digital twin technology.

Its applications are broad, extending beyond oncology to a wide range of other disease areas. For clinicians and researchers, MarkerMind Agent automates the discovery of new biomarkers and their combinations while intelligently interpreting cutting-edge literature to assess their innovative value. It effectively addresses critical challenges in clinical research and translation, such as the lack of new ideas for biomarker discovery, improper analytical methods, and the laborious process of literature search and validation.

Furthermore, for our pharmaceutical partners, it helps solve design challenges in Phase III clinical trials. By enabling precise patient stratification, MarkerMind can reduce the number of patients required for enrollment and even help improve or turn around the outcomes of these pivotal trials.

TargetMind Agent

TargetMind Agent is a cutting-edge target discovery agent powered by our CellMap Cell Foundation Large Model and IG-NeoTri Immune Prediction Large Model. Its core capabilities include autonomous reasoning and decision-making within complex biological systems, natural and fluid human-computer interaction for scientific dialogue, and the intelligent screening and validation of novel targets driven by multi-modal integration. It can be widely applied to the identification of neoantigens for oncology cell and gene therapies, as well as drug target discovery for complex diseases such as cardiovascular, cerebrovascular, and autoimmune disorders.

BUSINESS

By leveraging synergistic inferences between its self-learning algorithms and knowledge graphs, it effectively helps our pharmaceutical customers overcome core pain points like long R&D cycles and high costs. It delivers an 80% increase in R&D analysis efficiency for our customers and significantly shortens the target validation timeline.

OUR TECHNOLOGY

We are building a proprietary technology stack centered on the convergence of multi-omics and AI, which integrates high-throughput sequencing technologies, large-scale data processing and a growing suite of large models. Our AI multi-omics infrastructure is specifically focused on the discovery, validation, and commercialization of multi-omics biomarkers and targets, aiming to raise the efficiency and scalability of precision diagnostics, drug R&D enablement, and clinical research and translation in China.

Our technology infrastructure is built upon three tightly coupled layers: (i) our fully automated Omics Factory, (ii) our Bioinformatics Architecture, and (iii) our large models, that streamline clinical research from data ingestion to multi-omics biomarkers identification.

Our Omics Factory treats biological samples as “raw materials,” processing them through a highly integrated suite of robotic experimental equipment to rapidly generate vast quantities of omics data. At the same time, our Bioinformatics Cloud & Database serves as the intelligent core where all data generated from our Omics Factory is processed and translated into actionable insights. Through a powerful combination of proprietary AI-driven models, our AI multi-omics infrastructure enables us to cover the entire value chain from multi-omics biomarkers discovery and analysis to clinical and research applications.

Our Omics Factory

Our Omics Factory is our proprietary high-throughput platform, engineered for the automated and standardized generation of large-scale multi-omics data, including genomics, transcriptomics, epigenomics, proteomics and microbiomics, serving as the foundational step in the biomarker discovery workflow. It is fully automated and works like an industrial assembly line. By leveraging advanced robotics and standardized operating procedures, it integrates sample processing, data generation, and analysis into a single, streamlined workflow.

According to CIC, our Omics Factory is China’s largest fully automated omics service platform, capable of producing massive, high-quality datasets with efficiency and precision. As of the Latest Practicable Date, we have supported the high-throughput testing needs of over 500 hospitals and academic research institutions. Research leveraging our Omics Factory has been published in prestigious scientific journals, such as Cancer Cell and Nature Medicine.

BUSINESS

Our Omics Factory is distinguished by its specialized multi-omics capabilities, a key differentiator that is rare within industry, according to CIC. Our expertise and capabilities in liquid biopsy multi-omics (e.g., cfDNA, cfRNA, and cfDNA-methylation) and cellular multi-omics (e.g., single-cell omics, spatial omics) provides us with significant competitive advantages. For example, by leveraging our specialized multi-omics capabilities, the cell dissociation success rate on our Omics Factory has exceeded 98%, ensuring the efficient and consistent preparation of high-quality single-cell suspensions. And the nuclei isolation success rate on our Omics Factory has been over 99% for brain tissue. This capability breaks through a key bottleneck in applying single-cell technologies to complex tissues like the brain and nervous system.

Our Omics Factory is integrated with an intelligent order management system that provides real-time updates on project status. This system allows both customers and our internal teams to promptly identify and resolve any experimental bottlenecks, ensuring project timelines remain transparent and controllable. Furthermore, focusing on the industry’s cutting-edge needs, we are pioneering a specialized technology portfolio in our Omics Factory which combines liquid biopsy multi-omics and cellular multi-omics. This unique combination enables precise analysis from the molecular level down to the single-cell level.

Our Omics Factory and our specialized technology portfolio feature the following technological advantages:

- ***Cell-Level Definition and Biomarker Screening:*** From a single tube of blood, our Omics Factory can detect cfDNA methylation modifications with resolution down to the single-cell level. This allows for the precise identification of target cells and the efficient screening of cell-specific biomarkers in complex scenarios like cancer and chronic diseases.
- ***High-Throughput Capabilities:*** Our Omics Factory established an advanced laboratory infrastructure equipped for industrial-scale sample processing. It significantly enhances data processing throughput and enables us to efficiently support large-scale cohort studies and meet critical customer demand for the rapid generation of massive biomedical datasets.
- ***Fully Automated End-to-End Workflow:*** Our Omics Factory’s workflow achieves full end-to-end automation, spanning from sample pre-processing and testing to final data analysis. It converts traditional manual operational procedures into standardized, precisely reproducible automated protocols, thereby minimizing human intervention and operational errors.
- ***Accelerated Research-to-Clinic Translation:*** Our Omics Factory is directly applicable to both research sample analysis and clinical testing needs, effectively streamlining the pathway from foundational research to real-world clinical applications.

BUSINESS

Our Bioinformatics Architecture

Our bioinformatics technology architecture is the brain of our operation, which is composed of our Gene⁺ Cloud and our V-USE database. It leverages computational power and AI to make sense of complex biological data, generating hypotheses and prioritizing targets that can then be tested and validated, representing the most critical component for multi-omics biomarkers discovery and validation.

Through our bioinformatics technology architecture, we could leverage our proprietary AI capabilities for data analysis, processing and interpreting the massive amounts of multi-omics data generated by our Omics Factory. This process is fundamental for multi-omics biomarker discovery, enabling us to identify potential biomarkers by recognizing complex patterns and correlations that would be challenging for human scientists to discover. Our bioinformatics technology architecture serves two critical roles. Internally, they constitute our foundational technology infrastructure that underpins all our R&D activities. Externally, they also operate as a robust platform providing key stakeholders, including clinicians, pharmaceutical firms, and research institutions, with secure and powerful tools for genetic data analysis, management, and collaboration. See “— Our Software” for more details.

Our bioinformatics technology architecture is distinguished by the following key features and technical advantages:

- ***High-performance Distributed Storage Architecture:*** Our bioinformatics technology architecture adopts a self-developed high-performance distributed storage system, featuring PB-level elastic scalability and up to 99.99% data durability. This system deeply integrates computational resources, supporting both cost-effective, high-frequency access to massive FASTQ/BAM/VCF files and secure data sharing across regions and roles in multi-center studies. It provides a robust foundation for large-scale real-world research and CDx development.
- ***Containerization:*** The bioinformatics technology architecture employs a package of over 80 mainstream and proprietary bioinformatics tools into standardized Docker images. Each image undergoes strict size optimization and dependency locking, eliminating environment drift. The entire workflow has been validated with millions of clinical samples, achieving an end-to-end analysis success rate exceeding 99%, meeting medical device-grade reliability standards.
- ***High-performance Computing:*** Furthermore, our architecture uses a flexible supercomputing cluster that intelligently assigns the right processing power for each task by combining different types of processors, such as CPUs and GPUs, boosting efficiency by 2 to 5 times. This speed increase directly shortens the time required for clinical decisions on diagnostics and treatment.

BUSINESS

Our Proprietary AI Capabilities

We have developed our proprietary large models by capitalizing on our extensive experience in the field of NGS. Our large models are integrated as the core analytical engines for our R&D activities and business, while also enabling the successful real-world deployment of our AI agents across diverse application scenarios. According to the CIC, we are among the rare few in China capable of developing both proprietary large models and the AI agents. As of the Latest Practicable Date, we have developed three specialized large models, which combine deep biological understanding, extensive clinical datasets and real-world feedback to transform raw biological signals into actionable scientific and clinical intelligence.

GenoVision Multi-Modal Large Model

Our GenoVision Multi-Modal Large Model integrates multi-dimensional medical information, taking NGS reports, pathology, or medical imaging as input. It generates multimodal analysis results that are interpretable and amenable to downstream analysis, possessing practical utility for clinical and scientific research. Concurrently, it empowers our hospital customers to establish specialized departments for precision oncology.

The GenoVision Multi-Modal Large Model integrates international leading multi-modal AI models for pathology and imaging and has been trained on hundreds of thousands of real clinical samples. It emphasizes visualizations and makes the analysis results intuitive, readable, and easy to review. It performs multi-modal analysis using the data which our customers already generate daily, including NGS results, CT scans and clinical text notes.

IG-NeoTri Immune Prediction Large Model

The development and application of our IG-NeoTri Immune Prediction Large Model are designed to shorten the R&D cycle for immunotherapy. Our IG-NeoTri Immune Prediction Large Model facilitates an integrated, end-to-end service encompassing NGS testing, neoantigen prediction, and experimental validation. It integrates the PMT triplet, which comprises Peptide, MHC, and T-cell receptor (TCR) sequences. By performing analysis at both the sequence and atomic levels, the model is instrumental in discovering immunogenic neoantigens and antigen-specific TCRs.

Our IG-NeoTri Immune Prediction Large Model can discover more cryptic peptides, thereby covering a broader population of cancer patients. It also makes neo-antigen prediction more accurate. Compared to traditional prediction models, our model incorporates TCR information to comprehensively predict the affinity of the peptide-MHC-TCR trimolecular complex. By integrating structural, sequence, and atomic structure models into a single framework, the IG-NeoTri Immune Prediction Large Model allows flexible invocation and is compatible with various types of omics data.

BUSINESS

CellMap Cell Foundation Large Model

Our CellMap Cell Foundation Large Model represents a deep integration of single-cell sequencing and large model technology. It is designed to efficiently process vast amounts of single-cell data to identify, characterize, and quantify the pathogenic relevance of specific cell populations to diseases. It serves as a critical tool for disease mechanism research, enabling us to secure partnerships with pharmaceutical companies by providing them with biomarker discovery, antibody discovery and small-molecule target discovery. We are establishing a strategic partnership with a top domestic comprehensive university. This collaboration is focused on target discovery and drug screening for Brucella infection, leveraging both small-molecule and Traditional Chinese Medicine (TCM) approaches.

RESEARCH AND DEVELOPMENT

R&D is at the heart of our innovation. Our AI multi-omics infrastructure supports sustained investment in assay design, data analysis and clinical validation, which has translated into a diversified portfolio of precision diagnostics solutions, drug R&D enablement solutions, and clinical research and translation solutions. According to CIC, we maintain a leading position in NGS technology within the industry. As of June 30, 2025, we had a R&D team of 191 employees. As of the Latest Practicable Date, we had a total of 159 registered patents and 66 patents under application.

Our R&D Team

We maintain an experienced R&D team led by technical experts with deep domain expertise. The team is structured into three departments: the gene research department, the data department, and the manufacturing department. This integrated structure ensures we remain at the forefront of innovation in precision medicine and genomics.

Led by Dr. Yi Xin, the gene research department specializes in oncology early screening, therapeutic monitoring, MRD detection, pathogen diagnostics and organ health, and also leads multi-center clinical trials and undertakes major scientific research projects. Our data department focuses on developing a full-chain digital intelligence system that spans IT infrastructure, bio-cloud platforms, agent-based intelligent applications and large-scale AI model development, providing customized technological solutions to support our core business operations. Our manufacturing department, which is dedicated to industrialization R&D, including the development of core raw materials, diagnostic reagent kits and automated systems.

Many of our R&D team members come from leading technology firms and possess deep expertise in both technology architecture and algorithm development, ensuring seamless integration of hardware and software in our leading synergistic solution streams. The team consists of PhD and master’s degree holders from prestigious institutions with extensive R&D experience in pharmaceuticals, computer science, software engineering and biotechnology.

Our core team has remained highly stable, which has been critical to our rapid growth over the past years. We also implement strong risk management measures and ensure that core technology rests with key personnel. This approach enhances our resilience and enables us to identify and resolve issues efficiently.

BUSINESS

R&D Process

Our R&D process typically involves the following steps:

- *Project Proposal:* Before initiating new R&D projects, we typically conduct in-depth market research to identify unmet customer needs. The research includes a thorough analysis of market trends and competing products, resulting in a demand assessment report that integrates customer pain points, market size data, and competitive differentiation. Based on this report, our professional R&D team formulates a tailored solution, setting out the project objectives, resource allocation, and expected deliverables.
- *Project Approval and R&D:* Our academic committee reviews project proposals and provides professional guidance. After approval, we formally establish the projects, and the R&D team proceeds according to the agreed plans. Project management monitors progress against milestones to ensure timely completion of all R&D objectives.
- *Product Testing and Registration:* After achieving all defined R&D goals, our R&D team transfers products to large-scale testing platforms or collaborates with partner laboratories to conduct expanded sample testing. We further refine and optimize the product based on the test results.
- *Product Registration:* We initiate the registration process for medical devices or in vitro diagnostic products in accordance with applicable national regulations and industry standards. A dedicated registration team submits registration materials, including technical documentation, testing reports, and clinical evaluation data, while maintaining efficient communication with regulatory authorities.
- *Product Launch:* Products are introduced to the market after they have successfully passed multiple rounds of testing and obtained related registration. Our branding department mobilizes internal and external resources to organize release events, highlight product value, and attract market attention after product launch.

We often collaborate with major hospitals, laboratories and universities in China in the R&D of our products. We generally enter into written agreements with these hospitals, laboratories and universities, the terms and conditions of which may vary from project to project and are determined on arm’s length discussions.

Clinical Trial

Clinical trials are an integral part of our product development and commercialization strategy. They serve the dual purpose of securing mandatory regulatory certifications and providing critical data for the continuous optimization of our product design and functionality. All trials are conducted in strict adherence to a comprehensive regulatory and ethical framework.

BUSINESS

Our clinical trial process is summarized as below:

- *Clinical Protocol Planning:* Our clinical trial design is a highly structured process, beginning with the development of customized protocols for each product to ensure full regulatory compliance. These protocols meticulously define key parameters such as intended use, target populations, and performance metrics. For established products, protocols are benchmarked against existing industry standards, while for our innovative, sequencing-based products, they are aligned with broader clinical guidelines. The entire process is informed by both domestic and international guidelines and validated.
- *Regulatory Consulting:* Proactive engagement with regulatory authorities is a cornerstone of our registration strategy. Prior to any submission, we conduct pre-submission consultations with the NMPA and provincial MPAs to secure alignment on product performance indicators and clinical trial protocols. This collaborative process allows us to address potential regulatory ambiguities upfront, ensuring our applications are fully compliant and streamlining the path to approval.
- *Clinical Preparation:* We conduct a comprehensive evaluation of prospective hospitals, assessing institutional qualifications, principal investigator’s credentials, and the efficiency of their internal review and ethics committees. Following selection, we manage the entire trial initiation lifecycle from securing ethics approvals and executing agreements to completing regulatory filings. Upon initiation, we deploy all necessary materials and provide extensive training to ensure strict adherence to all protocols and standards by investigators, trial sites, and our partners.
- *Trial Process:* Our clinical trial process is governed by rigorous protocols designed to ensure ethical integrity, data validity, and regulatory compliance. In strict adherence to ethics committee requirements, we manage the informed consent process for all trial participants. Following sample collection and enrollment, all specimens are de-identified and blinded to ensure objectivity and protect participant confidentiality.
- *Trial Review:* All trial records are reviewed by clinical investigators. Our teams provide continuous monitoring throughout the trial to proactively identify and rectify any deviations from protocols. Upon completion, the data undergoes a final validation by the partner hospital’s clinical trial department. This comprehensive process culminates in an approved clinical trial report, ensuring the overall quality, integrity, and compliance of our data.

We have implemented several measures to ensure the accuracy of clinical trial results. We have established specific protocols and policies governing clinical trials, which serve as internal standards for trial accuracy and compliance. Additionally, during the clinical trial process, each participating hospital has a dedicated clinical trial department responsible for managing and overseeing the trials to ensure compliance with proper procedures.

BUSINESS

Collaboration With Hospitals in Clinical Trials

Our clinical trial execution follows a systematic and rigorous framework, beginning with the careful selection of NMPA-approved hospitals as strategic clinical partners. After engaging potential sites through detailed product briefings, we collaboratively develop a comprehensive clinical protocol that meticulously defines all trial objectives, methods, and procedures.

The execution phase is governed by a commitment to ethical principles and data integrity. Leveraging residual patient samples often allows us to secure an informed consent waiver from the hospital’s ethics committee, and in all scenarios, patient data is rigorously de-identified to ensure confidentiality. We ensure strict adherence to the approved protocol throughout the trial and mandate that any subsequent amendments receive prior approval from the ethics committee, guaranteeing the integrity and regulatory compliance of the entire process.

The salient terms of our typical clinical trial collaboration agreements with hospitals are set forth below:

- *Obligations.* Both parties are required to comply with trial protocols, and other regulatory and ethical requirements. We are responsible for providing devices and consumables required for the trial, monitoring the trial process and quality, and offering training for clinical trial personnel. Partner hospitals need to obtain relevant consent from trial participants and approvals from the ethics committee and regulatory authorities, follow trial procedures and keep the trial records.
- *Liabilities.* Both parties agree to indemnify each other for any damages or losses arising from their respective breaches of obligations, negligence or misconduct. We assume liability for any product-related risks to trial participants, while the hospital is responsible for ensuring investigators’ compliance with the trial procedures.
- *Payment.* We are responsible for making payments in installments in accordance with the milestones or timelines outlined in the agreement.
- *Intellectual Property.* We will own the intellectual property of clinical trial data and results. The hospital owns clinical diagnostics data and participants’ medical records, except for data relating to the safety, efficiency and performance indicators of our products.
- *Confidentiality.* Both parties are obligated to protect confidential information during the collaboration.

BUSINESS

SALES AND DISTRIBUTION

We adopt both direct sales and distributor-based sales to effectively serve a diverse range of customers. These two sales channels provide us with flexibility to meet the needs of various markets, support effective customer engagement and facilitate efficient product distribution.

The following table sets forth the revenue contribution from direct sales and distributor sales, in absolute amounts and as percentages of our total revenue, during the Track Record Period:

	For the Year Ended December 31,						For the Six Months Ended June 30,	
	2022		2023		2024		2025	
	<i>Amount</i>	<i>% of revenue</i>	<i>Amount</i>	<i>% of revenue</i>	<i>Amount</i>	<i>% of revenue</i>	<i>Amount</i>	<i>% of revenue</i>
	<i>(RMB in thousands, except percentages)</i>							
Direct sales	1,786,883	98.5%	412,604	87.3%	472,731	84.9%	242,696	85.2%
Distributors	28,092	1.5%	60,227	12.7%	84,401	15.1%	42,289	14.8%
Total	<u>1,814,975</u>	<u>100.0%</u>	<u>472,831</u>	<u>100.0%</u>	<u>557,132</u>	<u>100.0%</u>	<u>284,985</u>	<u>100.0%</u>

Direct Sales

During the Track Record Period, our precision diagnostics solutions primarily consist of provision of clinical laboratory services, the sale of IVD products, and the provision of COVID-19 nucleic acid testing services. We employ a direct sales model to provide clinical laboratory services to hospitals, ICLs and individuals, and we also sell part of our IVD products to our customers directly. Besides, we provide our drug R&D enablement solutions to pharmaceutical companies, and our clinical research and translation solutions to medical research institutions and other customers through a direct sales model.

Our direct sales team manages strategic accounts, which are crucial for introducing and implementing our advanced NGS-based solutions and complex AI-driven products that require specialized technical and clinical knowledge. In 2022, 2023 and 2024, and for the six months ended June 30, 2025, our sales generated from direct sale customers amounted to RMB1,786.9 million, RMB412.6 million, RMB472.7 million and RMB242.7 million, respectively, accounting for 98.5%, 87.3%, 84.9% and 85.2% of our total revenues for these years/periods.

BUSINESS

Our sales team, comprising professionals with deep expertise in genomics, bioinformatics, and clinical diagnostics, works closely with customers to tailor solutions, continuously refining our offerings based on their direct feedback. The direct sales model is particularly well-suited for our precision diagnostics solutions, which are strategically targeting top-tier tertiary hospitals with robust equipment procurement budgets.

Contractual Arrangements with Direct Sales Customers

We sell part of our products to our customers directly in accordance with the terms outlined in our master sales agreements with them. Below is a summary of key terms with our direct sales customers:

- *Product and Pricing:* The specific products, quantities, and prices for each transaction are agreed upon in sales orders placed under the master sales framework agreements.
- *Order Placement:* Customers place specific orders under the framework agreements using standardized order forms.
- *Credit and Payment Terms:* We grant credit terms to our customers according to their credit profile and historical performance. Payment terms vary by product type. For equipment, payment is typically required either in full before shipment or via an installment plan. For reagents, a payment-before-delivery model is generally adopted.
- *Delivery and Risk Transfer:* We are responsible for delivering products to the customer’s designated location. The risk of loss or damage to the products is transferred to the customer upon delivery and acceptance. If the customer unjustifiably delays acceptance, the risk transfers upon the products’ arrival at the designated location.
- *Human Genetic Resources:* For contracts involving samples classified as human genetic resources under applicable PRC regulations, we require customer confirmation that such samples (i) are not collected for purposes prohibited under our agreements, (ii) do not exceed the volume limits stipulated by the competent authorities, (iii) are derived from research projects that do not involve the participation of foreign parties, and (iv) will not be transferred out of mainland China or provided to any overseas entities.

BUSINESS

- *Return Policy:* We generally do not accept returns after shipments have been accepted, except in cases of product quality issues or non-conformity with specifications, which is in line with customary industry practice.
- *Product Warranty and Support:* We provide warranty for our equipment for a specified period from installation. Post-warranty maintenance services are available.
- *Compliance:* We require our customers to comply with applicable export control laws and regulations.
- *Term and Termination:* Agreements are typically effective for an initial term of one year and may renew automatically. Either party may terminate by providing prior written notice.

Channel Agents

During the Track Record Period, we engaged channel agents under our direct sales model to supplement the capabilities of our sales and marketing team and expand our geographic coverage and promote our brand awareness. We utilize channel agents to promote our clinical laboratory services to individuals to acquire a broader customer base, and we select our channel agents based on their qualifications, reputation, experience, and service capabilities. As of December 31, 2022, 2023, 2024 and June 30, 2025, we had 69, 92, 125 and 129 channel agents, respectively, covering over 27 provinces.

In 2022, 2023 and 2024, and for the six months ended June 30, 2025, our revenue generated from our collaboration with those channel agents amounted to RMB83.8 million, RMB97.1 million, RMB199.4 million and RMB108.6 million, respectively, accounting for 4.6%, 20.5%, 35.8% and 38.1% of our total revenues for these years/periods.

We generally enter into service agreements with such channel agents, pursuant to which they are responsible for carrying out marketing activities within the service scope we commissioned. Our channel agents are promotion service providers, the scope of whose services includes conducting market research, disseminating our product information to hospitals and healthcare professionals, and collecting market intelligence and feedback. We also require our channel agents to strictly comply with the anti-bribery requirements in our promotion agreements as well as other applicable laws and regulations.

BUSINESS

The following table sets forth the movement of the number of our channel agents in the sales network for the years/periods indicated below:

	Year ended December 31,			For the Six Months ended June 30,
	2022	2023	2024	2025
Number of channel agents at the beginning of the period .	69	69	92	125
Addition of new channel agents ⁽¹⁾	35	61	69	41
Inactive channel agents ⁽²⁾	35	38	36	37
Net increase/(decrease) in channel agents	0	23	33	4
Number of channel agents at the end of the period	69	92	125	129

Notes:

- (1) New channel agents refer to channel agents who (i) had at least one transaction with us in the relevant period; and (ii) did not have any transaction with us in the immediately preceding financial year.
- (2) Inactive channel agents refer to channel agents who (i) did not have any transaction with us in the relevant period; and/or (ii) had at least one transaction with us in the immediately preceding financial year.

Relationship with Channel Agents

Our relationship with our channel agents is a principal-agent relationship. We generally pay certain service fees to channel agents for their marketing and/or referral services. We employ three primary settlement arrangements with our channel agents: (i) the end customers pay the full amount directly to us, and subsequently, we disburse the agreed commission to the channel agents on a monthly basis; (ii) the end customers pay our channel agents directly, and those channel agents retain their commission and remit the remaining net proceeds to us on a monthly basis; and (iii) certain channel agents operate under a combination of the two aforementioned settlement methods.

We intend to continue to expand our sales network of channel agents in facilitation of our entry into new cities and areas and to deepen penetration in existing regional markets across the country.

BUSINESS

We have maintained good business relationships with our channel agents, and we did not experience any material disputes with them, including those who terminated the authorization agreements with us, during the Track Record Period and up to the Latest Practicable Date.

To the best knowledge of our Directors, all of our channel agents are independent third parties, and there is no family, business, employment, trust, guarantee, cash flow, financing, shareholding or other relationship between our channel agents and us.

According to CIC, it is the industry norm to engage channel agents to procure business from customers in precision diagnostic services, and our terms with our channel agents are the usual commercial terms adopted by the industry.

Contractual Arrangements with Channel Agents

We generally enter into service agreements with our channel agents with the following salient terms:

- *Service Scope and Authorization:* We authorize the channel agents to promote our specified clinical laboratory testing services within a designated geographical area and specific hospitals/departments. We provide clinical laboratory testing services for qualified samples submitted by the channel agents.
- *Exclusivity:* During the term, channel agents are prohibited from promoting or acting for any third party's same or similar services or products without our prior written consent.
- *Sales Targets:* Channel agents undertake to meet minimum sample submission volumes within specified periods. Failure to meet targets may result in adjustments to the authorized area or termination of the agreement.
- *Order Fulfillment:* Channel agents are responsible for coordinating the shipment of samples and providing necessary information to our laboratory. The project cycle commences upon our receipt of all required materials and qualified samples.
- *Payment and Settlement:* Settlement occurs usually on a monthly basis, based on actual testing services rendered. We issue statements, and channel agents are required to make payment to us within the agreed credit period.
- *Deposit:* channel agents are required to provide a refundable performance deposit, the amount of which is based on the scope of authorization. The deposit may be adjusted or forfeited in cases of specified breaches.
- *Sample Handling and Return:* We do not accept returns of samples post-testing and are not obliged to store samples long-term; disposing of them after a specified retention period unless return is specifically requested and arranged by the channel agents.

BUSINESS

- *Confidentiality:* Both parties have confidentiality obligations.
- *Term and termination:* The initial term is typically one year. The agreement may be renewed by entering into a new agreement before expiry. Either party may terminate the agreement by providing three months’ prior written notice. We may terminate the agreements immediately due to the channel agent’s material breach, including violation of key obligations, fraudulent activity, or damage to our interests.

We have complied with applicable PRC laws and regulations in relation to the use of channel agents in our sales and marketing activities in all material respects, considering that: (i) our service agreements with such channel agents do not violate relevant PRC laws and regulations and we require our channel agents to strictly comply with terms and conditions set out in such service agreements; (ii) from a PRC law perspective, we will not be penalized by the relevant PRC government authorities merely by virtue of having contractual relationships with channel agents who are engaged in non-compliant activities, so long as we and our employees are not utilizing the channel agents for the implementation of, or acting in conjunction with them in the prohibited activities; and (iii) we will not be subject to penalties or sanctions by relevant PRC government authorities as a result of failure to monitor their operating activities.

Distributor Sales

We strategically collaborate with distributors who possess extensive sales channels to expand our market reach and effectively serve the needs of customers in various regions, particularly in lower-tier cities and markets. Our distributors leverage their established networks to provide sales coverage and after-sales services to customers.

Our distributor sales model is primarily focused on the sales of our IVD products under our precision diagnostics solutions business, targeting hospitals covered by their distribution network. This approach ensures market complementarity with our direct sales operations and enables comprehensive market coverage. In 2022, 2023 and 2024, and for the six months ended June 30, 2025, our revenue generated from distributors amounted to RMB28.1 million, RMB60.2 million, RMB84.4 million and RMB42.3 million, respectively, accounting for 1.5%, 12.7%, 15.1% and 14.8% of our total revenues for these years/periods.

As of June 30, 2025, we had 47 distributors, covering over 22 provinces. To maintain high standards in sales and service, we follow a rigorous selection process and ongoing evaluation of our distributors. In 2022, 2023 and 2024 and the six months ended June 30, 2025, we engaged 12, 19, 30 and 18 new distributors and there was one, six, 12 and 19 inactive distributors at the corresponding periods, respectively.

BUSINESS

The following table sets forth the movement of the number of our distributors in the distribution network for the years/periods indicated below:

	Year ended December 31,			For the Six Months ended June 30,
	2022	2023	2024	2025
Number of distributors at the beginning of the period . . .	6	17	30	48
Addition of new distributors ⁽¹⁾	12	19	30	18
Inactive distributors ⁽²⁾	1	6	12	19
Net increase/(decrease) in distributors	11	13	18	(1)
Number of distributors at the end of the period	17	30	48	47

Notes:

- (1) New distributors refer to distributors who (i) had at least one transaction with us in the relevant period; and (ii) did not have any transaction with us in the immediately preceding financial year.
- (2) Inactive distributors refer to distributors who (i) did not have any transaction with us in the relevant period; and (ii) had at least one transaction with us in the immediately preceding financial year.

Relationship with Distributors

Our relationship with our distributors is a buyer-seller relationship. They are our direct customers, and they do not act on our behalf when dealing with downstream customers, and we have no management control over their order placement, inventory management, or resale activities. They place orders with us if, when and for amounts they deem appropriate based on market demand. To the best knowledge of our Directors, all of our distributors are independent third parties, and there is no family, business, employment, trust, guarantee, cash flow, financing, shareholding or other relationship between our distributors and us.

We adhere to our product return policies and generally do not allow distributors to return products other than due to product quality issues, which is in line with customary industry practice. We recognize revenue from distributor sales once products are delivered to the distributor and we receive the distributor’s acknowledgment that the relevant conditions are satisfied.

BUSINESS

Based on our policy, our distributors are prohibited from engaging sub-distributors for distribution of our products, and we do not enter into agreements or directly establish relationships with the sub-distributors either.

Contractual Arrangements with Distributors

We sell our products to our distributors in accordance with the terms outlined in our distribution agreements with the following salient terms:

- *Designated Region:* Distributors are typically authorized to sell authorized products to end customers within designated geographical regions and specific application fields, such as oncology and pathogen-related areas.
- *Product and Pricing:* The agreements specify the authorized products, including equipment and reagents, with pricing determined through mutual agreement and subject to adjustment based on market conditions. We maintain a unified pricing framework across our product portfolio.
- *Order Placement and Forecasting:* Distributors submit purchase orders based on market demand. We may require distributors to provide rolling forecasts to facilitate our production planning.
- *Minimum Purchase Requirements:* Some of our agreements may include minimum purchase quantities, with failure to meet these targets potentially resulting in price adjustments or termination of cooperation.
- *Credit and Payment Terms:* We typically grant credit terms according to the distributor’s tier classification, with payment conditions usually set out in specific purchase orders.
- *Delivery and Risk Transfer:* We are responsible for delivering products to the distributor’s designated location, with risk of loss transferring upon delivery and acceptance.
- *Return Policy:* We generally do not accept returns except for products with quality issues or expiration dates.
- *Training and Support:* We provide necessary technical knowledge training to distributors and support their sales activities with product documentation and qualifications.
- *Intellectual Property:* All intellectual property rights related to our products remain our exclusive property, with distributors prohibited from modifying products or conducting reverse engineering.
- *Term and Termination:* Agreements typically have fixed terms with automatic renewal provisions, and they may be terminated for material breach, failure to meet sales targets, or unauthorized sales outside designated regions.

BUSINESS

Distributor Management

We have adopted a set of distributor selection criteria and management policies to ensure our distributors are capable, efficient and well-resourced. Factors considered in distributor selection mainly include their geographic coverage, scale of operations, qualifications, existing customer base and market reputation. We regularly review the performance of distributors through a selection process and annual assessment. We consider various factors in renewing agreements with distributors, primarily including their qualifications, sales and marketing capabilities, sales network, financial resources, customer resources and synergies with our brands.

We take proactive measures to ensure our distributors comply with the requirements of relevant laws and regulations. We require our distributors to have adequate storage conditions and facilities and adequate sales channels resources. We adopt and implement a suite of distributor management policies to ensure distributors are in compliance with the legal requirements. Our distributor management policies typically set out a variety of operational guidelines, including inventory management and payment requirements.

We monitor market trends and formulate appropriate marketing and procurement plans in advance, which facilitate dynamic market management and ensure that our products are neither in excess nor out of stock. We formulate and implement stringent policies to prevent existing employees from working for or owning equity in any of our distributors. We use the same templates for and apply the same distributor management policies to all distributors.

In order to manage the risk of cannibalization of sales among our distributors in our distribution network, we have adopted the following measures:

- *Geographic Restrictions:* We specify the designated distribution area for which our distributors are responsible in our distribution agreements with them. The agreements also prohibit distributors from selling our products outside their respective designated distribution areas without our prior written consent.
- *End Customer Monitoring:* Our distributors focus on different distribution channels (such as hospitals, other medical institutions and pharmacies) and target distinct end customers. We communicate closely with end customers and their respective personnel in order to understand the actual usage of our products.

Due to the high degree of specialization of our products and their focus on specific hospitals and institutions, our distributors do not hold inventory. Instead, they procure our products based on market demand and place orders for the required products and equipment with us only after successfully winning a tender. According to CIC, this model is common within our industry.

Our Directors are of the view that the above measures are sufficient to mitigate potential cannibalization and competition among our domestic distributors. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material cannibalization or competition among our distributors in the domestic and overseas distribution network within the same geographical area.

BUSINESS

Payment Arrangements with Individual Customers of Clinical Laboratory Testing Services

In the PRC, physicians typically initiate clinical laboratory testing services for their patients as part of the entire process of cancer care consultation, screening, diagnosis, treatment and post-treatment health management and follow-up visit, when the physicians or hospitals lack the testing capabilities. Under our typical sales arrangement, we provide relevant clinical laboratory testing services to individual customers regardless of whether they purchase clinical laboratory testing services from us directly or through channel agents that collaborate with us. Accordingly, such individual customers are our customers.

When an individual customer purchases our clinical laboratory testing services, relevant payments may be settled through the following routes:

- ***Payments through individual customers or their relatives and friends.*** Individual customers or their relatives and friends may pay for the clinical laboratory testing service fees directly.
- ***Payments through channel agents.*** Individual customers may choose to pay for the clinical laboratory testing service fees to the channel agents, who retain pre-agreed commission and remit the remaining net proceeds to us on a monthly basis in accordance with their contract with us.

Due to the nature of our clinical laboratory testing services under our precision diagnostics solutions business, we collect and keep certain information of all of our individual customers, which generally includes their names, ID numbers and contact numbers. In addition, we conduct monthly account checking process with our channel agents to confirm the names, sources, service packages and respective purchase amounts of the individual customers. Therefore, we are able to identify the individual customers of our clinical laboratory testing services and ensure the genuineness of our sales transactions.

As confirmed by CIC, it is a common practice in our industry for payments of clinical laboratory testing service fees to be processed or settled through the above payment routes in the PRC. During the Track Record Period, there was no dispute among the individual customers, the channel agents and our Group over payments we received under this model.

BUSINESS

MARKETING

Our Sales and Marketing Team

As of June 30, 2025, we had a sales and marketing team of 282 employees in China, structured into three key business departments: the medical business department, the science collaboration business department, and the health business department.

Our sales team is responsible for carrying out sales activities in different regions domestically and globally according to our sales strategy, covering most of cities in China. Our sales and marketing personnel regularly liaise with existing and potential customers to introduce our current products and development plans, communicate the details of our products from time to time, and focus on building long-term relationships with customers. They also conduct market research, monitor competitors’ technological developments and customer needs, analyze the market environment, and customize our marketing strategies.

We also seek to enhance brand awareness and product recognition through various marketing channels such as trade fairs, industry forums, and our own website and social media platforms. For the years ended December 31, 2022, 2023, and 2024 and the six months ended June 30, 2024 and 2025, our sales and distribution expenses were RMB344.7 million, RMB235.8 million, RMB272.8 million, RMB130.4 million and RMB144.4 million, respectively, representing 19.0%, 49.9%, 49.0%, 51.6%, and 50.7% of our total revenue for the same years/periods.

Our Marketing Strategies

We employ a strategic, multi-tiered marketing approach tailored to each of our core business segments. This integrated framework is designed to achieve deep market penetration, foster customer loyalty, and drive sustainable growth through clear segmentation, complementary channel strategies, and synergistic cross-business collaboration.

- *Precision Diagnostics Solutions:* Our precision diagnostics solutions focus on key clinical scenarios including oncology, infectious disease, and organ health. We adopt a holistic coverage model centered on “in-hospital testing as the core, complemented by third-party laboratory services, and extended through customer-grade testing,” serving customers across all tiers — from top-tier tertiary hospitals and medical institutions to physical examination centers. Our goal is to establish ourselves as a leading precision diagnostics solution provider through technological excellence and closed-loop service.

BUSINESS

- *Drug R&D Enablement Solutions:* We focus on high-potential therapeutic areas such as oncology and autoimmune diseases, aiming to become a core partner in innovative drug development. To deeply engage customers across different tiers, we center our marketing strategy on “technology collaboration + customized services.” For multinational corporations, we focus on becoming a qualified central laboratory provider for multi-regional clinical trials. We also engage in co-development of interventional clinical trials and support CDx for drug expansion overseas. For small and medium-sized biotech firms, we offer customized new target development services under a “pay-for-results” model, lowering collaboration barriers and enabling comprehensive coverage across all customer tiers.
- *Clinical Research and Translation Solutions:* To strengthen academic influence and customer loyalty, our core marketing strategy emphasizes research resource integration and customized service delivery. We will establish joint laboratories with authoritative institutions, collaborating on national and provincial research projects and publishing high-impact papers in journals to continuously elevate our academic standing.

PRICING

Our pricing for our precision diagnostics solutions is underpinned by three core principles: product cost, channel structure and cost control. In determining pricing, we rigorously assess delivery costs and set clear profit targets to ensure financial sustainability. In addition, we enhance customer value and overall profitability through service bundling and package optimization.

Our pricing for drug R&D enablement solutions is determined based on a comprehensive assessment of product cost and competitive pricing. Given the tender-based nature of pharmaceutical projects, we adjust our pricing strategy by taking into account the importance of the customer, project type, procurement logic and competitive landscape.

We will continue to monitor the factors that may affect the price of our services and products and conduct multi-factor joint analysis from time to time to ensure that the price of our services and products is within a reasonable and competitive range. If there is any material change to the market that we operate in, we may adjust and optimize our pricing strategies appropriately to better adapt to the latest development.

OUR CUSTOMERS

During the Track Record Period, we derived our revenues primarily from (i) the sales of products to medical institutions, such as hospitals, ICLs and distributors, (ii) the provision of clinical laboratory testing services to hospitals, ICLs and individual customers, (iii) the provision of R&D services to pharmaceutical companies and (iv) our clinical research and translation services to medical research institutions. The medical device reagent kits we provided our customers during the Track Record Period which are required to be registered or filed with relevant governmental authority have completed the required registration or filing

BUSINESS

procedures with the relevant governmental authority in accordance with relevant laws and regulations, and we have obtained the required approval, registration documents or completed the required filing procedure for the sale of such medical device reagents kits.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the aggregate sales to our five largest customers were RMB583.0 million, RMB49.2 million, RMB52.4 million and RMB19.8 million, representing 32.1%, 10.4%, 9.4% and 6.9% of our revenue, respectively. Sales to our largest customer for the same years/periods were RMB167.6 million, RMB11.9 million, RMB15.3 million and RMB4.5 million, representing 9.2%, 2.5%, 2.7% and 1.6% of our revenue, respectively.

The table below summarizes the sales to our five largest customers for the years/periods indicated:

Year Ended December 31, 2022

Customer	Products Sold/ Services Rendered	Commencement of Business Relationship	Revenue Contribution	Percentage of Total Revenue
<i>(RMB'000)</i>				
Customer A ⁽¹⁾	Testing services	2021	167,609	9.2%
Customer B ⁽²⁾	Testing services	2022	152,477	8.4%
Customer C ⁽³⁾	Testing services	2022	122,957	6.8%
Customer D ⁽⁴⁾	Testing services	2021	87,565	4.8%
Customer E ⁽⁵⁾	Testing services	2022	52,363	2.9%
Total			582,971	32.1%

Notes:

- (1) A hospital based in Shenzhen, providing orthopedic and trauma care services.
- (2) A government authority based in Beijing, responsible for public health administration and policy implementation.
- (3) A government authority based in Shanghai, responsible for local public administration and community services.
- (4) A hospital based in Shenzhen, providing comprehensive medical services to residents.
- (5) A government-controlled state-owned enterprise based in Wuxi, engaged in investment activities, park management services and corporate management.

BUSINESS

Year Ended December 31, 2023

<u>Customer</u>	<u>Products Sold/ Services Rendered</u>	<u>Commencement of Business Relationship</u>	<u>Revenue Contribution</u>	<u>Percentage of Total Revenue</u>
<i>(RMB'000)</i>				
Customer F ⁽¹⁾	Testing services	2020	11,894	2.5%
Customer G ⁽²⁾	Equipment and reagents	2021	9,681	2.0%
Customer Group H ⁽³⁾	Equipment and reagents	2019	9,538	2.0%
Customer I ⁽⁴⁾	Equipment and reagents	2021	9,329	2.0%
Customer J ⁽⁵⁾	Testing services	2020	8,795	1.9%
Total			49,237	10.4%

Notes:

- (1) A private genomics company based in Beijing, engaged in NGS services, genetic testing and bioinformatics solutions.
- (2) A medical testing laboratory based in Guangzhou, providing clinical diagnostic services and related laboratory testing.
- (3) A private genomics services provider based in Chengdu, providing sequencing, genetic testing and related technical services.
- (4) A medical device company based in Changsha, engaged in the R&D, manufacturing and distribution of medical devices.
- (5) A biomedical technology company based in Shanghai, focusing on R&D and technical services in biomedicine.

BUSINESS

Year Ended December 31, 2024

<u>Customer</u>	<u>Products Sold/ Services Rendered</u>	<u>Commencement of Business Relationship</u>	<u>Revenue Contribution</u>	<u>Percentage of Total Revenue</u>
			<i>(RMB'000)</i>	
Customer Group K ⁽¹⁾	Equipment and reagents	2024	15,308	2.7%
Customer G	Equipment and reagents	2024	10,506	1.9%
Customer Group L ⁽²⁾	Equipment and reagents	2024	10,099	1.8%
Customer Group H	Equipment and reagents	2019	8,732	1.6%
Customer M ⁽³⁾	Equipment and reagents	2021	7,763	1.4%
Total			52,408	9.4%

Notes:

- (1) A healthcare group based in Nanjing, providing clinical testing, diagnostics and related laboratory services.
- (2) A biotechnology company based in Suzhou, providing research support and equipment solutions.
- (3) A healthcare and life-science services company affiliated with a genomics group based in Shenzhen, providing sequencing-related solutions.

BUSINESS

Six Months Ended June 30, 2025

Customer	Products Sold/ Services Rendered	Commencement of Business Relationship	Revenue Contribution	Percentage of Total Revenue
<i>(RMB'000)</i>				
Customer N ⁽¹⁾	Reagents	2025	4,536	1.6%
Customer G	Equipment and reagents	2024	4,233	1.5%
Customer Group O ⁽²⁾	Testing services and reagents	2023	4,097	1.4%
Customer P ⁽³⁾	Equipment and reagents	2015	3,467	1.2%
Customer Q ⁽⁴⁾	Equipment and reagents	2024	3,451	1.2%
Total			19,784	6.9%

Notes:

- (1) A medical technology company based in Zhengzhou, focusing on medical equipment and technology solutions.
- (2) A biotechnology company based in Suzhou, providing medical device operations and life-science technical services.
- (3) A hospital based in Beijing, providing comprehensive clinical care, research and education.
- (4) A biopharmaceutical and data-driven technology company based in Chengdu, engaged in biomedical R&D and related data services.

During the Track Record Period and up to the Latest Practicable Date, none of our Directors or any Shareholders, who, to the knowledge of our Directors, owns more than 5% of our issued share capital immediately following the completion of the [REDACTED] (but without taking into account the exercise of the [REDACTED]) nor any of their respective associates had any interest in any of our five largest customers.

OUR SUPPLY CHAIN MANAGEMENT

Suppliers

During the Track Record Period, our suppliers primarily consisted of (i) suppliers of laboratory equipment, reagents, consumables and maintenance and repair services, (ii) technical equipment and service providers, (iii) rental property providers, and (iv) human resources service providers. For the years ended December 31, 2022, 2023, 2024, and for the six months ended June 30, 2025, purchases from our five largest suppliers in aggregate accounted for 41.5%, 71.5%, 67.4% and 68.1%, respectively, and purchases from our largest supplier accounted for 17.1%, 61.0%, 55.2% and 58.8% of our total purchases for the same years/periods (including value added tax), respectively.

BUSINESS

We generally settle with our suppliers by bank transfer. Credit terms are determined on a case-by-case basis as stipulated in the supply agreements. The following tables set forth details about our five largest suppliers by purchase amount for each year and period during the Track Record Period:

Year Ended December 31, 2022

Supplier	Products/Service Provided	Commencement of Business Relationship	Purchase Amount (RMB'000)	Percentage of Total Purchase
Supplier Group A ⁽¹⁾	Instrument components, reagents, consumables, spare parts, maintenance services	2018	158,852	17.1%
Supplier B ⁽²⁾	Precision diagnostic kits	2021	97,141	10.5%
Supplier C ⁽³⁾	Human resource service	2022	48,947	5.3%
Supplier D ⁽⁴⁾	Human resource service	2022	40,590	4.4%
Supplier E ⁽⁵⁾	Equipment	2021	39,936	4.3%
Total			<u>385,466</u>	<u>41.6%</u>

Notes:

- (1) A sales and distribution company based in Shenzhen, engaged in the sale of sequencing instruments, components, reagents, consumables and after-sales services.
- (2) A molecular diagnostics company, listed on Shenzhen Stock Exchange, based in Guangzhou, engaged in the R&D, production and sale of diagnostic reagents and instruments.
- (3) A human resources services provider based in Xiamen, providing staffing and outsourced HR solutions.
- (4) An enterprise management and HR services provider based in Tianjin, providing staffing and business support services.
- (5) A molecular diagnostics company based in Suzhou, providing real-time fluorescent quantitative PCR instruments.

BUSINESS

Year Ended December 31, 2023

Supplier	Products/Service Provided	Commencement of Business Relationship	Purchase Amount	Percentage of Total Purchase
			(RMB'000)	
Supplier Group A.	Instrument components, reagents, consumables, spare parts, maintenance services	2018	174,445	61.0%
Supplier F ⁽¹⁾	Property leasing	2015	11,014	3.9%
Supplier G ⁽²⁾	Reagents	2016	7,295	2.5%
Supplier H ⁽³⁾	Reagents	2021	6,818	2.4%
Supplier I ⁽⁴⁾	Instrument components, spare parts	2018	4,944	1.7%
Total			204,516	71.5%

Notes:

- (1) A property leasing and park operations company based in Beijing, providing office and R&D space leasing.
- (2) A biotechnology reagent supplier based in Beijing, providing research and diagnostic reagents.
- (3) A biotechnology company based in Shanghai, engaged in the supply of laboratory reagents and consumables.
- (4) An instrumentation and lab supplies company based in Wuhan, providing instruments, components, reagents and consumables.

BUSINESS

Year Ended December 31, 2024

<u>Supplier</u>	<u>Products/Service Provided</u>	<u>Commencement of Business Relationship</u>	<u>Purchase Amount</u>	<u>Percentage of Total Purchase</u>
			<i>(RMB'000)</i>	
Supplier Group A	Instrument components, reagents, consumables, spare parts, maintenance services	2018	119,696	55.2%
Supplier F	Property leasing	2015	8,530	3.9%
Supplier H	Reagents	2021	8,067	3.7%
Supplier Group J ⁽¹⁾	Reagents	2018	5,408	2.5%
Supplier G	Reagents	2016	4,628	2.1%
Total			<u>146,329</u>	<u>67.4%</u>

Notes:

(1) A biotechnology reagent supplier based in Jiaying, providing laboratory reagents and consumables.

BUSINESS

Six Months Ended June 30, 2025

Supplier	Products/service provided	Commencement of Business Relationship	Purchase Amount (RMB'000)	Percentage of Total Purchase
Supplier Group A	Instrument components, reagents, consumables, spare parts, maintenance services	2018	73,642	58.8%
Supplier F	Property leasing	2015	3,992	3.2%
Supplier K	Instruments, reagents, consumables	2015	2,934	2.3%
Supplier Group J ⁽¹⁾	Reagents	2018	2,493	2.0%
Supplier I	Instruments, instrument components, spare parts, maintenance services	2018	2,260	1.8%
Total			85,321	68.1%

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 [REDACTED] (but without taking into account the exercise of the [REDACTED]) nor any of their respective associates had any interest in any of our five largest suppliers during the Track Record Period and up to the Latest Practicable Date.

Raw Materials

To produce our precision diagnostics products, our principal raw materials are reagents, enzymes, test probes, equipment and equipment components, and packaging and labeling materials. In 2022, 2023, 2024 and the six months ended June 30, 2025, our expenses of raw materials under cost of sales amounted to RMB491.6 million, RMB160.5 million, RMB163.0 million and RMB75.4 million, respectively.

We select our raw material suppliers based on a number of factors, including the quality of raw materials, after-sales service and price. We use reputable suppliers mainly from China. Specifically, to ensure product quality, we implement strict procedures when selecting raw material suppliers. We adopt a centralized procurement approach and formulate procurement plans based on procurement demand forecasts and the raw material requirements of our production teams.

BUSINESS

Before submitting a purchase request, each of our departments must conduct a rigorous evaluation of potential suppliers, including qualification reviews and product testing, to assess the suppliers’ capabilities and compliance. Once the procurement plan is finalized, the procurement department identifies suppliers through channels such as our supplier directory, industry exhibitions, and online platforms. To safeguard supply chain stability and quality, we maintain and monitor supplier records throughout the procurement process and conduct annual assessments based on key indicators such as product quality, delivery timeliness, and price stability. This ongoing supplier management mechanism enables continuous improvement and allows us to adapt to evolving business needs.

Upon delivery, warehouse personnel perform an initial inspection of the raw materials’ appearance, quantity, and delivery information. Only after passing quality inspection in the ERP system are the materials released for use, ensuring that only those meeting our stringent quality requirements are admitted into the warehouse and that defective items are prevented from entering the production line at the procurement stage. Our procurement team promptly communicates quality issues to suppliers, initiates corrective actions, and, as necessary, follows up on returns, exchanges, or compensation processes.

Procurement Agreements with Suppliers

For our principal raw materials, we generally enter into an agreement with each supplier. The table below sets forth the principal terms of our typical procurement agreements:

<i>Duration</i>	Our procurement agreements with our main suppliers usually do not have a fixed term.
<i>Pricing</i>	Price is determined by us and our suppliers mutually and adjusted as needed based on the prevailing market conditions.
<i>Payment and Credit Term</i>	Payment terms are usually set out in specific purchase orders rather than the framework agreement. We will make payments once all the payment conditions have been satisfied.
<i>Minimum Purchase Requirements</i>	Our procurement agreements with our main suppliers usually do not contain minimum purchase requirements.
<i>Returns/Exchanges</i>	We can exchange or return the raw materials or components that do not meet our quality standards.
<i>Liability/Warranty</i>	Our suppliers usually provide us with a 12-month or full-term warranty for raw materials or components supplied by them.

BUSINESS

Logistics

Our suppliers are responsible for arranging for the logistics of delivering the raw materials or components to us.

Termination/Renewal

The agreement can be terminated by either party upon the occurrence of a list of events, including the unrectified nonperformance of the other party of its obligations under the agreement and insolvency or other conditions that will affect the financial condition of the other party. After the agreement is terminated, unless the termination is due to reasons caused by us or force majeure events, our suppliers shall continue supplying raw materials or components to us until we find a new supplier, otherwise our supplier is liable for any losses we will incur as a result of shortage of supplies.

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 and had not experienced significant fluctuations in the prices of our supplies. To the best knowledge of our Directors, there has been no material breach of procurement agreements with our suppliers during the Track Record Period.

OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, some of our suppliers for R&D equipment and raw materials were also our customers. According to CIC, it is common in the industry that R&D equipment and raw materials suppliers in the pharmaceutical industry may also have their own R&D programs and have demand for our solutions and/or services. In 2022, 2023 and 2024 and the six months ended June 30, 2025, one, nil, two and one of our five largest customers for each year/period of the Track Record Period were also our supplier, generating revenue of RMB123.0 million, nil, RMB25.4 million and RMB4.1 million, which represented 6.8%, nil, 4.6% and 1.4% of our total revenue, respectively. For the same periods, the purchases from such overlapping customers and suppliers amounted to RMB2.7 million, nil, RMB121.0 million and RMB2,247, which represented 0.3%, nil, 55.8% and nil of our total purchases, respectively. In 2022, 2023 and 2024 and the six months ended June 30, 2025, one, two, three, one of our five largest suppliers for each year/period of the Track Record Period were also our customers, generating revenue of RMB0.3 million, RMB4.3 million, RMB15.8 million and RMB0.4 million, which represented nil, 0.9%, 2.8% and 0.2% of our total revenue, respectively. For the same periods, the purchases from such overlapping customers and suppliers amounted to RMB39.9 million, RMB181.3 million, RMB133.2 million and RMB73.6 million, which represented 4.3%, 63.4%, 61.4% and 58.8% of our total purchases, respectively. Negotiations of the terms of our sales to and purchases from these overlapping customers and suppliers were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. Our Directors confirmed that all of our sales to and purchases from these overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and on arm’s length basis.

BUSINESS

WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

Inventory Management

Our inventory primarily consists of instruments, testing reagents, diagnostic reagents, and raw materials. We have implemented a centralized inventory management system, which monitors each stage of the warehousing process, including requisition, procurement, inbound receipt, outbound application, and warehouse dispatch. Each production line’s material planner calculates monthly demand based on production plans and inventory levels, and submits monthly replenishment requests accordingly. Our overall inventory turnover cycle is maintained at approximately 45 to 60 days.

Logistics and Warehousing

All materials are stored in designated warehouse zones according to their type, usage, and storage conditions, including ambient, refrigerated, and frozen areas. Warehousing personnel are responsible for material inspection, storage and distribution, and conduct regular inventory checks and aging analysis to ensure consistency among physical stock, system records, and material cards. We have established clear procedures for material acceptance, quality inspection, expiry management, and disposal of obsolete or defective items. Our Directors confirm that we did not experience any material shortage in supply or overstock of inventories during the Track Record Period and up to the Latest Practicable Date. As of December 31, 2022, 2023, 2024 and as of June 30, 2025, we had inventories of RMB72.1 million, RMB49.1 million, RMB60.6 million and RMB74.5 million, respectively. See “Financial Information — Discussion of Certain Selected Items from the Combined Statements of Financial Position” for more details.

We adopt a comprehensive approach to logistics and warehousing to ensure the efficient storage and timely distribution of our products, including precision diagnostic kits, reagents, and related components. Our logistics framework integrates a combination of self-managed warehousing and outsourced logistics services, enabling us to maintain stringent quality control and operational flexibility across multiple regions in China.

We use our own warehouses for the storage of finished products, semi-finished products, and raw materials. These facilities are integral to maintaining inventory integrity, particularly for temperature-sensitive products requiring controlled environments. Upon passing rigorous quality inspections, products are either shipped directly from our production sites to customers or transferred to designated warehouses for further distribution.

We engage third-party logistics providers for transportation and final delivery services. These providers are selected based on their ability to meet our specific temperature control and handling requirements and are regularly evaluated under our supplier performance assessment system. This allows us to leverage specialized logistics expertise while ensuring reliable and compliant delivery to hospitals, research institutions, and other individual customers. Our logistics infrastructure supports the seamless distribution of our products nationwide, facilitating short delivery times and high service quality.

BUSINESS

PRODUCTION

Our production model is designed to accommodate the diverse requirements of our product portfolio, which primarily includes precision diagnostic kits, reagents, sequencing instruments, and related software products. We employ a hybrid production strategy that integrates in-house manufacturing with selective outsourcing to ensure flexibility, quality control and scalability. This approach allows us to maintain stringent oversight over critical production processes while leveraging external expertise for standardized or high-volume components.

We have established a comprehensive production framework that encompasses the entire value chain, from raw material procurement and component assembly to final product testing and packaging. All production activities are conducted in compliance with relevant PRC medical device and quality management standards, including ISO 13485:2016, which our Suzhou production base has obtained and maintained since June 2022.

We have invested significantly in building in-house production capabilities to ensure control over product quality, intellectual property and supply chain stability. Our in-house production facilities are strategically located to support our expanding product lines and regional market demands. As of the Latest Practicable Date, we operate two primary production bases:

- *Suzhou Production Base:* Located in the Suzhou Industrial Park’s BioBAY, this facility was established in August 2016 and spans a total area of 3,750 square meters. It is equipped with medical device production workshops, Class 100,000 and Class 10,000 diagnostic reagent production cleanrooms, and supporting laboratory and auxiliary areas. The base is capable of producing medical devices, *in vitro* diagnostic reagents, and software products. As of the Latest Practicable Date, the Suzhou production base employs 18 experienced production personnel and has obtained ISO 13485:2016 certification.
- *Shaoxing Production Base:* Construction of our Shaoxing facility commenced in September 2025 and is currently underway. It is planned to cover a total area of 3,628 square meters and will feature similar production capabilities as the Suzhou production base, including cleanrooms for reagent and device production. Shaoxing Production Base is expected to be operational in 2026.

BUSINESS

The following table sets forth detailed information relating to our production facilities as of the Latest Practicable Date:

Facilities	Location	GFA	Main Products	Year of Establishment/ Acquisition
Suzhou Production Base . . .	Suzhou, China	Approximately 3,750 sq.m.	Reagent kits, equipment	2016 (Established)
Shaoxing Production Base . .	Shaoxing, China	Approximately 3,628 sq.m.	Reagent kits, equipment	2026 (Expected)

The following table sets forth the production capacity, actual production volume and utilization rate of our major products for the years/periods indicated:

	Year ended December 31,			Six Months ended June 30,
	2022	2023	2024	2025
Reagent Kits				
Designed capacity				
(units)	11,800	11,800	13,500	6,750
Production volume				
(units)	4,719	8,604	12,691	6,315
Utilization rate ⁽¹⁾	40.0%	72.9%	94.0%	93.6%
Equipment				
Designed capacity				
(units)	190	170	200	100
Production volume				
(units)	110	154	185	91
Utilization rate ⁽¹⁾	57.9%	90.6%	92.5%	91.0%

Note:

- (1) Utilization rate is calculated based on the actual production volume of the relevant period divided by the production capacity for the relevant period, multiplied by 100%.

We regularly review and optimize our production schedules to align with market demand and inventory levels. All production personnel receive ongoing training to ensure adherence to quality management systems and applicable regulatory requirements.

BUSINESS

QUALITY CONTROL

Effective quality control system is essential to ensure the quality of our products and the sustainable development of our operations. Our quality management strategy covers various stages of product realization, including planning, customer-related processes, design and development, procurement, production and service provision, and control of monitoring and measuring equipment. We have obtained a medical device manufacturing license issued by the Jiangsu Medical Products Administration. We implement quality control measures throughout the production process, including procurement and inspection of raw materials, in-process quality control, and final product inspection. Key aspects of our quality control and assurance procedures are as follows:

Procurement of Raw Materials and Quality Control

We have adopted a stringent supplier selection process. Potential suppliers are assessed based on various factors, including basic corporate information (such as business status, production capacity, product quality and delivery timelines), supplier qualifications (such as business licenses and legal production and operation certificates), and quality management system certifications for manufacturing suppliers. If the supplier is a distributor, relevant authorization documents must be provided. Only suppliers that meet all our requirements are included in our approved supplier list, and we procure raw materials for production exclusively from approved suppliers. We also conduct regular reviews and evaluations of supplier performance to ensure the legality and quality of raw materials and update the approved supplier list accordingly. Suppliers that fail to meet our standards are removed from the list.

Upon delivery, raw materials are inspected to ensure compliance with our quality standards. Our warehouse personnel verify packaging information before acceptance, and our quality control team conducts sampling tests to confirm material quality. Qualified raw materials are released for production, while non-conforming materials are moved to a designated quarantine area and strictly prohibited from entering the production line.

Product In-Process Quality Control

Our quality control team regularly monitors the cleanroom environment to ensure compliance with relevant standards. Comprehensive inspections are conducted annually by qualified external institutions. Production operators are required to follow our standard operating procedures and equipment protocols, including pre- and post-production cleaning. All containers and tools used during production are cleaned and disinfected according to validated procedures that do not compromise product performance. We monitor key processes based on product-specific manufacturing flowcharts and conduct in-process inspections to ensure product quality during production.

All final products are inspected by our quality control team in accordance with product testing standards and methods. Before delivery to customers, our quality assurance team reviews all quality-related documentation, including batch production records, batch inspection records, and other relevant materials. Our quality manager conducts a final review of all documents and determines whether the product can be released for sale. Products fail to

BUSINESS

meet our quality standards are not released and are either destroyed or otherwise handled at the discretion of the quality manager. Only products approved by our quality control personnel are allowed to enter the market.

During the Track Record Period and up to the Latest Practicable Date, we did not receive (i) any fines, product recall orders or other penalties from the relevant competent authorities regarding material product quality issues, or (ii) any material complaints from customers. As of the Latest Practicable Date, our Directors and management were not aware of any pending product recalls or investigations or actions taken by relevant authorities or customer groups which may lead to a product recall. We did not receive any material product returns from our customers during the Track Record Period and up to the Latest Practicable Date, and to the best knowledge of our Directors, there were no potential material product returns as of the Latest Practicable Date.

PRODUCT RETURN AND WARRANTY

Our internal policy is to assume responsibility as required by law if the competent regulatory authorities find that our products are defective. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any such finding. We generally do not accept returns or exchanges of our products sold by us, including returns or exchanges for products that have expired or are about to expire. Distributors procure our products based on market demand. We will recall our products for quality issues when necessary. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material customer complaints about product quality or product return due to product defects.

COMPETITION

The market in which we operate is characterized by rapid changes resulting from technological advances and scientific discoveries. In addition, it is subject to changes in the overall multi-omics industry in China and globally. While we believe that our product development experience and R&D, testing and manufacturing capabilities provide us with competitive advantages, we face potential competition from various sources, including major international as well as domestic companies which are also developing precision diagnostics solutions, drug R&D enablement solutions, and clinical research and translation solutions. See “Industry Overview” for more details.

INTELLECTUAL PROPERTY RIGHTS

We have built a comprehensive intellectual property portfolio in China and overseas to protect our technologies, inventions and know-how and ensure our future success with commercializing our products. As of the Latest Practicable Date, we have had 157 registered patents in China and two internationally, 184 registered trademarks in China and five internationally, 66 pending patent applications and seven pending trademark applications in China. We believe there is no material legal impediment for us to obtain approvals for these pending patents and trademarks.

BUSINESS

Much of our intellectual property consists of know-how and trade secrets, and we often rely on the technological skills and innovation of our personnel rather than solely on patent protection. We believe that much of our business success is attributable to our technological capabilities, customer relationships, supply chain management and the technical expertise which we have developed in our business operation. To safeguard these aspects of our business, we generally rely on trade secret laws and non-disclosure agreements.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material proceedings in respect of intellectual property right infringement claims against us or initiated by us. However, there are risks if we fail to protect our intellectual property rights in the future. See “Risk Factors — Risks Relating to Our Business and Industry — We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time consuming and unsuccessful” for more details.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental, Social and Governance (ESG) considerations are an essential part of our business strategy. We are committed to building a lasting brand, and we believe our long-term success rests on our ability to make positive impacts on the environment and society. We endeavor to utilize our technology and products to offer public welfare resources to everyone. We have established various ESG initiatives to comprehensively improve our corporate governance and benefit society.

ESG Governance

We acknowledge our environmental protection and social responsibility and are committed to complying with the ESG reporting requirements upon [REDACTED]. We have established a tiered, comprehensive ESG management framework. Our Board is responsible for steering our overall ESG strategy, setting annual ESG goals, and reviewing budgets and policies. We aim to build a sustainable community with our employees, customers and partners by supporting local initiatives that aim to create effective and lasting benefits to the local community, engaging in corporate philanthropy and establishing community partnerships. Under the supervision of our management, we actively identify and monitor actual and potential impact of environmental, social and climate-related risks on our business, strategy and financial performance, and incorporate considerations of these issues into our business, strategic and financial planning. We have established a ESG Management Committee, led by our president, to supervise overall ESG matters, review ESG objectives, and report to the Board of Directors on our ESG progress. In addition, under our ESG Management Committee, we have an ESG Executive Team which is responsible for preparing ESG reports, organizing regular ESG meetings and ESG-related trainings.

We recognize the importance of environmental, social, and governance considerations as integral components of our long-term business strategy. Our Board of Directors bears overall responsibility for setting our ESG vision and strategy, while the ESG Management Committee — chaired by Ms. Yang Ling, our vice chairwoman of the Board — oversees the implementation and monitoring of ESG initiatives. This committee is supported by the ESG Management Committee and the ESG Executive Team, which are responsible for developing ESG policies, managing projects, identifying risks, and preparing ESG disclosures.

BUSINESS

Materiality Assessment

In order to identify the scope of our ESG practices and disclosure priorities, we have conducted an ESG materiality analysis. We believe that the conduct of materiality assessments is critical to our long-term development as they allow us to properly analyze and consider important ESG issues. Therefore, we place great emphasis on our interactions with our stakeholders and are committed to developing a regular communication mechanism with them in the future, and we will continue to conduct materiality assessments to better understand their needs and expectations. We will continuously conduct such analysis to collect, analyze and summarize stakeholders’ concerns in order to identify, assess and manage significant ESG issues. We have developed a materiality assessment mechanism that includes the following components:

- *Identifying Potentially Significant ESG Issues.* We keep updating our own ESG issues management based on the ESG guidelines of the Hong Kong Stock Exchange and other relevant authorities. Our management team identifies material ESG issues with reference to those guidelines and standards.
- *Inviting Stakeholders to Participate in Questionnaires.* We engage third-party consulting firms to invite stakeholders to participate in our surveys to identify specific ESG issues and determine the materiality of those ESG issues.
- *Analyzing the Questionnaires and Prioritizing Potential Material Issues.* Utilizing the questionnaire results, we identify material ESG issues by evaluating their impact on stakeholders and our sustainable development. These ESG issues are then integrated into our strategies and development plans.
- *Reviewing and Determining Material Issues and Making Disclosures.* We discuss with third-party consulting firms and key stakeholders on material ESG topics. We also conduct interviews with relevant departments within our Company based on the specific ESG topics. Based on the discussion and interviews with stakeholders and our internal departments, we determine material ESG issues and make disclosures accordingly.

This process helps ensure a thorough and systematic approach to assess ESG materiality in our business. By inviting active participation from all stakeholders, we are able to establish channels through which their concerns can be heard and addressed. We hope that this will provide us with a more comprehensive understanding of stakeholder expectations and suggestions in the future, as well as insight into how these expectations and suggestions are reflected in management decisions, providing a basis for the development of our long-term ESG strategy and a reference for the effective allocation of resources in the future.

BUSINESS

ESG Risk Management

We have adopted the following measures to identify, assess, manage and mitigate ESG risks.

Management of Environmental and Climate Changes

We seek to minimize the impact on the environment and enhance environmental sustainability and awareness by developing sustainable environmental practices and integrating them into our operations.

We strictly adhere to laws and regulations regarding environmental protection, as well as the environmental management standards. We continue to improve our management system for environmental sustainability and promote effective implementation of environmental protection measures. In addition, we have developed a series of internal guidelines and procedures for key pollutants and emissions and implemented measures for identifying, evaluating, monitoring and mitigating environmental factors to enhance our environmental protection effort at an institutional level. We actively encourage our employees and collaborate with our business partners to participate in environmental initiatives and attend trainings and educational sessions.

We actively respond to the carbon peaking and carbon neutrality goals by continuously optimizing our energy usage structure and reducing our carbon emissions. We have adopted various energy-saving measures, and we are focusing on incorporating green and low-carbon practices from the onset of our operations. In addition, we have implemented a series of measures in our daily operations to mitigate environmental risks:

- *Energy Consumption:* We have implemented energy-saving measures. We require employees to switch off lights when not in use, to automatically turn off air-conditioning when vacating office areas, and to use variable-frequency motors wherever possible for high-power equipment.
- *Water Management:* We encourage water conservation through automated faucets and signage.
- *Waste Management:* We have established “Waste Management Regulations” to standardize the handling of solid and hazardous waste. All hazardous waste is disposed of by qualified third-party providers.

BUSINESS

Metrics and Targets

We monitor the following indicators to assess and manage our environmental and climate-related risks arising from our business and production activities:

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Greenhouse gas emission (tCO ₂ e) ⁽¹⁾				
– Scope 1	N/A	N/A	N/A	N/A
– Scope 2	2,710.7	3,353.7	3,440.6	1,540.2
Total electricity consumption (kWh) .	4,368.5	5,404.9	5,544.8	2,482.1
Total water consumption (tons) . .	7,740.2	7,488.3	7,269.1	3,413.0
Non-hazardous waste produced (tons)	101.1	41.2	32.4	13.0

Note:

- (1) tCO₂e refers to tons of carbon dioxide equivalent and is the standard unit for measuring carbon footprint. The greenhouse gas emission in the table above includes only scope 2 emissions, which refer to indirect emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within our Group.

During the Track Record Period and up to the Latest Practicable Date, we complied with all relevant environmental-related laws, regulations, and standards applicable in all material respects. We were not penalized by competent authorities with respect to pollutant discharge during the Track Record Period and up to the Latest Practicable Date.

We consider the impact on the environment when evaluating future production plans, and we will continue to explore and implement innovative energy and water resource management strategies to promote sustainable development and environmental protection. We plan to reduce our energy and water consumption in our future production by setting and implementing targets for energy and water savings. For example, we plan to decrease our water consumption per capita by 10% over the next five years. And we plan to continue to improve the efficiency of our energy use.

BUSINESS

Anti-Bribery and Anti-Corruption

We have in place an anti-bribery and anti-corruption policy to safeguard against any fraud, bribe or corruption. The policy explains potential bribery and corruption conduct and our anti-bribery and anti-corruption measures. We make our internal reporting channel open and available for our staff to report any bribery and corruption acts. We also provide regular anti-corruption and anti-bribery compliance trainings for employees in order to cultivate a good compliance culture.

Supply Chain Management

We have established a supplier approval process, through which suppliers are required to provide relevant qualifications or certifications, such as their business licenses and operation licenses, among others, and demonstrate compliance with environmental and social policies prior to approval. If the suppliers are not compliant with the applicable laws and regulations regarding safety and quality or commit misconducts, we may terminate our contracts with them.

Production Policy

We are dedicated to reducing waste, pollution and energy consumption in our production process. All our subsidiaries have set up effective waste treatment for water, gas and solid waste. Through regular monitoring and third-party evaluations, we help ensure that the discharge of wastewater, waste gas and solid waste during the production and operation process meets the requirements under national and local laws and regulations. We have obtained the ISO9001, ISO14001 and ISO45001 certifications, demonstrating our ability to meet international standards for health and safety at work.

Social Responsibilities

We prioritize creating a fair and supportive work environment for our employees. We understand that our success is closely correlated to the well-being of our employees, customers, and the communities where we operate. To that end, we have launched the following social initiatives:

- *Recruitment and Equal Employment:* We are committed to providing equal employment opportunities and maintaining a diverse and inclusive workplace. Our recruitment policies prohibit discrimination based on gender, age, religion, or other protected characteristics. We recruit through multiple channels, including universities, agencies, and offer competitive compensation and benefits.
- *Labor and Employee Rights:* We uphold employees’ rights to a safe, fair, and respectful work environment. We prohibit child labor and forced labor, and have established a confidential grievance mechanism accessible via our intranet. Our human resources department addresses all complaints promptly and shares outcomes with employees to ensure transparency.
- *Remuneration and Benefits:* We offer competitive salary packages and performance-based incentives. In accordance with PRC law, we participate in statutory social insurance and housing fund schemes for all eligible employees.

BUSINESS

- *Career Development:* We have established a comprehensive training and development framework, including online and offline programs covering technical, managerial, and compliance topics. We support employees in pursuing further education and professional certifications through partial reimbursement of costs.
- *Occupational Health and Safety:* We prioritize workplace safety and have implemented detailed safety protocols, regular drills, and health check-ups. Our facilities are certified under ISO 45001, and we conduct regular risk assessments and equipment inspections to prevent accidents and ensure a healthy work environment.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to non-compliance in relation to health, work safety, social or environmental regulations that had materially and adversely affected our financial condition or business operations and had not had any accidents or claims for personal or property damage made by our employees.

INFORMATION SECURITY AND PRIVACY PROTECTION

We attach the greatest importance to data security and protection. We collect, store and process clinical and experimental data in the local servers in the PRC. We are subject to the PRC data security laws and regulations where we collect, store, and process data, and have implemented strict data security policies and procedures to ensure that the collection, use, storage, transmission and dissemination of data in PRC are in compliance with all material applicable laws and regulations. Our management is responsible for the coordination, supervision and inspection of our data security-related work.

To meet the stringent data security requirements under the PRC laws, we have established a comprehensive information security policies and management system. Our policies and management system focuses on cloud security, data security, and compliance. We have implemented a data classification and grading policy, which is centrally managed by our Information Security Committee. We classify data into five security levels based on its degree of sensitivity, with each level subject to distinct protective measures and requirements. We have established a dedicated data security team, which operates as an integral part of the Information Security Committee. Furthermore, we have dedicated policies governing data storage, transmission, access control, and data integrity. In 2023, we obtained the Data Security Management Capability (DSMC) certification, which is a strong testament to our capability in data security management. In 2021, our information management system has obtained the Level-III Certification for the Classified Protection of Cybersecurity.

BUSINESS

Our data security is upheld by constant auditing and monitoring of data to ensure day-to-day operation security. We provide ongoing data security training for our employees and relevant personnel. Furthermore, we have established a formal data security reporting and complaint system. We have standard procedures in place to address potential unauthorized access or data leakage incidents. We closely monitor the flow of data on our platforms and will create alerts in a timely manner when any abnormality is detected. We also conduct regular data security risk assessments to identify, analyze and evaluate data security risks, and formulate corresponding risk prevention and control measures.

During the Track Record Period and up to the Latest Practicable Date, we had not received any claim from any third party against us on the ground of infringement of such party’s right to data and privacy protection as provided by any applicable laws and regulations, or subject to any fines or other penalties due to non-compliance with data privacy and security laws or regulations.

However, we may still be subject to certain risks in relation to the heightened regulations and market scrutiny. See “Risk Factors — Risks Related to Our Business and Industry — We face challenges from the evolving regulatory environment and increasing public awareness on privacy, personal data protection and cyber security. Actual or alleged failure to comply with privacy, cybersecurity and data protection-related laws and regulations could adversely affect our business and reputation.” for more details.

EMPLOYEES

As of June 30, 2025, we employed 810 full-time employees. The following table sets forth the number of our full-time employees by function as of June 30, 2025:

<u>Function</u>	<u>Number of full-time employees</u>	<u>Percentage</u>
Research and Development	191	23.6%
Sales and Marketing	282	34.8%
Manufacturing and Testing	243	30.0%
Management and Administrative.	94	11.6%
Total	810	100.0%

We recruit our employees based on a number of factors, including work experience, educational background and the requirements of a relevant vacancy. We invest in continuing education and training programs for our management staff and other employees to upgrade their skills and knowledge continuously. We provide our employees training in various areas, such as product knowledge, project development and team building. We also assess our employees based on their performance to determine their salary, promotion and career development.

BUSINESS

In compliance with the relevant PRC labor laws, we enter into individual employment contracts with our employees, covering matters such as terms, wages, bonuses, employee benefits, workplace safety, confidentiality, non-competition and grounds for termination. In addition, we are required under PRC laws and regulations to make contributions to statutory employee benefit plans (including pension plans, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing funds) at a certain percentage of our employees’ salaries, including bonus and allowances, up to a maximum amount specified by the local government. During the Track Record Period, we did not have any non-compliance with statutory social security insurance fund and housing fund obligations applicable to us under applicable laws in all material respects.

We are also subject to safety laws and regulations of the PRC. We have implemented various internal occupational health and safety procedures to maintain a safe work environment, including adopting protective measures at our testing and production facilities, inspecting our equipment and facilities regularly to identify and address safety hazards, and providing regular training to our employees on safety awareness.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material claims, lawsuits, penalties or administrative actions relating to non-compliance with occupational health and safety laws or regulations, and had not experienced any strikes, labor disputes or industrial actions which have had a material effect on our business.

PROPERTIES

Our principal executive offices are located in Beijing, China. 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 total assets.

As of the Latest Practicable Date, we did not own any properties, and we leased 19 properties in China with an aggregate gross floor area of approximately 28,051.19 sq.m., which were primarily used as R&D buildings, production facilities and administrative offices. 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. During the Track Record Period and up to the Latest Practicable Date, we did not experience any dispute arising out of, or in relation to, our leased properties.

BUSINESS

Title Defects of Certain Leased Property

As of the Latest Practicable Date, two of our leased properties with an aggregate gross floor area of approximately 5,253.19 sq.m. were subject to potential title defects, as the lessors of such leased properties had not provided us with the relevant title ownership certificates or sublease permits. As a result, the leases may not be valid if such lessors are unable to obtain certificates of title because such properties were built illegally or failed to pass the inspection or other reasons, or if such lessors are not the owners of the properties and they have not obtained consents from the owners or their lessors, and there are risks that we may not be able to continue to use such properties, according to our PRC Legal Advisor. However, in the event that we are unable to continue using these leased properties, we, as the lessee, may seek indemnity from the lessor in accordance with relevant PRC laws and regulations and the lease agreements. Additionally, it is the lessors’ responsibility to obtain the property ownership certificates to enter into the leases, and, as a lessee, we will not be subject to any administrative punishment or penalties in this regard. We believe these protections significantly mitigate our risks arising from these leased properties due to claims from the legal owners of the properties. As of the Latest Practicable Date, one leased property has inconsistent contractual purpose with the usage stated in the property ownership certificates. Under the Administrative Measures for Commodity Housing Leasing (《商品房屋租賃管理辦法》) of the PRC, if a property’s usage has been altered in violation of applicable regulations, the lessor is prohibited from leasing such property. In the event of non-compliance, the competent authorities may order rectification within a prescribed period and impose a fine ranging from one to three times the illegal gains, subject to a maximum of RMB30,000. If any lessor is unable to continue providing the relevant leased premises due to such non-compliance, or is penalized by the competent authorities, we may face potential risks of being unable to continue using these leased properties.

Even if we are required not to use such leased properties and to relocate in the future, we believe there is a sufficient reservoir of comparable alternative properties in proximity. The estimated cost of relocation is immaterial and will not have any material adverse effect on our financial conditions. As of the date of this document, we are not aware of any challenges being made by a third party or government authority to the titles of any of these leased properties that might affect our current occupation. Based on the aforementioned, our Directors are of the view that the potential title defects will not have a material adverse impact on our production and business operations.

BUSINESS

Non-Registration of Certain Leased Property

As of the Latest Practicable Date, 19 lease agreements of our leased properties had not been registered and filed with relevant land and real estate management departments in China. Under the relevant PRC laws and regulations, the parties to a lease agreement have the obligation to register and file the executed lease agreement. As advised by our PRC Legal Adviser, the validity and enforceability of the lease agreements are not affected by the failure to register or file the lease agreements with the relevant government authorities. According to the relevant PRC regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease, resulting in our total financial exposure in terms of penalties in relation to the lease non-registration being RMB190,000. As of the Latest Practicable Date, we have not received any order from the relevant government authorities requiring us to register these lease agreements. We undertake to cooperate fully to facilitate the registration of lease agreements once we are notified of any requirements by the relevant government authorities.

INSURANCE

We maintain insurance coverage for our daily operations. Our principal insurance policies primarily include insurance for our business operations, which we believe cover major risks in our daily operations. We also have product liability insurance. In line with general market practices, we do not maintain certain policies that are not available in the locations wherein we operate or that are not generally required by laws.

We believe that our insurance coverage is adequate for our business and in line with general market practice. We expect to continue to review and assess our risk portfolio and make necessary and appropriate adjustments to our insurance plans to align with our needs and with industry practice. During the Track Record Period, we did not make any material insurance claims in relation to our business.

LICENSES, PERMITS AND APPROVALS

We are required to obtain various permits, licenses, approvals and certifications from government authorities as required under PRC laws and regulations. As advised by our PRC Legal Advisor, we had duly obtained the requisite licenses, permits, approvals and certificates from applicable authorities which are material to our operations, and such licenses, permits, approvals and certificates are valid and subsisting as of the Latest Practicable Date.

BUSINESS

The following table sets forth the key licenses and permits that were material to our business and operations as of the Latest Practicable Date:

License/Permit	Holder	Grant Date	Expiration Date
Approval for Clinical Gene Amplification Testing Technology (臨床基因擴增檢驗技術批准)	Beijing Lab	March 8, 2016	NA
Filing for Pathogenic Microorganism Laboratory and Laboratory Activities (病原微生物實驗室及實驗室活動備案)	Beijing Lab	May 22, 2020	NA
Medical Institution Practising Licence (醫療機構執業許可證)	Beijing Lab	November 18, 2025	November 18, 2030
Medical Device Production License (醫療器械生產許可)	Suzhou Biomedical	January 17, 2024	January 16, 2029
Medical Device Production Record Filing Certificate (醫療器械生產備案)	Suzhou Biomedical	NA	NA
Medical Device Production License (醫療器械生產許可)	Changsha Biomedical	July 19, 2023	July 18, 2028
Medical Device Distribution Record Filing Certificate (醫療器械經營備案)	Beijing Lab	NA	NA
Medical Device Distribution License (醫療器械經營許可)	Shenzhen Biotechnology	May 10, 2021	May 9, 2026

We renew the licenses, permits, approvals and certificates from time to time to comply with the relevant laws and regulations. As advised by our PRC Legal Advisor, on the premise that the current relevant laws and regulations remain effective and unchanged, there is no material legal impediment to renewing our licenses, permits, approvals and certificates required for our operations.

LEGAL PROCEEDINGS AND REGULATORY COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations. Our Directors are of the view that we had complied, in all material respects, with all relevant laws and regulations in the jurisdictions we operate in during the Track Record Period and up to the Latest Practicable Date.

BUSINESS

AWARDS AND RECOGNITION

The following table sets out major awards and recognitions we received as of the Latest Practicable Date:

<u>Award/Recognition</u>	<u>Award Authority</u>	<u>Award Year</u>
Suzhou Tumor MRD Precision Diagnosis and Treatment Technology Innovation Consortium	Suzhou Science and Technology Bureau	2025
Top 50 Innovative Biotech Enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area 2025 (8th Edition)	Guangdong Zhongchuang Industrial Research Institute	2025
China Patent Award of Excellence . .	National Intellectual Property Administration	2023
2022 Qilin Science and Technology Award	Beijing Science and Technology Talent Research Association	2023
2022 China Industry-University-Research Cooperation Innovation Award . .	China Industry-University-Research Collaboration Promotion Association	2023
2022 Single-Cell Pioneer Award — Most Investable Enterprise	Organizing Committee of the International Conference on Single-Cell and Spatial Omics	2023
2022 Most Promising Unicorn Enterprise	GuruClub	2023
2022 China Human Resources “Sirius” Best Employer Brand Award	China Human Resources & Sirius Selection Committee	2023
2022 Hurun Global Gazelle Enterprise	Hurun Research Institute	2022
Top 10 Innovative In Vitro Diagnostics — High-Throughput Sequencing Category	China Smart Diagnostic Medicine Ranking	2022

RISK MANAGEMENT AND INTERNAL CONTROL

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We are dedicated to continuously improving these systems. We have adopted and implemented risk management policies in various aspects of our business operations. Our Board is responsible for the establishment and updating of our internal control systems, while our Audit Committee monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional department.

BUSINESS

Operational Risk Management

We are faced with operational risks relating to our daily operations, which primarily arise from inadequate or failed internal controls and systems, human errors, IT system failures or external events. We consider these operational risks to be the key risks in our business and believe that, with adequate operational policies and procedures, these inherent risks can be controlled and mitigated. To ensure effective risk management, we have put in place a detailed risk management policy which sets out the main operational risks and risk control measures of each department within our Group. We conduct risk management evaluations on an annual basis and our internal audit department will report the evaluation results to our Directors for further improvement.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, including accounting manual, budget management policies, treasury management policies, expense management policies, and employee reimbursement policies. We have various procedures and IT systems in place to implement our accounting policies, and our finance department reviews our management accounts based on such procedures. For example, we implement our budget plan through the IT system and continuously track various operating expenses for effective monitoring. We also provide regular training to our finance department employees to ensure that they understand our financial management and accounting policies and implement them during daily operations.

Compliance Risk Management

We are subject to evolving regulatory requirements in the PRC, including requirements to obtain and renew certain licenses, permits, approvals and certificates for our business operations in different regions. In order to manage our ongoing compliance with the laws and regulations applicable to our business effectively, we have implemented several internal control measures. In particular, we have a dedicated department that regularly monitors changes in laws, regulations and policies issued by the relevant government authorities in the regions we operate to ensure we obtain requisite licenses to operate our business, and we have the up-to-date understanding of the applicable requirements. In addition, we will monitor and review the status of our licenses and permits on a regular basis. We continually improve our internal policies according to changes in laws, regulations and industry standards, and update our internal protocols accordingly.

Intellectual Property Risk Management

To ensure proper management of our intellectual property and avoid litigation concerning intellectual property infringement, we have implemented various internal policies and established an internal intellectual property management system. As a technology-intensive company, we have been and may continue to be subject to claims from companies holding patents or other intellectual property rights, alleging infringement of such rights or otherwise asserting their rights and urging us to obtain licenses in the course of our operations. See “Risk Factors — Risks Related to Our Business and Industry — We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time consuming and unsuccessful” for more details.

BUSINESS

Human Resources Risk Management

We have put in place a series of human resources policies and codes of conduct, which contain internal rules and guidelines regarding anti-corruption, conflicts of interest, confidentiality and intellectual property protection, work ethics, and fraud prevention mechanisms. We provide employees with regular training and guide employees to work in accordance with the policies and codes of conduct.

We have in place an anti-bribery and corruption policy to safeguard against any corruption within our Group. The policy explains potential bribery and corruption conduct and our anti-bribery and corruption measures. We make our internal reporting channel open and available for our employees to report any bribery, and corruption acts to the head of internal audit on an anonymous basis.

FINANCIAL INFORMATION

The following discussion and analysis should be read in conjunction with the combined financial information together with the accompanying notes in the Accountants’ Report set out in Appendix I to this document. Our combined financial information has been prepared in accordance with all applicable International Financial Reporting Standards (IFRSs), which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions. You should read the whole Appendix I and not rely merely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to the future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis made by us 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, our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. In evaluating our business, you should carefully consider the information provided in the section headed “Risk Factors” in this document. Unless the context otherwise requires, financial information described in this section is described on a combined basis.

OVERVIEW

We are a leading precision medicine company in China with AI capabilities embedded at core stages of the biomarker value chain. Built on a proprietary AI multi-omics infrastructure incorporating large models and agentic AI, we have forged full-cycle capabilities spanning multi-omics biomarker and target discovery, validation, product development and commercialization. We provide three solution lines, namely precision diagnostics, drug R&D enablement and clinical research and translation, mainly to hospitals, pharmaceutical and biotechnology companies and medical research institutions. Through a synergistic multi-omics and AI framework, we aim to accelerate the shift of AI-powered multi-omics technologies into scalable clinical application, addressing critical unmet medical needs across China’s vast patient population.

During the Track Record Period, we recorded revenue of RMB1,815.0 million, RMB472.8 million, RMB557.1 million and RMB285.0 million. We recorded net profit of RMB371.5 million and RMB54.1 million during 2022 and 2023, and net loss of RMB424.3 million, RMB199.5 million and RMB413.8 million for 2024, for the six months ended June 30, 2024 and 2025, respectively.

BASIS OF PREPARATION

The historical financial information has been prepared based on the accounting policies set out in Note 4 to the Accountants’ Report set out in Appendix I to this document which conform with IFRS Accounting Standards issued by the IASB. For the purpose of preparing and presenting the historical financial information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2025 throughout the Track Record Period.

FINANCIAL INFORMATION

The preparation of the historical financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgements, estimates and assumptions in the process of applying our accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the historical financial information, are disclosed in Note 5 to the Accountants’ Report set out in Appendix I to this document.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations are affected by general conditions that typically affect the markets we compete in, primarily including:

- global demand and competition for AI multi-omics services solutions;
- the overall economic conditions;
- the advancement in technologies relating to multi-omics solutions; and
- government regulations, policies and initiatives affecting our business and operations.

In addition to above general factors, our results of operations have been, and are expected to continue to be, materially affected by below specific factors:

Growth of the Multi-Omics Solution Market in China

Our financial performance and future growth prospects are closely tied to the overall expansion and development of the multi-omics solution market in China. This market grew from RMB23.3 billion in 2019 to RMB46.4 billion in 2024, at a CAGR of 14.8%, and is expected to reach RMB122.6 billion by 2030, fueled by expanded medical applications, increased investment in targeted research, adoption of various technologies and favorable regulatory policies.

We expect the market will evolve through a full-chain upgrade, encompassing from device iteration, algorithm integration, laboratory automation, and the diversification of application scenarios and business models. With our early entry into this field, strong technical expertise, and established brand reputation, we are well-positioned to capture such secular growth, expand our market share, and improve our results of operation and financial performance.

R&D Capabilities to Advance Offerings

Our business performance and long-term growth are highly dependent on our ability to advance the core technologies underpinning our AI-driven multi-omics services and to translate these technological enhancements into commercially viable offerings. Sustained success requires us not only to deepen our R&D capabilities, but also to continuously upgrade, enhance, and expand our solution portfolio to meet evolving clinical and research needs.

FINANCIAL INFORMATION

During the Track Record Period, we made significant progress in strengthening our R&D infrastructure. We developed our AiBox Agent, MarkerMind Agent, a novel biomarker discovery agent, and TargetMind Agent, a cutting-edge target discovery agent. These platforms have supported rapid iteration of our solutions and expanded the depth and breadth of our service capabilities. In 2022, 2023 and 2024 and for the six months ended June 30, 2025, we incurred research and development expenses of RMB176.8 million, RMB180.4 million, RMB117.3 million and RMB62.8 million, representing 9.7%, 38.1%, 21.1% and 22.0% of revenue for the respective periods, reflecting our commitment to sustained innovation.

Our continued growth also depends on our ability to provide new offerings while enhancing the performance, efficiency, and clinical utility of our existing solutions, including precision diagnostics, drug R&D enablement, and clinical research and translation. For example, we have developed proprietary large models that leverage our extensive experience in NGS, which accelerate biomarker discovery and validation. These upgrades have enhanced testing consistency, increased throughput, and shortened TAT, thereby contributing to greater customer satisfaction and operational efficiency.

By consistently investing in and advancing our R&D capabilities, we reinforce our competitive advantage, and ensure that innovation remains a primary engine of our financial performance.

Our Ability to Further Commercialize Our Products

Our business and results of operations rely primarily on our ability to obtain and maintain the requisite regulatory approvals for our products and to successfully commercialize them in our target markets. The timing and outcome of regulatory processes administered by the NMPA, FDA, and other comparable authorities are inherently uncertain, and any delay, limitation, or failure to obtain such approvals may directly affect our commercialization timeline, restrict our market access, and adversely impact our revenue generation prospects.

Since 2015, we have successfully launched a portfolio of products and services for cancer precision treatment. Our key offerings, including the Gene⁺ Oncology 3-Gene Variant Assay (吉先鋒®), the Gene⁺ Oncology Multi-Gene Variant Assay (吉致安™), and the Gene⁺ Oncology 188-Gene Variant Assay (吉迅安®), are designed to meet the diverse needs of patients. Gene⁺ Oncology 3-Gene Variant Assay (吉先鋒®) is our first product to receive Class III medical device registration from the NMPA. Our future operating performance will depend on the continued market uptake of these products and our ability to introduce related products or services into the market upon securing the requisite regulatory clearances.

Our financial results will be driven by (i) the level of market acceptance of our products, (ii) the expansion and effectiveness of our sales and distribution network, and (iii) our ability to ensure adequate and compliant manufacturing capacity to satisfy market demand. As of the Latest Practicable Date, we have established multiple sales channels including direct sales and distributor-based sales to effectively serve a diverse range of customers.

FINANCIAL INFORMATION

Notwithstanding our commercialization strategy, our revenue growth will ultimately depend on our ability to secure necessary regulatory approvals, achieve market acceptance, and expand commercial channels. Any shortfall in these areas may adversely affect our business, financial condition, and results of operations.

Our Ability to Improve Operating Efficiency

Our effective control of cost of sales and ability to improve operating efficiency has made our business more profitable. We have devoted efforts to control our cost of sales, which primarily includes (i) raw materials, such as reagents and consumables, (ii) manufacturing expenses, (iii) staff costs, and (iv) testing fees. Our cost of sales as a percentage of revenue was 58.1%, 48.6%, 39.7% and 31.5% in 2022, 2023 and 2024 and for the six months ended June 30, 2025, respectively. The decline in the proportion of cost of sales to revenue is mainly due to our cost structure optimization and efficiency improvement measures, as well as the adoption of self-developed raw materials.

A significant portion of our costs of sales and operating expenses are fixed in nature, such as depreciation and amortization, which do not fluctuate significantly with the movement of our sales. Therefore, increases of sales tend to improve our cost efficiency and profitability through economies of scale. Nevertheless, there are input costs and other factors affecting our operational efficiency that are beyond our control. And despite our continued investments in efforts to optimize operations, future efficiency gains cannot be assured. Our ability to improve operating efficiency will remain a key factor with direct impact on our business, financial condition, results of operations and prospects.

Impact of the COVID-19 Pandemic

Our financial performance during the Track Record Period has been significantly affected by the conclusion of the COVID-19 pandemic and the gradual phasing-out of our COVID-19 nucleic acid testing services. During the pandemic period, such testing services constituted a material revenue contributor under our precision diagnostics solutions. As public health conditions normalized and large-scale testing programs came to an end, demand for these services declined, resulting in a corresponding decrease in revenue and gross profit from our precision diagnostics solutions. Although the cessation of providing COVID-19 nucleic acid testing services led to lower overall revenue, the business mix shift toward our non-COVID diagnostic offerings, which generally carry higher margins, contributed to an improvement in the gross profit margin of our precision diagnostics solutions.

The impact of the pandemic's conclusion represents a structural change to our revenue profile, as we no longer expect COVID-19 nucleic acid testing services to remain a meaningful driver of our financial performance. Our ability to continue expanding and strengthening our non-COVID diagnostic portfolio, and to mitigate the effects of this transition on our revenue base, is a key factor affecting our business, financial condition, results of operations and prospects.

FINANCIAL INFORMATION

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through cash generated from our operations and bank borrowings. As of June 30, 2025, we had a total amount of RMB96.0 million of cash and cash equivalents, which primarily consisted of demand deposits and short-term deposits. Going forward, with the sales and increase of market shares of our current services and the expansion of our service offerings, we expect to generate increasing amounts of funds to support our operations. However, with the continuing expansion of our business and development of new solutions, we may require further funding through public or private equity offerings, debt financing and other sources. Any changes in our ability to fund our operations will affect our cash flow and results of operation.

MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGEMENTS

We have identified certain accounting policies that are significant to the preparation of our financial statements. In the application of our accounting policies, our management is required to make judgements, estimates and assumptions that affect the application of accounting policies. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about the 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.

We set forth below accounting policies that we believe involve the most significant estimates, assumptions and judgements used in the preparation of our financial statements. Our significant accounting policies, as well as our key source of estimation uncertainties, which are important for understanding our financial condition and results of operations, are set forth in Notes 4 and 5 to the Accountants’ Report set out in Appendix I to this document.

Revenue

Precision Diagnostics Solutions

Revenue from precision diagnostics solutions includes provision of clinical laboratory testing services, sale of IVD products and COVID-19 nucleic acid testing services.

Provision of clinical laboratory testing services

Clinical laboratory testing services refer to genetic tests which examine samples taken from the human body, such as blood and tissue, including early detection of cancer services. The service period for each test is generally around 3-7 days. Our customers include hospitals and individuals. Revenue from clinical laboratory testing services is recognized at the point in time when the service is provided and accepted by the customer, generally on the delivery of the testing reports.

FINANCIAL INFORMATION

We also sell clinical laboratory testing services to individuals in package which contain multiple performance obligations (i.e., provision of at least two tests). Each service is capable of being distinct and separately identifiable from other promises in the contracts and therefore, represents distinct performance obligations. Revenue is allocated to each service using a relative standalone selling price basis and the standalone selling prices are generally directly observable.

We sell clinical laboratory testing services either directly to individual customers or through agents to reach more individual customers. For sales directly to individuals, when the customer initially purchases the clinical laboratory testing services, the transaction price received by the Group is recognized as a contract liability until the delivery of the testing reports to the customer. For sales to individual customers via agents, we either (i) receive a gross consideration directly from the individual customer and then pay commission fee to the respective agent; or (ii) receive a net consideration from an agent, which is calculated by deducting the commission fee to the agent from the gross consideration that the individual customer pays to the agent. The gross consideration paid by the individual customers either to us or to our agents is recorded as revenue when the service is provided and accepted by the individual customer. For sales to individuals via agents, the normal credit term is 15 days from the date of monthly settlement statement with each agent.

Sale of IVD products

IVD products refer to in vitro diagnostic products, including equipment and assays. We sell IVD products either directly to customers (i.e., hospitals and industry companies) or through distributors to reach more customers. Revenue from the sale of IVD products is recognized at a point in time when control of the IVD products is transferred, being when the goods have been received and accepted by the customer. The normal credit term is 30 to 180 days from the date of receipt and acceptance.

Certain contracts contain more than one performance obligation (i.e., the sale of equipment and assays). Each IVD product is capable of being distinct and separately identifiable from other promises in the contracts and therefore, represents distinct performance obligations. Revenue is allocated to each IVD product on the basis of relative standalone selling price and the standalone selling prices are generally directly observable in the contract.

Certain contracts contain a lease component and one or more additional non-lease components (i.e., the lease of equipment and the sales of assays), the Group allocates the consideration in the contract to each performance obligation on the basis of relative standalone selling price.

COVID-19 nucleic acid testing services

We provide COVID-19 nucleic acid testing services to individuals, hospitals, enterprises and government authorities. Revenue from COVID-19 nucleic acid testing services is recognized at the point in time when the service is provided and accepted by the customer, generally on the delivery of the testing reports.

FINANCIAL INFORMATION

For sales to individuals, when the customer initially purchases the Covid-19 nucleic acid testing services, the transaction price received by us is recognized as a contract liability until the delivery of the testing reports to the customer. For sales to hospitals, enterprises and government authorities, the normal credit term is 30 days upon delivery.

Drug R&D Enablement Solutions

We provide drug R&D enablement solutions based on related genetic testing results to biopharmaceutical companies in development of new drugs. Drug R&D enablement solutions are recognized at the point in time when the service is provided and accepted by the customer, generally on delivery of the specified reports.

The normal credit term of drug R&D enablement solutions is 30 to 90 days from the delivery of reports.

Clinical Research and Translation Solutions

Revenue from clinical research and translation solutions refers to the clinical research and translation services and sequencing services. We provide clinical research and translation services based on related genetic testing results to medical research institutions. Research services are recognized at the point in time when the service is provided and accepted by the customer, generally on delivery of the specified reports.

We provide sequencing services to genomic sequencing companies and other industry companies. Sequencing services are recognized at the point in time when the service is provided and accepted by the customer, generally on delivery of the specified reports.

The normal credit term of other technology services is 30 to 90 days from the delivery of reports.

Property, Plant and Equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the combined statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

FINANCIAL INFORMATION

Share-Based Payments

Equity-Settled Share-Based Payments Transactions

Share Options Granted to Employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognized in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based payments reserve will continue to be held in share-based payments reserve.

Financial Assets

Classification and Subsequent Measurement of Financial Assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows;
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- all other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments we manage together have had a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

FINANCIAL INFORMATION

(i) *Amortized cost and interest income*

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) *Financial Assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortized cost or fair value through other comprehensive income (FVTOCI) or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss excludes any dividend or interest earned on the financial asset.

Impairment of Financial Assets subject to Impairment Assessment under IFRS 9

We perform impairment assessment under ECL model on financial assets (including trade and other receivables, pledged/restricted bank deposits and cash and cash equivalents), which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (12m ECL) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on our historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

We always recognize lifetime ECL for trade receivables.

For all other instruments, we measure the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case we recognize lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

FINANCIAL INFORMATION

Derecognition of Financial Assets

We derecognize a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial Liabilities and Equity

Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by us are recognized at the proceeds received, net of direct issue costs.

Financial Liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial Liabilities at Amortized Cost

Financial liabilities including trade and other payables, bank loans and amounts due to the holding company are subsequently measured at amortized cost, using the effective interest method.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 *Business Combinations* applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

FINANCIAL INFORMATION

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with our documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value that is attributable to changes in the credit risk (excluding changes in fair value of the derivatives component) is recognized in other comprehensive income, unless the recognition of the effects of changes in the credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to the credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss, they are transferred to retained profits upon derecognition of the financial liabilities.

Shares with Preferred Rights

Shares with preferred rights, which contain redemption features and other embedded derivatives, are designated as financial liabilities at FVTPL as a whole, with fair value changes recognized in profit or loss in “changes in fair value of financial liabilities designated at FVTPL.”

Derecognition of Financial Liabilities

We derecognize financial liabilities when, and only when, our obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

FINANCIAL INFORMATION

DESCRIPTION OF SELECTED COMPONENTS OF COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our combined statements of profit or loss and other comprehensive income for the periods indicated:

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Revenue	1,814,975	472,831	557,132	252,886	284,985
Cost of sales	(1,054,744)	(229,940)	(220,990)	(100,527)	(89,682)
Gross profit	760,231	242,891	336,142	152,359	195,303
Other income	15,113	16,077	11,467	3,637	8,393
Impairment losses under ECL model, net of reversal	(5,085)	(206)	(6,905)	(4,095)	(3,545)
Other gains and losses, net . . .	(8,609)	(2,209)	2,973	875	1,496
Distribution and selling expenses	(344,705)	(235,812)	(272,825)	(130,376)	(144,395)
Research and development expenses	(176,763)	(180,385)	(117,319)	(61,074)	(62,783)
Administrative expenses	(114,284)	(140,705)	(97,161)	(46,160)	(40,337)
Profit (loss) from operations . . .	125,898	(300,349)	(143,628)	(84,834)	(45,868)
Changes in fair value of financial liabilities designated at fair value through profit or loss (“FVTPL”)	266,590	355,509	(272,131)	(109,962)	(361,718)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Finance costs	(4,585)	(8,743)	(8,559)	(4,259)	(2,698)
Profit (loss) before tax	387,668	45,104	(425,654)	(200,391)	(414,719)
Income tax (expense) credit . . .	(16,142)	9,023	1,314	858	910
Profit (loss) and total comprehensive income (expense) for the year/period attributable to owners of the Company	371,526	54,127	(424,340)	(199,533)	(413,809)

FINANCIAL INFORMATION

Non-IFRS Measures

We use adjusted net profit/(loss) (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS, to supplement our combined financial statements which are presented under IFRS. We believe that such non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impact of certain items and provide useful information to [REDACTED] and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, our presentation of the adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net profit/(loss) (non-IFRS measure) as loss for the year/period adjusted for, changes in fair value of financial liabilities designated at FVTPL and [REDACTED]. Changes in fair value of financial liabilities designated at FVTPL are neither related to the ordinary course of our business nor indicative of our ongoing core operating performance. The [REDACTED] are non-recurring expenses and we do not expect to record further [REDACTED] after the [REDACTED].

The following table sets forth a reconciliation of our profit/(loss) for the year/period to adjusted net profit (non-IFRS measure) for the periods indicated.

	For the Year Ended December 31,			For the Six Months Ended	
	2022	2023	2024	June 30,	2025
				2024	2025
	<i>(RMB in thousands)</i>				
	(unaudited)				
Profit/(loss) for the year/period	371,526	54,127	(424,340)	(199,533)	(413,809)
Adjusted for:					
Changes in fair value of					
financial liabilities designated					
at FVTPL	(266,590)	(355,509)	272,131	109,962	361,718
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net profit/(loss) for					
the year/period (Non-IFRS					
measures)	105,171	(300,069)	(150,873)	(88,235)	(47,656)

FINANCIAL INFORMATION

Revenue

We primarily generated revenue from the provision of (i) precision diagnostics solutions, including provision of clinical laboratory testing services, sales of IVD products, and provision of COVID-19 nucleic acid testing services, (ii) clinical research and translation solutions, and (iii) drug R&D enablement solutions. The following table sets forth a breakdown of our revenue by business segments for the periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
(unaudited)										
Precision diagnostics solutions	1,735,788	95.6	335,800	71.0	436,393	78.3	200,184	79.2	221,550	77.7
Clinical research and translation solutions . .	61,417	3.4	111,361	23.6	92,785	16.7	37,622	14.8	50,333	17.7
Drug R&D enablement solutions	17,770	1.0	25,670	5.4	27,954	5.0	15,080	6.0	13,102	4.6
Total	1,814,975	100.0	472,831	100.0	557,132	100.0	252,886	100.0	284,985	100.0

Cost of Sales

Our cost of sales consists primarily of (i) raw materials, (ii) manufacturing expenses, (iii) staff costs, and (iv) testing fees. The following table sets forth a breakdown of our cost of sales by nature, in absolute amounts, for the periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
(unaudited)										
Raw materials	491,590	46.6	160,541	69.8	162,976	73.7	81,844	81.4	75,365	84.0
Manufacturing expenses .	224,213	21.3	57,338	24.9	45,591	20.6	22,495	22.3	18,446	20.6
Staff costs	376,547	35.7	31,393	13.7	22,478	10.2	10,820	10.8	10,258	11.4
Testing fees	4,640	0.4	1,792	0.8	8,787	4.0	695	0.7	629	0.7
Others ⁽¹⁾	(42,246)	(4.0)	(21,124)	(9.2)	(18,842)	(8.5)	(15,327)	(15.2)	(15,016)	(16.7)
Total	1,054,744	100.0	229,940	100.0	220,990	100.0	100,527	100.0	89,682	100.0

Note:

(1) Include inventory movement and other reclassifications.

FINANCIAL INFORMATION

Gross Profit

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

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
(RMB in thousands, except for percentages)										
(unaudited)										
Precision diagnostics solutions	743,408	42.8%	205,809	61.3%	295,158	67.6%	132,308	66.1%	167,531	75.6%
Clinical research and translation solutions . .	3,913	6.4%	20,687	18.6%	21,668	23.4%	9,456	25.1%	18,456	36.7%
Drug R&D enablement solutions	12,910	72.7%	16,395	63.9%	19,316	69.1%	10,595	70.3%	9,316	71.1%
Overall	760,231	41.9%	242,891	51.4%	336,142	60.3%	152,359	60.2%	195,303	68.5%

Other Income

Our other income consists primarily of (i) government grants, and (ii) interest income on bank deposits. The following table sets forth a breakdown of our other income by nature, in absolute amounts, for the periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
(unaudited)										
Government grants . . .	14,674	97.1	13,524	84.1	9,332	81.4	2,741	75.4	7,977	95.0
Interest income on bank deposits	301	2.0	2,153	13.4	1,769	15.4	619	17.0	235	2.8
Others	138	0.9	400	2.5	366	3.2	277	7.6	181	2.2
Total	15,113	100.0	16,077	100.0	11,467	100.0	3,637	100.0	8,393	100.0

FINANCIAL INFORMATION

Impairment Losses under ECL Model, Net of Reversal

Our impairment losses under ECL model, net of reversal represent impairment losses recognized on trade and other receivables. The following table sets forth a breakdown of our impairment losses under ECL model, net of reversal, by nature, in absolute amounts, for the periods indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	Amount	Amount	Amount	Amount	Amount
<i>(RMB in thousands, except for percentages)</i>					
<i>(unaudited)</i>					
Impairment losses recognized (reversed) on:					
Trade receivables	4,549	717	6,917	4,107	3,538
Other receivables	536	(511)	(12)	(12)	7
Total	5,085	206	6,905	4,095	3,545

Other Gains and Losses, Net

Our other gains and losses consist primarily of (i) impairment loss recognized in respect of property, plant and equipment, (ii) (loss) gain on disposal of property, plant and equipment, (iii) loss (gain) on early termination or modification of leases, (iv) changes in fair value of financial assets at FVTPL, and (v) donation. The following table sets forth a breakdown of our other gains and losses by nature, in absolute amounts, for the periods indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
<i>(RMB in thousands)</i>					
<i>(unaudited)</i>					
Impairment loss recognized in respect of property, plant and equipment . .	8,401	2,388	190	–	–
Loss (gain) on disposal of property, plant and equipment	25	678	(865)	(112)	(964)
Loss (gain) on early termination or modification of leases	–	91	277	570	(3)
Changes in fair value of financial assets at FVTPL	(404)	(1,664)	(3,345)	(1,781)	(721)
Others	587	716	770	448	192
Total	8,609	2,209	(2,973)	(875)	(1,496)

FINANCIAL INFORMATION

Distribution and Selling Expenses

Our distribution and selling expenses consist primarily of (i) sales commission to our channel agent, (ii) staff cost, (iii) business promotion expenses, and (iv) depreciation and amortization. The following table sets forth a breakdown of our distribution and selling expenses in absolute amounts and as percentages of the total distribution and selling expenses for the periods indicated:

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
(unaudited)										
Sales commission	141,010	40.9	84,530	35.8	149,888	54.9	69,766	53.5	85,315	59.1
Staff cost	117,515	34.1	81,066	34.4	65,333	23.9	35,036	26.9	32,147	22.3
Business promotion expenses	51,118	14.8	34,442	14.6	33,609	12.3	12,840	9.8	16,556	11.5
Depreciation and amortization	10,939	3.2	13,481	5.7	9,603	3.5	5,660	4.3	4,091	2.8
Others	24,123	7.0	22,293	9.5	14,392	5.4	7,074	5.5	6,286	4.3
Total	344,705	100.0	235,812	100.0	272,825	100.0	130,376	100.0	144,395	100.0

Research and Development Expenses

Our research and development expenses consist primarily of (i) staff cost, (ii) testing expenses and consumables, and (iii) depreciation and amortization. The following table sets forth a breakdown of our research and development expenses in absolute amounts and as percentages of the total research and development expenses for the periods indicated:

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
(Unaudited)										
Staff cost	97,656	55.2	99,268	55.0	72,396	61.7	37,473	61.4	34,363	54.7
Testing expenses and consumables	45,533	25.8	41,005	22.7	21,643	18.4	11,147	18.3	17,442	27.8
Depreciation and amortization	16,061	9.1	20,884	11.6	12,697	10.8	7,263	11.9	5,643	9.0
Others	17,513	9.9	19,228	10.7	10,583	9.1	5,191	8.4	5,335	8.5
Total	176,763	100.0	180,385	100.0	117,319	100.0	61,074	100.0	62,783	100.0

FINANCIAL INFORMATION

Administrative Expenses

Our administrative expenses consist primarily of (i) staff cost, (ii) depreciation and amortization, (iii) traveling and office expenses, (iv) rental and utilities expenses, and (v) professional service fees in relation to our previous [REDACTED] attempt and other legal and professional services in relation to our business operation. The following table sets forth a breakdown of our administrative expenses in absolute amounts and as percentages of the total administrative expenses for the periods indicated:

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
(unaudited)										
Staff cost	65,457	57.3	81,758	58.1	58,929	60.7	28,798	62.4	26,884	66.7
Depreciation and amortization	9,174	8.0	25,574	18.2	14,435	14.9	7,323	15.9	6,057	15.0
Traveling and office expenses	7,859	6.9	7,744	5.5	5,280	5.4	2,484	5.4	2,131	5.3
Rental and utilities expenses	2,548	2.2	4,979	3.5	4,091	4.2	1,306	2.8	1,123	2.8
Professional service fees .	14,950	13.1	6,711	4.8	4,895	5.0	1,840	4.0	1,382	3.4
Others ⁽¹⁾	14,296	12.5	13,939	9.9	9,531	9.8	4,409	9.5	2,760	6.8
Total	114,284	100.0	140,705	100.0	97,161	100.0	46,160	100.0	40,337	100.0

Note:

(1) Mainly include surcharges and hospitality expenses.

Changes in Fair Value of Financial Liabilities Designated at FVTPL

We entered into share subscription agreements with independent investors and issued five rounds of shares with preferred rights, including Series Angel Preferred Shares, Series A Preferred Shares, Series B Preferred Shares, Series B+ Preferred Shares and Series C Preferred Shares. At the date of issuance, the financial liabilities are designated as at FVTPL. Changes in fair value of financial liabilities designated at FVTPL not attributable to changes in our credit risk were recognized in profit or loss. In 2022 and 2023, our gains on fair value changes in financial liabilities designated at FVTPL was RMB266.6 million and RMB355.5 million, respectively. In 2024 and for the six months ended June 30, 2025, our losses on fair value changes in financial liabilities designated at FVTPL was RMB272.1 million and RMB361.7 million, respectively.

FINANCIAL INFORMATION

[REDACTED]

Our [REDACTED] mainly included professional service fees and other relevant fees incurred in relation to the [REDACTED]. We incurred [REDACTED] of RMB[REDACTED], RMB[REDACTED], RMB[REDACTED] and RMB[REDACTED] in 2022, 2023, 2024 and for the six months ended June 30, 2025.

Finance Costs

During the Track Record Period, our finance costs consisted of (i) interest on bank loans and (ii) interest on lease liabilities. The following table sets forth a breakdown of our finance costs for the periods indicated:

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
(unaudited)										
Interest on bank loans . .	3,642	79.4	7,145	81.7	7,489	87.5	3,701	86.9	2,299	85.2
Interest on lease liabilities	943	20.6	1,598	18.3	1,070	12.5	558	13.1	399	14.8
Total	4,585	100.0	8,743	100.0	8,559	100.0	4,259	100.0	2,698	100.0

Income Tax (Expense)/Credit

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operated. We recorded income tax expense of RMB16.1 million in 2022 and income tax credit of RMB9.0 million, RMB1.3 million and RMB0.9 million in 2023 and 2024 and for the six months ended June 30, 2025.

Mainland China

Under the EIT Law and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries was 25% during the Track Record Period.

During the Track Record Period, certain members of our Group were qualified as a High-New Technology Enterprises and were subject to a preferential income tax rate of 15%. This preferential income tax rate could be applied for three years, and the entities are eligible to apply the tax concession upon expiry. See Note 13 to the Accountants’ Report set out in Appendix I to this document for more details.

Profit/(loss) for the Year/Period

As a result of the foregoing, we recorded profit of RMB371.5 million and RMB54.1 million in 2022 and 2023 and loss of RMB424.3 million and RMB413.8 million in 2024 and for the six months ended June 30, 2025, respectively.

FINANCIAL INFORMATION

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Revenue

Our revenue increased by 12.7% from RMB252.9 million for the six months ended June 30, 2024 to RMB285.0 million for the six months ended June 30, 2025, primarily due to the increase in our revenue from precision diagnostics solutions and clinical research and translation solutions.

- *Precision diagnostics solutions.* Our revenue from precision diagnostics solutions increased by 10.7% from RMB200.2 million for the six months ended June 30, 2024 to RMB221.6 million for the six months ended June 30, 2025, mainly due to the increase in clinical laboratory testing services revenue primarily driven by the expansion of our channel agent network from 92 as of June 30, 2024 to 129 as of June 30, 2025.
- *Clinical research and translation solutions.* Our revenue from clinical research and translation solutions increased by 33.8% from RMB37.6 million for the six months ended June 30, 2024 to RMB50.3 million for the six months ended June 30, 2025, primarily because (i) certain new customers onboard in 2024 contributed more revenue in the first half of 2025, and (ii) our customer base expanded from 359 for the six months ended June 30, 2024 to 422 for the six months ended June 30, 2025.
- *Drug R&D enablement solutions.* Our revenue from drug R&D enablement solutions decreased by 13.1% from RMB15.1 million for the six months ended June 30, 2024 to RMB13.1 million for the six months ended June 30, 2025, primarily due to the completion of certain major projects in second half of 2024.

Cost of Sales

Our cost of sales decreased by 10.8% from RMB100.5 million for the six months ended June 30, 2024 to RMB89.7 million for the six months ended June 30, 2025, primarily due to the decreases in raw materials and manufacturing expenses due to decrease in sales of IVD products.

Gross Profit and Gross Profit Margin

Our gross profit increased by 28.2% from RMB152.4 million for the six months ended June 30, 2024 to RMB195.3 million for the six months ended June 30, 2025. Our gross profit margin increased from 60.2% for the six months ended June 30, 2024 to 68.5% for the six months ended June 30, 2025, primarily due to improved gross profit margins of precision diagnostics solutions and clinical research and translation solutions.

- *Precision diagnostics solutions.* Our gross profit from precision diagnostics solutions increased from RMB132.3 million for the six months ended June 30, 2024 to

FINANCIAL INFORMATION

RMB167.5 million for the six months ended June 30, 2025. Gross profit margin of precision diagnostics solutions increased from 66.1% for the six months ended June 30, 2024 to 75.6% for the six months ended June 30, 2025, primarily due to clinical laboratory services contributed a larger proportion of revenue and their gross margins improved period-on-period due to economies of scale.

- *Clinical research and translation solutions.* Our gross profit from clinical research and translation solutions increased from RMB9.5 million for the six months ended June 30, 2024 to RMB18.5 million for the six months ended June 30, 2025. Gross profit margin of clinical research and translation solutions increased from 25.1% for the six months ended June 30, 2024 to 36.7% for the six months ended June 30, 2025, primarily due to a higher revenue contribution from research projects conducted in collaboration with hospitals and universities, which typically involve value-added services such as analysis of test results, with higher margins than standard sequencing services.
- *Drug R&D enablement solutions.* Our gross profit from drug R&D enablement solutions decreased from RMB10.6 million for the six months ended June 30, 2024 to RMB9.3 million for the six months ended June 30, 2025. Gross profit margin of drug R&D enablement solutions kept stable at 70.3% for the six months ended June 30, 2024 and 71.1% for the six months ended June 30, 2025.

Other Income

Our other income increased by 130.8% from RMB3.6 million for the six months ended June 30, 2024 to RMB8.4 million for the six months ended June 30, 2025, primarily due to an increase in government grants received.

Impairment Losses under ECL Model, Net of Reversal

Our impairment losses under ECL model, net of reversal decreased by 13.4% from RMB4.1 million for the six months ended June 30, 2024 to RMB3.5 million for the six months ended June 30, 2025, primarily due to our proactive collection measures, which resulted in the accelerated settlement of customer accounts.

Other Gains and Losses, Net

Our other gains increased by 71.0% from RMB0.9 million for the six months ended June 30, 2024 to RMB1.5 million for the six months ended June 30, 2025, primarily due to an increase in gain on disposal of property, plant and equipment from RMB0.1 million for the six months ended June 30, 2024 to RMB1.0 million for the six months ended June 30, 2025.

Distribution and Selling Expenses

Our distribution and selling expenses increased by 10.8% from RMB130.4 million for the six months ended June 30, 2024 to RMB144.4 million for the six months ended June 30, 2025, primarily due to an increase in sales commission from RMB69.8 million for the six months ended June 30, 2024 to RMB85.3 million for the six months ended June 30, 2025, driven by our strengthened channel agent network.

FINANCIAL INFORMATION

Research and Development Expenses

Our research and development expenses kept relatively stable at RMB61.1 million and RMB62.8 million for the six months ended June 30, 2024 and 2025.

Administrative Expenses

Our administrative expenses decreased by 12.6% from RMB46.2 million for the six months ended June 30, 2024 to RMB40.3 million for the six months ended June 30, 2025, primarily due to a decrease in staff costs from RMB28.8 million for the six months ended June 30, 2024 to RMB26.9 million for the six months ended June 30, 2025, driven by our streamlined structure of administrative department.

Changes in Fair Value of Financial Liabilities Designated at FVTPL

Our losses on fair value changes in financial liabilities designated at FVTPL increased significantly from RMB110.0 million for the six months ended June 30, 2024 to RMB361.7 million for the six months ended June 30, 2025, primarily due to fluctuation in the fair value of our preferred shares.

[REDACTED]

We incurred [REDACTED] of RMB[REDACTED] and RMB[REDACTED] for the six months ended June 30, 2024 and 2025. The [REDACTED] for the six months ended June 30, 2025, were recorded in relation to the progress of this [REDACTED].

Finance Costs

Our finance costs decreased by 36.7% from RMB4.3 million for the six months ended June 30, 2024 to RMB2.7 million for the six months ended June 30, 2025, primarily due to a decrease in interest on bank loans.

Loss for the Period

As a result of the foregoing, we recorded loss of RMB199.5 million and RMB413.8 million for the six months ended June 30, 2024 and 2025, respectively.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 17.8% from RMB472.8 million in 2023 to RMB557.1 million in 2024, primarily due to the increases in revenue generated from precision diagnostics solutions and drug R&D enablement solutions.

FINANCIAL INFORMATION

- *Precision diagnostics solutions.* Our revenue from precision diagnostics solutions increased by 30.0% from RMB335.8 million in 2023 to RMB436.4 million in 2024, primarily driven by (i) an increase in clinical laboratory testing services revenue, primarily driven by the expansion of our channel agent network from 92 as of December 31, 2023 to 125 as of December 31, 2024, and (ii) the increased sales of IVD products, with number of customers increasing from 173 to 189 over the same period.
- *Clinical research and translation solutions.* Our revenue from clinical research and translation solutions decreased by 16.7% from RMB111.4 million in 2023 to RMB92.8 million in 2024, primarily because the revenue contribution from certain customers decreased, as they developed in-house sequencing capabilities.
- *Drug R&D enablement solutions.* Our revenue from drug R&D enablement solutions increased by 8.9% from RMB25.7 million in 2023 to RMB28.0 million in 2024, primarily due to the expansion of our customer base, including the addition of seven new key customer in 2024.

Cost of Sales

Our cost of sales decreased by 3.9% from RMB229.9 million in 2023 to RMB221.0 million in 2024, primarily due to the decreases in manufacturing expenses, driven by economies of scale and improved manufacturing techniques.

Gross Profit and Gross Profit Margin

Our gross profit increased by 38.4% from RMB242.9 million in 2023 to RMB336.1 million in 2024. Our gross profit margin increased from 51.4% in 2023 to 60.3% in 2024, primarily because increased gross profit margins across our three business segments.

- *Precision diagnostics solutions.* Our gross profit from precision diagnostics solutions increased from RMB205.8 million in 2023 to RMB295.2 million in 2024. Gross profit margin of precision diagnostics solutions increased from 61.3% in 2023 to 67.6% in 2024, primarily because clinical laboratory services contributed a larger proportion of revenue and their gross margins improved year-on-year due to economies of scale.
- *Clinical research and translation solutions.* Our gross profit from clinical research and translation solutions increased from RMB20.7 million in 2023 to RMB21.7 million in 2024. Gross profit margin of clinical research and translation solutions increased from 18.6% in 2023 to 23.4% in 2024, primarily due a higher revenue contribution from research projects conducted in collaboration with hospitals and universities, which typically involve value-added services such as analysis of test results, with higher margins than standard sequencing services.
- *Drug R&D enablement solutions.* Our gross profit from drug R&D enablement solutions increased from RMB16.4 million in 2023 to RMB19.3 million in 2024.

FINANCIAL INFORMATION

Gross profit margin of drug R&D enablement solutions increased from 63.9% in 2023 to 69.1% in 2024, due to the implementation of centralized negotiated procurement of raw materials.

Other Income

Our other income decreased by 28.7% from RMB16.1 million in 2023 to RMB11.5 million in 2024, primarily due to a decrease in government grants in relation to our R&D activities from RMB13.5 million in 2023 to RMB9.3 million in 2024.

Impairment Losses under ECL Model, Net of Reversal

Our impairment losses under ECL model, net of reversal increased significantly from RMB0.2 million in 2023 to RMB6.9 million in 2024, primarily due to an increase in impairment losses recognized on trade receivables from RMB0.7 million in 2023 to RMB6.9 million in 2024, mainly attributable to the increase in aging trade receivables.

Other Gains and Losses, Net

We recorded other losses of RMB2.2 million in 2023 and other gains of RMB3.0 million in 2024. The change was primarily due to (i) a decrease in impairment loss recognized in respect of property, plant and equipment from RMB2.4 million in 2023 to RMB0.2 million in 2024, mainly attributable to our provision of impairment losses for certain idle equipment, and (ii) an increase in gains on fair value changes in financial assets at FVTPL from RMB1.7 million in 2023 to RMB3.3 million in 2024, in relation to wealth management products procured by us.

Distribution and Selling Expenses

Our distribution and selling expenses increased by 15.7% from RMB235.8 million in 2023 to RMB272.8 million in 2024, primarily due to an increase in sales commission from RMB84.5 million in 2023 to RMB149.9 million in 2024, driven by our strengthened channel agent network.

Research and Development Expenses

Our research and development expenses decreased by 35.0% from RMB180.4 million in 2023 to RMB117.3 million in 2024, primarily due to a decrease in staff costs from RMB99.3 million in 2023 to RMB72.4 million in 2024, driven by the streamlined organizational structure of our research and development department following the conclusion of COVID-19 pandemic, as we phased out of COVID-19 nucleic acid testing services.

Administrative Expenses

Our administrative expenses decreased by 30.9% from RMB140.7 million in 2023 to RMB97.2 million in 2024, primarily due to a decrease in staff costs from RMB81.8 million in 2023 to RMB58.9 million in 2024, in relation to streamlined organizational structure of our administrative department following the conclusion of COVID-19 pandemic, as we phased out of COVID-19 nucleic acid testing services.

FINANCIAL INFORMATION

Changes in Fair Value of Financial Liabilities Designated at FVTPL

Our changes in fair value changes in financial liabilities designated at FVTPL decreased significantly from a gain of RMB355.5 million in 2023 to a loss of RMB272.1 million in 2024, primarily due to due to the fluctuation in the fair value of our preferred shares.

[REDACTED]

Our [REDACTED] remained stable at RMB[REDACTED] in 2023 and 2024.

Finance Costs

Our finance costs kept relatively stable at RMB8.7 million and RMB8.6 million in 2023 and 2024.

Loss for the Year

As a result of the foregoing, we recorded profit of RMB54.1 million in 2023 and loss of RMB424.3 million in 2023 and 2024, respectively.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue decreased by 73.9% from RMB1,815.0 million in 2022 to RMB472.8 million in 2023, primarily due to the decrease in revenue from our precision diagnostics solutions.

- *Precision diagnostics solutions.* Our revenue from precision diagnostics solutions decreased by 80.7% from RMB1,735.8 million in 2022 to RMB335.8 million in 2023, primarily due to: (i) the phasing out of our COVID-19 nucleic acid testing services after the conclusion of the COVID-19 pandemic, which led to the decrease in revenue generated from COVID-19 nucleic acid testing services decreased from RMB1,436.7 million in 2022 to RMB5.5 million in 2023, and (ii) a decrease in clinical laboratory testing services revenue. The decreases were partially offset by an increase of revenue from sales of IVD products, primarily due to the increase of distributors from 17 as of December 31, 2022 to 30 as of December 31, 2023.
- *Clinical research and translation solutions.* Our revenue from clinical research and translation solutions increased by 81.3% from RMB61.4 million in 2022 to RMB111.4 million in 2023, primarily due to our expanded collaborations with hospitals, universities and industry peers, which resulted in 11 new key customers in 2023.
- *Drug R&D enablement solutions.* Our revenue from drug R&D enablement solutions increased by 44.5% from RMB17.8 million in 2022 to RMB25.7 million in 2023, primarily due to our expanded collaborations with pharmaceutical companies, which resulted in six new key customers in 2023.

FINANCIAL INFORMATION

Cost of Sales

Our cost of sales decreased by 78.2% from RMB1,054.7 million in 2022 to RMB229.9 million in 2023, primarily due to the decreases in staff costs, cost of raw material and manufacturing expenses, because we phased out COVID-19 nucleic acid testing services.

Gross Profit and Gross Profit Margin

Our gross profit decreased by 68.0% from RMB760.2 million in 2022 to RMB242.9 million in 2023. Our gross profit margin increased from 41.9% in 2022 to 51.4% in 2023, primarily due to the increased gross profit margin of precision diagnostics solutions due to the phasing out of COVID-19 nucleic testing services which carried a lower gross profit margin.

- *Precision diagnostics solutions.* Our gross profit from precision diagnostics solutions decreased from RMB743.4 million in 2022 to RMB205.8 million in 2023, primarily due to the gradual phasing out of our COVID-19 nucleic acid testing services. Gross profit margin of precision diagnostics solutions increased from 42.8% in 2022 to 61.3% in 2023, primarily due to the change in our business mix following the phasing out of COVID-19 nucleic acid testing services, which contributed to a majority of our revenue in 2022 but carried a lower gross profit margin as compared to other products and services in this segment.
- *Clinical research and translation solutions.* Our gross profit from clinical research and translation solutions increased from RMB3.9 million in 2022 to RMB20.7 million in 2023. Gross profit margin of clinical research and translation solutions increased from 6.4% in 2022 to 18.6% in 2023, primarily due to the relatively lower gross profit margin during the ramp up period in 2022.
- *Drug R&D enablement solutions.* Our gross profit from drug R&D enablement solutions increased from RMB12.9 million in 2022 to RMB16.4 million in 2023. Gross profit margin of drug R&D enablement solutions decreased from 72.7% in 2022 to 63.9% in 2023, primarily due to decreased revenue contribution from certain projects carrying a higher gross profit margin in 2023.

Other Income

Our other income increased by 6.4% from RMB15.1 million in 2022 to RMB16.1 million in 2023, primarily due to an increase in interest income on bank deposits from RMB0.3 million in 2022 to RMB2.2 million in 2023, mainly attributable to (i) the relatively lower bank deposit balance throughout 2022 as compared to 2023, which resulted from delayed recovery of trade receivable related to COVID-19 nucleic acid testing services, and (ii) the increase in wealth management products in 2023.

Impairment Losses under ECL Model, Net of Reversal

Our impairment losses under ECL model, net of reversal decreased by 95.9% from RMB5.1 million in 2022 to RMB0.2 million in 2023, primarily because our impairment losses recognized on trade receivables decreased from RMB4.5 million in 2022 to RMB0.7 million in 2023, mainly attributable to the decrease in our refundable rental deposits.

FINANCIAL INFORMATION

Other Gains and Losses, Net

Our other losses decreased by 74.3% from RMB8.6 million in 2022 to RMB2.2 million in 2023, primarily due to a decrease in impairment loss recognized in respect of property, plant and equipment from RMB8.4 million in 2022 to RMB2.4 million in 2023, mainly due to our provision of impairment losses for equipment related to COVID-19 nucleic acid testing services in 2022.

Distribution and Selling Expenses

Our distribution and selling expenses decreased by 31.6% from RMB344.7 million in 2022 to RMB235.8 million in 2023, primarily due to a decrease in sales commission from RMB141.0 million in 2022 to RMB84.5 million in 2023. The decrease was mainly attributable to the phasing out of our COVID-19 nucleic acid testing services, which led to a significant reduction in service fee related to that business.

Research and Development Expenses

Our research and development expenses kept stable at RMB176.8 million in 2022 and RMB180.4 million in 2023.

Administrative Expenses

Our administrative expenses increased by 23.1% from RMB114.3 million in 2022 to RMB140.7 million in 2023, primarily due to (i) an increase in staff costs arising from the severance fees for our departing employees, and (ii) an increase in depreciation and amortization of our idle offices and laboratories.

Changes in Fair Value of Financial Liabilities Designated at FVTPL

Our gains on fair value changes in financial liabilities designated at FVTPL increased by 33.4% from RMB266.6 million in 2022 to RMB355.5 million in 2023, primarily due to the fluctuation in fair value of our preferred shares.

Finance Costs

Our finance costs increased by 90.7% from RMB4.6 million in 2022 to RMB8.7 million in 2023, primarily due to an increase in interest on bank loans from RMB3.6 million in 2022 to RMB7.1 million in 2023.

Profit (loss) for the Period

As a result of the foregoing, we recorded profit of RMB371.5 million and RMB54.1 million in 2022 and 2023, respectively.

FINANCIAL INFORMATION

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE COMBINED STATEMENTS OF FINANCIAL POSITION

The following table sets forth a summary of our combined statements of financial position as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	June 30,
				2025
<i>(RMB in thousands)</i>				
Non-current assets				
Property, plant and equipment	157,086	155,309	96,162	83,532
Right-of-use assets	30,785	31,403	21,288	21,277
Intangible assets	740	1,075	686	399
Prepayments and other receivables . . .	5,230	6,914	3,833	16,094
Total non-current assets	193,841	194,701	121,969	121,302
Current assets				
Inventories	72,104	49,107	60,643	74,541
Contract costs	17,618	9,090	9,898	13,244
Trade receivables	622,531	233,322	196,922	213,551
Prepayments and other receivables . . .	39,871	24,576	19,142	22,800
Financial assets at FVTPL	–	14,101	–	46,044
Pledged/restricted bank deposits	52,000	68,570	32,739	56,863
Cash and cash equivalents	291,974	249,354	263,830	96,006
Total current assets	1,096,098	648,120	583,174	523,049
Current liabilities				
Trade payables	88,664	43,710	84,846	136,193
Other payables and accrued expenses . .	152,504	69,963	73,182	64,273
Amount due to a shareholder	–	–	4,290	2,770
Income tax payable	4,835	–	–	–
Bank loans	210,958	177,344	180,254	140,354
Lease liabilities	13,310	15,612	9,793	7,894
Contract liabilities	57,029	53,597	63,556	55,484
Financial liabilities designated at FVTPL	1,612,843	1,257,334	1,529,465	1,891,183
Total current liabilities	2,140,143	1,617,560	1,945,386	2,298,151
Net current liabilities	(1,044,045)	(969,440)	(1,362,212)	(1,775,102)
Total assets less current liabilities	(850,204)	(774,739)	(1,240,243)	(1,653,800)

FINANCIAL INFORMATION

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
Non-current liabilities				
Deferred tax liabilities	11,607	2,584	1,270	360
Bank loans	–	30,000	–	–
Lease liabilities	16,659	17,040	11,121	12,662
Contract liabilities	26,574	26,554	22,623	22,244
Total non-current liabilities	54,840	76,178	35,014	35,266
Net liabilities	(905,044)	(850,917)	(1,275,257)	(1,689,066)
Capital and reserves				
Paid-in capital	52,800	52,800	52,800	52,800
Reserves	(957,844)	(903,717)	(1,328,057)	(1,741,866)
Total deficit	(905,044)	(850,917)	(1,275,257)	(1,689,066)

Property, Plant and Equipment

Our property, plant and equipment consist of machinery and equipment, office equipment and leasehold improvement. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB'000)</i>			
Machinery and equipment	120,703	120,237	76,101	67,501
Office equipment	16,253	17,003	10,928	8,748
Leasehold improvement	20,130	18,069	9,133	7,283
Total	157,086	155,309	96,162	83,532

FINANCIAL INFORMATION

Our property, plant and equipment decreased from RMB157.1 million as of December 31, 2022 to RMB155.3 million as of December 31, 2023, and further to RMB96.2 million as of December 31, 2024 and RMB83.5 million as of June 30, 2025, primarily due to (i) the disposal of certain COVID-19 nucleic acid testing service-related idle equipment, and (ii) the depreciation of our property, plant and equipment.

Right-of-Use Assets

Right-of-use assets represent leased buildings and equipment for our operations. Our right-of-use assets kept relatively stable at RMB30.8 million as of December 31, 2022 and RMB31.4 million as of December 31, 2023, primarily due to our newly leased properties. Our right-of-use assets decreased to RMB21.3 million as of December 31, 2024 and June 30, 2025, mainly due to the depreciation of our right-of-use assets.

Inventories

Our inventories consist of (i) raw materials, (ii) work in progress, and (iii) finished goods. The following table sets forth the breakdown of our inventories as of the date indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB'000)</i>			
Raw materials	50,284	24,660	21,991	22,619
Work in progress	1,121	4,088	8,452	16,530
Finished goods	26,526	22,472	32,259	36,497
	77,931	51,220	62,702	75,646
Less: Impairment	(5,827)	(2,113)	(2,059)	(1,105)
Total	72,104	49,107	60,643	74,541

Our inventories decreased from RMB72.1 million as of December 31, 2022 to RMB49.1 million as of December 31, 2023, primarily due to the decrease in raw materials from RMB50.3 million as of December 31, 2022 to RMB24.7 million as of December 31, 2023, mainly attributable to the phasing out of our COVID-19 nucleic acid testing services.

Our inventories increased to RMB60.6 million as of December 31, 2024, primarily due to the increase in finished goods from RMB22.5 million as of December 31, 2023 to RMB32.3 million as of December 31, 2024, driven by our business growth.

FINANCIAL INFORMATION

Our inventories increased to RMB74.5 million as of June 30, 2025, primarily due to the increase in work in progress from RMB8.5 million as of December 31, 2024 to RMB16.5 million as of June 30, 2025, driven by the increased demands for and corresponding work in progress production of our IVD equipment.

The following table sets forth the aging analysis of our inventories.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB'000)</i>			
Within one year	70,107	48,032	57,574	72,702
Over one year	1,997	1,075	3,069	1,839
Total	72,104	49,107	60,643	74,541

The following table sets forth our inventories turnover days for the periods indicated.

	Year Ended December 31,			Six Months Ended June 30,
	2022	2023	2024	2025
Inventory turnover days ⁽¹⁾	23	96	91	136

Note:

- (1) Inventory turnover days are equal to the average of the beginning and ending inventory balances of a period divided by cost of sales for that period and multiplied by the number of days for that period.

Our inventory turnover days increased from 23 in 2022 to 96 in 2023, primarily due to our phasing out of COVID-19 nucleic acid testing services. Our inventory turnover days decreased to 91 in 2024, primarily driven by our improved inventory management measures. For the six months ended June 30, 2025, our inventory turnover days increased to 136, primarily due to the increased inventory balance of work in progress production of IVD equipment.

As of October 31, 2025, approximately RMB34.3 million, or 46.1% of our inventories outstanding as of June 30, 2025, had been subsequently used.

FINANCIAL INFORMATION

Trade Receivables

We had trade receivables of RMB622.5 million, RMB233.3 million, RMB196.9 million and RMB213.6 million as of December 31, 2022, 2023 and 2024 and June 30, 2025. We usually allow an interest-free credit period of 15 to 180 days to our customers. The following table sets forth the breakdown of our trade receivables as of the date indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
Trade receivables	630,265	239,589	209,787	229,954
Less: Allowance for credit losses	(7,734)	(6,267)	(12,865)	(16,403)
Total	622,531	233,322	196,922	213,551

Our trade receivables decreased from RMB622.5 million as of December 31, 2022 to RMB233.3 million as of December 31, 2023, primarily due to the phasing out of COVID-19 nucleic acid testing services, and further decreased to RMB196.9 million as of December 31, 2024, primarily due to the proactive collection measures adopted. Our trade receivables increased to RMB213.6 million as of June 30, 2025, driven by our business growth.

The following table sets forth the aging analysis of our trade receivable net of allowance for credit losses based on dates of rendering of services or delivery of goods for the periods indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
Within 3 months	452,710	78,814	103,692	83,490
4-6 months	85,353	19,379	41,191	56,226
7-12 months	69,477	18,967	25,453	50,020
1-2 years	14,569	115,679	21,626	16,043
Over 2 years	422	483	4,960	7,772
	622,531	233,322	196,922	213,551

FINANCIAL INFORMATION

The following table sets forth our trade receivable turnover days for the periods indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,
	2022	2023	2024	2025
Trade receivable turnover days ⁽¹⁾	77	330	141	130

Note:

- (1) Trade receivable turnover days are equal to the average of the beginning and ending trade receivable balances of a period divided by revenue for that period and multiplied by the number of days for that period.

Our trade receivable turnover days increased from 77 in 2022 to 330 in 2023, primarily due to the decrease in revenue after we phased out COVID-19 nucleic acid testing services in 2023. Our trade receivable turnover days decreased to 141 in 2024, primarily because majority of receivables from COVID-19 nucleic acid testing services were settled and no longer impacted our collection cycle. Our trade receivable turnover days further decreased to 130 for the six months ended June 30, 2025, primarily due to the relatively higher trade receivable balance as of January 1, 2024, in relation to the COVID-19 nucleic acid testing services.

As of October 31, 2025, approximately RMB76.6 million, or 33.3% of our trade receivables outstanding as of June 30, 2025, had been subsequently settled.

FINANCIAL INFORMATION

Prepayments and Other Receivables

Our prepayments consist primarily of (i) advance prepaid to suppliers, (ii) prepayments for the acquisition of property, plant and equipment, and (iii) deferred share issue costs. Our other receivables consist primarily of (i) input value added tax receivables, and (ii) refundable rental deposits. The following table sets forth the breakdown of our prepayments and other receivables as of the date indicated.

	As of December 31,			As of
	2022	2023	2024	June 30,
				2025
	<i>(RMB'000)</i>			
Prepayments				
Prepayments to suppliers	15,526	4,132	781	1,451
Prepayments for the acquisition of property, plant and equipment	1,499	3,607	218	12,113
Deferred share issue costs	—	—	—	741
Other prepayment	10,363	4,581	3,197	4,053
Subtotal	27,388	12,320	4,196	18,358
Other receivables				
Input value added tax receivables	6,888	12,701	12,481	14,136
Refundable rental deposits	10,091	5,913	5,813	5,821
Others	1,951	1,262	1,179	1,280
	18,930	19,876	19,473	21,237
Less: Allowance for credit losses	(1,217)	(706)	(694)	(701)
Subtotal	17,713	19,170	18,779	20,536
Total	45,101	31,490	22,975	38,894

FINANCIAL INFORMATION

Our prepayments and other receivables decreased from RMB45.1 million as of December 31, 2022 to RMB31.5 million as of December 31, 2023, and further to RMB23.0 million as of December 31, 2024, primarily due to (i) a decrease in prepayments to suppliers from RMB15.5 million as of December 31, 2022 to RMB4.1 million as of December 31, 2023, and further to RMB0.8 million as of December 31, 2024, mainly attributable to the gradual phasing out of our COVID-19 nucleic acid testing services, and (ii) a decrease in other prepayment from RMB10.4 million as of December 31, 2022 to RMB4.6 million as of December 31, 2023, and further to RMB3.2 million as of December 31, 2024, mainly attributable to the refund of our deposits in relation to business operations. Our prepayments and other receivables increased to RMB38.9 million as of June 30, 2025, primarily due to an increase in prepayments for the acquisition of property, plant and equipment of our then in construction Shaoxing Production Base.

Cash and Cash Equivalents

Our cash and cash equivalents consist of demand deposits and short-term deposits with original maturity of three months or less for the purpose of meeting our short-term cash commitments. Our cash and cash equivalents were mainly denominated in RMB.

Our cash and cash equivalents decreased from RMB292.0 million as of December 31, 2022 to RMB249.4 million as of December 31, 2023. Our cash and cash equivalents increased to RMB263.8 million as of December 31, 2024 and then decreased to RMB96.0 million as of June 30, 2025. See “— Liquidity and Capital Resources — Cash Flows” for more details.

Trade Payables

The following table sets forth a breakdown of our trade payables and bill payables:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB'000)</i>			
Trade payables	88,664	43,710	84,846	106,310
Bill payables	—	—	—	29,883
Total	88,664	43,710	84,846	136,193

FINANCIAL INFORMATION

Our trade payables primarily arise from our purchase of goods or services. The average credit period granted by our suppliers is 90 days. The following table sets forth the aging analysis of trade payables based on dates of receipt of goods or services.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB'000)</i>			
Within 3 months	71,334	23,538	47,629	51,489
4-6 months	13,083	13,001	28,924	40,124
7-12 months	3,370	3,147	5,183	11,920
Over 1 year	877	4,024	3,110	2,777
	88,664	43,710	84,846	106,310

Our trade payables decreased from RMB88.7 million as of December 31, 2022 to RMB43.7 million as of December 31, 2023, primarily due to the phasing out of our COVID-19 nucleic acid testing services. Our trade payables increased to RMB84.8 million as of December 31, 2024 and further to RMB106.3 million as of June 30, 2025, primarily driven by our business growth.

The following table sets forth our trade payable turnover days for the periods indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,
	2022	2023	2024	2025
Trade payable turnover days ⁽¹⁾	28	105	106	222

Note:

- (1) Trade payable turnover days are equal to the average of the beginning and ending trade payable balances of a period divided by cost of sales for that period and multiplied by the number of days for that period.

Our trade payable turnover days increased from 28 in 2022 to 105 in 2023, and further to 106 in 2024, primarily due to relatively shorter credit terms granted by suppliers for procurement in relation to our COVID-19 nucleic acid testing services in 2022. Our trade payable turnover days increased to 222 for the six months ended June 30, 2025, primarily due to the longer credit terms granted by our suppliers for our bulk purchases and enhanced bargaining power.

As of October 31, 2025, approximately RMB43.4 million, or 40.9% of our trade payables outstanding as of June 30, 2025, had been subsequently settled.

FINANCIAL INFORMATION

Other Payables and Accrued Expenses

Our other payables and accrued expenses comprise primarily of (i) employee compensation payable, (ii) payable for the acquisition of property, plant and equipment, (iii) commission fee payable, (iv) other tax payable, and (v) accrued expenses. The following table sets forth the breakdown of our other payables and accrued expenses as of the date indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB'000)</i>			
Employee compensation payable	83,544	22,951	15,241	15,898
Payable for the acquisition of property, plant and equipment	13,316	12,758	12,603	10,570
Commission fee payable	34,924	18,449	21,912	10,973
Other tax payable	7,572	8,207	16,087	16,254
Accrued [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accrued expenses	12,160	6,759	6,813	6,457
Others	988	839	526	400
Total	152,504	69,963	73,182	64,273

Our other payables and accrued expenses decreased from RMB152.5 million as of December 31, 2022 to RMB70.0 million as of December 31, 2023, primarily due to a decrease in employee compensation from RMB83.5 million as of December 31, 2022 to RMB23.0 million as of December 31, 2023, primarily due to decrease in employees following the phasing out of COVID-19 nucleic acid testing services. Our other payables and accrued expenses increased to RMB73.2 million as of December 31, 2024, primarily due to an increase in other tax payables from RMB8.2 million as of December 31, 2023 to RMB16.1 million as of December 31, 2024, arising from increase of VAT tax payables from sales of IVD products. Our other payables and accrued expenses decreased to RMB64.3 million as of June 30, 2025, primarily due to a decrease in commission fee payable from RMB21.9 million as of December 31, 2024 to RMB11.0 million as of June 30, 2025, primarily due to settlement of outstanding commission payables.

FINANCIAL INFORMATION

Contract Liabilities

Our contract liabilities mainly represent prepayments received from customers for purchasing our solutions. Our contract liabilities decreased from RMB83.6 million as of December 31, 2022 to RMB80.2 million as of December 31, 2023, primarily due to the accelerated delivery of our drug R&D enablement solutions. Our contract liabilities increased to RMB86.2 million as of December 31, 2024, primarily due to the increased sales of precision diagnostics solution packages. As of June 30, 2025, our contract liabilities decreased to RMB77.7 million as of June 30, 2025, primarily due to the completion of certain clinical research and translation projects.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our primary uses of cash are to fund our procurement of raw materials, R&D and sales activities, and other operational needs. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with cash generated from our operations and bank borrowings. After the [REDACTED], we believe that our liquidity requirements will continue to be satisfied with a combination of these sources and [REDACTED] from the [REDACTED]. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had cash and cash equivalents of RMB292.0 million, RMB249.4 million, RMB263.8 million and RMB96.0 million, respectively. We do not anticipate any changes to the availability of financing to fund our operations in the future. As our business develops and expands, we expect to improve our operating cash flows through increasing sales of our existing products and services, launching new products and services, optimizing cost structure and improving operating efficiency.

FINANCIAL INFORMATION

Current Assets and Current Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of	As of
	2022	2023	2024	June 30,	October 31,
				2025	2025
	<i>(RMB in thousands)</i>				
					(unaudited)
Current assets					
Inventories	72,104	49,107	60,643	74,541	101,076
Contract costs	17,618	9,090	9,898	13,244	18,574
Trade receivables	622,531	233,322	196,922	213,551	262,329
Prepayments and other receivables	39,871	24,576	19,142	22,800	29,468
Financial assets at FVTPL	–	14,101	–	46,044	19,000
Pledged/restricted bank deposits	52,000	68,570	32,739	56,863	29,565
Cash and cash equivalents	291,974	249,354	263,830	96,006	69,518
Total current assets	1,096,098	648,120	583,174	523,049	529,530
Current liabilities					
Trade payables	88,664	43,710	84,846	136,193	193,508
Other payables and accrued expenses	152,504	69,963	73,182	64,273	48,775
Amount due to the holding company	–	–	4,290	2,770	1,152
Income tax payable	4,835	–	–	–	–
Bank loans	210,958	177,344	180,254	140,354	133,613
Lease liabilities	13,310	15,612	9,793	7,894	6,805
Contract liabilities	57,029	53,597	63,556	55,484	62,293
Financial liabilities designated at FVTPL	1,612,843	1,257,334	1,529,465	1,891,183	1,891,183
Total current liabilities	2,140,143	1,617,560	1,945,386	2,298,151	2,337,329
Net current liabilities	(1,044,045)	(969,440)	(1,362,212)	(1,775,102)	(1,807,799)

FINANCIAL INFORMATION

Our net current liabilities increased from RMB1,775.1 million as of June 30, 2025 to RMB1,807.8 million as of October 31, 2025, primarily due to (i) an increase in trade payable from RMB136.2 million as of June 30, 2025 to RMB193.5 million as of October 31, 2025, (ii) a decrease in pledged/restricted bank deposits from RMB56.9 million as of June 30, 2025 to RMB29.6 million as of October 31, 2025, (iii) a decrease in cash and cash equivalents from RMB96.0 million as of June 30, 2025 to RMB69.5 million as of October 31, 2025, and (iv) a decrease in financial assets at FVTPL from RMB46.0 million as of June 30, 2025 to RMB19.0 million as of October 31, 2025, partially offset by (i) the increase in trade receivables from RMB213.6 million as of June 30, 2025 to RMB262.3 million as of October 31, 2025, and (ii) the increase in inventories from RMB74.5 million as of June 30, 2025 to RMB101.1 million as of October 31, 2025.

Our net current liabilities increased from RMB1,362.2 million as of December 31, 2024 to RMB1,775.1 million as of June 30, 2025, primarily due to (i) an increase in financial liabilities designated at FVTPL from RMB1,529.5 million as of December 31, 2024 to RMB1,891.2 million as of June 30, 2025, (ii) a decrease in cash and cash equivalents from RMB263.8 million as of December 31, 2024 to RMB96.0 million as of June 30, 2025, and (iii) an increase in trade payables from RMB84.8 million as of December 31, 2024 to RMB136.2 million as of June 30, 2025, partially offset by a decrease in bank loan from RMB180.3 million as of December 31, 2024 to RMB140.4 million as of June 30, 2025, as well as an increase in financial assets at FVTPL from nil as of December 31, 2024 to RMB46.0 million as of June 30, 2025.

Our net current liabilities increased from RMB969.4 million as of December 31, 2023 to RMB1,362.2 million as of December 31, 2024, due to (i) an increase in financial liabilities designated at FVTPL from RMB1,257.3 million as of December 31, 2023 to RMB1,529.5 million as of December 31, 2024, (ii) an increase of our trade payables from RMB43.7 million as of December 31, 2023 to RMB84.8 million as of December 31, 2024, (iii) a decrease in trade receivables from RMB233.3 million as of December 31, 2023 to RMB196.9 million as of December 31, 2024, and (iv) a decrease in pledged/restricted bank deposits from RMB68.6 million as of December 31, 2023 to RMB32.7 million, partially offset by an increase in cash and cash equivalents from RMB249.4 million as of December 31, 2023 to RMB263.8 million as of December 31, 2024.

Our net current liabilities decreased from RMB1,044.0 million as of December 31, 2022 to RMB969.4 million as of December 31, 2023, due to (i) a decrease in financial liabilities designated at FVTPL from RMB1,612.8 million as of December 31, 2022 to RMB1,257.3 million as of December 31, 2023, (ii) a decrease in other payables and accrued expenses from RMB152.5 million as of December 31, 2022 to RMB70.0 million as of December 31, 2023, (iii) a decrease in trade payables from RMB88.7 million as of December 31, 2022 to RMB43.7 million as of December 31, 2023, and (iv) a decrease in bank loans from RMB211.0 million as of December 31, 2022 to RMB177.3 million as of December 31, 2023, partially offset by a decrease in our trade receivables from RMB622.5 million as of December 31, 2022 to RMB233.3 million as of December 31, 2023.

FINANCIAL INFORMATION

Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated:

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	<i>(RMB'000)</i>			(unaudited)	
Net cash (used in) from					
operating activities	(111,980)	85,325	6,325	16,298	(34,778)
Net cash from (used in)					
investing activities	161,259	(101,646)	53,485	(84,695)	(81,914)
Net cash from (used in)					
financing activities	189,588	(26,299)	(45,334)	(38)	(51,132)
Net increase (decrease) in					
cash and cash equivalents	238,867	(42,620)	14,476	(68,435)	(167,824)
Cash and cash equivalents					
at beginning of the					
year/period	53,107	291,974	249,354	249,354	263,830
Cash and cash equivalents					
at end of the year/period	291,974	249,354	263,830	180,919	96,006

Net Cash Used in Operating Activities

For the six months ended June 30, 2025, our net cash used in operating activities was RMB34.8 million, mainly due to our loss before tax of RMB414.7 million, adjusted by (i) certain non-cash items, including loss on fair value changes of financial liabilities designated at FVTPL of RMB361.7 million, and depreciation of property, plant and equipment of RMB20.5 million, and (ii) changes in working capital, which primarily included an increase in trade and other payables and accrued expenses of RMB31.9 million. Such adjustments were partially offset by an increase in trade and other receivables and prepayments of RMB23.1 million.

For the year ended December 31, 2024, our net cash from operating activities was RMB6.3 million, mainly due to our loss before tax of RMB425.7 million, adjusted by (i) certain non-cash items, including loss on fair value changes of financial liabilities designated at FVTPL of RMB272.1 million, and depreciation of property, plant and equipment of RMB46.2 million, and (ii) changes in working capital, which primarily included an increase in trade and other payables and accrued expenses of RMB43.9 million. Such adjustments were partially offset by gain on fair value changes of financial assets at FVTPL of RMB3.3 million.

FINANCIAL INFORMATION

For the year ended December 31, 2023, our net cash from operating activities was RMB85.3 million, mainly due to our profit before tax of RMB45.1 million, adjusted by (i) certain non-cash items, including loss on fair value changes of financial liabilities designated at FVTPL of RMB355.5 million and depreciation of property, plant and equipment of RMB66.4 million, and (ii) changes in working capital, which primarily included a decrease in trade and other receivables and prepayments of RMB409.9 million and a decrease in inventories of RMB23.0 million. Such adjustments were partially offset by a decrease in trade and other payables and accrued expenses of RMB128.5 million.

For the year ended December 31, 2022, our net cash used in operating activities was RMB112.0 million, mainly due to our profit before tax of RMB387.7 million, adjusted (i) an increase in trade and other receivables and prepayments of RMB485.1 million, (ii) a gain on fair value changes on financial liabilities designated at FVTPL of RMB266.6 million, (iii) an increase in inventories of RMB11.2 million, and (iv) an increase in contract costs of RMB10.6 million. Such adjustments were partially offset by (i) an increase in trade and other payables and accrued expenses of RMB126.8 million, and (ii) depreciation of property, plant and equipment of RMB114.2 million.

Net Cash from/(Used in) Investing Activities

For the six months ended June 30, 2025, our net cash used in investing activities was RMB81.9 million, mainly due to (i) purchase of financial assets at FVTPL of RMB362.4 million, (ii) placement of pledged bank deposits of RMB30.0 million, and (iii) purchase of property, plant and equipment of RMB14.1 million; partially offset by (i) redemption of financial assets at FVTPL of RMB317.1 million, and (ii) withdrawal of pledged bank deposits of RMB5.9 million.

For the year ended December 31, 2024, our net cash from investing activities was RMB53.5 million, mainly due to (i) redemption of financial assets at FVTPL of RMB1,006.3 million, (ii) withdrawal of pledged bank deposits of RMB41.0 million, and (iii) proceeds from disposal of property, plant and equipment of RMB7.0 million; partially offset by purchase of financial assets at FVTPL of RMB988.9 million.

For the year ended December 31, 2023, our net cash used in investing activities was RMB101.6 million, mainly due to (i) purchase of financial assets at FVTPL of RMB640.2 million, (ii) placement of pledged bank deposits of RMB78.6 million, and (iii) purchase of property, plant and equipment of RMB78.0 million; partially offset by (i) redemption of financial assets at FVTPL of RMB627.7 million, and (ii) withdrawal of pledged bank deposits of RMB62.0 million.

For the year ended December 31, 2022, our net cash from investing activities was RMB161.3 million, mainly due to redemption of financial assets at FVTPL of RMB483.9 million; partially offset by (i) purchase of property, plant and equipment of RMB150.3 million, and (ii) purchase of financial assets at FVTPL of RMB122.0 million.

FINANCIAL INFORMATION

Net Cash from/(Used in) Financing Activities

For the six months ended June 30, 2025, our net cash used in financing activities was RMB51.1 million, mainly due to (i) repayment of bank loans of RMB119.6 million, and (ii) repayment of lease liabilities of RMB6.9 million; partially offset by new bank loans raised of RMB79.9 million.

For the year ended December 31, 2024, our net cash used in financing activities was RMB45.3 million, mainly due to (i) repayment of bank loans of RMB183.7 million, and (ii) repayment of lease liabilities of RMB14.0 million; partially offset by new bank loans raised of RMB155.9 million.

For the year ended December 31, 2023, our net cash used in financing activities was RMB26.3 million, mainly due to (i) repayment of bank loans of RMB234.8 million, and (ii) repayment of lease liabilities of RMB13.9 million; partially offset by new bank loans raised of RMB232.3 million.

For the year ended December 31, 2022, our net cash from financing activities was RMB189.6 million, mainly due to new bank loans raised of RMB343.6 million; partially offset by (i) repayment of bank loans of RMB137.8 million, and (ii) repayment of lease liabilities of RMB11.8 million.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, and Joint Sponsors concur, taking into account the following financial resources available to us described below, we have sufficient working capital for our present requirement and for at least the next 12 months from the date of this document:

- cash and cash equivalents of RMB69.5 million as of October 31, 2025;
- pledged/restricted bank deposits of RMB29.6 million as of October 31, 2025, which will be fully released within one year;
- the support from certain strategy investors;
- available equity financing and bank facilities; and
- the estimated [REDACTED] from the [REDACTED].

FINANCIAL INFORMATION

INDEBTEDNESS

During the Track Record Period, we had indebtedness in the form of bank loans, financial instruments issued to investors, and lease liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of	As of
	2022	2023	2024	June 30,	October 31,
				2025	2025
	(RMB'000)				
					(unaudited)
Current					
Bank loans	210,958	177,344	180,254	140,354	133,613
Lease liabilities	13,310	15,612	9,793	7,894	6,805
Amount due to a shareholder	–	–	4,290	2,770	1,152
Financial liabilities designated at FVTPL . .	1,612,843	1,257,334	1,529,465	1,891,183	1,891,183
Subtotal	1,837,111	1,450,290	1,723,802	2,042,201	2,032,753
Non-current					
Bank loans	–	30,000	–	–	–
Lease liabilities	16,659	17,040	11,121	12,662	10,500
Subtotal	16,659	47,040	11,121	12,662	10,500
Total	1,853,770	1,497,330	1,734,923	2,054,863	2,043,253

Bank Loans

The following table sets forth the breakdown of our bank loans as of the dates indicated.

	As of December 31,			As of	As of
	2022	2023	2024	June 30,	October 31,
				2025	2025
	(RMB'000)				
					(unaudited)
Secured	50,000	40,000	–	–	–
Unsecured	160,958	167,344	180,254	140,354	133,613
Total	210,958	207,344	180,254	140,354	133,613

FINANCIAL INFORMATION

The secured bank loans were secured by the pledged bank deposits. Details of the pledged bank deposits are set out in Note 26. As of December 31, 2022 and 2023, unsecured bank loans of RMB5.0 million and RMB30.0 million were guaranteed by our Director in favor of the relevant banks, respectively.

The following table sets forth the maturity analysis of our bank loans.

	As of December 31,			As of	As of
	2022	2023	2024	June 30,	October 31,
				2025	2025
	(RMB'000)				(unaudited)
Repayable within one year	210,958	177,344	180,254	140,354	133,613
Repayable more than one year but not exceeding two years	—	30,000	—	—	—
Subtotal	210,958	207,344	180,254	140,354	133,613
Less: Amount due for settlement within 12 months shown under current liabilities	(210,958)	(177,344)	(180,254)	(140,354)	(133,613)
Amount due for settlement after 12 months shown under non-current liabilities	—	30,000	—	—	—

During the Track Record Period and up to the Latest Practicable Date, we had not been in violation of any of the material covenants pursuant to the respective bank loans we entered into with the relevant bank, and there was no delay or default in the repayment of loans during the Track Record Period. Taking our financial position into consideration, we are able to abide by these covenants amid current market conditions and that our capital raising abilities were not materially affected as of the Latest Practicable Date.

As of October 31, 2025, we had unutilized banking facilities of RMB80.8 million.

Financial Liabilities Designated at FVTPL

Financial liabilities designated at FVTPL represent Preferred Shares issued pursuant to the Pre-[REDACTED] Investments. Changes in fair value of these financial instruments had been recognized in our combined statements of profit or loss. Financial liabilities designated at FVTPL amounted to RMB1,612.8 million, RMB1,257.3 million, RMB1,529.5 million, RMB1,891.2 million and RMB1,891.2 million as of December 31, 2022, 2023 and 2024 and June 30 and October 31, 2025, respectively.

FINANCIAL INFORMATION

Lease Liabilities

Our lease liabilities primarily comprise leases of our offices, plants and warehouses. As of December 31, 2022, 2023 and 2024 and June 30 and October 31, 2025, we had a total of current and non-current lease liabilities of RMB30.0 million, RMB32.7 million, RMB20.9 million, RMB20.6 million and RMB17.3 million, respectively.

Indebtedness Statement

Except as discussed above, 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.

CAPITAL EXPENDITURES

Our capital expenditures, being additions of property, plant and equipment, are primarily related to purchases of property, plant and equipment. In 2022, 2023 and 2024 and for the six months ended June 30, 2025, our capital expenditures amounted to RMB153.9 million, RMB76.8 million, RMB9.6 million and RMB12.1 million, respectively. We expect to finance our planned capital expenditures primarily with our internal resources as well as [REDACTED] from the [REDACTED]. See “Future Plans and Use of [REDACTED]” for more details. 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.

CAPITAL COMMITMENTS

Capital commitments represent capital expenditure we contracted but not yet provided for the purchase of items of property, plant and equipment. As of December 31, 2022 and June 30, 2025, we had capital commitments of RMB5.6 million and RMB8.0 million, respectively. As of December 31, 2023 and 2024, we did not have any capital commitments.

CONTINGENT LIABILITIES

As of December 31, 2022, 2023 and 2024 and June 30, 2025, we did not have any contingent liabilities. As of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

FINANCIAL INFORMATION

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. As of December 31, 2024 and June 30, 2025, we recorded amount due to Shareholders of RMB4.3 million and RMB2.8 million, which has been paid off as of the Latest Practicable Date. Saved as disclosed above, we do not have any material related party transactions.

Our Directors are of the view that each of the material related party transactions set out in Note 29 and 32 to the Accountants’ Report set out in Appendix I to this document was conducted in the ordinary course of business on an arm’s length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our material related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

KEY FINANCIAL RATIO

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

	As of December 31,			As of June 30,
	2022	2023	2024	2025
Current ratio ⁽¹⁾	0.5	0.4	0.3	0.2
Quick ratio ⁽²⁾	0.5	0.4	0.3	0.2

Notes:

- (1) Current ratio is calculated as total current assets divided by total current liabilities as of the dates indicated.
- (2) Quick ratio is calculated as total current assets less inventories and divided by total current liabilities as of the dates indicated.

Our current ratio remained relatively stable at 0.5, 0.4, 0.3 and 0.2 as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively.

Our quick ratio remained relatively stable at 0.5, 0.4, 0.3 and 0.2 as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively.

FINANCIAL INFORMATION

MARKET RISK DISCLOSURE

Our activities expose us to a variety of financial risks, including interest rate risk, other price risk, credit risk, and liquidity risk. See Note 40 to the Accountants' Report set out in Appendix I to this document for more details.

Interest Rate Risk

We are exposed to fair value interest rate risk in relation to pledged/restricted bank deposits, fixed-rate bank loans and lease liabilities. We are also exposed to cash flow interest rate risk in relation to variable-rate bank balances. Our cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. We manage our interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. See Note 40 to the Accountants' Report set out in Appendix I to this document for more details.

Other Price Risk

Our management considers that the exposure of other price risk on our investments in wealth management products is insignificant as the maturity periods of these investments are short, thus no sensitivity analysis is presented. See Note 40 to the Accountants' Report set out in Appendix I to this document for more details.

Credit Risk

Credit risk refers to the risk that our counterparties default on their contractual obligations resulting in financial losses to us. Our credit risk exposures are primarily attributable to trade and other receivables, pledged/restricted bank deposits, cash and cash equivalents and financial assets at FVTPL. We do not hold any collateral or other credit enhancements to cover our credit risks associated with our financial assets. See Note 40 to the Accountants' Report set out in Appendix I to this document for more details.

Liquidity Risk

In the management of liquidity risk, our management monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance our operations and mitigate the effects of unexpected fluctuations in cash flows. See Note 40 to the Accountants' Report set out in Appendix I to this document for more details.

FINANCIAL INFORMATION

DIVIDEND

We did not declare or pay any dividend during the Track Record Period. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its Articles of Association and the accounting standards and regulations in China. As a result, we may not have sufficient or any distributable profits to make dividend contributions to our Shareholders, even if we become profitable.

PATH TO PROFITABILITY

We were loss-making during 2024 and the six months ended June 30, 2025, incurring net loss of RMB424.3 million and RMB413.8 million. To achieve our sustained profitable growth in the long term, we aim to continuously expand our business scale to drive revenue growth, while improving operational efficiency and enhancing operating leverage.

Increasing the Penetration Rate within the Existing Segments and Extending the Market Reach to Emerging Segments

The multi-omics solution industry in which we operate has experienced remarkable growth and technological advancement in recent years, evidenced by the continuous, rapid expansion of the market size. According to CIC, the market size for China’s multi-omics service solution market is expected to grow from RMB46.4 billion in 2024 to RMB122.6 billion by 2030, representing a CAGR of 17.6%, demonstrating the great market potential for AI multi-omics solutions. We plan to seize market opportunities in the AI multi-omics service solution market primarily by driving broader adoption of our existing solutions and by strategically focusing on high margin life sciences research initiatives.

FINANCIAL INFORMATION

Effectively Controlling Costs and Improving Gross Margin Level

During the Track Record Period, our gross profits amounted to RMB760.2 million, RMB242.9 million, RMB336.1 million and RMB195.3 million, respectively, with the gross profit margin of 41.9%, 51.4%, 60.3% and 68.5% during the same periods. Our operating expenses include selling and distribution expenses, administrative expenses, and research and development costs. Our operating expenses as a percentage of total revenue were 35.0%, 117.8%, 87.5% and 86.9% during the same periods. We maintained a relatively high operating leverage in 2023, 2024 and the six months ended June 30, 2025, due to the significant decrease in revenue following the phasing out of our COVID-19 nucleic acid testing services. Looking forward, we anticipate that our overall operating expenses will decrease as a percentage of revenue, driven by achieving greater economies of scale as we continue to expand our solutions portfolio and market reach.

DISTRIBUTABLE RESERVES

As of June 30, 2025, we did not have any distributable reserves.

[REDACTED]

[REDACTED] to be borne by us are estimated to be approximately HK\$[REDACTED] (including [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per Share), which represent [REDACTED]% of the [REDACTED] from the [REDACTED], assuming no Shares are issued pursuant to the [REDACTED]. The above [REDACTED] are comprised of (i) [REDACTED] expenses of HK\$[REDACTED], and (ii) [REDACTED] expenses of HK\$[REDACTED], including (a) the legal advisors and the reporting accountants' expenses of HK\$[REDACTED], and (b) other fees and expenses of HK\$[REDACTED]. During the Track Record Period, we incurred [REDACTED] of HK\$[REDACTED], HK\$[REDACTED] of which was charged to our combined statements of profit or loss, and HK\$[REDACTED] of which was attributable to the issue of Shares and will be deducted from equity. We expect to incur additional [REDACTED] of approximately HK\$[REDACTED] after the Track Record Period, approximately HK\$[REDACTED] of which is expected to be charged to our combined statements of profit or loss, and approximately HK\$[REDACTED] of which is attributable to the issue of Shares and will be deducted from equity upon [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED]

FINANCIAL INFORMATION

[REDACTED]

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that there has been no material adverse change in our financial or trading position prospects since June 30, 2025 and up to the date of this document and there is no event since June 30, 2025, which would materially affect the information shown in our combined financial statements included in the Accountants’ Report set out in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this document, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Tibet GenePlus and Tibet LP will hold approximately [REDACTED]% and [REDACTED]% interest of our share capital, respectively. As of the Latest Practicable Date, Tibet LP was owned as to 73.8% partnership interest by Tibet GenePlus, the general partner of Tibet LP. Accordingly, Tibet GenePlus is deemed to hold, in aggregate, approximately [REDACTED]% of our share capital upon the [REDACTED]. Tibet GenePlus was owned as to 40.0% by Dr. Yi Xin, 30.0% by Dr. Yang Ling, and 10.0% each by Mr. Xiong Li, Mr. Tian Chao and Mr. Xia Xuefeng. In addition, on January 1, 2016, Dr. Yi Xin, Dr. Yang Ling, Mr. Xiong Li, Mr. Tian Chao and Mr. Xia Xuefeng entered into a concert party agreement to confirm that they would act in concert when exercising their shareholder rights at the level of Tibet GenePlus.

Accordingly, for the purposes of the Listing Rules, Tibet GenePlus, Tibet LP, Dr. Yi Xin, Dr. Yang Ling, Mr. Xiong Li, Mr. Tian Chao, Mr. Xia Xuefeng are presumed to be a group of Controlling Shareholders, and will remain a group of Controlling Shareholders immediately upon the [REDACTED]. For biographical details of Dr. Yi Xin, Dr. Yang Ling and Mr. Xiong Li, please see “Directors, Supervisors and Senior Management.”

For more information relating to the Controlling Shareholder and their shareholdings in the Company, see “Substantial Shareholder” and “Statutory and General Information — Disclosure of Interests” in Appendix VI to this document.

COMPETITION

The Controlling Shareholders 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.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates after the [REDACTED].

Management Independence

We are able to carry on our business independently from the Controlling Shareholders from a management perspective. Our Board consists of seven Directors, including four executive Directors, and three independent non-executive Directors.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Our executive Directors and senior management team are responsible for the day-to-day management of our operations. Notwithstanding the roles of Dr. Yixin, Dr Yang Ling, and Mr. Xiong Li in our Board, our Directors are of the view that we are able to function independently from the Controlling Shareholders for the following reasons:

- (a) all of the independent non-executive Directors are independent of Dr. Yi Xin, Dr. Yang Ling and Mr. Xiong Li, and decisions of our Board require the approval of a majority vote from members of our Board;
- (b) except for Dr. Yi Xin, Dr. Yang Ling and Mr. Xiong Li, none of the Directors hold or will hold any position or interest in the Controlling Shareholders and their associates (excluding the Group);
- (c) 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;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and the Controlling Shareholders, the Controlling Shareholders shall abstain from voting and shall not be counted towards the quorum for the voting; and
- (h) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management.

Based on the above, our Directors believe that our Board as a whole and together with our senior management members are able to perform the managerial role in our Group independently from the Controlling Shareholders and their close associates after the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Operational Independence

We have independent operating capabilities and management systems. We do not rely on any operational or administrative resources of our Controlling Shareholders or their close associates for business development, staffing, administration, sales and marketing activities. We have independent access to suppliers and customers, and an independent management team to handle our day-to-day operations. We also possess the necessary licenses, certificates, facilities and intellectual property rights to carry on and operate our business, and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we will be able to operate independently from our Controlling Shareholders and their close associates after the [REDACTED].

Financial Independence

Our finance department is independent from our Controlling Shareholders and their close associates. Its responsibilities include, among other things, financial control, accounting, financial reporting and internal control. As of the Latest Practicable Date, none of our finance staff was employed by our Controlling Shareholders or their close associates. Our Group is capable of making financial decisions independently, and our Controlling Shareholders will not interfere with our use of funds. We have established an independent audit system and a financial and accounting system. In addition, we manage our bank accounts independently, and do not share any bank accounts with our Controlling Shareholders or their close associates.

As of the Latest Practicable Date, there were no loans or guarantees provided by the Controlling Shareholders to or for the benefit of the Group.

Based on the above, our Directors are of the view that we are able to carry on our business independently of, and do not place undue reliance on, our Controlling Shareholders and their close associates after the [REDACTED].

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 the Controlling Shareholders:

- (a) where a Shareholders’ meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their respective associates has a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (b) as required by the Listing Rules, our independent non-executive Directors shall review any connected transactions annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from independent third parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole;
- (c) 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;
- (d) 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
- (e) we have appointed CMBC International Capital Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and the Controlling Shareholders, and to protect minority Shareholders' interests after the [REDACTED].

CONNECTED TRANSACTIONS

Upon [REDACTED], transactions between members of our Group (excluding Beijing Lab) and Beijing Lab will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSON

We have entered into continuing transactions in our ordinary and usual course of business with Beijing Lab, which, as of the Latest Practicable Date, was held by Beijing Technology and Tibet GenePlus, one of our substantial Shareholders, as to 70% and 30%, respectively. Therefore, Beijing Lab is a connected subsidiary of the Company. Such transactions are expected to continue after the [REDACTED]. The principal business activities of Beijing Lab are testing and sequencing services.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Transactions	Applicable Listing Rules	Waiver Sought
Partially Exempt Continuing Connected Transactions		
<i>Subject to the reporting, announcement and annual review requirements but exempt from the circular and independent Shareholders’ approval requirements</i>		
Equipment and Materials Sales Agreement	14A.35	Announcement requirement
Testing and Sequencing Services Provision Agreement	14A.35	Announcement requirement
Patent Licensing Agreement	14A.35	Announcement requirement
Non-exempt Continuing Connected Transactions		
<i>Subject to the reporting, annual review, announcement, circular, and independent Shareholders’ approval requirements</i>		
Testing and Sequencing Services Procurement Agreement	14A.35 14A.36	Announcement, independent Shareholders’ approval requirements
Guarantee Agreement	14A.35 14A.36	Announcement, independent Shareholders’ approval requirements

CONNECTED TRANSACTIONS

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS WITH BEIJING LAB

1. Equipment and Materials Sales Agreement

Principal Terms

On [●], the Company entered into a framework agreement (the “**Equipment and Materials Sales Agreement**”) with Beijing Lab, pursuant to which the Company and/or its subsidiaries agreed to sell certain equipment and materials necessary for the laboratory business activities, including sequencers, probes, reagents for machine operation, and sequencing reagents.

Reasons for the Transaction

During the Track Record Period, we conducted test services in Beijing through Beijing Lab. As part of such arrangements, we have been supplying materials to Beijing Lab to support its laboratory operations in the ordinary and usual course of business. To ensure continuity in Beijing Lab’s laboratory operations and to maintain stability and consistency in the supply of essential materials, our Group continues to supply such materials to Beijing Lab under the Equipment and Materials Sales Agreement. Such continued supply is consistent with our historical practice and is necessary to support Beijing Lab’s operational requirements.

Pricing Policy

The prices of the equipment and materials were determined by our Group and the Beijing Lab through arm’s length negotiations with reference to the relevant underlying costs incurred by us (including production costs, procurement costs, or the prices charged by our supplying entities) plus, where applicable, a reasonable mark-up or based on the prevailing market prices offered to independent customers.

Historical Transaction Amounts

Our Group provided sales of equipment and materials to Beijing Lab under precision diagnostic solutions amounting to approximately RMB16.3 million, RMB13.4 million, RMB13.4 million, and RMB10.7 million, for the three years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025, respectively.

Annual Cap and Basis of Cap

Our proposed annual caps of the transactions under the Equipment and Materials Sales Agreement for the three years ending December 31, 2025, 2026 and 2027 are approximately RMB30 million, RMB22 million and RMB27 million, respectively.

CONNECTED TRANSACTIONS

The proposed annual caps for sales amount are determined after taking into account: (i) our historical selling amount to Beijing Lab during the Track Record Period; (ii) Beijing Lab’s plan to increase procurement of equipment and materials outside the Group; (iii) expected operational needs, including the anticipated utilization of materials for its laboratory activities; and (iv) a reasonable allowance for potential fluctuations in demand and operational requirements.

Listing Rules Implications

As one or more of the applicable percentage ratios in respect of the transaction under the Equipment and Materials Sales Agreement are expected to be more than 0.1% but all of them are less than 5% on an annual basis, such transactions will, upon the [REDACTED], be subject to the reporting, announcement and annual review requirements but exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

2. Testing and Sequencing Services Provision Agreement

Principal Terms

On [●], the Company entered into a framework agreement (the “**Testing and Sequencing Services Provision Agreement**”) with Beijing Lab, pursuant to which the Company and/or its subsidiaries agreed to testing and sequencing services provide to Beijing Lab.

Reasons for the Transaction

Our Group operates an integrated laboratory network across Beijing, Shaoxing, Suzhou and Shenzhen. During the Track Record Period, Beijing Lab relied, from time to time, on other laboratories within the Group to perform testing and sequencing procedures in order to meet customer TAT requirements through the utilization of the available laboratory closest to the customer. To ensure continuity in service arrangements and to support Beijing Lab’s operational needs, our Group continues to provide testing and sequencing services to Beijing Lab under the Testing and Sequencing Services Provision Agreement. Such continued provision is consistent with our historical practice and is necessary to support Beijing Lab’s operational requirements.

Pricing Policy

The fees for services were determined by our Group and Beijing Lab through arm’s length negotiations based on the underlying cost, including materials, labor, and other expenses, plus a reasonable profit margin.

Historical Transaction Amounts

Our Group provided testing and sequencing services under clinical research and translation solutions to Beijing Lab amounting to approximately RMB0.4 million, RMB10.5 million, RMB10.9 million, and RMB3.3 million, for the three years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025, respectively.

CONNECTED TRANSACTIONS

Annual Cap and Basis of Cap

Our proposed annual caps of the transactions under the Testing and Sequencing Services Provision Agreement for the three years ending December 31, 2025, 2026 and 2027 are approximately RMB11 million, RMB10 million and RMB13 million, respectively.

The proposed annual service fee caps are determined after taking into account: (i) the historical transaction amounts under the existing arrangements between the Group and Beijing Lab; (ii) the anticipated demand for testing and sequencing services from Beijing Lab, taking into account its expected business scale and customer service requirements; (iii) the expected utilization of our Group’s laboratory network in supporting Beijing Lab’s service needs; and (iv) a reasonable allowance for potential fluctuations in demand and operational requirements.

Listing Rules Implications

As one or more of the applicable percentage ratios in respect of the transaction under the Testing and Sequencing Services Provision Agreement are expected to be more than 0.1% but all of them are less than 5% on an annual basis, such transactions will, upon the [REDACTED], be subject to the reporting, announcement and annual review requirements but exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

3. Patent Licensing Agreement

Principal Terms

On [●], the Company entered into a framework agreement (the “**Patent Licensing Agreement**”) with Beijing Lab, pursuant to which the Company and/or its subsidiaries agreed to grant to Beijing Lab a license to use our patents.

Reasons for the Transaction

During the Track Record Period, we have been granting patent license rights to Beijing Lab to satisfy their business needs in their ordinary and usual course of business. The patent licensing enables Beijing Lab to utilize the Group’s proprietary technologies relating to gene sequencing and testing, thereby enhancing operational efficiency and avoiding duplication of research and development efforts. The patents are critical to the subsidiary’s business operations, and internal licensing ensures timely access to these core technologies on commercially reasonable terms.

Pricing Policy

The patent royalty incomes were determined by our Group and the Beijing Lab through arm’s length negotiations and based on 5% of the total revenue of Beijing Lab.

CONNECTED TRANSACTIONS

Historical Transaction Amounts

Our Group provided patent licensing services to Beijing Lab amounting to approximately RMB45.7 million, RMB13.4 million, nil and nil, for the three years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025, respectively.

Annual Cap and Basis of Cap

Our proposed annual caps of the transactions under the Patent Licensing Agreement for the three years ending December 31, 2025, 2026 and 2027 are approximately RMB27 million, RMB12 million and RMB13 million, respectively.

The proposed annual patent licensing fee caps are determined after taking into account:

- (i) the one-off recognition of the royalty income in the second half of 2025, which encompasses the accrued royalty amounts for the year ended December 31, 2024 and the six months ended June 30, 2025; and
- (ii) the historical and expected business development of Beijing Lab, taking into account the potential fluctuations in its business operations.

Listing Rules Implications

As one or more of the applicable percentage ratios in respect of the transaction under the Patent License Agreement are expected to be more than 0.1% but all of them are less than 5% on an annual basis, such transactions will, upon the [REDACTED], be subject to the reporting, announcement and annual review requirements but exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS WITH BEIJING LAB

4. Testing and Sequencing Services Procurement Agreement

Principal Terms

On [●], the Company entered into a framework agreement (the “**Testing and Sequencing Services Procurement Agreement**”) with Beijing Lab, pursuant to which we agreed to engage them to provide testing and sequencing services for our business operations.

CONNECTED TRANSACTIONS

Reasons for the Transaction

During the Track Record Period, we have been procuring testing and sequencing services from Beijing Lab to satisfy our business needs in our ordinary and usual course of business. The arrangement is entered into primarily to fulfill customers’ stringent timeline requirements. Leveraging Beijing Lab’s specialized capabilities and proximity to the Group’s operational hubs enables the timely processing of samples, ensuring compliance with accelerated service delivery expectations. Taking into account our previous testing and sequencing services procurement experience with Beijing Lab, we believe that Beijing Lab is capable of fulfilling our demands efficiently and reliably with a stable and quality provision of testing and sequencing services.

Pricing Policy

The fees for services were determined by our Group and Beijing Lab through arm’s length negotiations based on the underlying cost, including materials, labor, and other expenses, plus a reasonable profit margin.

Historical Transaction Amounts

Beijing Lab provided testing and sequencing services to our Group amounting to approximately RMB11.7 million, RMB4.7 million, RMB4.6 million, and RMB1.4 million, for the three years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025, respectively.

Annual Cap and Basis of Cap

Our proposed annual caps of the transactions under the Testing and Sequencing Services Procurement Agreement for the three years ending December 31, 2025, 2026 and 2027 are approximately RMB12 million, RMB49 million and RMB62 million, respectively.

The proposed annual service fee cap ending December 31, 2025 was determined with reference to the actual transaction amount for the eleven months ended November 30, 2025.

The proposed annual service fee caps ending December 31, 2026 and 2027 are determined after taking into account:

- (i) the anticipated increase in the volume of testing and sequencing services to be procured from Beijing Lab as the Group plans for Beijing Lab to undertake a greater portion of the Group’s new gene sequencing business;
- (ii) the historical volume of the Group’s testing and sequencing services business during the Track Record Period; and
- (iii) the anticipated expansion of the Group’s overall business scale, including testing and sequencing services.

CONNECTED TRANSACTIONS

Listing Rules Implications

As one or more of the applicable percentage ratios in respect of the transaction under the Testing and Sequencing Services Procurement Agreement are expected to be more than 5% on an annual basis, such transactions will, upon the [REDACTED], be subject to the reporting, annual review, announcement and the independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

5. Guarantee Agreement

Principal Terms

On [●], the Company entered into a framework agreement (the “**Guarantee Agreement**”) with Beijing Lab, pursuant to which the Company and/or its subsidiaries agreed to, from time to time, provide guarantees in favor of Beijing Lab in respect of its financing with commercial banks.

Reasons for the Transaction

During the Track Record Period, we have provided guarantees in favor of Beijing Lab, enabling it to obtain commercial credits which might be less cost-effective if obtained independently by Beijing Lab. To improve Beijing Lab’s capital efficiency and stability, enhance its operational flexibility, and facilitate its sustainable growth and development, which in turn may contribute to the overall financial performance of our Group, we continue to provide guarantees in favor of Beijing Lab under the Guarantee Agreement. Such arrangement is consistent with our historical practice and is necessary to support Beijing Lab’s operational requirements.

Pricing Policy

The guarantees provided by the Group shall be made on normal commercial terms after arm’s length negotiations between the parties and Beijing Lab will not be charged for any fees for the guarantee.

Historical Transaction Amounts

The maximum daily amounts of guarantees in favor of Beijing Lab provided by our Group were approximately RMB129 million, RMB222 million, RMB212 million, and RMB110 million, for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively.

Annual Cap and Basis of Cap

Our proposed annual caps of maximum daily amounts of guarantees under the Guarantee Agreement for the three years ending December 31, 2025, 2026 and 2027 are approximately RMB153 million, RMB180 million and RMB180 million, respectively.

CONNECTED TRANSACTIONS

The proposed annual caps of the guarantee amounts are determined after taking into account the estimated demand by Beijing Lab for financing and financial services requiring our guarantees for the three years ending December 31, 2027, with this demand anticipated to decrease in line with Beijing Lab’s business development and the improvement of cashflow.

Listing Rules Implications

As one or more of the applicable percentage ratios in respect of the transaction under the Guarantee Agreement are expected to be more than 5% on an annual basis, such transactions will, upon the [REDACTED], be subject to the reporting, annual review, announcement and the independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

INTERNAL CONTROL MEASURES FOR CONTINUING CONNECTED TRANSACTIONS

Our Group has an independent internal control, accounting and financial management system as well as an independent finance department which makes financial decisions according to our Group’s own business needs.

To ensure that the terms under relevant framework agreement for the continuing connected transactions are fair and reasonable, or no less favorable than terms available to or from independent third parties, and are carried out under normal commercial terms, our procurement team will be responsible for maintaining and reviewing our list of designated suppliers on an annual basis. Additionally, we will adopt the following internal control procedures:

- our various internal departments will be responsible for the control and daily management in respect of the continuing connected transactions;
- our various internal departments will be jointly responsible for evaluating the terms under the framework agreement for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each transaction;
- our various internal departments will regularly monitor the fulfillment status of the annual caps and the transaction updates under the framework agreement; and
- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreement and provide annual confirmation to ensure that, in accordance with the Listing Rules, the transactions are conducted in accordance with the terms of the framework agreement, on normal commercial terms and in accordance with the relevant pricing policies.

CONNECTED TRANSACTIONS

CONFIRMATION OF OUR DIRECTORS

The Directors (including independent non-executive Directors) are of the view that the continuing connected transactions as set out above have been and will be entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better that are fair and reasonable and in the interests of the Company and our Shareholders as a whole; and that the proposed annual caps for the continuing connected transaction are fair and reasonable and in the interests of the Company and our Shareholders as a whole.

CONFIRMATION OF THE JOINT SPONSORS

Based on (i) the documentation and data provided by the Company, and (ii) the due diligence conducted and discussions by the Joint Sponsors with the Company, and having made reasonable inquiries and after due and careful consideration, the Joint Sponsors are of the view that, as of the date of this document, the aforesaid connected transactions have been entered into in the ordinary and usual course of business of the Company on normal commercial terms which are fair and reasonable, and in the interests of the Company and its Shareholders as a whole, and the proposed annual caps in respect of such continuing connected transaction are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

WAIVERS FROM STRICT COMPLIANCE WITH THE ANNOUNCEMENT AND/OR INDEPENDENT SHAREHOLDERS’ APPROVAL REQUIREMENTS

We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, waivers from strict compliance with (i) the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions described under the paragraphs headed “Partially Exempt Continuing Connected Transaction” in this section, and (ii) the announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions described under the paragraphs headed “Non-exempt Continuing Connected Transactions” in this section, subject to the conditions that (i) the Directors (including the independent non-executive Directors) and the Joint Sponsors are of the view that (a) these continuing connected transactions have been and will be entered into in the ordinary and usual course of the Company’s business, are conducted on normal commercial terms or better which are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole; and (b) the proposed annual caps for these continuing connected transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole; and (ii) apart from the announcement and independent Shareholders’ approval requirements (as applicable) for which a waiver has been sought, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules.

Apart from the above waivers sought on the strict compliance of the announcement and/or independent Shareholders’ approval requirements, we will comply with the relevant requirements under Chapter 14A of the Listing Rules. The Company will comply with relevant requirements under Chapter 14A of the Listing Rules to obtain Shareholders’ approval, where applicable, when the annual cap thereof is required to be renewed.

If any terms of the transactions contemplated under the agreements mentioned above are altered or if our Group enters into any new agreements with any connected person in the future, we will fully comply with the relevant requirements under Chapter 14A of the Listing Rules unless we apply for and obtain a separate waiver from the Stock Exchange.

SHARE CAPITAL

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the total issued share capital of our Company was RMB128,205,035 comprising 128,205,035 Shares with a nominal value of RMB1.00 each.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the [REDACTED] and conversion of Domestic Shares into H Shares, assuming that the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of our Company
Domestic Shares	[REDACTED]	[REDACTED]%
H Shares to be converted from		
Domestic Shares	[REDACTED]	[REDACTED]%
H Shares to be issued under		
the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100.00%

Immediately following the completion of the [REDACTED] and conversion of Domestic Shares into H Shares, assuming that the [REDACTED] is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of our Company
Domestic Shares	[REDACTED]	[REDACTED]%
H Shares to be converted from		
Domestic Shares	[REDACTED]	[REDACTED]%
H Shares to be issued under		
the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100.00%

SHARE CAPITAL

OUR SHARES

Upon the completion of the [REDACTED] and Conversion of Domestic Shares into H Shares, the Shares will consist of Domestic Shares and H Shares. Domestic Shares and H Shares are all ordinary Shares in the share capital of the Company.

Our H Shares, to be issued following the completion of the [REDACTED] and converted from the Domestic Shares are ordinary Shares, are in the share capital of our Company. Apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the 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, investors of the PRC. H Shares may only be subscribed for and traded in Hong Kong dollars.

Domestic 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 other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi, as the case may be. In addition to cash, dividends may be distributed in the form of Shares.

CONVERSION OF DOMESTIC SHARES INTO H SHARES

The Domestic Shares are currently not [REDACTED] or [REDACTED] on any stock exchange.

According to the regulations by the CSRC and our Articles of Association, the holders of these Domestic Shares may, at their own option, authorize the Company to apply to the CSRC for conversion of their respective Domestic Shares to H Shares upon the [REDACTED], and such converted Shares may be [REDACTED] and [REDACTED] on an overseas stock exchange provided that the conversion, [REDACTED] and [REDACTED] of such converted Shares have been approved by the securities regulatory authorities of the State Council. Additionally, such conversion, [REDACTED] and [REDACTED] shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Domestic Shares are to be converted, [REDACTED] and [REDACTED] as H Shares on the Stock Exchange, the approvals of any internal approval process and/or 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 Domestic Shares into H Shares as set forth below, we will apply for the [REDACTED] of all or any portion of the Domestic Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the [REDACTED] to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the [REDACTED]. As the [REDACTED] of additional Shares after the [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative

SHARE CAPITAL

matter, it does not require such prior [REDACTED] for [REDACTED] at the time of our [REDACTED] in Hong Kong. No Shareholder voting is required for the conversion of such Shares or the [REDACTED] and [REDACTED] of such converted Shares on an overseas stock exchange. Any application for [REDACTED] of the converted shares on the Stock Exchange after our initial [REDACTED] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained, the relevant Domestic Shares will be withdrawn from the Share register, and the Company will re-register such Shares on the [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on the [REDACTED] of the Company will be on the conditions that (i) the [REDACTED] lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the [REDACTED] and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be traded on the Stock Exchange complies 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 the [REDACTED] of the Company, such Shares would not be [REDACTED] as H Shares.

DOMESTIC PROCEDURES

The Shareholders who apply for H Share Full Circulation (“**Full Circulation Participating Shareholders**”) may only [REDACTED] the Shares upon completion of the below arrangement procedures for the registration, deposit and transaction settlement in relation to the conversion and [REDACTED]:

- (i) We will appoint CSDC as the nominal holder to deposit the relevant securities at CSDC (Hong Kong), which will then deposit the securities at [REDACTED] in its own name. CSDC, as the nominal holder of the Full Circulation Participating Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the converted H Shares for the Full Circulation Participating Shareholders;
- (ii) We will engage a domestic securities company (the “**Domestic Securities Company**”) to provide services such as the transmission of sale orders and trading messages in respect of the converted H Shares. The Domestic Securities Company will engage a Hong Kong securities company (the “**Hong Kong Securities Company**”) for settlement of share transactions. We will make an application to CSDC, Shenzhen Branch for the maintenance of a detailed record of the initial holding of the converted H Shares held by our Shareholders. Meanwhile, we will submit applications for a domestic transaction commission code and abbreviation, which shall be confirmed by CSDC, Shenzhen Branch as authorized by the Shenzhen Stock Exchange;
- (iii) The Shenzhen Stock Exchange shall authorize Shenzhen Securities Communication Co., Ltd. to provide services relating to transmission of trading orders and trading messages in respect of the converted H Shares between the Domestic Securities Company and the Hong Kong Securities Company, and the real-time market forwarding services of the H Shares;

SHARE CAPITAL

- (iv) According to the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the Full Circulation Participating Shareholders that held Domestic Shares shall complete the overseas shareholding registration with the local foreign exchange administration bureau before the Shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of overseas shares by domestic investors at a domestic bank with relevant qualifications and open a fund account for the H Share “Full Circulation” at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for the H Share “Full Circulation” at the Hong Kong Securities Company; and
- (v) The Full Circulation Participating Shareholders shall submit trading orders of the converted H Shares through the Domestic Securities Company. Trading orders of the Full Circulation Participating Shareholders for the relevant Shares will be submitted to the Stock Exchange through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. Upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the Full Circulation Participating Shareholders, will all be conducted separately.

As a result of the conversion, the shareholding of the relevant Full Circulation Participating Shareholders in our share capital registered shall be reduced by the number of Domestic Shares converted and increased by the number of H Shares so converted.

A Shareholder holding Domestic Shares not converted into H Shares can work with the Company according to the Articles of Association and follow the procedures set out in this document to convert the Domestic Shares into H Shares after the [REDACTED] if they want, provided that such conversion of Domestic Shares into and [REDACTED] and [REDACTED] of H Shares will be subject to the approval of the relevant PRC regulatory authorities, including the CSRC, the approval of the Stock Exchange and the satisfaction of the public float requirement under the Listing Rules by the Company.

SHARE CAPITAL

RESTRICTIONS OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to any [REDACTED] of shares by a company cannot be transferred within one year from the date on which such publicly [REDACTED] shares are [REDACTED] and traded on the relevant stock exchange. As such, the Shares issued by the Company prior to the [REDACTED] of H Shares will be subject to such statutory restriction on transfer within a period of one year from the [REDACTED].

The Directors and members of the senior management of the Company shall declare their shareholdings in the Company and any changes in their shareholdings. Shares transferred by the Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in the Company. The Shares that the aforementioned persons held in the Company cannot be transferred within one year from the date on which the Shares are [REDACTED] and [REDACTED], nor within half a year after they leave their positions in the Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by the Directors and members of senior management of the Company.

SUBSTANTIAL SHAREHOLDERS

As far as the Directors are aware, immediately following the completion of the [REDACTED] and conversion of the Domestic Shares into H Shares (assuming that the [REDACTED] is not exercised), the following persons will have an interest and/or short position in the Shares or underlying Shares which will be required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of Shareholder	Nature of interest	Class of Shares	Number of the Relevant Class of Shares	Approximate percentage of interest in Relevant Class of Shares ⁽¹⁾	Approximate percentage of interest in the Company ⁽¹⁾
				%	%
Tibet GenePlus	Beneficial owner ⁽²⁾	H Shares	29,362,775	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽²⁾	H Shares	16,800,000	[REDACTED]	[REDACTED]
Tibet LP	Beneficial owner ⁽²⁾	H Shares	16,800,000	[REDACTED]	[REDACTED]
Dr. Yi Xin	Interest in controlled corporations and held jointly with another person ^{(2) (5)}	H Shares	46,162,775	[REDACTED]	[REDACTED]
Dr. Yang Ling	Interest held jointly with another person ⁽⁵⁾	H Shares	46,162,775	[REDACTED]	[REDACTED]
Mr. Xiong Li	Interest held jointly with another person ⁽⁵⁾	H Shares	46,162,775	[REDACTED]	[REDACTED]
Mr. Tiao Chao	Interest held jointly with another person ⁽⁵⁾	H Shares	46,162,775	[REDACTED]	[REDACTED]
Mr. Xia Xuefeng	Interest held jointly with another person ⁽⁵⁾	H Shares	46,162,775	[REDACTED]	[REDACTED]

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of interest	Class of Shares	Number of the Relevant Class of Shares	Approximate percentage of interest in Relevant Class of Shares ⁽¹⁾	Approximate percentage of interest in the Company ⁽¹⁾
				%	%
Shaoxing Yuecheng District Yinzhi Technology Industry Equity Investment Fund Partnership Enterprise (Limited Partnership) (紹興市越城區引智科技產業股權投資基金合夥企業(有限合夥)) (“ Shaoxing Partnership ”)	Beneficial owner ⁽³⁾	H Shares	8,725,373	[REDACTED]	[REDACTED]
Shaoxing Yuecheng District Transformation and Upgrading Industrial Equity Investment Co., Ltd. (紹興市越城區轉型升級產業股權投資有限公司) (“ Shaoxing ChanYe ”)	Interest in controlled corporation ⁽³⁾	H Shares	8,725,373	[REDACTED]	[REDACTED]
Shaoxing Yuecheng State Owned Capital Investment and Operation Group Co., Ltd. (紹興越城國有資本投資運營集團有限公司) (“ Shaoxing Guoyou ”)	Interest in controlled corporation ⁽³⁾	H Shares	8,725,373	[REDACTED]	[REDACTED]
Beijing Shengshi Zhida Investment Fund Management Co., Ltd. (北京盛世智達投資基金管理有限公司) (“ Beijing Shengshi ”)	Interest in controlled corporation ⁽³⁾	H Shares	8,725,373	[REDACTED]	[REDACTED]
Shanghai Shengshi Hongming Investment Group Co., Ltd. (上海盛世鴻明投資集團有限公司) (“ Shanghai Shengshi ”)	Interest in controlled corporation ⁽³⁾	H Shares	8,725,373	[REDACTED]	[REDACTED]

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of interest	Class of Shares	Number of the Relevant Class of Shares	Approximate percentage of interest in Relevant Class of Shares ⁽¹⁾	Approximate percentage of interest in the Company ⁽¹⁾
				%	%
Jiang Mingming (姜明明) . . .	Interest in controlled corporation ⁽³⁾	H Shares	8,725,373	[REDACTED]	[REDACTED]
China Construction Bank Corporation (中國建設銀行股份有限公司) (“CCB”) . . .	Interest in controlled corporation ⁽⁴⁾	H Shares Domestic Shares	8,193,397 1,794,546	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]

- (1) The calculation is based on the total number of [REDACTED] Domestic Shares and [REDACTED] H Shares in issue upon [REDACTED] comprising (i) an aggregate of [REDACTED] H Shares to be converted from the Domestic Shares and (ii) [REDACTED] H Shares to be issued pursuant to the [REDACTED] (without taking into account the H Shares which may be issued upon the exercise of the [REDACTED]).
- (2) As of the Latest Practicable Date, Tibet GenePlus and Tibet LP held approximately 22.9% and 13.1% interest of our share capital, respectively. Tibet LP was owned as to 73.8% interest by Tibet GenePlus. Therefore, Tibet GenePlus is deemed to be interested in the Shares held by Tibet LP. Tibet GenePlus was owned as to 40.0% by Dr. Yi Xin. Therefore, Dr. Yi Xin is deemed to be interested in the Shares held by Tibet GenePlus.
- (3) As of the Latest Practicable Date, Shaoxing Partnership was held as to approximately 99.9% partnership interest by Shaoxing Chanye. Shaoxing Chanye was wholly owned by Shaoxing Guoyou, a state-owned enterprise. Therefore, Shaoxing Chanye and Shaoxing Guoyou are deemed to be interested in the Shares held by Shaoxing Partnership. Beijing Shengshi is the general partner of Shaoxing Partnership. Beijing Shengshi was held as to approximately 78.9% by Shanghai Shengshi, which was in turn held as to approximately 57.4% by Jiang Mingming. Therefore, Beijing Shengshi, Shanghai Shengshi and Jiang Mingming are deemed to be interested in the Shares held by Shaoxing Partnership.
- (4) As of the Latest Practicable Date, Jianyin International Industrial Investment (Zhuhai) Co., Ltd. (建銀國際產業投資(珠海)有限公司) (“**Jianyin Chantou**”) held approximately 3.29% equity interests in the Company; Beijing Jianxing Medical Health Industry Equity Investment Partnership (L.P.) (北京建興醫療健康產業股權投資合夥企業(有限合夥)) (“**Beijing Jianxing**”) held approximately 1.97% equity interests in the Company; JianYin Kechuang (Suzhou) Investment and Loan Lian Dong Equity Investment Fund (L.P.) (建銀科創(蘇州)投資聯動股權投資基金(有限合夥)) (“**Jianyin Kechuang**”) held approximately 1.13% equity interests in the Company; and Jianxin Financial Asset Investment Co., Ltd. (建信金融資產投資有限公司) (“**Jianxin Touzi**”) held approximately 1.40% equity interests in the Company.

Both Jianyin Chantou and Jianxin Touzi are wholly-owned subsidiaries of CCB. Accordingly, CCB is deemed to be interested in the Shares held by Jianyin Chantou and Jianxin Touzi.

Tianjin Nord Investment Co., Ltd. (天津諾德投資有限公司) (“**Tianjin Nord**”), a wholly-owned subsidiary of CCB, held approximately 33.33% of the limited partnership interest of Beijing Jianxing. Jianyin International Industry Fund Management (Beijing) Co., Ltd. (建銀國際產業基金管理(北京)有限公司) (“**Jianyin Jijin**”), a wholly-owned subsidiary of CCB, held approximately 2.08% of the partnership interest in Beijing Jianxing and served as its general partner. Accordingly, CCB is deemed to be interested in the Shares held by Beijing Jianxing.

SUBSTANTIAL SHAREHOLDERS

Tianjin CCB International Jinhe Equity Investment Management Limited (天津建銀國際金禾股權投資管理有限公司) (“**Tianjin Touzi**”), a wholly-owned subsidiary of CCB, is the general partner of Jianyin Kechuang. Accordingly, CCB is deemed to be interested in the Shares held by Jianyin Kechuang.

Therefore, CCB is deemed to be interested in the Shares held by Jianyin Chantou, Beijing Jianxing, Jianyin Kechuang and Jianxin Touzi.

- (5) Pursuant to the Concert Party Agreements, Dr. Yi Xin, Dr. Yang Ling, Mr. Xiong Li, Mr. Tian Chao and Mr. Xia Xuefeng agreed to act in concert with each other in respect of exercising their shareholder rights at the level of Tibet GenePlus. See “Relationship with Our Controlling Shareholders — Our Controlling Shareholders” for details. As a result, each of Dr. Yi Xin, Dr. Yang Ling, Mr. Xiong Li, Mr. Tian Chao and Mr. Xia Xuefeng is deemed to be interested in all shares in which each of them is interested in Tibet GenePlus under the SFO.

Save as disclosed above, the Directors are not aware of any person who will, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised) and the conversion of the Domestic Shares into H Shares, have any interest and/or short position in the Shares or underlying shares of the Company which will be required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of the Group.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

OVERVIEW

Upon [REDACTED], the Board will consist of seven Directors, including four executive Directors and three independent non-executive Directors. Our Directors serve for a term of three years and may be re-elected for successive re-appointments. The Board is responsible for and has the general power over the management and operation of our business, including determining our business strategies and investment plans, implementing resolutions passed at our general meetings, and exercising other powers, functions and duties as conferred by the Articles of Association. The Board also assumes the responsibilities for developing and reviewing the policies and practices of the Company on corporate governance, risk management, internal control and compliance with legal and regulatory requirements.

The Supervisory Committee currently consists of three Supervisors. The Supervisory Committee is responsible for supervising the performance of duty of the Board and the senior management of the Company and overseeing the financial, internal control and risk conditions of the Company.

The senior management currently consists of five members who are responsible for our day-to-day management and operation.

DIRECTORS

The table below sets out certain information about our Directors.

Name	Age	Position	Responsibilities	Date of the appointment as a Director	Date of joining the Group
Executive Directors					
Dr. Yi Xin (易鑫博士)	41	Chairman of the Board, executive Director, chief executive officer of the Company	Responsible for the overall strategic planning, key business and operational decisions of the Group, and the daily operation of the Company	June 27, 2025	April 23, 2015
Dr. Yang Ling (楊玲博士)	52	Vice chairman of the Board, executive Director and president of the Company	Responsible for coordinating the Group's overall strategic planning, key business and operational decisions, talent management, capital operations, government affairs, and compliance and risk control	June 27, 2025	April 23, 2015
Mr. Xiong Li (熊力先生)	49	Executive Director, senior vice president and board secretary of the Company	Responsible for participating in strategic decision making and overseeing finance, procurement, capital market and legal affairs	June 27, 2025	May 18, 2015
Ms. Zhao Meiru (趙美茹女士)	42	Executive Director, vice president of the Company	Responsible for participating in daily operation, and overseeing the general manager's office and human resources department of the Company	November 6, 2025	April 23, 2015

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position	Responsibilities	Date of the appointment as a Director	Date of joining the Group
Independent non-executive Directors					
Ms. Lu Qing (陸晴女士)	54	Independent non-executive Director	Responsible for supervising and providing independent judgment to the Board	November 6, 2025	November 1, 2025
Mr. Ben Yong (黃勇先生)	52	Independent non-executive Director	Responsible for supervising and providing independent judgment to the Board	November 6, 2025	November 1, 2025
Mr. Guo Yaoli (郭耀黎先生)	56	Independent non-executive Director	Responsible for supervising and providing independent judgment to the Board	November 6, 2025	November 1, 2025

Executive Directors

Dr. Yi Xin (易鑫博士) (formerly known as Yi Xing (易星)), aged 41, was appointed as executive Director, the chairman of the Board, and chief executive officer of the Company in June 2025. He is responsible for the overall strategic planning, key business and operational decisions of the Group, and the daily operation of the Company.

Dr. Yi has extensive experience in the pharmaceutical industry and corporate management. From February 2012 to April 2013, Dr. Yi served as an assistant dean and executive associate dean at Shenzhen Huada Gene Research Institute (深圳華大基因研究院) (now known as BGI Research Institute of Life Sciences, Shenzhen (深圳華大生命科學研究院)). From May 2013 to September 2014, he concurrently served as an executive vice president at the healthcare division of BGI Shenzhen Co., Ltd. (深圳華大基因科技有限公司), primarily responsible for the operation and management of the business segments. From October 2014 to April 2015, he served as chief operating officer at BGI Genomics Medical Co., Ltd. (深圳華大基因醫學有限公司) (now known as BGI Genomics Co., Ltd. (深圳華大基因股份有限公司) (a company listed on the Shenzhen stock exchange (stock code: 300676.SZ))), responsible for the company’s operation management and product research and development. Dr. Yi joined our Group in April 2015 and has served as chairman of the board, executive director, and chief technology officer of Beijing Technology. Thereafter, he has served as an executive director and general manager of Tibet GenePlus since April 2022, executive director and general manager of Shenzhen GenePlus Information Technology Limited (深圳吉因加信息科技有限公同) since April 2016.

Dr. Yi obtained a bachelor’s degree in clinical medicine from Central South University, Xiangya School of Medicine (中南大學湘雅醫學院) in the PRC in June 2006. He obtained a doctoral degree in genomics from Chinese Academy of Sciences, Beijing Institute of Genomics (中國科學院北京基因組研究所) in the PRC in July 2012. Dr. Yi is a certified senior engineer. Dr. Yi has been a member of the Shenzhen Pingshan District Political Consultative Committee (深圳市坪山區政協委員) since November 2021.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Dr. Yang Ling (楊玲博士), aged 52, was appointed as executive Director, vice chairman of the Board and president of the Company in June 2025. She is responsible for coordinating the Group’s overall strategic planning, key business and operational decisions, talent management, capital operations, government affairs, and compliance and risk control.

Dr. Yang has over 20 years of experience in the medical and genomic technology industry. Prior to joining our Group, from September 2007 to June 2012, Dr. Yang served as an assistant president of BGI Shenzhen Co., Ltd. (深圳華大基因科技有限公司) and a general manager at Shenzhen BGI Clinical Testing Center Co., Ltd. (深圳華大臨床檢驗中心有限公司) (now known as BGI Clinical Laboratories (ShenZhen) Co., Ltd. (深圳華大醫學檢驗實驗室)). From July 2012 to March 2015, she concurrently served as a general manager at BGI Genomics Co., Ltd. (深圳華大基因股份有限公司) (a company listed on the Shenzhen stock exchange (stock code: 300676.SZ) and Tianjin Huada Medical Laboratory Co., Ltd. (天津華大醫學檢驗所有有限公司). Dr. Yang joined our Group in April 2015, and she has served as executive director and general manager at Beijing Technology since then. She has been an executive director and general manager of Beijing GenePlus Clinical Laboratory Limited (北京吉因加醫學檢驗實驗室有限公司) since October 2015, an executive director and general manager of Suzhou GenePlus Clinical Laboratory Limited (蘇州吉因加醫學檢驗有限公司) (now known as Suzhou GenePlus Technology Limited (蘇州吉因加科技有限公司)) since June 2017, the executive director of Tibet GenePlus since April 2022.

Dr. Yang obtained a bachelor’s degree in medical laboratory science from West China University of Medical Sciences (華西醫科大學) (now known as Sichuan University (四川大學)) in the PRC in July 1995. She obtained a doctoral degree in internal medicine from China Union Medical University (中國協和醫科大學) (now known as Peking Union Medical College (北京協和醫學院)) in the PRC in July 2002. Dr. Yang obtained an executive master of business administration degree from China Europe International Business School (中歐國際工商學院) in the PRC in June 2018. Dr. Yang is a certified senior engineer.

Mr. Xiong Li (熊力先生), aged 49, was appointed as an executive Director and senior vice president of the company in June 2025, and as board secretary in November 2025. He is responsible for participating in strategic decision making and overseeing finance, procurement, capital market and legal affairs.

Mr. Xiong has extensive experience in investment and corporate management. Prior to joining our Group, from March 2010 to May 2015, he successively served as a senior manager, the head of investment and financing department, and investment director at BGI Tech Solutions Co., Ltd. (深圳華大基因科技服務有限公司), where he concurrently served as a supervisor from March 2013 to September 2015. Mr. Xiong joined our Group in May 2015 and has served as a director and chief financial officer at Beijing Technology since then. He has been a director of Beijing GenePlus Clinical Laboratory Limited (北京吉因加醫學檢驗實驗室有限公司) since October 2015. Since June 2017, Mr. Xiong has served as a supervisor of several subsidiaries within our Group. Mr. Xiong has served as the chief financial officer at Tibet GenePlus since July 2022.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Xiong studied technical economics at Central South University (中南大學), during which he also pursued a minor in economic law. From September 1997, Mr. Xiong pursued postgraduate studies in management at Central South University (中南大學) and obtained his master’s degree in March 2000.

Ms. Zhao Meiru (趙美茹女士), aged 42, was appointed as an executive Director in November 2025 and the vice president of the Company in December 2021. She is responsible for participating in daily operation, and overseeing the general manager’s office and human resources department of the Company.

Ms. Zhao has extensive experience in biology research and corporate management. Prior to joining our Group, from March 2009 to November 2012, Ms. Zhao successively served as an R&D engineer and assistant to the general manager at BGI Genomics Medical Co., Ltd. (深圳華大基因醫學有限公司) (now known as BGI Genomics Co., Ltd. (深圳華大基因股份有限公司) (a company listed on the Shenzhen stock exchange (stock code: 300676.SZ))) and its Tianjin branch office. From December 2012 to November 2013, she worked as a major project manager at Shenzhen National Gene Base (深圳國家基因庫). From December 2013 to April 2015, she served as the person in charge of the experimental platform at the delivery center at BGI Genomics Medical Co., Ltd. (深圳華大基因醫學有限公司) (now known as BGI Genomics Co., Ltd. (深圳華大基因股份有限公司) (a company listed on the Shenzhen stock exchange (stock code: 300676.SZ))). Thereafter, she joined our Group in April 2015 and served as the deputy director of the medical laboratory at Beijing Lab until December 2017. From January 2018 to December 2021, she served as assistant to the president at Beijing Technology. Since December 2021, she started to serve as the vice president in charge of operations at Beijing Technology.

Ms. Zhao obtained her bachelor’s degree in biology and her master’s degree in environmental science from Xiamen University (廈門大學) in the PRC in July 2005 and December 2008, respectively. She is a certified senior engineer.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Ms. Lu Qing (陸晴女士), aged 54, was appointed as an independent non-executive Director in November 2025. She is responsible for supervising and providing independent judgment to our Board.

Ms. Lu has over 32 years of experience in finance and accounting. She served as a business partner and vice president of Peking Certified Public Accountants Co., Ltd. (Special General Partnership) (中勤萬信會計師事務所(特殊普通合夥)) from February 1992 to March 2002. From May 2002 to May 2008, she served as chief financial officer of the China Operations of Sing Tao News Corporation Limited (星島新聞集團有限公司) (a company listed on the Stock Exchange (stock code: 1105.HK)). From January 2013 to November 2015, she served as the head of internal audit of China Regenerative Medicine International Limited (中國再生醫學國際有限公司) (a company listed on the Stock Exchange (stock code: 8158.HK)). From October 2015 to September 2022, she served as chief operating officer of Wonderland International Asset Management Limited (華德國際資產管理有限公司). From January 2017 to September 2022, she served as a director and an assistant executive president of Wonderland International Financial Holdings Limited (華德國際金融控股有限公司). Since June 2020, she has served as an independent non-executive director of Financial Street Property Co., Ltd. (金融街物業股份有限公司) (a company listed on the Stock Exchange (stock code: 1502.HK)). Since April 2023, she has served as an executive director of Longma International Trust Limited (龍馬國際信託有限公司).

Ms. Lu obtained a bachelor's degree in accounting from Central Institute of Finance (中央財政金融學院) (now known as Central University of Finance and Economics (中央財經大學)) in the PRC in June 1993. She obtained a master's degree in law from Peking University (北京大學) in the PRC in January 2003. She is a non-practicing certified public accountant, a registered tax agent and a non-practicing certified asset appraiser.

Mr. Ben Yong (黃勇先生), aged 52, was appointed as an independent non-executive Director in November 2025. He is responsible for supervising and providing independent judgment to our Board.

Mr. Ben has extensive experience in the medical field and in the research and development of innovative medicines in an international setting. From February 2019 to February 2022, he served as chief medical officer at BeOne Medicines Ltd. (a company listed on both NASDAQ (stock code: ONC) and the Stock Exchange (stock code: 6160.HK)). Since March 2023, he has served as an independent director of Corbus Pharmaceuticals Holdings, Inc. (a company listed on NASDAQ (stock code: CRBP)). Since September 2024, he has served as chief medical and development officer at BridgeBio Oncology Therapeutics, Inc. (a company listed on NASDAQ (stock code: BBOT)). Mr. Ben serves as a venture partner at Eight Road Venture.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Ben obtained his master’s degree in business administration from the University of California, San Diego in the United States in March 2014.

Mr. Guo Yaoli (郭耀黎先生), aged 56, was appointed as an independent non-executive Director in November 2025. He is responsible for supervising and providing independent judgment to our Board.

Mr. Guo has over 24 years of experience in legal practice, regulatory compliance and corporate governance. From July 1993 to July 1997, he served as a police officer at the Beijing Public Security Bureau (北京市公安局). Since August 1999, he has been practicing as an attorney. During this period, he served as the principal of Beijing Bo Jin Law Firm (北京博金律師事務所) until 2005. Since January 2008, he has served as a senior partner at Beijing Dacheng Law Offices, LLP (北京大成律師事務所). From January 2013 to September 2019, he served as an independent director at Tianjin Port Holdings Co., Ltd. (天津港股份有限公司) (a company listed on Shanghai stock exchange (stock code: 600717.SH)). From May 2017 to August 2023, he served as an independent director at Tianjin Ruixin Technology Co., Ltd. (天津銳新昌科技股份有限公司) (a company listed on the Shenzhen stock exchange (stock code: 300828.SZ)). Since September 2022, he has served as an independent non-executive director at Future World Holdings Limited (未來世界控股有限公司) (a company listed on the Stock Exchange (stock code: 00572.HK)). Since November 2022, he has served as an independent non-executive director at Sheng Yuan Holdings Limited (盛源控股有限公司) (a company listed on the Stock Exchange (stock code: 00851.HK)).

Mr. Guo obtained a bachelor of laws and a master of laws from the China University of Political Science and Law (中國政法大學) in the PRC in June 1993 and July 2000, respectively.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

As of the Latest Practicable Date, none of our Directors and their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly with our Group’s business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirmed that he or she (i) had obtained the legal advice referred to under Rule 3.09D of the Listing Rules on December 10, 2025; and (ii) understood his or her obligations as a director of a [REDACTED] issuer under the Listing Rules.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Rule 3.13 of the Listing Rules

Each of our independent non-executive Directors had confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he or she had no past or present financial or other interest in the business of the Company or its subsidiary 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 were no other factors that may affect his or her independence at the time of his or her appointments. Each of our independent non-executive Directors will inform us and the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect his or her independence.

SUPERVISORS

The following table sets forth the key information about our Supervisors.

Name	Age	Position	Responsibilities	Date of the appointment as a Supervisor	Date of joining the Group
Mr. Chen Yongsheng (陳永勝先生) . . .	41	Chairman of the Supervisory Committee	Responsible for overseeing our operations and financial activities	June 27, 2025	June 26, 2015
Mr. Liu Tao (劉濤先生)	44	Supervisor	Responsible for overseeing our operations and financial activities	November 6, 2025	June 1, 2015
Dr. Guan Yanfang (管彥芳博士) . . .	40	Supervisor	Responsible for overseeing our operations and financial activities	November 6, 2025	June 1, 2015

Mr. Chen Yongsheng (陳永勝先生), aged 41, was appointed as the chairman of the Supervisory Committee in June 2025. He is responsible for overseeing our operations and financial activities.

Mr. Chen has extensive experience in information technology and corporate management. Prior to joining our Group, from February 2009 to June 2015, Mr. Chen served as a software development manager of the internet infrastructure and development center, leading core projects including high-performance data transmission at BGI Shenzhen Co., Ltd. (深圳華大基因科技有限公司). Since June 2015, he has held multiple positions in our Group. He has served as the chief information officer at Beijing Technology since June 2015. Since July 2025, he has served as a director and general manager of Shenzhen GenePlus Clinical Laboratory (深圳吉因加醫學檢驗實驗室).

Mr. Chen obtained a bachelor’s degree in information and computational science and a master’s degree in science in computer software and theory from Wuhan University of Science and Technology (武漢科技大學) in the PRC in June 2007 and June 2010, respectively.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Liu Tao (劉濤先生), aged 44, was appointed as a Supervisor in November 2025. He is responsible for overseeing our operations and financial activities.

Mr. Liu has extensive experience in engineering development and project management. Prior to joining our Group, from July 2003 to July 2008, Mr. Liu served as an R&D engineer and project manager at Beijing Huada Gene Technology Co. Ltd. (北京華大基因科技有限公司) (now known as Beijing Genomics Institute, Ltd. (北京華大基因研究中心有限公司)). From July 2008 to July 2011, he served as an R&D engineer and project manager at Shenzhen Huada Gene Research Institute (深圳華大基因研究院) (now known as BGI Research Institute of Life Sciences, Shenzhen (深圳華大生命科學研究院)). From July 2011 to April 2015, he served as a senior database development engineer at the Tianjin Branch of BGI Shenzhen Co., Ltd. (深圳華大基因科技有限公司). Thereafter, he joined our Group in June 2015 and has served as the R&D director of Beijing GenePlus Genomics Institute (北京吉因加基因研究院) since then.

Mr. Liu obtained a bachelor’s degree in science from Nankai University (南開大學) in the PRC in June 2003.

Dr. Guan Yanfang (管彥芳博士), aged 40, was appointed as a Supervisor in November 2025. She is responsible for overseeing our operations and financial activities.

Dr. Guan has extensive experience in research and development management. Prior to joining our Group, from July 2008 to November 2012, she served as an R&D engineer and project manager at Shenzhen Huada Gene Research Institute (深圳華大基因研究院) (now known as BGI Research Institute of Life Sciences, Shenzhen (深圳華大生命科學研究院)). From November 2012 to May 2015, she served as an R&D manager at Tianjin Huada Gene Technology Co., Ltd. (天津華大基因科技有限公司). She joined our Group in June 2015 and served as an R&D director at Beijing Technology until August 2018. Since September 2018, she has served as an associate dean of Beijing GenePlus Genomics Institute (北京吉因加基因研究院).

Dr. Guan obtained a bachelor’s degree in biological science from Shandong Normal University (山東師範大學) in the PRC in June 2008. She obtained a master’s degree in biochemistry and molecular biology from Shenzhen University (深圳大學) in the PRC in June 2011, and a doctoral degree in computer science from Xi’an Jiaotong University (西安交通大學) in the PRC in June 2025.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

The following table sets forth the key information about the senior management of the Company.

Name	Age	Position	Responsibilities	Date of the appointment as senior management	Date of joining the Group
Dr. Yi Xin (易鑫博士)	41	Chairman of the Board, executive Director, chief executive officer of the Company	Responsible for the overall strategic planning, key business and operational decisions of the Group, and the daily operation of the Company	June 27, 2025	April 23, 2015
Dr. Yang Ling (楊玲博士)	52	Vice chairman of the Board, executive Director and president of the Company	Responsible for coordinating the Group's overall strategic planning, key business and operational decisions, talent management, capital operations, government affairs, and compliance and risk control	June 27, 2025	April 23, 2015
Mr. Xiong Li (熊力先生)	49	Executive Director, senior vice president and board secretary of the Company	Responsible for participating in strategic decision making and overseeing finance, procurement, capital market and legal affairs	June 27, 2025	May 18, 2015
Ms. Zhao Meiru (趙美茹女士) . . .	42	Executive Director, vice president of the Company	Responsible for participating in daily operation, and overseeing the general manager's office and human resources department of the Company	June 27, 2025	April 23, 2015
Ms. Shen Xiaochao (沈曉超女士) . . .	48	Chief financial officer	Responsible for overseeing the finance, capital markets, internal audit, and legal affairs	June 27, 2025	November 4, 2024

For the biographical details of Dr. Yi Xin (易鑫博士), Dr. Yang Ling (楊玲博士), Mr. Xiong Li (熊力先生), Ms. Zhao Meiru (趙美茹女士), see “— Directors” above in this section.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Shen Xiaochao (沈曉超女士), aged 48, was appointed as the chief financial officer of the Company in June 2025. She is primarily responsible for overseeing the financial matters of our Group.

Ms. Shen has extensive experience in financial management, corporate governance and corporate management. Prior to joining our Group, from November 2007 to June 2022, she served as senior partner, director and chief financial officer at Chinaequity Investment Co., Ltd. (北京信中利投資股份有限公司). From July 2016 to March 2021, Ms. Shen served as director of Chongqing Hifuture Information Technology Co., Ltd. (重慶惠程信息科技股份有限公司) (a company listed on the Shenzhen stock exchange (stock code: 002168.SZ)). Since September 2016, Ms. Shen has served as an adjunct mentor at the International Business School of the University of International Business and Economics (對外經濟貿易大學). Ms. Shen joined our Group in November 2024 and has served as chief financial officer of our Group since then.

Ms. Shen obtained a bachelor's degree in economics from Hebei Agricultural University (河北農業大學) in the PRC in June 1999. She obtained a master's degree in financial management from Renmin University of China (中國人民大學) in the PRC in January 2015, and an executive master of business administration degree from China Europe International Business School (中歐國際工商學院) in the PRC in November 2018.

GENERAL

As of the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries,

- (i) save as disclosed above, none of the Directors or senior management has held any directorship in any public company the securities of which are [REDACTED] on any securities market in Hong Kong or overseas during the three years immediately preceding the date of this document;
- (ii) none of the Directors or members of the senior management of the Company was related to any other Directors and members of the senior management;
- (iii) save as disclosed in “Statutory and General Information,” none of the Directors or chief executive officer of the Company held any interest in the Shares which would be required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance; and
- (iv) there was no additional matter with respect to the appointment of the Directors that needs to be brought to the attention of the Shareholders, and there was no additional information relating to the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

JOINT COMPANY SECRETARIES

The Company has appointed Mr. Xiong Li (熊力先生) and Ms. Fong Christine Haiman (方希琳女士) as our joint company secretaries on November 6, 2025. with effect from the [REDACTED].

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Xiong Li (熊力先生), aged 49, was appointed as one of our joint company secretaries on November 6, 2025. For details of his biography, please refer to “— Directors above.”

Ms. Fong Christine Haiman (方希琳女士), was appointed as one of our joint company secretaries on November 6, 2025. She is a manager of Company Secretarial Services of Tricor Services Limited, a member of Vistra Group and an integrated provider offering business, corporate and investor services. Ms. Fong has over eight years of experience in the corporate secretarial field. She has over eight years of experience in the corporate services field and has been providing professional corporate services to Hong Kong listed companies as well as private and offshore companies.

Ms. Fong 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.

Ms. Fong obtained a bachelor’s degree in law from Queensland University of Technology in Australia in December 2016 and a master’s degree in corporate governance from the Hong Kong Polytechnic University in September 2022.

BOARD COMMITTEES

We have established the Audit Committee, the Nomination Committee and the Remuneration Committee. The committees operate in accordance with the terms of reference established by our Board.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Ms. Lu Qing, Mr. Guo Yaoli, Mr. Ben Yong, with Ms. Lu Qing currently serving as the chairperson. Ms. Lu Qing has the appropriate professional experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but are not limited to, the following:

- (i) proposing the appointment or change of external auditors to our Board, monitoring the independence of external auditors and evaluating their performance;
- (ii) examining the financial information of the Company and reviewing financial reports and statements of the Company;
- (iii) examining the financial reporting system, the risk management and internal control system of the Company, overseeing their rationality, efficiency and implementation and making recommendations to our Board; and
- (iv) dealing with other matters that are authorized by the Board.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of the Corporate Governance Code. The Nomination consists of three Directors, namely Dr. Yi Xin, Mr. Guo Yaoli, Ms. Lu Qing, with Dr. Yi Xin currently serving as the chairperson. The primary duties of the Nomination Committee include, but are not limited to, the following:

- (i) conducting extensive search and providing our Board with suitable candidates for our Directors, general managers and other members of the senior management;
- (ii) reviewing the structure, size and composition of our Board (including but not limited to, gender, age, cultural and educational background, ethnicity, skills, knowledge and experience) at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy;
- (iii) 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;
- (iv) assessing the independence of the independent non-executive Directors; and
- (v) dealing with other matters that are authorized by the Board.

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the Corporate Governance Code. The Remuneration Committee consists of three Directors, namely Mr. Guo Yaoli, Dr. Yang Ling, Mr. Ben Yong, with Mr. Guo Yaoli currently serving as the chairperson. The primary duties of the Remuneration Committee include, but are not limited to, the following:

- (i) advising our Board on the overall remuneration plan and structure of our Directors and senior management and the establishment of transparent and formal procedures for determining the remuneration policy of the Company;
- (ii) monitoring the implementation of the remuneration system of the Company;
- (iii) making recommendations on the remuneration packages of our Directors and senior management; and
- (iv) other duties conferred by our Board.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

CORPORATE GOVERNANCE CODE

The Company is committed to achieving a high standard of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, the Company intends to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the [REDACTED].

Pursuant to code provision C.2.1 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 chairperson and the chief executive should be segregated and should not be performed by the same individual. We do not have a separate chairperson and chief executive and Dr. Yi Xin currently performs these two roles. The Board believes that vesting the roles of both the chairperson and chief executive in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning and implementation of the Board’s decisions for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of the chairperson of the Board and the chief executive of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

Save as disclosed above, the Company intends to comply with all code provisions under the Corporate Governance Code after the [REDACTED].

BOARD DIVERSITY POLICY

We have adopted the board diversity policy which sets out the objective and approach for achieving and maintaining the diversity of the Board in order to enhance its effectiveness. In accordance with the board diversity policy, the Company seeks to achieve board diversity by taking into account a number of factors, including but not limited to gender, age, industry experience, cultural and education background, professional experience, skills, knowledge and/or length of service. The ultimate selection of Board candidates will be based on merit and potential contribution to our Board having due regard to the benefits of diversity on the Board and also the specific needs of the Company without focusing on a single diversity aspect. Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development as well as knowledge and experience in areas such as overall management and strategic development. They obtained degrees in various areas pharmaceutical industry, investment, finance and accounting, and law. Furthermore, our Board has a diverse age and gender representation. Our Board currently comprises three female Directors and four male Directors, ranging from 41 years old to 56 years old.

With regard to gender diversity on the Board, we recognize the particular importance of gender diversity. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of the Company, including but without limitation at our Board and senior management levels. We will maintain a focus on gender diversity when recruiting staff at the mid to senior level so as to develop a pipeline of potential female successors to our Board. The Group will also identify and select several female individuals with a diverse range

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be reviewed by the Nomination Committee periodically to maintain gender diversity of our Board. Taking into account our existing business model and specific needs as well as the different backgrounds of our Directors, the composition of our Board satisfies our board diversity policy.

Upon the [REDACTED], the Nomination Committee will from time to time discuss and agree on expected goals to ensure board diversity, and review and, where necessary, update the board diversity policy to ensure that the policy remains effective. The Company will disclose the biographical details of each Director and report on the implementation of the board diversity policy (including whether we have achieved board diversity) in its annual corporate governance report.

DIRECTORS’ REMUNERATION AND REMUNERATION OF THE FIVE HIGHEST-PAID INDIVIDUALS

The Directors and senior management members who receive remuneration from the Company are paid in the forms of salaries and other benefits in kind, discretionary bonuses, retirement benefit scheme contributions and share-based payment. The remuneration of the Directors and senior management members is determined with reference to the remuneration paid by comparable companies and the achievement of major operating indicators of the Company.

The aggregate amount of remuneration (including salaries and other benefits in kind, discretionary bonuses, retirement benefit scheme contributions and share-based payment) and other benefits in kind paid to the Directors for the years ended December 31, 2022, 2023 and 2024 amounted to RMB3.40 million, RMB2.53 million and RMB2.59 million, respectively. The aggregate amount of remuneration (including salaries and other benefits in kind, discretionary bonuses, retirement benefit scheme contributions and share-based payment) and other benefits in kind incurred by the five highest-paid individuals (including Dr. Yi Xin, Dr. Yang Ling, and Mr. Xiong Li, respectively) of the Group for the years ended December 31, 2022, 2023 and 2024 amounted to RMB5.27 million, RMB4.07 million and RMB4.29 million, respectively.

Under the current compensation arrangement, we estimate the total compensation before taxation, including estimated share-based compensation, to be accrued to our Directors for the year ending December 31, 2025 to be approximately RMB2.95 million. The actual remuneration of Directors for 2025 may be different from the expected remuneration.

For the years ended December 31, 2022, 2023 and 2024, there were Dr. Yi Xin, Dr. Yang Ling, and Mr. Xiong Li among the five highest paid individuals, respectively. The total emoluments for the remaining individuals among the five highest paid individuals amounted to RMB1.87 million, RMB1.54 million and RMB1.70 million, for the years ended December 31, 2022, 2023 and 2024, respectively.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

We confirmed that during the Track Record Period, no remuneration was paid by the Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office in connection with the management positions of the Company or any subsidiary of the Company.

During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by the Company or our subsidiary to our Directors or the five highest-paid individuals during the Track Record Period.

COMPLIANCE ADVISER

The Company has appointed CMBC International Capital Limited as our Compliance Adviser in compliance with 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 the Company in certain circumstances including:

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (iii) where we propose to use the [REDACTED] from the [REDACTED] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and
- (iv) where the Stock Exchange makes an inquiry to the Company 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 the Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Adviser will also inform the 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 [REDACTED] and is expected to end on the date on which the 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 [REDACTED].

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” for more details of our future business plans and strategies.

USE OF [REDACTED]

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

In line with our strategies, we intend to use the net [REDACTED] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used to enhance our R&D capabilities and expand our product portfolio over the next five years. We believe such investment will enable us to capture the core trends and application scenarios driving the iteration and value growth of AI-powered multi-omics technologies. In particular,
- approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used to fund the ongoing clinical trials, further clinical studies and registration filings of our reagent kits, equipment and software. In particular, we will continue to conduct clinical studies on, among others, our kits for large panel, MRD, pathogen, and MCED, in order to facilitate IVD registration and approval. In addition, we will further advance the development and expansion of components for our GINSuper[®], as well as the R&D of our data analysis software, with the aim of securing regulatory registration for these products;
- approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used to enhance our AI multi-omics infrastructure. Specifically, we plan to further develop and iterate our proprietary AI agents, AiBox, MarkerMind, and TargetMind, to enhance database construction, model fine-tuning, and AI agents’ integration. Therefore, we plan to build a team of 15 professionals with rich experience in large models and data annotation over the next five years. Besides, we plan to further upgrade existing oncology and pathogen testing products and services, including improvements in technical processes and algorithms. We will purchase the relevant R&D equipment and materials and establish a dedicated team of ten professionals with extensive relevant work experience;

Furthermore, we will build a new computational platform for biomarkers discovery. To this end, we will also establish an additional R&D team and procure the relevant laboratory equipment, specialized reagents, and dedicated facilities. We believe the new target discovery platform will support the growth of our existing business; and

FUTURE PLANS AND USE OF [REDACTED]

- approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, is expected to be used to multi-omics biomarkers discovery and validation, continuously empowering the development and translation of our new products. Specifically, we plan to establish a specialized team of around 20 professionals, including senior clinical researchers, algorithm engineers, and other specialists. We also plan to increase our R&D investment to further develop new kits, algorithms, and models. Besides, we will conduct more targeted clinical trials, covering patient recruitment, sample collection, and database development and procure new R&D equipment and facilities, such as cell sorting platforms, mass spectrometers, and bioanalytical data systems.
- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for our marketing and commercialization capability over the next five years. In particular,
 - approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to support expansion of sales channels and marketing activities. Specifically, we will strengthen the promotion of our new products and, accordingly, establish an additional sales team of approximately 40 personnel. We will organize more brand events and industry conferences. In addition, we will increase our investment to promote the establishment of industry consensus standards, primarily in areas such as MRD, pathogen detection, MCED, and transplantation. To this end, we will collaborate with experts and professional academic platforms to conduct relevant testing experiments and publish the results;
 - approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to strengthen and diversify our business models. We will further explore the integration and upgrading of end-to-end service offerings for pharmaceutical companies. The key initiatives mainly include (i) building an overseas delivery network with laboratories, and expanding international sales teams; (ii) organizing key international academic conferences; and (iii) further exploring the development of precision insurance business models, which includes implementing relevant precision insurance projects and seeking potential partners for collaboration in precision insurance operations; and
 - approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to support overseas business expansion, primarily focusing on promoting clinical solutions based on our GINSuper[®], including overseas sales of our equipment and reagent kits, and brand promotion. In particular, we will execute promotional campaigns to directly connect with customers and participate in exhibitions, expos, and forums to directly engage with potential customers. We also plan to establish a supply chain center, which includes the construction of warehousing and storage facilities. We will also set up additional GINSuper[®] experience centers, as well as hire more sales and after-sales service personnel.

FUTURE PLANS AND USE OF [REDACTED]

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, is expected to be allocated to advance manufacturing capabilities through production upgrades and capacity expansion over the next five years. We plan to further enhance the automation level of our central laboratory to increase our production capacity. Based on high-throughput requirements, we will re-arrange our automated production lines and retrofit the laboratory. We will procure additional automated equipment for our central laboratory, such as sequencing instruments, as well as related software.

Besides, we plan to upgrade our existing production lines and expand our production capacity. Specifically, we plan to upgrade our production facilities, and will lease additional production facilities and procure the necessary production and testing equipment.

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be allocated to working capital and general corporate purposes.

If the [REDACTED] is set at HK\$[REDACTED] per H Share, being the high end of the [REDACTED], the [REDACTED] from the [REDACTED] will increase to approximately HK\$[REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per H Share, being the low end of the [REDACTED], the [REDACTED] from the [REDACTED] will decrease to approximately HK\$[REDACTED]. The above allocation of the [REDACTED] from the [REDACTED] will be adjusted on a pro-rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the midpoint of the [REDACTED] stated in this document.

If the [REDACTED] is exercised in full, the [REDACTED] that we will receive will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the [REDACTED]). In the event that the [REDACTED] is exercised, we intend to apply the additional [REDACTED] to the above purposes in the proportions stated above.

To the extent that our [REDACTED] are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash available on hands, bank loans and other borrowings.

If the [REDACTED] of the [REDACTED] are not immediately used for the purposes described above, to the extent permitted by the relevant laws and regulations, we will only deposit the [REDACTED] into short-term interest bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions, as long as it is deemed to be in the best interests of the Company. We will comply with all disclosure requirements under the Listing Rules if there is any change to the above proposed use of [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[77], received from the Company’s reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GENEPLUS TECHNOLOGY (SHAOXING) CO., LIMITED, CCB INTERNATIONAL CAPITAL LIMITED AND CMBC INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Geneplus Technology (Shaoxing) Co., Limited 吉因加科技(紹興)股份有限公司 (the “Company”) and its subsidiaries (together, the “Group”) set out on pages [I-4] to [I-77], which comprises the combined statements of financial position of the Group as of December 31, 2022, 2023, 2024 and June 30, 2025, the statement of financial position of the Company as of June 30, 2025 and the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for each of the three years ended December 31, 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-77] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] 2025 (the “Document”) in connection with the [REDACTED] of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company (the “Directors”) 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 2 to the Historical Financial Information, and for such internal control as the Directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” 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.

APPENDIX I

ACCOUNTANTS’ REPORT

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 Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 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 Group’s financial position as of December 31, 2022, 2023, 2024 and June 30, 2025, of the Company’s financial position as of 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 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the combined statement of profit or loss and other comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the six months ended June 30, 2024 and other explanatory information (the “Stub Period Comparative Financial Information”). The Directors are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up And Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-4] have been made.

Dividends

We refer to Note 16 to the Historical Financial Information which states that no dividend was declared or paid by the entities comprising the Group in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[●] 2025

APPENDIX I

ACCOUNTANTS’ REPORT

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of the Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The combined financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (the “IASB”) and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

APPENDIX I

ACCOUNTANTS’ REPORT

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	For the year ended December 31,			For the six months ended June 30,	
		2022	2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Revenue	6	1,814,975	472,831	557,132	252,886	284,985
Cost of sales		(1,054,744)	(229,940)	(220,990)	(100,527)	(89,682)
Gross profit		760,231	242,891	336,142	152,359	195,303
Other income	8	15,113	16,077	11,467	3,637	8,393
Impairment losses under expected credit loss (“ECL”) model, net of reversal	9	(5,085)	(206)	(6,905)	(4,095)	(3,545)
Other gains and losses, net	10	(8,609)	(2,209)	2,973	875	1,496
Distribution and selling expenses . . .		(344,705)	(235,812)	(272,825)	(130,376)	(144,395)
Research and development (“R&D”) expenses		(176,763)	(180,385)	(117,319)	(61,074)	(62,783)
Administrative expenses		(114,284)	(140,705)	(97,161)	(46,160)	(40,337)
Profit (loss) from operations		125,898	(300,349)	(143,628)	(84,834)	(45,868)
Changes in fair value of financial liabilities designated at fair value through profit or loss (“FVTPL”)	30	266,590	355,509	(272,131)	(109,962)	(361,718)
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Finance costs	12	(4,585)	(8,743)	(8,559)	(4,259)	(2,698)
Profit (loss) before tax	11	387,668	45,104	(425,654)	(200,391)	(414,719)
Income tax (expense) credit	13	(16,142)	9,023	1,314	858	910
Profit (loss) and total comprehensive income (expense) for the year/period attributable to owners of the Company		371,526	54,127	(424,340)	(199,533)	(413,809)

APPENDIX I

ACCOUNTANTS’ REPORT

COMBINED STATEMENTS OF FINANCIAL POSITION

		As of December 31,			As of June 30,
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current Assets					
Property, plant and equipment	17	157,086	155,309	96,162	83,532
Right-of-use assets	18	30,785	31,403	21,288	21,277
Intangible assets	19	740	1,075	686	399
Prepayments and other receivables . . .	24	5,230	6,914	3,833	16,094
		<u>193,841</u>	<u>194,701</u>	<u>121,969</u>	<u>121,302</u>
Current Assets					
Inventories	21	72,104	49,107	60,643	74,541
Contract costs	22	17,618	9,090	9,898	13,244
Trade receivables	23	622,531	233,322	196,922	213,551
Prepayments and other receivables . . .	24	39,871	24,576	19,142	22,800
Financial assets at FVTPL	25	–	14,101	–	46,044
Pledged/restricted bank deposits	26	52,000	68,570	32,739	56,863
Cash and cash equivalents	26	291,974	249,354	263,830	96,006
		<u>1,096,098</u>	<u>648,120</u>	<u>583,174</u>	<u>523,049</u>
Current Liabilities					
Trade payables	27	88,664	43,710	84,846	136,193
Other payables and accrued expenses .	28	152,504	69,963	73,182	64,273
Amount due to a shareholder	29	–	–	4,290	2,770
Income tax payable		4,835	–	–	–
Bank loans	32	210,958	177,344	180,254	140,354
Lease liabilities	31	13,310	15,612	9,793	7,894
Contract liabilities	33	57,029	53,597	63,556	55,484
Financial liabilities designated at FVTPL	30	1,612,843	1,257,334	1,529,465	1,891,183
		<u>2,140,143</u>	<u>1,617,560</u>	<u>1,945,386</u>	<u>2,298,151</u>
Net Current Liabilities		<u>(1,044,045)</u>	<u>(969,440)</u>	<u>(1,362,212)</u>	<u>(1,775,102)</u>
Total Assets less Current Liabilities . .		<u>(850,204)</u>	<u>(774,739)</u>	<u>(1,240,243)</u>	<u>(1,653,800)</u>

APPENDIX I

ACCOUNTANTS’ REPORT

		As of December 31,			As of June 30,
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current Liabilities					
Deferred tax liabilities	20	11,607	2,584	1,270	360
Bank loans	32	–	30,000	–	–
Lease liabilities	31	16,659	17,040	11,121	12,662
Contract liabilities	33	26,574	26,554	22,623	22,244
		<u>54,840</u>	<u>76,178</u>	<u>35,014</u>	<u>35,266</u>
Net Liabilities		<u>(905,044)</u>	<u>(850,917)</u>	<u>(1,275,257)</u>	<u>(1,689,066)</u>
Capital and Reserves					
Paid-in capital	34	52,800	52,800	52,800	52,800
Reserves	35	<u>(957,844)</u>	<u>(903,717)</u>	<u>(1,328,057)</u>	<u>(1,741,866)</u>
Total Deficit		<u>(905,044)</u>	<u>(850,917)</u>	<u>(1,275,257)</u>	<u>(1,689,066)</u>

APPENDIX I

ACCOUNTANTS’ REPORT

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	<i>NOTES</i>	As of June 30, 2025
		<i>RMB’000</i>
Non-current Asset		
Right-of-use asset	<i>18</i>	<u>1,716</u>
Current Liability		
Lease liability	<i>31</i>	<u>554</u>
Net Current Liability		<u>(554)</u>
Total Asset less Current Liability		<u>1,162</u>
Non-current Liability		
Lease liability	<i>31</i>	<u>1,162</u>
Net Asset		<u><u>—</u></u>
Capital and Reserves		
Share capital	<i>34</i>	<u>—</u>
Reserves		<u>—</u>
Total Equity		<u><u>—</u></u>

APPENDIX I

ACCOUNTANTS’ REPORT

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Paid-in capital	Other reserve	Share-based payments reserve	Statutory reserve	Accumulated losses	Total
	<i>RMB'000</i> <i>(Note 34)</i>	<i>RMB'000</i> <i>(Note 35)</i>	<i>RMB'000</i> <i>(Note 35)</i>	<i>RMB'000</i> <i>(Note 35)</i>	<i>RMB'000</i>	<i>RMB'000</i>
As of January 1, 2022	52,800	(476,400)	27,927	–	(880,897)	(1,276,570)
Profit and total comprehensive income for the year	–	–	–	–	371,526	371,526
Appropriation of statutory reserve	–	–	–	6,448	(6,448)	–
As of December 31, 2022 . . .	<u>52,800</u>	<u>(476,400)</u>	<u>27,927</u>	<u>6,448</u>	<u>(515,819)</u>	<u>(905,044)</u>
Profit and total comprehensive income for the year	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>54,127</u>	<u>54,127</u>
As of December 31, 2023 . . .	<u>52,800</u>	<u>(476,400)</u>	<u>27,927</u>	<u>6,448</u>	<u>(461,692)</u>	<u>(850,917)</u>
Loss and total comprehensive expense for the year	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(424,340)</u>	<u>(424,340)</u>
As of December 31, 2024 . . .	<u>52,800</u>	<u>(476,400)</u>	<u>27,927</u>	<u>6,448</u>	<u>(886,032)</u>	<u>(1,275,257)</u>
Loss and total comprehensive expense for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(413,809)</u>	<u>(413,809)</u>
As of June 30, 2025	<u>52,800</u>	<u>(476,400)</u>	<u>27,927</u>	<u>6,448</u>	<u>(1,299,841)</u>	<u>(1,689,066)</u>
As of January 1, 2024	<u>52,800</u>	<u>(476,400)</u>	<u>27,927</u>	<u>6,448</u>	<u>(461,692)</u>	<u>(850,917)</u>
Loss and total comprehensive expense for the period (unaudited)	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(199,533)</u>	<u>(199,533)</u>
As of June 30, 2024 (unaudited)	<u>52,800</u>	<u>(476,400)</u>	<u>27,927</u>	<u>6,448</u>	<u>(661,225)</u>	<u>(1,050,450)</u>

APPENDIX I

ACCOUNTANTS’ REPORT

COMBINED STATEMENTS OF CASH FLOWS

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
OPERATING ACTIVITIES					
Profit (loss) before tax	387,668	45,104	(425,654)	(200,391)	(414,719)
Adjustments for:					
Finance costs	4,585	8,743	8,559	4,259	2,698
Interest income	(301)	(2,153)	(1,769)	(619)	(235)
Depreciation of property, plant and equipment	114,201	66,427	46,229	26,739	20,513
Depreciation of right-of-use assets	10,460	15,916	14,252	7,617	6,532
Amortization of intangible assets	231	463	729	211	287
Impairment loss on property, plant and equipment	8,401	2,388	190	–	–
Impairment losses under ECL model, net of reversal	5,085	206	6,905	4,095	3,545
Loss (gain) on disposal of property, plant and equipment	25	678	(865)	(112)	(964)
Loss (gain) on early termination or modification of leases	–	91	277	570	(3)
Gain on fair value changes of financial assets at FVTPL	(404)	(1,664)	(3,345)	(1,781)	(721)
(Gain) loss on fair value changes of financial liabilities designated at FVTPL	(266,590)	(355,509)	272,131	109,962	361,718
Operating cash flows before movements					
in working capital	263,361	(219,310)	(82,361)	(49,450)	(21,349)
(Increase) decrease in inventories	(11,177)	22,997	10,240	5,413	(10,409)
(Increase) decrease in contract costs	(10,615)	8,528	(808)	(3,164)	(3,346)
(Increase) decrease in trade and other receivables and prepayments	(485,145)	409,876	29,351	57,387	(23,091)
Increase (decrease) in trade and other payables and accrued expenses	126,752	(128,479)	43,875	(591)	31,868
Increase (decrease) in contract liabilities	4,934	(3,452)	6,028	6,703	(8,451)
Cash (used in) from operations	(111,890)	90,160	6,325	16,298	(34,778)
Income tax paid	(90)	(4,835)	–	–	–
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(111,980)	85,325	6,325	16,298	(34,778)

APPENDIX I

ACCOUNTANTS’ REPORT

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
INVESTING ACTIVITIES					
Interest received	301	2,153	1,769	619	235
Proceeds from disposal of property, plant and equipment	3,508	3,540	7,020	32	1,741
Purchase of financial assets at FVTPL	(122,000)	(640,165)	(988,860)	(652,800)	(362,400)
Redemption of financial assets at FVTPL	483,924	627,728	1,006,306	564,706	317,077
Purchase of property, plant and equipment	(150,316)	(77,958)	(7,933)	(3,022)	(14,077)
Purchase of intangible assets	(626)	(798)	(340)	–	–
Payments of rental deposits	(1,988)	(1,203)	(308)	–	(366)
Refund of rental deposits	456	1,627	–	–	–
Placement of pledged/ restricted bank deposits	(52,000)	(78,570)	(5,123)	(95)	(29,998)
Withdrawal of pledged/ restricted bank deposits	–	62,000	40,954	5,865	5,874
NET CASH FROM (USED IN)					
INVESTING ACTIVITIES	161,259	(101,646)	53,485	(84,695)	(81,914)
FINANCING ACTIVITIES					
Interests paid	(4,433)	(9,853)	(7,915)	(3,741)	(2,817)
Repayment of lease liabilities	(11,785)	(13,942)	(13,975)	(7,213)	(6,876)
New bank loans raised	343,613	232,302	155,939	82,679	79,855
Repayment of bank loans	(137,807)	(234,806)	(183,673)	(71,763)	(119,636)
Payment of share issue costs	–	–	–	–	(138)
Increase (decrease) in amount due to a shareholder	–	–	4,290	–	(1,520)
NET CASH FROM (USED IN) FINANCING					
ACTIVITIES	189,588	(26,299)	(45,334)	(38)	(51,132)
NET INCREASE (DECREASE) IN CASH					
AND CASH EQUIVALENTS	238,867	(42,620)	14,476	(68,435)	(167,824)
CASH AND CASH EQUIVALENTS AT					
BEGINNING OF THE YEAR/PERIOD	53,107	291,974	249,354	249,354	263,830
TOTAL CASH AND CASH EQUIVALENTS					
AT THE END OF THE YEAR/PERIOD	291,974	249,354	263,830	180,919	96,006

APPENDIX I

ACCOUNTANTS’ REPORT

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in Shaoxing City, Zhejiang Province, People’s Republic of China (the “PRC”) on June 30, 2025 as a joint stock company with limited liability under the Company Law (PRC, 2013 Revision). The respective addresses of the registered office and the principal place of business of the Company are stated in the section headed “Corporate Information” of the Document. The Company is an investment holding company. The principal activities of the Group are provision of genetic testing and other services and sale of in-vitro diagnostic (“IVD”) products. The Group’s principal operations and geographic markets are in the PRC.

The ultimate and immediate holding company of the Company is Tibet GenePlus Industrial Limited* 西藏吉因加實業有限公司 (formerly known as “深圳吉因加投資有限公司” and “平頂山吉因企業管理有限公司”, “Tibet GenePlus”), which was incorporated in Lhasa City, Xizang Province, the PRC.

The Historical Financial Information is presented in Renminbi (“RMB”), which is also the functional currency of the Company.

2. GROUP REORGANIZATION AND BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies set out in Note 4 which conform with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

Group Reorganization

Throughout the Track Record Period, the Group’s operations were conducted by the existing group of entities held by Beijing Geneplus Technology Limited* 北京吉因加科技有限公司 (“Beijing Technology”), a company incorporated in the PRC and the then holding company of all subsidiaries now comprising the Group.

In preparation for the [REDACTED] (the “[REDACTED]”) of the Company’s shares on the Stock Exchange, the entities now comprising the Group underwent a group reorganization (the “Group Reorganization”) involving the following major steps:

- (a) On June 30, 2025, the Company was established with an authorized share capital of RMB1,000,000, divided into 1,000,000 ordinary shares.
- (b) On November 14, 2025, Beijing Technology, the Company, and all existing investors of Beijing Technology (the “Investors”) entered into a shareholder agreement, pursuant to which the Investors transferred the entire equity interest in Beijing Technology to the Company in exchange for the issuance and allotment of 128,205,035 ordinary shares with a par value of RMB1.00 each by the Company and an equivalent shareholding percentage of Beijing Technology. As a result, the Company became the immediate holding company of Beijing Technology.

Following the Group Reorganization detailed above, which was completed by interspersing the Company between Beijing Technology and the Investors, the Company has become the holding company of the entities now comprising the Group as of November 28, 2025.

* English name is for identification only.

APPENDIX I

ACCOUNTANTS’ REPORT

Basis of preparation of Historical Financial Information

As the shares are proportionately issued to the shareholders of the Company, the Group resulting from the Group Reorganization, which involves interspersing the Company between Beijing Technology and the Investors, is regarded as a continuing entity throughout the Track Record Period, regardless of the actual date when they legally form part of a group. Accordingly, the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows for the Track Record Period have been prepared to include the results, changes in equity and cash flows of the companies now comprising the Group as if the group structure upon the completion of the Group Reorganization had been in existence throughout the Track Record Period, or since their respective dates of incorporation, where there is a shorter period.

Going concern

As of June 30, 2025, the Group had net current liabilities and net liabilities of RMB1,775,102,000 and RMB1,689,066,000, respectively. The net current liabilities and net liabilities primarily arose from the financial liabilities designated at FVTPL amounting to RMB1,891,183,000 as of June 30, 2025, which were classified as current liabilities. The Group has performed a working capital forecast for the next twelve months. Taking into account the financial resources available to the Group, including cash and cash equivalents on hand, undrawn banking facility of RMB1 billion available to the Group, and the support from certain strategy investors, the Directors are of the view that the Group will have sufficient financial resources to meet in full its working capital requirements over the next twelve months from the date of this report. Accordingly, the Directors consider it is appropriate for the Historical Financial Information to be prepared on a going concern basis.

No statutory financial statements of the Company have been prepared as it is newly incorporated and the financial statements have not yet been due to issue.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2025 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
IFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 ²

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after January 1, 2026.

³ Effective for annual periods beginning on or after January 1, 2027.

Except as mentioned below, the Directors anticipate that the application of all the amendments to IFRS Accounting Standards will have no material impact on the combined financial statements in the foreseeable future.

APPENDIX I

ACCOUNTANTS’ REPORT

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and other comprehensive income and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group’s combined financial statements. The application of the new standard is not expected to have significant impact on the Group’s financial position and performance, but may affect the presentation of the statement of profit or loss and other comprehensive income and disclosures in the future financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Basis of combination

The Historical Financial Information incorporates the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the Track Record Period are included in the combined statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on combination.

Revenue from contracts with customers

Information about the Group’s accounting policies relating to contracts with customers is provided in Notes 6 and 33.

APPENDIX I

ACCOUNTANTS’ REPORT

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 *Leases* at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of buildings and machinery and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (such as office equipment). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date; and
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the combined statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the combined statements of financial position.

APPENDIX I

ACCOUNTANTS’ REPORT

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

Borrowing costs

All the borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

Employee benefits

Retirement benefit costs

Payments to state-managed retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognizes any related restructuring costs.

APPENDIX I

ACCOUNTANTS' REPORT

Short-term employee benefits

Short term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when the employee rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS requires or permits inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payments transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognized in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based payments reserve will continue to be held in share-based payments reserve.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit (loss) before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

APPENDIX I

ACCOUNTANTS’ REPORT

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognizes a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the combined statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

APPENDIX I

ACCOUNTANTS' REPORT

Impairment of property, plant and equipment, right-of-use assets, contract costs and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives and contract costs to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Before the Group recognizes an impairment loss for assets capitalized as contract costs under IFRS 15 *Revenue from Contracts with Customers*, the Group assesses and recognizes any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalized as contract costs is recognized to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognized as expenses. The assets capitalized as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

APPENDIX I

ACCOUNTANTS' REPORT

Cash and cash equivalents

Cash and cash equivalents presented on the combined statements of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

APPENDIX I

ACCOUNTANTS’ REPORT

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

(i) Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below).

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or fair value through other comprehensive income (“FVTOCI”) or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, pledged/restricted bank deposits and cash and cash equivalents), which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

APPENDIX I

ACCOUNTANTS’ REPORT

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

APPENDIX I

ACCOUNTANTS' REPORT

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Trade receivables credit-impaired are assessed for ECL individually. Trade receivables arising from Covid-19 nucleic acid testing services and not credit-impaired are grouped together based on their shared common risk characteristics by reference to the debtors' external credit ratings, the Group assessed lifetime ECL for these receivables by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies as well as forward-looking information that is available without undue cost or effort. Besides, trade receivables arising from provision of other services or sales of IVD products and not credit-impaired are grouped based on shared credit risk characteristics by reference to the aging of these receivables. The estimated loss rates are estimated on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

APPENDIX I

ACCOUNTANTS’ REPORT

Interest income 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 amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables where the corresponding adjustment is recognized through a loss allowance account.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortized cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at amortized cost

Financial liabilities including trade and other payables, bank loans and amount due to a shareholder are subsequently measured at amortized cost, using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 *Business Combinations* applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group’s documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

APPENDIX I

ACCOUNTANTS’ REPORT

Shares with preferred rights

Shares with preferred rights, which contain redemption features and other embedded derivatives, are designated as financial liabilities at FVTPL as a whole, with fair value changes recognized in profit or loss in “changes in fair value of financial liabilities designated at FVTPL”. Details of financial liabilities designated at FVTPL are set out in Note 30.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Modification of financial liabilities

When the contractual terms of a debt instrument are modified, such as extending the tenure, the revised terms would result in a substantial modification from the original terms, after taking into account all relevant facts and circumstances including qualitative factors, such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of financial liability derecognized and the fair value of consideration paid or payable, including any liabilities assumed, is recognized in profit or loss.

Derivative financial instruments

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in Note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group’s accounting policies and that have the most significant effect on the amounts recognized in the combined financial statements.

Principal versus agent consideration

The Group performs the underlying precision diagnostics testing services. When another party is involved in providing the service to an end customer, the Group will determine whether the other party is the principal or the agent to the end customer. The Group recognizes the revenue on a gross or net basis depending on whether the other party is acting as a principal or an agent to the end customer in a transaction. This determination is based on an evaluation of various factors including but not limited to whether the other party (i) is the primary obligor in the arrangement; (ii) has latitude in establishing the selling price; and (iii) has inventory risk before the specified good or service is transferred to a customer or after transfer of control to the customer. The Group concludes that the Group acts as the principal for such transactions as it controls the specified service before it is transferred to the customer after considering the relevant indicators such as the Group is primarily responsible for fulfilling the promise to provide the clinical laboratory testing services, the Group has inventory risk and discretion in establishing the price for the specified services. When the Group satisfies the performance obligation, the Group recognizes revenue of precision diagnostics testing service in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

APPENDIX I

ACCOUNTANTS’ REPORT

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year/period.

Fair value measurement of financial liabilities designated at FVTPL

As of December 31, 2022, 2023, 2024 and June 30, 2025, the Group’s shares with preferred rights which are designated as financial liabilities at FVTPL amounted to RMB1,612,843,000, RMB1,257,334,000, RMB1,529,465,000 and RMB1,891,183,000 respectively, for which no quoted prices in an active market exist. The fair value of the financial liabilities were determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in a material adjustments to the fair value of these instruments. See Notes 30 and 40 for further disclosures.

Provision of ECL for trade receivables

Trade receivables which are considered credit-impaired are assessed for ECL individually. In addition, for trade receivables arising from Covid-19 nucleic acid testing services and not credit-impaired, the Group performs collective assessment based on the debtors’ credit ratings, provisions of which are calculated based on probability of default and loss given default of the debtors as well as forward-looking information that is reasonable and supportable available without undue costs or effort. For trade receivables arising from other services or sales of goods which are not credit-impaired, the Group uses practical expedient in estimating ECL using a provision matrix, the provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group’s historical default rates and forward-looking information that is reasonable, supportable and available without undue costs or effort. At the end of each reporting period, the expected loss rates are reassessed with changes in the forward-looking information being considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group’s trade receivables are disclosed in Notes 40 and 23.

6. REVENUE

(i) Disaggregation of revenue from contracts with customers

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Precision diagnostics solutions . . .	1,735,788	335,800	436,393	200,184	221,550
Drug R&D enablement solutions . . .	17,770	25,670	27,954	15,080	13,102
Clinical research and translation solutions	61,417	111,361	92,785	37,622	50,333
Total revenue	1,814,975	472,831	557,132	252,886	284,985

APPENDIX I

ACCOUNTANTS’ REPORT

Types of goods or services

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Provision of services	1,727,846	328,482	377,672	172,421	209,240
– Clinical laboratory testing services	291,105	323,032	377,672	172,421	209,240
– Covid-19 nucleic acid testing services	1,436,741	5,450	–	–	–
Sale of goods	87,129	144,349	179,460	80,465	75,745
Total revenue	1,814,975	472,831	557,132	252,886	284,985

Timing of revenue recognition

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
At a point in time	1,814,975	472,831	557,132	252,886	284,985

(ii) Performance obligations for contracts with customers and revenue recognition policies

(a) Precision diagnostics solutions

Revenue from precision diagnostics solutions includes provision of clinical laboratory testing services, sale of IVD products and Covid-19 nucleic acid testing services.

Provision of clinical laboratory testing services

Clinical laboratory testing services refer to genetic tests which examine samples taken from the human body, such as blood and tissue, including early detection of cancer services. The service period for each genetic test is generally around 3-7 days. Customers of the Group include hospitals and individuals. Revenue from clinical laboratory testing services is recognized at the point in time when the service is provided and accepted by the customer, generally on the delivery of the testing reports.

The Group also sells clinical laboratory testing services to individuals in package which contain multiple performance obligations (i.e. provision of at least two genetic tests). Each service is capable of being distinct and separately identifiable from other promises in the contracts and therefore, represents distinct performance obligations. Revenue is allocated to each service using a relative standalone selling price basis and the standalone selling prices are generally directly observable in the contract.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group sells clinical laboratory testing services either directly to individual customers or through agents to reach more individual customers. For sales directly to individuals, when the customer initially purchases the clinical laboratory testing services, the transaction price received by the Group is recognized as a contract liability until the delivery of the testing reports to the customer. For sales to individual customers via agents, the Group either (i) receives a gross consideration directly from the individual customer and then pays commission fee to the respective agent; or (ii) receives a net consideration from an agent, which is calculated by deducting the commission fee to the agent from the gross consideration that the individual customer pays to the agent. The gross consideration paid by the individual customers either to the Group or to the Group’s agents is recorded as revenue when the service is provided and accepted by individual customer. For sales to individuals via agents, the normal credit term is 15 days from the date of monthly settlement statement with each agent.

Sale of IVD products

IVD products refer to in vitro diagnostic products, including equipment and assays. The Group sells IVD products either directly to customers (i.e. hospitals and industry companies) or through distributors to reach more customers. Revenue from the sale of IVD products is recognized at a point in time when control of the IVD products is transferred, being when the goods have been received and accepted by the customer. The normal credit term is 30 to 180 days from the date of receipt and acceptance.

Certain contracts contain more than one performance obligation (i.e. the sale of equipment and assays). Each IVD product is capable of being distinct and separately identifiable from other promises in the contracts and therefore, represents distinct performance obligations. Revenue is allocated to each IVD product on the basis of relative standalone selling price and the standalone selling prices are generally directly observable in the contract.

Certain contracts contain a lease component and one or more additional non-lease components (i.e. the lease of equipment and the sales of assays), the Group allocates the consideration in the contract to each performance obligation on the basis of relative standalone selling price.

Covid-19 nucleic acid testing services

The Group provides Covid-19 nucleic acid testing services to individuals, hospitals, enterprises and government authorities. Revenue from Covid-19 nucleic acid testing services is recognized at the point in time when the service is provided, generally on the delivery of the testing reports.

For sales to individuals, when the customer initially purchases the Covid-19 nucleic acid testing services, the transaction price received by the Group is recognized as a contract liability until the delivery of the testing reports. For sales to hospitals, enterprises and government authorities, the normal credit term is 30 days upon delivery.

(b) Drug R&D enablement solutions

The Group provides drug R&D enablement solutions based on related genetic testing results to biopharmaceutical companies in development of new drugs. Drug R&D enablement solutions are recognized at the point in time when the service is provided and accepted by the customer, generally on delivery of the specified reports.

The normal credit term of drug R&D enablement solutions is 30 to 90 days upon delivery.

APPENDIX I

ACCOUNTANTS’ REPORT

(c) *Clinical research and translation solutions*

Revenue from clinical research and translation solutions refers to the clinical research and translation services and sequencing services.

The Group provides clinical research and translation services to medical research institutions. Research services are recognized at the point in time when the service is provided and accepted by the customer, generally on delivery of the specified reports.

The Group provides sequencing services to genomic sequencing companies and other industry companies. Sequencing services are recognized at the point in time when the service is provided and accepted by the customer, generally on delivery of the specified reports.

The normal credit term of other technology services is 30 to 90 days upon delivery.

Transaction price allocated to the remaining performance obligation for contracts with customers

Sales of IVD products, provision of Covid-19 nucleic acid testing services and provision of certain clinical laboratory testing services are mainly with an original expected duration period of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

For provision of clinical laboratory testing services in package, provision of drug R&D enablement solutions and provision of clinical research and translation solutions, the Group has recognized the transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as contract liabilities at the end of each reporting period. The Directors expect that the current contract liabilities will be recognized as revenue within one year, while the non-current contract liabilities will be recognized as revenue over one year but not exceed two years.

7. SEGMENT INFORMATION

The Group’s operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Directors, being the chief operating decision maker (the “CODM”), in order to allocate resources to the segments and to assess their performance.

Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services. The Group’s operating and reportable segments under IFRS 8 *Operating Segments* are as follows:

- Precision diagnostics solutions - provision of clinical laboratory testing services, sale of IVD products and provision of Covid-19 nucleic acid testing services;
- Drug R&D enablement solutions - provision of new drug R&D services; and
- Clinical research and translation solutions - provision of clinical research and translation services and sequencing services.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

APPENDIX I

ACCOUNTANTS’ REPORT

Segment revenue and results

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by CODM. Segment gross profit is used to measure performance as management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The following is an analysis of the Group’s revenue and results by operating and reportable segments:

For the year ended December 31, 2022

	Precision diagnostics solutions	Drug R&D enablement solutions	Clinical research and translation solutions	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from external customers	<u>1,735,788</u>	<u>17,770</u>	<u>61,417</u>	<u>1,814,975</u>
Segment gross profit	<u>743,408</u>	<u>12,910</u>	<u>3,913</u>	<u>760,231</u>

For the year ended December 31, 2023

	Precision diagnostics solutions	Drug R&D enablement solutions	Clinical research and translation solutions	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from external customers	<u>335,800</u>	<u>25,670</u>	<u>111,361</u>	<u>472,831</u>
Segment gross profit	<u>205,809</u>	<u>16,395</u>	<u>20,687</u>	<u>242,891</u>

For the year ended December 31, 2024

	Precision diagnostics solutions	Drug R&D enablement solutions	Clinical research and translation solutions	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from external customers	<u>436,393</u>	<u>27,954</u>	<u>92,785</u>	<u>557,132</u>
Segment gross profit	<u>295,158</u>	<u>19,316</u>	<u>21,668</u>	<u>336,142</u>

APPENDIX I

ACCOUNTANTS’ REPORT

For the six months ended June 30, 2024 (Unaudited)

	Precision diagnostics solutions	Drug R&D enablement solutions	Clinical research and translation solutions	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from external customers	200,184	15,080	37,622	252,886
Segment gross profit	132,308	10,595	9,456	152,359

For the six months ended June 30, 2025

	Precision diagnostics solutions	Drug R&D enablement solutions	Clinical research and translation solutions	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from external customers	221,550	13,102	50,333	284,985
Segment gross profit	167,531	9,316	18,456	195,303

Geographical information

The Group’s operations are located in the PRC. Information about the Group’s revenue from external customers is presented based on the location of customers.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(Unaudited)	
The PRC	1,814,435	469,757	550,597	250,554	280,164
Overseas	540	3,074	6,535	2,332	4,821
	1,814,975	472,831	557,132	252,886	284,985

All of the Group’s non-current assets are located in the PRC.

Information about major customers

During the Track Record Period, no single customer contributed over 10% of the total revenue of the Group.

APPENDIX I

ACCOUNTANTS’ REPORT

8. OTHER INCOME

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Interest income on					
bank deposits	301	2,153	1,769	619	235
Government grants (<i>Note</i>)	14,674	13,524	9,332	2,741	7,977
Others	138	400	366	277	181
	<u>15,113</u>	<u>16,077</u>	<u>11,467</u>	<u>3,637</u>	<u>8,393</u>

Note: The government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government financial incentives and refunds of various taxes. There were no unfulfilled conditions or contingencies relating to these government grants at the end of each reporting period during the Track Record Period.

9. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Impairment losses recognized (reversed) on:					
– trade receivables	4,549	717	6,917	4,107	3,538
– other receivables	536	(511)	(12)	(12)	7
	<u>5,085</u>	<u>206</u>	<u>6,905</u>	<u>4,095</u>	<u>3,545</u>

Details of impairment assessment are set out in Note 40.

APPENDIX I

ACCOUNTANTS’ REPORT

10. OTHER GAINS AND LOSSES, NET

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(Unaudited)	
Impairment loss recognized in respect of property, plant and equipment	8,401	2,388	190	–	–
Loss (gain) on disposal of property, plant and equipment	25	678	(865)	(112)	(964)
Loss (gain) on early termination or modification of leases	–	91	277	570	(3)
Changes in fair value of financial assets at FVTPL	(404)	(1,664)	(3,345)	(1,781)	(721)
Others	587	716	770	448	192
	<u>8,609</u>	<u>2,209</u>	<u>(2,973)</u>	<u>(875)</u>	<u>(1,496)</u>

11. PROFIT (LOSS) BEFORE TAX

Profit (loss) before tax has been arrived at after charging (credit):

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(Unaudited)	
Depreciation of property, plant and equipment	114,201	66,427	46,229	26,739	20,513
Depreciation of right-of-use assets	10,460	15,916	14,252	7,617	6,532
Amortization of intangible assets	231	463	729	211	287
	<u>124,892</u>	<u>82,806</u>	<u>61,210</u>	<u>34,567</u>	<u>27,332</u>
Total depreciation and amortization	<u>124,892</u>	<u>82,806</u>	<u>61,210</u>	<u>34,567</u>	<u>27,332</u>
Capitalized in inventories/contract costs	(88,717)	(22,867)	(24,475)	(14,320)	(11,541)
	<u>36,175</u>	<u>59,939</u>	<u>36,735</u>	<u>20,247</u>	<u>15,791</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Staff costs (including Directors’ remuneration as set out in Note 14): . . .					
Salaries and other benefits-in-kind	384,401	278,718	208,699	107,609	99,116
Retirement benefits scheme contributions	18,988	17,288	14,808	7,373	7,127
	<u>403,389</u>	<u>296,006</u>	<u>223,507</u>	<u>114,982</u>	<u>106,243</u>
Total staff costs	403,389	296,006	223,507	114,982	106,243
Capitalized in inventories	(122,764)	(33,914)	(26,849)	(13,675)	(12,849)
	<u>280,625</u>	<u>262,092</u>	<u>196,658</u>	<u>101,307</u>	<u>93,394</u>
Auditors’ remuneration	207	216	189	–	–
	<u>207</u>	<u>216</u>	<u>189</u>	<u>–</u>	<u>–</u>
Cost of inventories recognized as an expense (including impairment of inventories amounting to RMB20,294,000, nil, 954,000, nil (unaudited) and nil during the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively)	1,094,763	265,810	242,629	109,975	103,562
	<u>1,094,763</u>	<u>265,810</u>	<u>242,629</u>	<u>109,975</u>	<u>103,562</u>

12. FINANCE COSTS

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Interest on bank loans	3,642	7,145	7,489	3,701	2,299
Interest on lease liabilities	943	1,598	1,070	558	399
	<u>4,585</u>	<u>8,743</u>	<u>8,559</u>	<u>4,259</u>	<u>2,698</u>

APPENDIX I

ACCOUNTANTS’ REPORT

13. INCOME TAX EXPENSE (CREDIT)

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Current tax					
PRC Enterprise Income Tax	4,925	–	–	–	–
Deferred tax					
Current year/period (Note 20)	11,217	(9,023)	(1,314)	(858)	(910)
	16,142	(9,023)	(1,314)	(858)	(910)

Taxation can be reconciled to the profit (loss) before tax per the combined statements of profit or loss and other comprehensive income as follows:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Profit (loss) before tax	387,668	45,104	(425,654)	(200,391)	(414,719)
Tax at the applicable tax rate of 15%	58,150	6,766	(63,848)	(30,059)	(62,208)
Tax effect of expenses not deductible for tax purpose	6,615	9,154	50,730	21,055	59,833
Tax effect of income not taxable for tax purpose	(39,989)	(53,326)	–	–	–
Tax effect of research and development expenses that are additionally deducted	(20,699)	(25,485)	(15,175)	(8,147)	(8,329)
Effect of a different tax rate of a subsidiary	6,427	–	–	–	–
Tax effect of tax losses not recognized	16,612	62,260	26,035	15,867	14,921
Utilization of tax losses previously not recognized	(13,863)	(2,377)	–	–	(5,169)
Tax effect of deductible temporary differences not recognized	3,198	554	1,221	571	908
Utilization of deductible temporary differences previously not recognized	(309)	(1,987)	(277)	(145)	(866)
Decrease in opening deferred tax liabilities resulting from a decrease in applicable tax rate	–	(4,582)	–	–	–
Taxation for the year/period	16,142	(9,023)	(1,314)	(858)	(910)

According to the relevant laws and regulations in the PRC, enterprises engaging in research and development activities are entitled to claim 150% of their R&D expenses incurred as tax deductible expenses when determining their assessable profits for that year (the “Super Deduction”). As announced by the State Taxation Administration of the PRC in September 2018 and subsequent date, the Super Deduction claim was raised to 175% of research and development expenses incurred from January 1, 2018, and such claim was further increased to 200% for the period from October 1, 2022 onwards.

APPENDIX I

ACCOUNTANTS’ REPORT

PRC

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the Track Record Period.

Beijing Technology was qualified as a High-New Technology Enterprise (“HNTE”) and was subject to a preferential income tax rate of 15% for three years starting from January 1, 2020. Beijing Technology’s HNTE status expired since December 3, 2023.

Beijing GenePlus Clinical Laboratory Limited* 北京吉因加醫學檢驗實驗室有限公司 (formerly known as 北京吉因加醫學檢驗所有限公司) (“Beijing Lab”), one of the Group’s subsidiaries, was qualified as a HNTE and was subject to a preferential income tax rate of 15% for three years starting from January 1, 2022. Beijing Lab’s HNTE status will expire on December 31, 2025.

Shenzhen GenePlus Clinical Laboratory Limited* 深圳吉因加醫學檢驗實驗室 (“Shenzhen Lab”), one of the Group’s subsidiaries, was qualified as a HNTE and was subject to a preferential income tax rate of 15% for three years starting from January 1, 2021. Shenzhen Lab’s HNTE status was approved to extend for another three years on December 26, 2024 and was subject to a preferential income tax rate of 15% for three years starting from January 1, 2024.

Suzhou GenePlus Biomedical Engineering Limited* 蘇州吉因加生物醫學工程有限公司 (“Suzhou Biomedical”), one of the Group’s subsidiaries, was qualified as a HNTE and was subject to a preferential income tax rate of 15% for three years starting from January 1, 2020. Suzhou Biomedical’s HNTE status was approved to extend for another three years on November 6, 2023 and was subject to a preferential income tax rate of 15% for three years starting from January 1, 2023.

Suzhou GenePlus Technology Limited* 蘇州吉因加科技有限公司 (formerly known as 蘇州吉因加醫學檢驗有限公司, “Suzhou Technology”), one of the Group’s subsidiaries, was qualified as a HNTE and was subject to a preferential income tax rate of 15% for three years starting from January 1, 2023.

* *English name is for identification only.*

APPENDIX I

ACCOUNTANTS’ REPORT

14. DIRECTORS’ AND EMPLOYEES’ EMOLUMENTS

a. Directors’ Emoluments

Details of the emoluments paid or payable to the Directors (including emoluments of their services as employees or directors of the group entities prior to becoming the Directors) during the Track Record Period are as follows:

	Fees	Salaries and other benefits-in-kind	Contributions to retirement benefits scheme	Discretionary bonus (note)	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Year ended					
December 31, 2022					
Executive directors					
Yi Xin (i) (ii)	–	824	42	345	1,211
Yang Ling (i)	–	826	58	345	1,229
Xiong Li (i)	–	670	45	247	962
Subtotal.	–	2,320	145	937	3,402
Non-executive directors					
Meng Nan (iii)	–	–	–	–	–
Wang Lun (iii)	–	–	–	–	–
Subtotal.	–	–	–	–	–
Total	–	2,320	145	937	3,402

	Fees	Salaries and other benefits-in-kind	Contributions to retirement benefits scheme	Discretionary bonus (note)	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Year ended					
December 31, 2023					
Executive directors					
Yi Xin (i) (ii)	–	837	43	–	880
Yang Ling (i)	–	842	63	–	905
Xiong Li (i)	–	695	46	–	741
Subtotal.	–	2,374	152	–	2,526
Non-executive directors					
Meng Nan (iii)	–	–	–	–	–
Wang Lun (iii)	–	–	–	–	–
Subtotal.	–	–	–	–	–
Total	–	2,374	152	–	2,526

APPENDIX I

ACCOUNTANTS’ REPORT

	Fees	Salaries and other benefits- in-kind	Contributions to retirement benefits scheme	Discretionary bonus (note)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended					
December 31, 2024					
Executive directors					
Yi Xin (i) (ii)	–	864	47	–	911
Yang Ling (i)	–	871	66	–	937
Xiong Li (i)	–	696	50	–	746
Subtotal.	–	2,431	163	–	2,594
Non-executive directors					
Meng Nan (iii)	–	–	–	–	–
Wang Lun (iii)	–	–	–	–	–
Subtotal.	–	–	–	–	–
Total	–	2,431	163	–	2,594
	Fees	Salaries and other benefits- in-kind	Contributions to retirement benefits scheme	Discretionary bonus (note)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended					
June 30, 2024					
(Unaudited)					
Executive directors					
Yi Xin (i) (ii)	–	417	23	–	440
Yang Ling (i)	–	421	33	–	454
Xiong Li (i)	–	347	25	–	372
Subtotal.	–	1,185	81	–	1,266
Non-executive directors					
Meng Nan (iii)	–	–	–	–	–
Wang Lun (iii)	–	–	–	–	–
Subtotal.	–	–	–	–	–
Total	–	1,185	81	–	1,266

APPENDIX I

ACCOUNTANTS’ REPORT

	Fees	Salaries and other benefits- in-kind	Contributions to retirement benefits scheme	Discretionary bonus (note)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended June 30, 2025					
Executive directors					
Yi Xin (i) (ii)	–	454	26	–	480
Yang Ling (i)	–	455	34	–	489
Xiong Li (i)	–	350	28	–	378
Subtotal.	–	1,259	88	–	1,347
Non-executive directors					
Meng Nan (iii)	–	–	–	–	–
Wang Lun (iii)	–	–	–	–	–
Subtotal.	–	–	–	–	–
Total	–	1,259	88	–	1,347

The executive directors’ emoluments shown above were mainly for their services in connection with the management affairs of the Company and the Group.

Note: The discretionary bonus is determined by the Directors based on the performance of the Directors and the Group.

- (i) Yi Xin was appointed as an executive director since April 2015, Yang Ling and Xiong Li were appointed as executive directors since September 2015.
- (ii) Yi Xin was appointed as chief executive officer since 2015.
- (iii) The non-executive directors were appointed by Investors of Shares with Preferred Rights as defined in Note 30 and no emoluments were paid by the Group during the Track Record Period. Meng Nan and Wang Lun were appointed as non-executive directors on August 13, 2021 and resigned on November 28, 2025.

APPENDIX I

ACCOUNTANTS’ REPORT

b. Five highest paid employees

The five highest paid employees of the Group included 3, 3, 3, 2 and 2 directors during each of the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2024 (unaudited) and 2025, respectively, details of whose remuneration are set out above. Details of the remuneration for the remaining 2, 2, 2, 3 and 3 highest paid employees during each of the years ended December 31, 2022, 2023 2024 and the six months ended June 30, 2024 (unaudited) and 2025, respectively, who were neither a director nor chief executive of the Company are as follows:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Salaries and other benefits-in-kind	1,335	1,414	1,573	1,143	1,076
Contributions to retirement benefits schemes	115	126	124	76	98
Discretionary bonus (<i>note</i>)	420	–	–	–	–
	<u>1,870</u>	<u>1,540</u>	<u>1,697</u>	<u>1,219</u>	<u>1,174</u>

Note: The discretionary bonus is determined by the Group based on the performance of the employees and the Group.

The number of the highest paid employees who are not the Directors whose remuneration fell within the following bands is as follows:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Nil to HK\$1,000,000	–	2	1	3	3
HK\$1,000,001 to HK\$1,500,000	2	–	1	–	–
	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>

During the Track Record Period, certain non-director and non-chief executive highest paid employees were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in Note 36 to the combined financial statements.

During the Track Record Period, none of the Directors and chief executive of the Company had waived any emoluments and no emoluments had been paid by the Group to any of the Directors or chief executive or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

APPENDIX I

ACCOUNTANTS’ REPORT

15. EARNINGS (LOSS) PER SHARE

No earnings (loss) per share information is presented for the purpose of this report as its inclusion, is not considered meaningful with regard to the Group Reorganization and the results of the Group for the Track Record Period that is on a combined basis as set out in Note 2.

16. DIVIDENDS

No dividend has been declared or paid by the entities comprising the Group during the Track Record Period or by the Company since its incorporation.

17. PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment	Office equipment	Leasehold improvement	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
COST				
As of January 1, 2022	131,976	31,442	27,253	190,671
Additions	133,312	4,379	16,173	153,864
Disposals	(4,621)	(191)	–	(4,812)
As of December 31, 2022 . . .	260,667	35,630	43,426	339,723
Additions	43,605	14,839	18,390	76,834
Disposals	(85,332)	(4,388)	(330)	(90,050)
As of December 31, 2023 . . .	218,940	46,081	61,486	326,507
Additions	7,882	1,552	191	9,625
Disposals	(1,517)	(416)	–	(1,933)
Transfer out (<i>Note</i>)	(31,435)	–	–	(31,435)
As of December 31, 2024 . . .	193,870	47,217	61,677	302,764
Additions	10,069	186	1,894	12,149
Disposals	(5,586)	(11)	–	(5,597)
Transfer out (<i>Note</i>)	(10,131)	–	–	(10,131)
As of June 30, 2025	188,222	47,392	63,571	299,185

APPENDIX I

ACCOUNTANTS’ REPORT

	Machinery and equipment	Office equipment	Leasehold improvement	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
DEPRECIATION AND IMPAIRMENT				
As of January 1, 2022	(35,396)	(13,455)	(12,463)	(61,314)
Provided for the year	(97,271)	(6,097)	(10,833)	(114,201)
Impairment loss recognized in profit or loss	(8,401)	–	–	(8,401)
Eliminated on disposals	1,104	175	–	1,279
As of December 31, 2022	(139,964)	(19,377)	(23,296)	(182,637)
Provided for the year	(33,467)	(12,509)	(20,451)	(66,427)
Impairment loss recognized in profit or loss	(2,388)	–	–	(2,388)
Eliminated on disposals	77,116	2,808	330	80,254
As of December 31, 2023	(98,703)	(29,078)	(43,417)	(171,198)
Provided for the year	(29,490)	(7,612)	(9,127)	(46,229)
Impairment loss recognized in profit or loss	(190)	–	–	(190)
Eliminated on disposals	955	401	–	1,356
Eliminated on transfer out (Note)	9,659	–	–	9,659
As of December 31, 2024	(117,769)	(36,289)	(52,544)	(206,602)
Provided for the period	(14,403)	(2,366)	(3,744)	(20,513)
Eliminated on disposals	4,809	11	–	4,820
Eliminated on transfer out (Note)	6,642	–	–	6,642
As of June 30, 2025	(120,721)	(38,644)	(56,288)	(215,653)
CARRYING VALUES				
As of December 31, 2022	120,703	16,253	20,130	157,086
As of December 31, 2023	120,237	17,003	18,069	155,309
As of December 31, 2024	76,101	10,928	9,133	96,162
As of June 30, 2025	67,501	8,748	7,283	83,532

The above items of property, plant and equipment are depreciated on a straight-line basis, taking into account their residual values, at the following rates per annum:

Machinery and equipment	19%-33%
Office equipment	19%-33%
Leasehold improvement	Over the shorter of the expected life of leasehold improvement or the lease term

Note: The Group regularly reviews the usage purpose of certain machinery and equipment which are held for rental. The Group transfers those assets from property, plant and equipment to inventories at their carrying amount when they cease to be rented and are intended for sale in the ordinary course of business after being redeveloped. Sale proceeds from such assets are recognized as revenue in accordance with IFRS 15.

APPENDIX I

ACCOUNTANTS’ REPORT

Change of depreciation rate during the year ended December 31, 2022

Machinery and equipment solely used for Covid-19 nucleic acid testing services was generally depreciated at 19% per annum. During the year ended December 31, 2022, machinery and equipment solely used for Covid-19 nucleic acid testing services has been acceleratedly depreciated resulting from the assessment of the then current status of, and expected future benefits and obligations associated with these assets. This change in depreciation rate has increased the depreciation charge for the year ended December 31, 2022 by RMB45,900,000.

Impairment assessment

As of December 31, 2022, 2023 and 2024, evidence is available of obsolescence or becoming idle of an asset, the management of the Group concluded there was indication for impairment and conducted impairment assessment on certain property, plant and equipment with carrying amounts of RMB10,748,000, RMB2,702,000 and RMB240,000, respectively. The recoverable amounts of machinery and equipment are estimated individually.

The recoverable amounts of certain machinery and equipment have been determined based on their fair value less costs of disposal. The Group estimates the fair value less costs of disposal of the assets based on the recent transaction prices for similar machinery and equipment. The fair value measurement is categorized into Level 3 fair value hierarchy. As of December 31, 2022, 2023 and 2024, the relevant assets were impaired to their recoverable amount of RMB2,347,000, RMB314,000 and RMB50,000, which is their carrying values at year end and the impairment of RMB8,401,000, RMB2,388,000 and RMB190,000 has been recognized in profit or loss during the years ended December 31, 2022, 2023 and 2024, respectively.

18. RIGHT-OF-USE ASSETS

The Group

	Buildings
	<i>RMB'000</i>
CARRYING VALUES	
As of January 1, 2022	12,183
Additions	29,062
Depreciation charge	<u>(10,460)</u>
As of December 31, 2022	30,785
Additions	20,175
Early termination	(3,641)
Depreciation charge	<u>(15,916)</u>
As of December 31, 2023	31,403
Additions	14,796
Early termination and lease modification	(10,659)
Depreciation charge	<u>(14,252)</u>
As of December 31, 2024	21,288
Additions	6,822
Lease modification	(301)
Depreciation charge	<u>(6,532)</u>
As of June 30, 2025	<u><u>21,277</u></u>

APPENDIX I

ACCOUNTANTS’ REPORT

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(Unaudited)	
Expenses relating to					
short-term leases and leases of					
low-value assets	9,702	7,889	2,996	1,559	885
Total cash outflow for leases	26,929	19,251	17,941	9,330	8,168

During the Track Record Period, the Group leases certain buildings and equipment for its operations. Lease contracts are entered into for fixed term of 1 month to 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for buildings, machinery and equipment. As at December 31, 2022, 2023 and 2024 and June 30, 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Restrictions or covenants on leases

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purpose.

Rent concessions

During the year ended December 31, 2022, lessors of the relevant buildings provided rent concessions that occurred as a direct consequence of the Covid-19 pandemic to the Group through rent reductions of 100% over six months. These rent concessions occurred as a direct consequence of Covid-19 pandemic and met of all of the conditions in IFRS 16.46B, and the Group applied the practical expedient not to assess whether the changes constitute lease modifications. The effects on changes in lease payments due to forgiveness or waiver by the lessors for the relevant leases of RMB885,000 were recognized as negative variable lease payments during the year ended December 31, 2022.

The Company

	Building
	<i>RMB'000</i>
CARRYING VALUES	
As of January 1, 2025	—
Additions	1,716
As of June 30, 2025	1,716

During the Track Record Period, the Company leases a building for its operations. A lease contract is entered into for a fixed term of 3 years. In determining the lease term and assessing the length of the non-cancellable period, the Company applies the definition of a contract and determines the period for which the contract is enforceable.

APPENDIX I

ACCOUNTANTS’ REPORT

19. INTANGIBLE ASSETS

	<u>Software</u>
	<i>RMB’000</i>
COST	
As of January 1, 2022	346
Additions	<u>626</u>
As of December 31, 2022	972
Additions	<u>798</u>
As of December 31, 2023	1,770
Additions	<u>340</u>
As of December 31, 2024 and June 30, 2025	<u>2,110</u>
AMORTIZATION	
As of January 1, 2022	(1)
Charge for the year	<u>(231)</u>
As of December 31, 2022	(232)
Charge for the year	<u>(463)</u>
As of December 31, 2023	(695)
Charge for the year	<u>(729)</u>
As of December 31, 2024	(1,424)
Charge for the period	<u>(287)</u>
As of June 30, 2025	<u>(1,711)</u>
CARRYING VALUES	
As of December 31, 2022	<u><u>740</u></u>
As of December 31, 2023	<u><u>1,075</u></u>
As of December 31, 2024	<u><u>686</u></u>
As of June 30, 2025	<u><u>399</u></u>

All of the Group’s intangible assets were purchased from independent third parties. The intangible assets are amortized on a straight-line basis over 3 years.

APPENDIX I

ACCOUNTANTS’ REPORT

20. DEFERRED TAX LIABILITIES

The Group

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax liabilities	11,607	2,584	1,270	360

The following are the deferred tax liabilities recognized and movements thereon during the Track Record Period:

	Depreciation of property, plant and equipment	Fair value of financial assets at FVTPL	Right-of-use assets	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of January 1, 2022	–	(466)	(1,827)	1,903	(390)
(Charge) credit to profit or loss	(11,438)	466	(3,538)	3,293	(11,217)
As of December 31, 2022	(11,438)	–	(5,365)	5,196	(11,607)
Credit (charge) to profit or loss	8,573	–	(385)	835	9,023
As of December 31, 2023	(2,865)	–	(5,750)	6,031	(2,584)
Credit (charge) to profit or loss	1,705	–	2,312	(2,703)	1,314
As of December 31, 2024	(1,160)	–	(3,438)	3,328	(1,270)
Credit (charge) to profit or loss	978	–	(45)	(23)	910
As of June 30, 2025	(182)	–	(3,483)	3,305	(360)

APPENDIX I

ACCOUNTANTS’ REPORT

As of December 31, 2022, 2023, 2024 and June 30, 2025, the Group had unused tax losses available for offset against future profits. Due to the unpredictability of future profit streams, no deferred tax asset had been recognized for these unused tax losses. The unrecognized tax losses with expiry dates are disclosed in the following table.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
2027	45,731	29,883	29,883	29,883
2028	127,048	168,189	168,189	168,189
2029	123,261	123,261	158,011	151,449
2030	85,728	85,728	85,728	121,923
2031	156,312	156,312	156,312	129,875
2032	115,664	115,664	115,664	115,664
2033	—	373,928	373,928	372,466
2034	—	—	138,812	138,812
2035	—	—	—	63,280
	<u>653,744</u>	<u>1,052,965</u>	<u>1,226,527</u>	<u>1,291,541</u>

As of December 31, 2022, 2023, 2024 and June 30, 2025, the Group had deductible temporary differences of RMB23,179,000, RMB13,624,000, RMB19,915,000 and RMB20,195,000, respectively, from certain PRC entities. No deferred tax assets have been recognized in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilized.

The Company

	Right-of-use asset	Lease liability	Total
	RMB'000	RMB'000	RMB'000
As of January 1, 2025	—	—	—
(Charge) credit to profit or loss	<u>(429)</u>	<u>429</u>	<u>—</u>
As of June 30, 2025	<u>(429)</u>	<u>429</u>	<u>—</u>

APPENDIX I

ACCOUNTANTS’ REPORT

21. INVENTORIES

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	50,284	24,660	21,991	22,619
Work in progress	1,121	4,088	8,452	16,530
Finished goods	26,526	22,472	32,259	36,497
	<u>77,931</u>	<u>51,220</u>	<u>62,702</u>	<u>75,646</u>
Less: impairment	<u>(5,827)</u>	<u>(2,113)</u>	<u>(2,059)</u>	<u>(1,105)</u>
	<u>72,104</u>	<u>49,107</u>	<u>60,643</u>	<u>74,541</u>

22. CONTRACT COSTS

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Costs to fulfill contracts				
Cost incurred for incomplete testing services (note)	<u>17,618</u>	<u>9,090</u>	<u>9,898</u>	<u>13,244</u>

Note: Costs to fulfill contracts that are capitalized relate to the costs incurred for incomplete clinical laboratory testing services. Contract costs are recognized as part of the cost of sales in the combined statements of profit or loss and other comprehensive income in the period in which revenue from the related clinical laboratory testing services is recognized. The amount of capitalized costs recognized in profit or loss during the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025 were RMB7,003,000, RMB17,618,000, RMB9,090,000 and RMB6,781,000, respectively. There was no impairment in relation to these costs capitalized as of each reporting period.

APPENDIX I

ACCOUNTANTS’ REPORT

23. TRADE RECEIVABLES

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	630,265	239,589	209,787	229,954
Less: Allowance for credit losses	(7,734)	(6,267)	(12,865)	(16,403)
	<u>622,531</u>	<u>233,322</u>	<u>196,922</u>	<u>213,551</u>

As of January 1, 2022, trade receivables from contracts with customers amounted to RMB139,910,000.

The Group usually allows a credit period of 15 to 180 days to its customers which is interest free with no collateral. The following is an aging analysis of trade receivables, net of allowance for credit losses, presented based on dates of delivery of testing reports or acceptance of goods.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	452,710	78,814	103,692	83,490
4-6 months	85,353	19,379	41,191	56,226
7-12 months	69,477	18,967	25,453	50,020
1-2 years	14,569	115,679	21,626	16,043
Over 2 years	<u>422</u>	<u>483</u>	<u>4,960</u>	<u>7,772</u>
	<u>622,531</u>	<u>233,322</u>	<u>196,922</u>	<u>213,551</u>

As of December 31, 2022, 2023, 2024 and June 30, 2025, included in the Group’s trade receivables balance are debtors with aggregate carrying amounts of RMB169,821,000, RMB154,508,000, RMB93,230,000 and RMB130,061,000, respectively, which are past due as of that date. Out of the past due balance, RMB84,468,000, RMB135,129,000, RMB52,039,000 and RMB73,835,000 have been past due 90 days or more and are not considered as in default because the amount is due from a number of independent reputable customers by considering the background of the debtors and historical payment arrangement. The Group considers that there is no significant change in these customers’ credit risk. The Group does not hold any collateral or other credit enhancement over these balances.

Details of impairment assessment of trade receivables are set out in Note 40.

APPENDIX I

ACCOUNTANTS’ REPORT

24. PREPAYMENTS AND OTHER RECEIVABLES

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments				
– Prepayments to suppliers	15,526	4,132	781	1,451
– Prepayments for the acquisition of property, plant and equipment	1,499	3,607	218	12,113
– Deferred share issue costs	–	–	–	741
– Other prepayments	10,363	4,581	3,197	4,053
	<u>27,388</u>	<u>12,320</u>	<u>4,196</u>	<u>18,358</u>
Other receivables				
– Input value added tax receivables	6,888	12,701	12,481	14,136
– Refundable rental deposits	10,091	5,913	5,813	5,821
– Others	1,951	1,262	1,179	1,280
	<u>18,930</u>	<u>19,876</u>	<u>19,473</u>	<u>21,237</u>
Less: Allowance for credit losses (<i>Note 40</i>) . .	<u>(1,217)</u>	<u>(706)</u>	<u>(694)</u>	<u>(701)</u>
	<u>17,713</u>	<u>19,170</u>	<u>18,779</u>	<u>20,536</u>
	<u>45,101</u>	<u>31,490</u>	<u>22,975</u>	<u>38,894</u>
Analyzed as:				
Current assets	39,871	24,576	19,142	22,800
Non-current assets	5,230	6,914	3,833	16,094
	<u>45,101</u>	<u>31,490</u>	<u>22,975</u>	<u>38,894</u>

25. FINANCIAL ASSETS AT FVTPL

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Wealth management products issued by banks	<u>–</u>	<u>14,101</u>	<u>–</u>	<u>46,044</u>

The Group’s financial assets at FVTPL are the wealth management products issued by major and reputable commercial banks without guaranteed returns, which are short-term investments with expected rates of return ranging from 1.25% to 4.25%. The Group managed and evaluated the performance of investments on a fair value basis in accordance with the Group’s risk management and investment strategy. Details of fair value measurements are set out in Note 40.

APPENDIX I

ACCOUNTANTS’ REPORT

26. CASH AND CASH EQUIVALENTS/PLEDGED/RESTRICTED BANK DEPOSITS

a. Pledged/restricted bank deposits

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Pledged/restricted bank deposits to secure:				
– bank loans (<i>Note i</i>)	52,000	33,000	–	–
– bills payable (<i>Note ii</i>)	–	–	–	29,883
– issuance of letters of guarantee (<i>Note iii</i>)	–	7,954	–	115
– others (<i>Note iv</i>)	–	27,616	32,739	26,865
	<u>52,000</u>	<u>68,570</u>	<u>32,739</u>	<u>56,863</u>

Notes:

- i. As of December 31, 2022 and 2023, bank deposits of RMB52,000,000 and RMB33,000,000 carrying fixed interest rates of 1.80%, and 1.55% per annum, respectively, were pledged to banks to secure short-term bank loans. The pledged bank deposits will be released upon the settlement of relevant bank loans, which are expected to be within one year.
- ii. As of June 30, 2025, bank deposits were pledged to two banks to secure bills issued to suppliers of the Group.
- iii. As of December 31, 2023 and June 30, 2025, bank deposits were pledged to a bank to secure the issuance of letters of guarantee carrying fixed interest rate of 0.20% per annum. The pledged bank deposits will be released within 12 months from the date of issuance of letters of guarantee.
- iv. As of December 31, 2023, 2024 and June 30, 2025, restricted bank deposits represented the bank balances that were not available for use by the Group due to certain shareholders’ litigation, the balances carried interest rate of 0.10% and 0.20% per annum. Subsequent to the end of the Track Record Period, the restricted bank deposits were fully released after the settlement of the litigation.

b. Cash and cash equivalents

Cash and cash equivalents include demand deposits and short term deposits with original maturity of three months or less for the purpose of meeting the Group’s short term cash commitments, which carry interest at market rates ranging from 0.00% to 1.65%, 0.00% to 1.55%, 0.00% to 1.35% and 0.00% to 1.20% as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. Cash and cash equivalents as of the end of each reporting period were mainly denominated in RMB.

Details of impairment assessment of cash and cash equivalents and pledged/restricted bank deposits are set out in Note 40.

APPENDIX I

ACCOUNTANTS’ REPORT

27. TRADE PAYABLES

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	88,664	43,710	84,846	106,310
Bills payables (<i>Note</i>)	—	—	—	29,883
	<u>88,664</u>	<u>43,710</u>	<u>84,846</u>	<u>136,193</u>

Note: These relate to trade payables in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoiced amounts from the bank on the maturity date of the bills. The Group continues to recognize these trade payables as the Group are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the combined statement of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements.

The following is an aged analysis of trade payables presented based on dates of receipt of goods or services:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	71,334	23,538	47,629	51,489
4-6 months	13,083	13,001	28,924	40,124
7-12 months	3,370	3,147	5,183	11,920
Over 1 year	877	4,024	3,110	2,777
	<u>88,664</u>	<u>43,710</u>	<u>84,846</u>	<u>106,310</u>

The general credit period on purchases of goods or services is 30 to 180 days.

APPENDIX I

ACCOUNTANTS’ REPORT

28. OTHER PAYABLES AND ACCRUED EXPENSES

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Employee compensation payable	83,544	22,951	15,241	15,898
Payable for the acquisition of property, plant and equipment	13,316	12,758	12,603	10,570
Commission fee payable	34,924	18,449	21,912	10,973
Other tax payable	7,572	8,207	16,087	16,254
Accrued [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accrued expenses	12,160	6,759	6,813	6,457
Others	988	839	526	400
	<u>152,504</u>	<u>69,963</u>	<u>73,182</u>	<u>64,273</u>

29. AMOUNT DUE TO A SHAREHOLDER

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amount due to a shareholder	<u>—</u>	<u>—</u>	<u>4,290</u>	<u>2,770</u>

The balance with the shareholder is unsecured, interest-free and repayable on demand. Subsequent to the end of the Track Record Period, the amount was fully repaid.

30. FINANCIAL LIABILITIES DESIGNATED AT FVTPL

Beijing Technology entered into share subscription agreements with independent investors (the “Investors of Shares with Preferred Rights”) and issued five series (the “Series Angel”, “Series A”, “Series B”, “Series B+” and “Series C”, respectively) of shares with preferred rights. Details of the outstanding shares with preferred rights at the end of each reporting period are as follows:

Series	Date of issuance	Subscription price per share	Number of shares	Total consideration
		RMB	'000	RMB'000
Series Angel	September 2015	1.67	24,000	40,000
Series A	July/August 2016	17.23	11,611	200,000
Series B	December 2018/ April/December 2019	19.65/ 20.96/21.51	8,588	170,000
Series B+	December 2020	22.70	7,928	180,000
Series C	June 2021	33.15	15,553*	510,200
			<u>67,680</u>	<u>1,100,200</u>

* The 3,200,000 shares transferred by Tibet GenePlus to certain Series C investors directly was not included above, hence as of the end of each reporting period during the Track Record Period, number of shares with preferred rights held by Series C investors was 18,753,163 and total number of shares with preferred rights was 70,800,364.

APPENDIX I

ACCOUNTANTS’ REPORT

The carrying amounts of the financial liabilities designated at FVTPL are set out as below:

	As of December 31,			As of
	2022	2023	2024	June 30,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Series Angel	196,046	107,092	163,879	247,431
Series A	312,544	216,146	289,572	377,117
Series B	169,006	128,926	162,403	200,821
Series B+	253,886	212,260	254,832	303,226
Series C	681,361	592,910	658,779	762,588
	<u>1,612,843</u>	<u>1,257,334</u>	<u>1,529,465</u>	<u>1,891,183</u>

The key terms of the five series financing are as follows:

a. Anti-dilution rights

If Beijing Technology intends to increase its registered capital subsequently, the valuation of Beijing Technology in such subsequent financing shall not be lower than the valuation in the Series C financing, and the subscription price for such subsequent capital increase shall not be lower than the subscription price for each of the respective series investors. Unless the investors agree in writing, Tibet GenePlus Enterprise Management Limited Partnership* 西藏吉因加企業管理合夥企業(有限合夥) (formerly known as “北京吉因家股權投資企業(有限合夥)”, “Tibet LP”) shall compensate the Investors of Shares with Preferred Rights or adjust the valuation of Beijing Technology in this series of financing, to ensure that the proportion of shares held by the Investors of Shares with Preferred Rights are not diluted. Beijing Technology shall not bear joint liability.

b. Most favorable terms

If Tibet GenePlus, Tibet LP or Beijing Technology raises any capital subsequently on terms and conditions which are more favorable than those of the Series C shares, the Investors of Shares with Preferred Rights shall be entitled to such more favorable terms and the terms of their original investment shall be adjusted accordingly.

c. Redemption rights

The Investors of Shares with Preferred Rights have the right to require Beijing Technology, Tibet GenePlus, Tibet LP and/or Mr. Yi Xin and Mrs. Yang Ling to jointly purchase all or part of the shares of Beijing Technology held by the Investors of Shares with Preferred Rights if:

- Beijing Technology fails to acquire the notice of acceptance from the regulatory authorities for a qualified [REDACTED] before December 31, 2022;
- Beijing Technology fails to complete a qualified IPO before December 31, 2023;
- Mr. Yi Xin, Mrs. Yang Ling and/or the founding shareholders of Beijing Technology transfer, pledge, or otherwise dispose of all or part of Beijing Technology’s shares held by them or the founding shareholders’ shares without proper approval process;
- Mr. Yi Xin or Mrs. Yang Ling resigned from Beijing Technology before the completion of a qualified IPO or within 2 years after the qualified IPO;
- there is change of the controlling shareholders of Beijing Technology;
- Beijing Technology is unable to continue normal operations due to its violation of laws and regulations or the final and definite punishment imposed by government departments, and such adverse impact cannot be eliminated within ninety (90) business days thereafter;

* English name is for identification only.

APPENDIX I

ACCOUNTANTS’ REPORT

- Beijing Technology fails to use the investment funds for the purpose specified in the Series C share subscription agreement;
- Beijing Technology does not focus on the main business related to gene and biological industry in the future;
- the audit report of Beijing Technology is issued with adverse opinion or disclaimer of opinion;
- other investors of Beijing Technology require to redeem certain shares of Beijing Technology.

If redemption rights are triggered by the conditions above within 4 fiscal years after the completion of the respective series financing, the redemption price shall be equal to its issue price plus 10% per annum commencing from the first fiscal year. If redemption rights are triggered by the conditions above more than 4 years after the completion of the respective series financing, the redemption price shall be equal to its issue price plus 12% per annum commencing from the first fiscal year.

If redemption rights are triggered, the Investors of Shares with Preferred Rights have the right to send a written repurchase notice (the “Written Repurchase Notice”) to Beijing Technology, Tibet GenePlus, Tibet LP, Mr. Yi Xin and Mrs. Yang Ling. Within 180 days after the Written Repurchase Notice, Beijing Technology, Tibet GenePlus, Tibet LP, Mr. Yi Xin and Mrs. Yang Ling shall repurchase such investors’ equity interest. Beijing Technology, Tibet GenePlus, Tibet LP, Mr. Yi Xin and Mrs. Yang Ling shall bear joint liability.

If Tibet GenePlus, Tibet LP, Mr. Yi Xin, Mrs. Yang Ling and/or Beijing Technology do not have adequate assets and funds to repurchase all investors’ equity, the assets and funds shall be distributed to the shareholders of Beijing Technology as follows:

- Investors of Series C shares with preferred rights;
- Investors of Series B+ shares with preferred rights;
- Investors of Series B shares with preferred rights;
- Investors of Series A shares with preferred rights;
- Investors of Series Angel shares with preferred rights;

However, if Beijing Technology submits a qualified [REDACTED] application to the regulatory authorities before December 31, 2022, the Investors of Shares with Preferred Rights agree to terminate the preferred rights, including but not limited to anti-dilution rights, most-favorable terms, redemption rights and liquidation preference rights. Subsequent to the submission of a qualified [REDACTED] application, those preferred rights shall recover if (i) the qualified [REDACTED] application is not accepted by the regulatory authorities; (ii) Beijing Technology recalls the qualified [REDACTED] application; (iii) the qualified [REDACTED] application is rejected; or (iv) the qualified [REDACTED] application is not approved within 24 months after the submission date of the qualified [REDACTED] application due to the Company’s own reasons.

d. Liquidation preference rights

In the event of any liquidation, including dissolution, bankruptcy, winding up of Beijing Technology, change of control of Beijing Technology, and the sale, transfer or disposal of all or substantially all the assets, the Investors of Shares with Preferred Rights shall receive the higher of the redemption amount calculated as above or their proportion of all distributable assets and funds legally available for distribution to the shareholders of Beijing Technology. The distributable assets and funds shall be distributed to the shareholders of Beijing Technology as follows:

- Investors of Series C shares with preferred rights;
- Investors of Series B+ shares with preferred rights;

APPENDIX I

ACCOUNTANTS’ REPORT

- Investors of Series B shares with preferred rights;
- Investors of Series A shares with preferred rights;
- Investors of Series Angel shares with preferred rights;
- Tibet GenePlus and Tibet LP;

If the liquidation amount paid to the Investors of Shares with Preferred Rights as set forth above is lower than the redemption amount, the assets and funds distributed to Tibet GenePlus and Tibet LP shall be compensated to the Investors of Shares with Preferred Rights.

Presentation and Classification

The Group does not bifurcate any embedded derivatives from the host instruments and designated the entire instruments as financial liabilities at FVTPL with the changes in the fair value recognized in profit or loss. The Directors considered that the changes in the fair value of shares with preferred rights attributable to the change in credit risk of the Group is minimal. Changes in fair value of financial liabilities designated at FVTPL not attributable to changes in the Company’s credit risk were recognized in profit or loss.

The shares with preferred rights were valued by the Directors with reference to valuation carried out by an independent qualified professional valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“JLL”) which is located at Level 7, One Taikoo Place, 979 King’s Road, Hong Kong, the PRC. Beijing Technology used the discounted cash flow method to determine the fair value of the shares with preferred rights at the end of each reporting period.

Movement of financial liabilities designated at FVTPL during the Track Record Period is set out in Note 40.

Key valuation assumptions are set out as below:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
Discount rate	16.66%	16.33%	15.71%	15.60%
Risk-free interest rate	2.87%	2.56%	1.69%	1.70%
Discount for lack of marketability (“DLOM”)	20.00%	20.00%	20.00%	20.00%
Volatility	76.83%	49.17%	51.88%	57.82%
Preferred dividend yield	—	—	—	—
Possibilities under [REDACTED] scenario . .	30.00%	40.00%	45.00%	50.00%
Possibilities under liquidation scenario	35.00%	30.00%	27.50%	25.00%
Possibilities under redemption scenario	35.00%	30.00%	27.50%	25.00%

The Directors estimated the risk-free interest rate based on the yield of the Chinese treasury bonds with a maturity life close to period from the respective valuation dates to the expected liquidation dates. Volatility was estimated on each valuation date based on average of historical volatilities of the comparable companies in the same industry for a period from the respective valuation dates to expected liquidation dates. Discount rate was estimated by weighted average cost of capital as of each valuation date. The DLOM was estimated based on the option-pricing method.

APPENDIX I

ACCOUNTANTS’ REPORT

Series D financing and agreement for extension

In September 2025, Beijing Technology entered into a share subscription agreement with independent investors and issued Series D shares with preferred rights.

The Investors of Shares with Preferred Rights and Series D investors have entered into a supplemental agreement pursuant to which the Investors of Shares with Preferred Rights and Series D investors have the right to require Beijing Technology, Tibet GenePlus, Tibet LP and/or Mr. Yi Xin and Mrs. Yang Ling to jointly purchase all or part of the shares of Beijing Technology held by the Investors of Shares with Preferred Rights and Series D investors if Beijing Technology fails to complete a qualified [REDACTED] before December 31, 2025. However, if Beijing Technology submits a qualified [REDACTED] application to the regulatory authorities before December 31, 2025, the Investors of Shares with Preferred Rights and Series D investors agreed to terminate the preferred rights, including but not limited to anti-dilution rights, most-favorable terms, redemption rights and liquidation preference rights. Subsequent to the submission of a qualified [REDACTED] application, those preferred rights shall recover if (i) the qualified [REDACTED] application is returned by the regulatory authorities; (ii) Beijing Technology recalls the qualified [REDACTED] application; (iii) the qualified [REDACTED] application is rejected; or (iv) the qualified [REDACTED] application is not approved within 24 months after the submission date of the qualified [REDACTED] application due to Beijing Technology’s own reasons.

In the event of any liquidation, including dissolution, bankruptcy, winding up of Beijing Technology, change of control of Beijing Technology, and the sale, transfer or disposal of all or substantially all the assets, the Investors of Shares with Preferred Rights shall receive the higher of the redemption amount calculated as above or their proportion of all distributable assets and funds legally available for distribution to the shareholders of Beijing Technology. The distributable assets and funds shall be distributed to the shareholders of Beijing Technology as follows:

- Investors of Series D shares with preferred rights;
- Investors of Series C shares with preferred rights;
- Investors of Series B+ shares with preferred rights;
- Investors of Series B shares with preferred rights;
- Investors of Series A shares with preferred rights;
- Investors of Series Angel shares with preferred rights;
- Tibet GenePlus and Tibet LP;

If the liquidation amount paid to the Investors of Shares with Preferred Rights as set forth above is lower than the redemption amount, the assets and funds distributed to Tibet GenePlus and Tibet LP shall be compensated to the Investors of Shares with Preferred Rights.

The Series D investors are also entitled to the anti-dilution rights, the most favorable terms, and liquidation preference which are the same as the Investors of Shares with Preferred Rights.

The modification of preferred right terms for investments before Series D was considered as a substantial modification which resulted in the derecognition of the original financial liabilities and recognition of new financial liabilities. The gains or losses resulted from the differences between the carrying amount of financial liabilities derecognized and the fair value of the new financial liabilities was recognized in other gains and losses according to IFRS 9 subsequent to the end of the Track Record Period.

Following the Series D financing, Tibet GenePlus agreed to transfer its approximately 5.17% equity interest in the Company at nil consideration as compensation to certain Series A, Series B, Series B+ and Series C investors for the delayed listing timeline and in expectation of continued collaboration from the Investors with Preferred Rights.

In November 2025, the Company, the Investors of Shares with Preferred Rights and Series D investors entered into a shareholder agreement, according to which the Company will take over all the contractual rights and obligations from Beijing Technology upon the completion of the Group Reorganization as set out in Note 44.

APPENDIX I

ACCOUNTANTS’ REPORT

31. LEASE LIABILITIES

The Group

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities payable:				
Within one year	13,310	15,612	9,793	7,894
More than one year but not exceeding two years	11,441	11,034	4,759	6,027
More than two years but not exceeding five years	5,218	6,006	6,362	6,635
	29,969	32,652	20,914	20,556
Less: Amount due for settlement within 12 months shown under current liabilities	(13,310)	(15,612)	(9,793)	(7,894)
Amount due for settlement after 12 months shown under non-current liabilities	16,659	17,040	11,121	12,662
	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The weighted average incremental borrowing rates applied to lease liabilities	3.67%	3.72%	3.35%	3.17%

The Company

	As of June 30, 2025 RMB'000
Lease liability payable:	
Within one year	554
More than one year but not exceeding two years	572
More than two years but not exceeding five years	590
	1,716
Less: Amount due for settlement within 12 months shown under current liability	(554)
Amount due for settlement after 12 months shown under non-current liability	1,162

As of June 30, 2025, the incremental borrowing rate applied to lease liability of the Company was 3.17%.

APPENDIX I

ACCOUNTANTS’ REPORT

32. BANK LOANS

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans				
Secured (<i>Note a</i>)	50,000	40,000	—	—
Unsecured (<i>Note b</i>)	160,958	167,344	180,254	140,354
	<u>210,958</u>	<u>207,344</u>	<u>180,254</u>	<u>140,354</u>
The carrying amounts of the above borrowings are repayable*:				
Within one year	210,958	177,344	180,254	140,354
More than one year but not exceeding two years	—	30,000	—	—
	<u>210,958</u>	<u>207,344</u>	<u>180,254</u>	<u>140,354</u>
Less: Amount due for settlement within 12 months shown under current liabilities	<u>(210,958)</u>	<u>(177,344)</u>	<u>(180,254)</u>	<u>(140,354)</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u>—</u>	<u>30,000</u>	<u>—</u>	<u>—</u>

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

Notes:

- The secured bank loans were secured by the pledged bank deposits. Details of the pledged bank deposits are set out in Note 26.
- As of December 31, 2022 and 2023, amounted to RMB5,000,000 and RMB29,967,000 of the unsecured bank loans were guaranteed by a director of the Company in favor of the relevant banks, respectively.

As of December 31, 2022, 2023, 2024 and June 30, 2025, the ranges of effective interest rates on the Group’s bank loans are as follows:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	%	%	%	%
Fixed-rate bank loans	<u>2.20-4.40</u>	<u>2.00-4.40</u>	<u>2.00-4.80</u>	<u>2.65-4.80</u>

All borrowings are denominated in RMB.

APPENDIX I

ACCOUNTANTS’ REPORT

33. CONTRACT LIABILITIES

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Precision diagnostics solutions	51,461	51,672	60,196	57,951
Drug R&D enablement solutions	14,015	10,396	10,531	7,276
Clinical research and translation solutions . .	18,127	18,083	15,452	12,501
	<u>83,603</u>	<u>80,151</u>	<u>86,179</u>	<u>77,728</u>
Analyzed as:				
Current	57,029	53,597	63,556	55,484
Non-current	<u>26,574</u>	<u>26,554</u>	<u>22,623</u>	<u>22,244</u>
	<u>83,603</u>	<u>80,151</u>	<u>86,179</u>	<u>77,728</u>

As of January 1, 2022, contract liabilities amounted to RMB71,968,000.

Contract liabilities, that are not expected to be settled within the Group’s normal operating cycle, are classified as current and non-current based on the Group’s earliest obligation to transfer goods or services to the customers.

The following table shows how much of the revenue recognized relates to carried forward contract liabilities.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue recognized that was included in the contract liabilities balance at the beginning of the year/period	<u>43,762</u>	<u>57,029</u>	<u>53,597</u>	<u>39,022</u>

There was no revenue recognized during the Track Record Period that related to performance obligations that were satisfied in prior years.

Typical payment terms which impact on the amount of contract liabilities recognized are as follows:

– Precision diagnostics solutions

For services provided to individual patients, when the customer initially purchases the clinical laboratory testing services, the transaction price received by the Group is recognized as a contract liability until the delivery of the testing reports to the customer.

For sales of IVD products, the Group typically receives 50% of the contract value as advance payment from customers when they sign the sale and purchase agreement, which will give rise to the contract liabilities until the goods have been received and accepted by the customer of the products and revenue will be recognized accordingly.

APPENDIX I

ACCOUNTANTS’ REPORT

- Drug R&D enablement solutions and clinical research and translation solutions

For drug R&D enablement solutions and clinical research and translation solutions, when the Group receives a deposit before the services commences, it will give rise to contract liabilities until the provision of such services and revenue will be recognized accordingly.

34. PAID-IN CAPITAL/SHARE CAPITAL

Combined capital of the Group

For the purpose of presentation of the combined statements of financial position before the completion of the Group Reorganization, the balances of paid-in capital of the Group as of December 31, 2022, 2023, 2024 and June 30, 2025 represented the paid-in capital of Beijing Technology.

Share capital of the Company

As of June 30, 2025, being the date of incorporation of the Company, 1,000,000 ordinary shares of RMB1.00 each was authorized and no ordinary share was issued.

35. RESERVES

The amounts of the Group’s reserves and the movements therein for each of the reporting periods are presented in the combined statements of changes in equity.

Other reserve

The other reserve of the Group represents (i) the difference between the previous carrying amount recognized in equity and the fair value of the financial liability recognized upon modification of preferred right terms for Series Angel Shares upon completion of Series A financing in 2016; and (ii) the difference between the previous carrying amount recognized in equity and the fair value of the financial liability recognized upon completion of share transfer from Tibet GenePlus to certain Series C investors.

Share-based payments reserve

The share-based payments reserve of the Group represents the fair value of equity-settled share-based payments granted.

Statutory reserve

The Articles of Association of certain PRC subsidiaries require the appropriation of 10% of their profit after tax each year, based on their financial statements, to the reserve fund until the balance reaches 50% of the registered capital of the respective PRC subsidiaries. The reserve fund may be capitalized as the paid-in capital of these subsidiaries.

36. SHARE-BASED PAYMENTS

Beijing Technology approved and adopted the share award scheme for certain employees of the Group in order to recognize their contributions to the growth and development of the Group, and incentivize them to further promote the development of the Group.

In order to implement the share award scheme, Tibet LP (the “Employee Incentive Platform”) was established and designated as the share incentive platform to hold the shares reserved for eligible participants as the ultimate beneficial owners. The Group has no control over the Employee Incentive Platform.

(a) 2017 share incentive

In June 2017, Tibet GenePlus transferred an aggregate of 18.19% limited partnership interest in Tibet LP to six employees, which corresponded to 3.82% interest of Beijing Technology, with a subscription price of RMB1.00 per underlying share of Beijing Technology.

APPENDIX I

ACCOUNTANTS’ REPORT

As the consideration paid by the employees to subscribe the interests was lower than the fair value of the interests, the Group recognized the transaction as equity-settled share-based payments with no vesting conditions to recognize the six employees’ contribution to the Group. The fair value of the underlying share of Beijing Technology at the grant date was RMB10.14 per share, which was determined with reference to valuation carried out by an independent qualified professional valuer, JLL, who has appropriate qualifications and experiences in valuation of similar instruments.

The Group recognized the share-based payment expenses of RMB27,927,000 for the year ended December 31, 2017, being the difference between the fair value of the underlying shares of Beijing Technology and the total subscription consideration.

Valuation of 2017 share incentive

The Group adopted the back-solve method and option-pricing method to determine the fair value of the underlying equity of Beijing Technology. The main inputs used in the model are as follows:

	<u>2017 share incentive</u>
Grant date	01/06/2017
Fair value of the underlying share of Beijing technology	RMB10.14 per share
Subscription price	RMB1.00 per share
Expected volatility.	59.08%
Risk-free interest	3.68%

(b) **Equity-settled share option scheme**

The share option scheme of Beijing Technology (the “Scheme”) was adopted pursuant to a resolution passed in July 2018 primarily to provide incentives to eligible employees. Under the Scheme, the Directors may grant options to eligible employees to subscribe for shares in Beijing Technology. A total of 5,431,764 shares under the Scheme were granted to 145 grantees. The total number of shares for which options may be granted under the Scheme is not permitted to exceed 10.54% of Beijing Technology’s issued shares at any point in time, without prior approval from Beijing Technology’s shareholders.

The share options will be vested in accordance with the vesting schedules set out in the respective share award agreements with several service conditions attached. In addition, the share options also include non-market performance condition which is contingent on the completion of the [REDACTED]. The exercise price per option is determined by the Directors.

At the end of each reporting period, the Directors consider that the non-market performance condition of [REDACTED] is not probable of being achieved, thus no share-based payment expense was recognized for the Scheme during the Track Record Period.

Details of the employees’ share options are as follows:

<u>Grant dates</u>	<u>Number of ordinary shares</u>	<u>Exercise price</u>
		<i>RMB</i>
November 30, 2018	675,000	8.61
March 30, 2019	795,780	12.00
March 30, 2020	472,506	12.00
May 30, 2021	844,740	20.00
May 30, 2022	1,654,375	20.00
December 30, 2024	989,363	20.00
	<u>5,431,764</u>	

APPENDIX I

ACCOUNTANTS’ REPORT

The following tables disclose the details and movements of share options granted to employees of the Group:

	Number of share options	Weighted average exercise price	Weighted average remaining contractual term
		<i>RMB</i>	<i>Year</i>
Outstanding as of January 1, 2022	2,348,316	14.12	8.63
Granted	1,654,375	20.00	
Forfeited	<u>(60,750)</u>	<u>18.52</u>	
Outstanding as of December 31, 2022	3,941,941	16.52	8.57
Forfeited	<u>(316,103)</u>	19.43	
Outstanding as of December 31, 2023	3,625,838	16.27	7.50
Granted	989,363	20.00	
Forfeited	<u>(159,000)</u>	20.00	
Outstanding as of December 31, 2024	4,456,201	16.96	7.34
Forfeited	<u>(290,600)</u>	15.12	
Outstanding as of June 30, 2025	<u><u>4,165,601</u></u>	17.09	6.90
Outstanding as of January 1, 2024	3,625,838	16.27	7.50
Forfeited	<u>(117,000)</u>	20.00	
Outstanding as of June 30, 2024 (Unaudited) . .	<u><u>3,508,838</u></u>	16.14	6.95

There were no exercisable share options at the end of each reporting period.

APPENDIX I

ACCOUNTANTS’ REPORT

Fair value of share options granted

The valuation of the share options was conducted by the management with reference to valuation carried out by an independent qualified professional valuer, JLL, who has appropriate qualifications and experiences in valuation of similar instruments. Options were priced using the Binomial option pricing model. The main inputs used in the model for share options granted are as follows:

	Share options granted					
Grant date	30/11/2018	30/03/2019	30/03/2020	30/05/2021	30/05/2022	30/12/2024
Exercise price	8.61	12.00	12.00	20.00	20.00	20.00
Expected volatility	74.87%	84.62%	73.52%	67.63%	66.75%	59.95%
Expected life (years)	9	9	9	9	9	9
Risk-free interest	3.47%	3.22%	2.77%	3.17%	2.86%	1.78%
Expected dividend yield	–	–	–	–	–	–
Fair value as of grant date (RMB per share)	7.92	7.63	7.14	11.37	10.99	6.47

37. RETIREMENT BENEFIT SCHEME

The Group participates in defined contribution retirement schemes organized by the relevant local government authorities in the PRC. Employees of the Group eligible for participating in the retirement schemes are entitled to retirement benefits from the schemes. The Group is required to make contributions to the retirement schemes up to the time of retirement of the eligible employees, excluding those employees who resign before their retirement, at a percentage that is specified by the local government authorities.

The total cost charged to the combined statements of profit or loss and other comprehensive income of RMB18,988,000, RMB17,288,000, RMB14,808,000, RMB7,373,000 (unaudited) and RMB7,127,000 represented contributions paid and/or payable to the scheme by the Group for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

38. CAPITAL COMMITMENT

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contracted for but not provided in the Historical Financial Information				
Purchase of property, plant and equipment	5,569	–	–	8,000

39. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt, which includes the financial liabilities designated at FVTPL, lease liabilities and bank loans disclosed in Notes 30, 31 and 32 respectively, net of cash and cash equivalents, capital and reserve.

The management of the Group reviews the capital structure on a regular basis. As part of this review, the management of the Group considers the cost of capital and the risks associated with the capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of interest and new share issues as well as the issue of new debt or the redemption of the existing debt.

APPENDIX I

ACCOUNTANTS’ REPORT

40. FINANCIAL INSTRUMENTS

Categories of financial instruments

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Financial assets at FVTPL	–	14,101	–	46,044
Financial assets at amortized cost	977,330	557,715	499,789	372,820
	<u>977,330</u>	<u>557,715</u>	<u>499,789</u>	<u>372,820</u>
Financial liabilities				
Financial liabilities designated at FVTPL	1,612,843	1,257,334	1,529,465	1,891,183
Financial liabilities at amortized cost	361,010	289,859	311,244	311,438
	<u>361,010</u>	<u>289,859</u>	<u>311,244</u>	<u>311,438</u>

Financial risk management objectives and policies

The Group’s financial instruments consisted of trade and other receivables, pledged/restricted bank deposits, cash and cash equivalents, financial assets at FVTPL, trade and other payables, amount due to a shareholder, bank loans, financial liabilities designated at FVTPL and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (mainly include interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to pledged/restricted bank deposits (Note 26), fixed-rate bank loans (Note 32) and lease liabilities (Note 31). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (Note 26). The Group’s cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

No sensitivity analysis is presented as the management of the Group considers that the exposure of interest rate risk is insignificant.

Other price risk

The Group is exposed to other price risk through its investments in wealth management products measured as financial assets at FVTPL (Note 25) and shares with preferred rights measured as financial liabilities designated at FVTPL (Note 30). The management of the Group considers that the exposure of other price risk on its investments in wealth management products is insignificant as the maturity periods of these investments are short, thus no sensitivity analysis is presented. Sensitivity analysis of financial liabilities designated at FVTPL is disclosed in Note 40(i).

APPENDIX I

ACCOUNTANTS’ REPORT

Credit risk and impairment assessment

Credit risk refers to the risk that the Group’s counterparties default on their contractual obligations resulting in financial losses to the Group. The Group’s credit risk exposures are primarily attributable to trade and other receivables, pledged/restricted bank deposits, cash and cash equivalents and debt instruments at FVTPL. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group’s credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarized as below:

Trade receivables arising from contracts with customers

As of December 31, 2022, 2023, 2024 and June 30, 2025, the Group has concentration of credit risk as 15.45%, 15.84%, 9.61% and 8.46% of the total trade receivables was due from the Group’s largest customer, and 47.50%, 42.20%, 26.98% and 23.90% of the total trade receivables was due from the Group’s five largest customers.

The Group always recognizes lifetime ECL for trade receivables arising from contracts with customers. The ECL on these assets are individually assessed for trade receivables credit-impaired and collectively assessed for the remaining balance. As part of the Group’s credit risk management, trade receivables arising from Covid-19 nucleic acid testing services are grouped together based on their shared common risk characteristics by reference to the debtors’ external credit ratings, the Group assessed lifetime ECL for these receivables by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies as well as forward-looking information that is available without undue cost or effort. Besides, trade receivables arising from provision of other services or sale of goods and not credit-impaired are grouped based on shared credit risk characteristics by reference to the aging of these receivables. The estimated loss rates are estimated on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping and assessment are regularly reviewed by the management of the Group to ensure relevant information about specific debtors is updated.

Pledged/restricted bank deposits and cash and cash equivalents

Credit risk on pledged/restricted bank deposits and cash and cash equivalents are limited because the counterparties are reputable banks and financial institutions with high credit ratings. The Group assessed 12m ECL on these balances by reference to probability of default and loss given default and concluded that the ECL are insignificant and thus no impairment loss was recognized.

Other receivables

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized based on significant increases in the likelihood or risk of a default occurring since initial recognition. The Group recognized impairment allowance of RMB1,217,000, RMB706,000, RMB694,000 and RMB701,000 for other receivables as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

The tables below detail the credit risk exposures of the Group’s financial assets, which are subject to ECL assessment:

				Gross carrying amount			
		External credit rating		As of December 31,			As of June 30,
	Notes		12m or lifetime ECL	2022	2023	2024	2025
				RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at amortized cost							
Trade receivables	23	N/A	Lifetime ECL (provision matrix)	627,407	235,906	205,565	222,641
			Lifetime ECL (credit-impaired and assessed individually)	2,858	3,683	4,222	7,313
				630,265	239,589	209,787	229,954
Other receivables	24	N/A	12m ECL	10,825	6,469	6,298	6,400
Pledged/restricted bank deposits	26	Baa2-A3	12m ECL	52,000	68,570	32,739	56,863
Cash and cash equivalents	26	Baa2-A1	12m ECL	291,974	249,354	263,830	96,006

Debtors with credit-impaired balances were assessed individually and the Group recognized impairment allowance of RMB2,850,000, RMB3,104,000, RMB3,916,000 and RMB4,568,000 as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively.

The following table provides information about the exposure to credit risk for trade receivables arising from Covid-19 nucleic acid testing services which were assessed on a collective basis by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies:

	As of December 31, 2022		
	Average loss rate	Gross carrying amount	Impairment loss allowance
	<i>%</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade receivables	0.39	<u>549,124</u>	<u>2,115</u>

APPENDIX I

ACCOUNTANTS’ REPORT

As of December 31, 2023			
	Average loss rate	Gross carrying amount	Impairment loss allowance
	%	RMB'000	RMB'000
Trade receivables	0.41	111,690	460
As of December 31, 2024			
	Average loss rate	Gross carrying amount	Impairment loss allowance
	%	RMB'000	RMB'000
Trade receivables	1.38	3,686	51
As of June 30, 2025			
	Average loss rate	Gross carrying amount	Impairment loss allowance
	%	RMB'000	RMB'000
Trade receivables	1.22	2,456	30

The following table provides information about the exposure to credit risk for trade receivables except for those arising from Covid-19 nucleic acid testing services which were assessed on a collective basis by using provision matrix within lifetime ECL (not credit impaired):

As of December 31, 2022			
	Average loss rate	Gross carrying amount	Impairment loss allowance
	%	RMB'000	RMB'000
Trade receivables			
Within 3 months	1.75	42,395	742
4-6 months	2.04	13,042	266
7-12 months.	2.17	11,312	245
1-2 years.	9.21	10,585	975
Over 2 years	57.01	949	541
		78,283	2,769

APPENDIX I

ACCOUNTANTS’ REPORT

As of December 31, 2023

	Average loss rate	Gross carrying amount	Impairment loss allowance
	%	RMB'000	RMB'000
Trade receivables			
Within 3 months	1.21	79,744	962
4-6 months	1.40	19,623	274
7-12 months.	1.44	15,198	219
1-2 years.	8.63	8,668	748
Over 2 years	50.86	983	500
		<u>124,216</u>	<u>2,703</u>

As of December 31, 2024

	Average loss rate	Gross carrying amount	Impairment loss allowance
	%	RMB'000	RMB'000
Trade receivables			
Within 3 months	2.21	106,039	2,347
4-6 months	2.40	42,202	1,011
7-12 months.	2.64	26,142	689
1-2 years.	12.69	24,736	3,139
Over 2 years	62.03	2,760	1,712
		<u>201,879</u>	<u>8,898</u>

As of June 30, 2025

	Average loss rate	Gross carrying amount	Impairment loss allowance
	%	RMB'000	RMB'000
Trade receivables			
Within 3 months	1.92	85,127	1,637
4-6 months	1.95	57,345	1,119
7-12 months.	2.52	49,761	1,252
1-2 years.	16.45	18,989	3,124
Over 2 years	52.14	8,963	4,673
		<u>220,185</u>	<u>11,805</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The following table shows the movements in lifetime ECL that have been recognized for trade receivables under the simplified approach.

	Lifetime ECL (not credit- impaired)	Lifetime ECL (credit- impaired)	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As of January 1, 2022	2,310	924	3,234
Transfer to credit-impaired	(901)	901	–
Impairment losses recognized	4,347	1,847	6,194
Impairment losses reversed	(872)	(773)	(1,645)
Write-offs	–	(49)	(49)
As of December 31, 2022	4,884	2,850	7,734
Impairment losses recognized	1,779	3,150	4,929
Impairment losses reversed	(3,500)	(712)	(4,212)
Write-offs	–	(2,184)	(2,184)
As of December 31, 2023	3,163	3,104	6,267
Transfer to credit-impaired	(483)	483	–
Impairment losses recognized	7,418	982	8,400
Impairment losses reversed	(1,149)	(334)	(1,483)
Write-offs	–	(319)	(319)
As of December 31, 2024	8,949	3,916	12,865
Transfer to credit-impaired	(913)	913	–
Impairment losses recognized	5,330	716	6,046
Impairment losses reversed	(1,531)	(977)	(2,508)
As of June 30, 2025	11,835	4,568	16,403

Liquidity risk

In the management of liquidity risk, the Group’s and the Company’s management monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group’s and the Company’s operations and mitigate the effects of unexpected fluctuations in cash flows.

The following tables detail the Group’s and the Company’s remaining contractual maturity for their financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The maturity dates for financial liabilities are based on the agreed repayment dates.

The tables include both interest and principal cash flows.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group

	Weighted average interest rate	Less than 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Total carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of December 31, 2022						
Trade payables		88,664	–	–	88,664	88,664
Other payables		61,388	–	–	61,388	61,388
Bank loans	3.75	215,533	–	–	215,533	210,958
Financial liabilities designated at FVTPL	Note	1,848,809	–	–	1,848,809	1,612,843
Lease liabilities	3.67	14,191	12,226	5,779	32,196	29,969
		<u>2,228,585</u>	<u>12,226</u>	<u>5,779</u>	<u>2,246,590</u>	<u>2,003,822</u>
As of December 31, 2023						
Trade payables		43,710	–	–	43,710	43,710
Other payables		38,805	–	–	38,805	38,805
Bank loans	3.44	182,299	30,900	–	213,199	207,344
Financial liabilities designated at FVTPL	Note	1,996,597	–	–	1,996,597	1,257,334
Lease liabilities	3.72	16,283	11,149	6,796	34,228	32,652
		<u>2,277,694</u>	<u>42,049</u>	<u>6,796</u>	<u>2,326,539</u>	<u>1,579,845</u>
As of December 31, 2024						
Trade payables		84,846	–	–	84,846	84,846
Other payables		41,854	–	–	41,854	41,854
Amount due to a shareholder . . .		4,290	–	–	4,290	4,290
Bank loans	3.44	182,736	–	–	182,736	180,254
Financial liabilities designated at FVTPL	Note	2,160,875	–	–	2,160,875	1,529,465
Lease liabilities	3.35	10,236	5,087	6,664	21,987	20,914
		<u>2,484,837</u>	<u>5,087</u>	<u>6,664</u>	<u>2,496,588</u>	<u>1,861,623</u>
As of June 30, 2025						
Trade payables		136,193	–	–	136,193	136,193
Other payables		32,121	–	–	32,121	32,121
Amount due to a shareholder . . .		2,770	–	–	2,770	2,770
Bank loans	3.17	142,234	–	–	142,234	140,354
Financial liabilities designated at FVTPL	Note	2,437,378	–	–	2,437,378	1,891,183
Lease liabilities	3.17	8,371	6,677	6,722	21,770	20,556
		<u>2,759,067</u>	<u>6,677</u>	<u>6,722</u>	<u>2,772,466</u>	<u>2,223,177</u>

Note: The redemption price is calculated based on 10% or 12% annual simple return.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Weighted average interest rate	Less than 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Total carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of June 30, 2025						
Lease liability	3.17	599	599	599	1,797	1,716

Fair value measurement of financial instruments

(i) Financial instruments carried at fair value

The Group measures the following financial instruments at fair value at the end of each reporting period on a recurring basis:

Financial assets/ financial liabilities	Fair value as of December 31,			Fair value as of June 30,	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	2022	2023	2024	2025			
	RMB'000	RMB'000	RMB'000	RMB'000			
Financial assets							
Wealth management products . . .	–	14,101	–	46,044	Level 2	Fair value are determined with reference to the quoted prices provided by financial institutions	N/A
Financial liabilities							
Financial liabilities designated at FVTPL	1,612,843	1,257,334	1,529,465	1,891,183	Level 3	Black-Scholes option pricing model to determine the fair value of the shares with preferred rights	Equity value of the Company (<i>Note</i>)

Note:

As the shares with preferred rights are not traded in an active market, the Group applied the discount cash flow method to determine the underlying equity value of the Company and adopted option-pricing method and equity allocation model to determine the fair value of the shares with preferred rights. Major assumptions used in the valuation for the shares with preferred rights are presented in Note 30.

APPENDIX I

ACCOUNTANTS’ REPORT

Fair value of the shares with preferred rights is affected by changes in the Company’s equity value. If the Company’s equity value had increased/decreased by 5% with all other variables held constant, the effect on the post-tax profit (loss) for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2024 (unaudited) and 2025 are as follows:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(Unaudited)	
				Increase/(Decrease)	
Post-tax profit for the year	(48,442)	(35,453)	N/A	N/A	N/A
Post-tax loss for the year/period.	N/A	N/A	38,452	43,283	56,870

There were no transfers between levels of the fair value hierarchy during the Track Record Period.

(ii) **Reconciliation of level 3 fair value measurements**

The following table represents the reconciliation of level 3 measurements throughout the Track Record Period.

	Financial liabilities designated at FVTPL
	RMB’000
As of January 1, 2022	1,879,433
Changes in fair value	(266,590)
As of December 31, 2022	1,612,843
Changes in fair value	(355,509)
As of December 31, 2023	1,257,334
Changes in fair value	272,131
As of December 31, 2024	1,529,465
Changes in fair value	361,718
As of June 30, 2025	1,891,183

(iii) **Fair value of the Group’s financial assets and financial liabilities that are not measured at fair value on a recurring basis**

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the combined financial statements approximate their fair values.

APPENDIX I

ACCOUNTANTS’ REPORT

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group’s combined statements of cash flows as cash flows from financing activities.

	Bank loans	Accrued share issue costs	Lease liabilities	Financial liabilities designated at FVTPL	Amount due to a shareholder	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of January 1, 2022	5,000	–	12,692	1,879,433	–	1,897,125
Financing cash flows	202,316	–	(12,728)	–	–	189,588
New lease entered	–	–	29,062	–	–	29,062
Changes in fair value	–	–	–	(266,590)	–	(266,590)
Finance costs	3,642	–	943	–	–	4,585
As of December 31, 2022 . .	210,958	–	29,969	1,612,843	–	1,853,770
Financing cash flows	(10,759)	–	(15,540)	–	–	(26,299)
New lease entered	–	–	20,175	–	–	20,175
Early termination	–	–	(3,550)	–	–	(3,550)
Changes in fair value	–	–	–	(355,509)	–	(355,509)
Finance costs	7,145	–	1,598	–	–	8,743
As of December 31, 2023 . .	207,344	–	32,652	1,257,334	–	1,497,330
Financing cash flows	(34,579)	–	(15,045)	–	4,290	(45,334)
New lease entered	–	–	14,796	–	–	14,796
Early termination and lease modification	–	–	(12,559)	–	–	(12,559)
Changes in fair value	–	–	–	272,131	–	272,131
Finance costs	7,489	–	1,070	–	–	8,559
As of December 31, 2024 . .	180,254	–	20,914	1,529,465	4,290	1,734,923
Financing cash flows	(42,199)	(138)	(7,275)	–	(1,520)	(51,132)
New lease entered	–	–	6,822	–	–	6,822
Early termination	–	–	(304)	–	–	(304)
Deferred share issue costs . .	–	741	–	–	–	741
Changes in fair value	–	–	–	361,718	–	361,718
Finance costs	2,299	–	399	–	–	2,698
As of June 30, 2025	140,354	603	20,556	1,891,183	2,770	2,055,466

APPENDIX I

ACCOUNTANTS’ REPORT

42. RELATED PARTY TRANSACTIONS

Save as disclosed in Notes 29 and 32 to the Historical Financial Information, during the Track Record Period, the Group has no other significant related party transactions and balances with its related parties.

Compensation of key management personnel

The remuneration of Directors and other members of key management during the Track Record Period is as follows:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)				
Short-term employee benefits	3,257	2,374	2,431	1,185	1,259
Post-employment benefits	145	152	163	81	88
	3,402	2,526	2,594	1,266	1,347

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the principal subsidiaries directly and indirectly held by the Company as of the date of this report are set out below.

Name of Subsidiaries	Legal form	Place and date of establishment/ incorporation and operation	Issued and fully paid up capital/ registered capital	Proportion of interest and voting power held by the Group					Principal activities
				As of December 31,			As of June 30,	As of the date of this report	
				2022	2023	2024	2025		
				%	%	%	%	%	
Directly held:									
Beijing Technology	Limited liability company	PRC 2015	RMB123,680,364/ RMB123,680,364	100	100	100	100	[100]	Investment holding
Indirectly held:									
Suzhou Biomedical	Limited liability company	PRC 2016	RMB90,000,000/ RMB90,000,000	100	100	100	100	[100]	Production and sale of IVD products for precision diagnostics solutions
Changsha GenePlus Biotechnology Limited 長沙吉因加生物科技 有限公司 (“Changsha Biotechnology”)	Limited liability company	PRC 2022	RMB1,000,000/ RMB1,000,000	100	100	100	100	[100]	Production of IVD products for precision diagnostics solutions

APPENDIX I

ACCOUNTANTS’ REPORT

Name of Subsidiaries	Legal form	Place and date of establishment/ incorporation and operation	Issued and fully paid up capital/ registered capital	Proportion of interest and voting power held by the Group					Principal activities
				As of December 31,			As of June 30,	As of the date of this report	
				2022	2023	2024	2025		
				%	%	%	%	%	
Beijing Lab	Limited liability company	PRC 2019	RMB15,000,000/ RMB15,000,000	100	100	100	100	[70]*	Provision of services for precision diagnostics solutions, drug R&D enablement solutions and clinical research and translation solutions
Suzhou Technology	Limited liability company	PRC 2017	RMB10,000,000/ RMB10,000,000	100	100	100	100	[100]	Provision of services for clinical research and translation solutions
Shenzhen Lab	Limited liability company	PRC 2018	RMB70,000,000/ RMB70,000,000	100	100	100	100	[100]	Provision of services for clinical research and translation solutions
Shanghai GenePlus Clinical Laboratory Limited 上海吉因加醫學檢驗實驗室有限公司 (“Shanghai Lab”)	Limited liability company	PRC 2022	RMB10,000,000/ RMB10,000,000	100	100	100	100	[–]**	Provision of services for clinical research and translation solutions
Changsha GenePlus Technology Limited 長沙吉因加科技有限公司 (formerly known as 長沙吉因加醫學檢驗實驗室有限公司) (“Changsha Technology”)	Limited liability company	PRC 2022	RMB1,000,000/ RMB10,000,000	100	100	100	100	[100]	Provision of services for clinical research and translation solutions

* On November 26, 2025, Tibet GenePlus subscribed 30% equity interests in Beijing Lab.

** Pursuant to a share transfer agreement dated October 10, 2025, the Group transferred 100% equity interests in Shanghai Lab to an independent third party at the consideration of RMB2,800,000.

The English translation of the names is for reference only. The official names of these entities are in Chinese.

The statutory financial statements of Beijing Technology, Beijing Lab, Shenzhen Lab, Suzhou Biomedical, Suzhou Technology and Shanghai Lab for the years ended December 31, 2022, 2023 and 2024, and the statutory financial statements of Changsha Technology and Changsha Biotechnology for the years ended December 31, 2023 and 2024, were prepared in accordance with the Accounting Standards for Business Enterprises applicable in the PRC and were audited by Dahua Certified Public Accountants LLP (大華會計師事務所 (特殊普通合伙)), certified public accountants registered in the PRC.

No audited statutory financial statements were available for the remaining companies of the Group during the Track Record Period as there was no requirement to issue audited accounts by the local authorities.

None of the subsidiaries had issued any debt securities at the end of each reporting period.

APPENDIX I

ACCOUNTANTS’ REPORT

44. EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed in the report, subsequent to the end of the Track Record Period, the following significant events took place:

On November 28, 2025, the Group Reorganization detailed in the section headed “History, Reorganization and Corporate Structure” in this Document was completed.

Subsequent to the end of the Track Record Period, the Beijing Municipal Health Commission (北京市衛生健康委員會) and the Beijing Municipal Medical Products Administration (北京市藥品監督管理局) jointly issued a formal notice stipulating that laboratories in Beijing and their personnel providing permitted clinical laboratory testing services must meet specific eligible requirements. In response, the Group discontinued the direct provision of clinical laboratory testing services in Beijing to end-customers and entered into several cooperation agreements with an independent third-party service provider in November 2025.

Under this arrangement, the Group supplies its precision diagnostics products and technical services to the service provider, which delivers clinical laboratory testing services directly to end-customers or through its own distribution channels.

The Group has submitted an application for the high-throughput sequencing laboratory operation qualification certificate for its laboratory in Beijing and expects to obtain approval in 2026. Accordingly, the Directors anticipate that the cooperation arrangement will serve as a transitional measure and will not have significant impact on the Group’s future financial performance.

45. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of the subsidiaries have been prepared for any period subsequent to the Track Record Period.

APPENDIX IIA UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX IIA UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX IIA UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX IIA UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX IIA UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX IIB

[REDACTED]

[REDACTED]

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

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 jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to changes or adjustments and may have retrospective effect, and does not constitute any comments or suggestions accordingly. The discussion does not deal with all possible tax consequences relating to an [REDACTED] in the H Shares, nor does it take into account the specific circumstances of any particular [REDACTED], some of whom may be subject to special regulation. Accordingly, you should consult your own tax advisers regarding the tax consequences of an [REDACTED] in the H Shares.

This discussion does not address any aspects of PRC taxation other than income tax, capital gains and profit tax, sales tax, VAT, stamp duty and estate duty. You should consult your own advisers regarding PRC and other tax consequences of purchasing, owning and disposing of the H Shares.

TAXATION IN MAINLAND CHINA

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current law and practice and has not taken into account the expected change or amendment to the relevant laws or policies. The discussion has no intention to cover all possible tax consequences resulting from the [REDACTED] in H Shares, nor does it take the specific circumstances of any particular [REDACTED] 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 [REDACTED] in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of the Latest Practicable Date, which is subject to change and may have retrospective effect.

Taxation on Dividends

Individual Investors

Under the provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), last amended on August 31, 2018, 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》), last amended on December 18, 2018 (collectively referred to as the “**IIT Law**”), dividends disbursed by Chinese enterprises are subject to a flat individual income tax rate of 20%. For foreign individuals who are not residents of China, dividends received from a Chinese enterprise are generally taxed at 20%, unless there are specific exemptions granted by the State Council’s tax authority or reductions under an applicable tax treaty.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

According to the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (《國家稅務總局關於發佈〈非居民納稅人享受協定待遇管理辦法〉的公告》), which came into effect on 1 January 2020, non-resident taxpayers claiming treaty benefits shall be handled in accordance with the principles of “self-assessment, claiming benefits, retention of the relevant materials for future inspection”. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through the withholding agent, simultaneously gather and retain the relevant materials pursuant to the provisions of these Measures for future inspection, and accept follow-up administration by the tax authorities. For withholding at source and designated withholding, a non-resident taxpayer asserting that it satisfies the criteria for claiming treaty benefits and need to claim such benefits shall complete an “Information Report on Non-resident Taxpayers Claiming Treaty Benefits” truthfully, submit to the withholding agent voluntarily, gather and retain the relevant materials pursuant to the relevant provisions.

In accordance with the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《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》), signed on August 21, 2006, the PRC Government has the authority to impose taxes on dividends paid by a PRC company to Hong Kong residents, including both natural persons and legal entities. The tax levied shall not exceed 10% of the total dividends payable by the PRC company. However, if a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company and meets certain conditions as the beneficial owner of the equity, the tax imposed shall not exceed 5% of the total dividends payable by the PRC company.

The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《〈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》), in effect since December 6, 2019, introduces specific criteria determining entitlement to treaty benefits. According to this protocol, treaty benefits will not be granted if, upon careful consideration of all relevant facts and conditions, it is reasonably determined that obtaining these benefits was a primary purpose of the arrangement or transactions, thereby providing direct or indirect benefits under the Arrangement. Exceptions are made when such benefits align with the Arrangement’s relevant objectives and goals.

Additionally, the application of the dividend clause of tax agreements is bound by the stipulations outlined in the PRC tax laws and regulations, including the guidelines specified in the Notice of the State Taxation Administration 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》) (Guo Shui Han [2009] No. 81). Compliance with these regulations is essential in determining the taxation applicable to dividends under the Arrangement.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Enterprise Investors

Pursuant to the provisions outlined in the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》), enacted by the National People’s Congress of the PRC (NPC) on March 16, 2007, and enforced from January 1, 2008, subsequently amended on February 24, 2017, and December 29, 2018, and in alignment with the Implementation Provisions of 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》), promulgated by the State Council on December 6, 2007, and effective from January 1, 2008, last amended on December 6, 2024 and effective on January 20, 2025 (collectively referred to as the “**EIT Law**”), it is established that a non-resident enterprise is generally liable to a 10% enterprise income tax on income sourced within the PRC. Such income includes dividends and bonuses received from a PRC resident enterprise. This taxation applies to non-resident enterprises that lack a physical establishment or premises in the PRC. Alternatively, if an establishment or premise exists within the PRC, but the PRC-sourced income is unrelated to said establishment or premise, it is subject to the aforementioned taxation.

The withholding tax for non-resident enterprises is mandated to be deducted at the source, whereby the entity making the payment assumes the role of the withholding agent. Consequently, the withholding agent is obligated to withhold the income tax from the payment or due payment each time it is disbursed or becomes due.

The Circular of the State Taxation Administration (STA) on Issues Relating to the Withholding and Remitting of Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《國家稅務總局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》) (Guo Shui Han [2008] No. 897), which was issued by the STA and implemented on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate flat 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 Issues on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B-shares (《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》) (Guo Shui Han [2009] No. 394) which was issued by the STA and implemented on July 24, 2009, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold 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 changed pursuant to the tax treaty or agreement that China has concluded with relevant jurisdictions, where applicable. Accordingly, dividends paid to non-PRC resident enterprise (including [REDACTED]) shall be subject to withholding enterprise income tax at a rate of 10%.

In accordance with the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, the PRC Government is authorized to impose taxes on dividends disbursed by a PRC company to Hong Kong residents, including both individuals and legal entities, not exceeding 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, the tax shall not surpass 5% of the total dividends if the Hong Kong resident qualifies as the beneficial owner of the equity, and specific conditions are met.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Furthermore, the Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, introduces additional criteria for qualifying for treaty benefits. While other provisions may exist within the Arrangement, treaty benefits shall not be granted for relevant gains if, based on all relevant facts and conditions, it is reasonably determined that one of the main purposes of the arrangement or transactions, which result in direct or indirect benefits under the Arrangement, is to obtain such treaty benefits. This exception applies unless the grant of benefits aligns with the objectives and goals outlined in the Arrangement.

It is important to note that the application of the dividend clause of tax agreements is contingent upon compliance with PRC tax laws and regulations, including the guidelines provided in the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (Guo Shui Han [2009] No. 81).

Tax Treaties

Non-resident investors residing in jurisdictions that have established treaties or arrangements for the avoidance of double taxation with the PRC may qualify for a reduction in the PRC enterprise income tax levied on dividends received from PRC companies. Currently, the PRC has entered into Avoidance of Double Taxation Treaties or Arrangements with several countries and regions, including the Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States.

Non-PRC resident enterprises eligible for preferential tax rates under these relevant taxation treaties or arrangements are required to submit an application to the PRC tax authorities for a refund of the enterprise income tax that exceeds the agreed tax rate. The approval of the refund application is subject to the evaluation and decision of the PRC tax authorities.

Taxation on Share Transfer

Value-Added Tax and Local Surcharges

Under the guidelines outlined in the Notice on the Full Implementation of the Pilot Program for 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》) (Cai Shui [2016] No. 36) (referred to as “**Circular 36**”), effective from May 1, 2016, and subsequently amended on July 11, 2017, December 25, 2017, and March 20, 2019, individuals and entities conducting service transactions within the PRC are obligated to pay Value-Added Tax (VAT). “Sales of services within the PRC” are defined as transactions where either the service provider or the recipient is situated within the PRC.

Furthermore, Circular 36 specifies that the transfer of financial products, including the ownership transfer of marketable securities, is subject to a VAT rate of 6% on the taxable income. Taxable income, in this context, refers to the sales price balance after deducting the purchase price. This VAT obligation applies to both general and foreign VAT taxpayers. Notably, individuals are exempt from VAT obligations when engaging in the transfer of financial products.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

As per the aforementioned regulations, non-resident individuals selling or disposing of H shares are exempt from VAT in the PRC. However, if the holders are non-resident enterprises, they may avoid VAT in the PRC only if the buyers of the H shares are individuals or entities located outside of the PRC. Conversely, the holders might be subject to VAT in the PRC if the buyers of the H shares are individuals or entities situated within the PRC.

Income Taxes

Individual investors

Under the IIT Law, gains arising from the transfer of equity interests in PRC resident enterprises are subject to individual income tax at a rate of 20%. However, in accordance with the Circular of the Ministry of Finance (MOF) and the STA on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61), issued jointly by the MOF and STA on March 30, 1998, gains obtained by individuals from the transfer of shares of listed companies have been temporarily exempted from individual income tax since January 1, 1997.

However, on December 31, 2009, the MOF, the STA, and the CSRC jointly issued the Circular on Related Issues on 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》) (Cai Shui [2009] No. 167). This circular, effective from January 1, 2010, stipulates that individuals' income derived from the transfer of listed shares acquired through public offerings and trading on the Shanghai Stock Exchange and the Shenzhen Stock Exchange remains exempt from individual income tax. This exemption applies to shares not subject to sales restrictions, as defined in the Supplementary Notice on Issues Concerning the Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks 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》) (Cai Shui [2010] No. 70), jointly issued by the three aforementioned departments and effective from November 10, 2010.

As of the Latest Practicable Date, there are no provisions expressly stating that individual income tax shall be imposed on non-PRC resident individuals for the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise investors

In accordance with the Enterprise Income Tax (EIT) Law and the Implementation Provisions of the Enterprise Income Tax Law of the PRC, non-resident enterprises are typically subject to a 10% enterprise income tax on income sourced within the PRC. This includes gains realized from the disposal of equity interests in a PRC resident enterprise. However, this taxation applies only if the non-resident enterprise does not maintain a physical establishment or premises in the PRC, or if it does have such establishments in the PRC, but its PRC-sourced income is not genuinely connected with those establishments.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

The withholding of income tax for non-resident enterprises is executed at the source, with the entity making the payment acting as the withholding agent. This withholding agent is obliged to deduct the income tax from each payment or due payment made to the non-resident enterprise. It's important to note that the tax liability may be reduced or exempted in accordance with applicable tax treaties or agreements on the avoidance of double taxation.

Stamp Duty

In compliance with the PRC Stamp Duty Law (《中華人民共和國印花稅法》), as issued by the SCNPC on June 10, 2021, and enforced from July 1, 2022 (referred to as the “**Stamp Duty Law**”), all entities and individuals involved in securities transactions within the PRC are obligated to pay stamp duty as per the regulations outlined in the Stamp Duty Law. Consequently, the stipulations concerning stamp duty applied to the transfer of shares of PRC-listed companies do not extend to the transfer and disposal of H Shares by non-PRC investors outside the PRC.

Estate duty

Under prevailing PRC legislation, there is presently no imposition of estate duty within the jurisdiction.

Major Taxes on the Company in the PRC

Please refer to the section headed “Regulatory Overview” of this document.

TAXATION IN HONG KONG

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Profit Tax

No profit tax is imposed in Hong Kong in respect of the sale of H shares. However, trading profits from the sale of the H shares by persons carrying on any industry, profession or business in Hong Kong, where such profits are derived from or arise in Hong Kong from such industry, profession or business will be subject to Hong Kong profits tax. Trading profits from sales of the H shares effected on the Hong Kong Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading profits from sales of H shares effected on the Hong Kong Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong. The trading profits from sales of the H shares for certain categories of taxpayers are likely to be regarded as deriving trading profits rather than capital gains (for example, financial institutions, insurance companies and securities dealers) unless these taxpayers can prove that the investment securities are held for long-term investment purposes. Shareholders should take advice from their own professional advisers as to their particular tax position.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Currently, the profit tax rate for the first HK\$2 million of assessable profits of an incorporated company is 8.25%, and profits above such amount is subject to a tax rate of 16.5%. The profit tax rate for the first HK\$2 million of assessable profits of an unincorporated company is 7.5%, and profits above such amount is subject to a tax rate of 15%.

Stamp Duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.10% on the higher of the consideration for or the market value of the H shares, will be payable by the purchaser on every purchase and by the seller on every sale of any Hong Kong securities, including H shares (in other words, a total of 0.20% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed duty of HK\$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

AFRC Transaction Levy

The AFRC Transaction Levy was applicable to all sale and purchase of securities at 0.00015% per side with effect from January 1, 2022, which will be regarded as one of the transaction costs.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 abolished estate duty in respect of deaths occurring on or after February 11, 2006.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. 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 of the PRC on the Management of Foreign Exchange (《中華人民共和國外匯管理條例》, the “**Regulations on the Management of Foreign Exchange**”), which was promulgated by the State Council on January 29, 1996 and effective on April 1, 1996, classifies all international payments and transfers into current items and capital items. Most of the current items are not subject to the approval of foreign exchange administrative authorities, while capital items are subject to the approval of foreign exchange administrative authorities. According to the Regulations on the Management of Foreign Exchange as amended on January 14, 1997 and August 5, 2008, the PRC will not impose any restriction on international current payments and transfers.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》, the “**Settlement Regulations**”), which was promulgated by the PBOC on June 20, 1996 and effective on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》) (PBOC Announcement [2005] No. 16), which was issued by the PBOC on July 21, 2005 and effective on the same date, the PRC began 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 from July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. The 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.

On August 5, 2008, the State Council promulgated the revised Regulation on the Management of Foreign Exchange, which has made substantial changes to the foreign exchange supervision system of the PRC. First, it has adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and 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; second, it has improved the RMB exchange rate formation mechanism based on market supply and demand; third, in the event that international balance of payment suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard or control measures against international balance of payment; fourth, it has enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to the SAFE to enhance its supervisory and administrative powers.

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 from foreign exchange accounts opened at the designated foreign exchange banks, on the strength of valid transaction receipt or 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 banks or effect exchange and payment at the designated foreign exchange banks.

On October 23, 2014, the State Council promulgated the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) (Guo Fa [2014] No. 50), which decided 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.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

On December 26, 2014, the SAFE implemented the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) (Hui Fa [2014] No. 54), pursuant to which, 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 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 PRC or deposited overseas, but the use of the proceeds shall be consistent with the contents as specified in the document and other disclosure documents.

According to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (《資本項目外匯業務指引(2024年版)》) issued by SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the document or corporate bond offering documents, shareholder circulars, resolutions of the board of directors or shareholders’ meeting and other publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

According to the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (Hui Fa [2015] No. 13) promulgated by the SAFE on February 13, 2015 and took effect on June 1, 2015, and amended on December 30, 2019, two of the administrative examination and approval items, being the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment have been canceled, the foreign exchange registration under domestic direct investment and 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 State Administration of Foreign Exchange on Reforming and Regulating Policies on the Administration of Foreign Exchange Settlement under Capital Accounts (《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》) (Hui Fa [2016] No. 16) issued by the SAFE and came into effect on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement as already specified by relevant policies may be handled at banks based on the domestic institutions’ actual requirements for business operation. The proportion of discretionary settlement of domestic institutions’ foreign exchange receipts under the capital account is temporarily determined as 100%. The SAFE may, based on the international balance of payments, adjust the aforesaid proportion at appropriate time.

On January 26, 2017, the SAFE issued the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《國家外匯管理局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》) (Hui Fa [2017] No. 3) to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

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 Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (Hui Fa [2019] No. 28), which stipulated that on the basis that investing foreign-funded enterprises may make domestic equity investments with their capital funds in accordance with laws and regulations, non-investing foreign-funded enterprises are permitted to legally make domestic equity investments with their capital funds under the premise that the existing Special Administrative Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)》) are not violated and domestic invested projects are true and compliant.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

PRC LAWS AND REGULATIONS

The PRC Legal System

The PRC legal system is based on the Constitution of the PRC (the “**Constitution**”) and 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.

Pursuant to the Constitution and the Legislation Law of the PRC (2023 Revision) (《中華人民共和國立法法(2023修正)》) (the “**Legislation Law**”), the NPC and SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws governing criminal and civil matters, State institutions and other matters. The SCNPC 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 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 with districts and their respective standing committees may formulate local regulations with respect to urban and rural construction and administration, ecological civilization construction, historical and cultural protection, grassroots governance and other aspects according to 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 formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations of cities with districts 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. Where, 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, 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

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned.

The ministries, commissions of the State Council, the PBOC, the National Audit Office, institutions with administrative functions directly under the State Council, and other institutions stipulated by law may formulate rules and regulations within the power of their respective departments based on the laws, administrative regulations, decisions and rulings of the State Council. Matters governed by the departmental rules and regulations should be those for the enforcement of the laws, administrative regulations, decisions and rulings of the State Council. The people's governments of provinces, autonomous regions and municipalities directly under the central government and cities divided into districts and autonomous regions may formulate rules, in accordance with laws, administrative regulations and relevant local regulations of provinces, autonomous regions and municipalities directly under the central government.

Pursuant to the Resolution of the SCNPC 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》) passed on June 10, 1981, issues related to the further clarification or supplement of laws or decrees should be interpreted by the SCNPC or provided by with decrees, issues related to the application of laws in a court trial should be interpreted by the Supreme People's Court, issues related to the application of laws in a prosecution process should be interpreted by the Supreme People's Procuratorate, and the application of other laws and decrees in matters other than those involved in trial or prosecution process 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 and regulations is vested in the regional legislative and administrative authorities which promulgate such laws and regulations.

The PRC Judicial System

Under the Constitution, the Law of Organization of the People's Courts of the PRC (2018 revision) (《中華人民共和國人民法院組織法(2018修訂)》) and the Law of Organization of the People's Procuratorate of the PRC (2018 revision) (《中華人民共和國人民檢察院組織法(2018修訂)》), the people's courts of the PRC are classified into the Supreme People's Court, the local people's courts at various levels, and other special people's courts. The local people's courts at various levels are divided into three levels, namely, the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts may set up a number of people's tribunals based on the facts of the region, population and cases. The Supreme People's Court is the highest judicial authority. The Supreme People's Court shall supervise the judicial work of the local people's courts at all levels and special people's courts, and people's courts at higher levels shall supervise the judicial work of people's courts at lower levels. The Chinese People's Procuratorates are divided into the Supreme People's Procuratorate, local people's procuratorates at various levels, and specialized people's procuratorates such as the Military Procuratorate. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate directs the work of the local people's procuratorates and specialized people's procuratorates at all levels, and the people's procuratorates at higher levels direct the work of the people's procuratorates at lower levels.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

The people’s court takes the rule of the second instance as the final rule, that is, the judgments or rulings of the second instance of the people’s court are final. The parties 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 are final. The first judgments or rulings of the Supreme People’s Court are also final. However, if the Supreme People’s Court or a people’s court at the next higher level discovers an error in the final and binding judgment or ruling which has taken effect in any people’s court at a lower level, or the presiding judge of a people’s court discovers an error in a final and binding judgment which has taken effect in the court over which he presides, a retrial of the case may be initiated according to the judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the “**PRC Civil Procedure Law**”) adopted on April 9, 1991 and amended five times 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. Each party to a civil action conducted within the PRC must comply with the relevant provisions of the PRC Civil Procedure Law. A civil case is generally 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 directly connected with the disputes, such as the plaintiff’s or the defendant’s place of domicile, the places where the contract is executed or signed or the place where the object of the action is located. Meanwhile, such selection cannot violate the stipulations of hierarchical jurisdiction and exclusive jurisdiction in any case.

A foreign individual, a person without nationality, a foreign enterprise and organization is given the same litigation rights and obligations as a citizen, a legal person and other organization of the PRC when initiating actions or defending against litigation at the people’s court. Should a foreign court limit the litigation rights of citizens, a legal person, and other organizations of the PRC, the PRC court may apply the same limitations to the civil litigation rights to citizens, enterprises and organizations of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and 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 the people’s 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. A people’s court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

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 judgement 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 within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgement which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgement on the party.

Where a party applies for enforcement of a legally effective judgement 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 judgement or ruling, or the people’s court may, in accordance with the provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or the principle of reciprocity, request recognition and enforcement by a foreign court. Similarly, where an effective judgment or ruling made by a foreign court needs to be recognized and enforced by the people’s court of the PRC, unless the people’s court considers that the recognition or enforcement of the judgment or ruling would violate the basic legal principles of the PRC, national sovereignty, national security or social and public interest, the parties involved may directly apply to an intermediate people’s court of the PRC with jurisdiction for recognition and enforcement, or the foreign court may, in accordance with the provisions of international treaties entered into or acceded to by that country and the PRC or according to the principle of reciprocity, request the people’s court to recognize and enforce it.

The Company Law of the PRC, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and the Guidelines for the Articles of Association of Listed Companies

The Company Law of the People’s Republic of China (《中華人民共和國公司法》) (the “**PRC Company Law**”) was adopted by the Standing Committee of the Eighth NPC at its Fifth Session on December 29, 1993 and came into effect on July 1, 1994. It was successively amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The newly revised PRC Company Law has been implemented on July 1, 2024.

On February 17, 2023, 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**”), which came into effect on March 31, 2023 and is applicable to direct and indirect overseas share subscription and listing of domestic companies, which also stipulates the filing administrative measures and regulatory requirements for the overseas securities offering and listing by domestic companies.

On December 15, 2023, the CSRC Promulgated the latest amended Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (the “**Guidelines for the Articles of Association**”). According to the Overseas Listing Trial Measures and its supporting guidelines, Guidelines for the Application of Regulatory Rules — Overseas Listing

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Category No. 1, domestic enterprises that are directly listed overseas shall formulate its Articles of Association with reference to the Guidelines for the Articles of Association and other relevant provisions of the CSRC on main provisions of the PRC Company Law, the Overseas Listing Trial Measures and the Guidelines for the Articles of Association.

General Provisions

A joint stock limited company refers to an enterprise legal person incorporated under the PRC 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 to its creditors for an amount equal to the total value of its assets.

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. If it is prescribed by any law that a company shall not become a capital contributor that shall bear the joint and several liability for the debts of the enterprises it invests in, such provisions shall prevail.

Incorporation

A joint stock limited company may be incorporated by promotion or raising. A joint stock limited company shall be incorporated by one to 200 promoters, provided that at least more than half of the promoters must reside in the PRC. Where a joint stock limited company is to be established by means of promotion, promoters shall fully subscribe for the shares that shall be issued at the time of the establishment of the company as provided for in the Articles of Association. If a joint stock limited company is to be established by means of raising, the promoters shall subscribed for not less than 35% of the total shares that shall be issued at the time of the establishment of the company as provided for in the Articles of Association; however, where laws and administrative regulations provide otherwise, such provisions shall prevail.

A document shall be published and a subscription letter shall be prepared when the promoters [REDACTED] to the public. The subscriber shall fill in the number of shares subscribed for, amount and domicile and affix his/her signature or seal to the subscription letter. The subscriber shall make full payment for the shares subscribed for. Where a promoter is offering shares to the public, such offer shall be underwritten by security companies established under PRC laws, and an underwriting agreement shall be concluded thereon. A promoter offering shares to the public shall also enter into agreements with banks in relation to the receipt of subscription monies. The receiving banks shall receive and keep in custody the subscription monies, issue receipts to subscribers who have paid the subscription monies and furnish evidence of receipt of those subscription monies to relevant authorities. After the share capital for a public offering has been paid in full, a capital verification institution established under PRC law must be engaged to conduct a capital verification and furnish a certificate thereof. Where the shares to be issued have not been fully subscribed for at the time of the establishment of a company, or the promoters fail to hold an establishment meeting within 30 days after the full payment has been made for the shares to be issued, subscribers

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

may claim against the promoters for refund of the payment for shares plus the interest on the bank deposits for the same term. The promoters and subscribers may not withdraw their share capital after they have made payment for the shares or delivered non-monetary property as capital contributions, except that the shares have not been fully subscribed for within the time limit, the promoters fail to hold the establishment meeting on schedule, or the establishment meeting decides not to establish the company. The Board of Directors shall, within 30 days after the end of the establishment meeting of a company, authorize a representative to file an application for registration of establishment with the company registration authority.

A company's promoter shall be liable for the followings: (1) the debts and expenses incurred in the establishment process jointly and severally if the company cannot be established; (2) the refund of subscription monies paid by the subscribers together with interest at bank deposit rates for the same period jointly and severally if the company cannot be established.

Share Capital

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights, land use rights, stock rights or creditor's 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 of the assets contributed must be carried out pursuant to the provisions of the laws or administrative regulations on valuation without any over-valuation or under-valuation. If there are provisions on the assessment of value in any law or administrative regulation, such provisions shall prevail.

The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class 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. The same price per share shall be paid by any share subscriber. The issue price of par value stock may be based on the face value or exceed the face value but shall not be lower than the face value.

Under the PRC Company Law, a joint stock limited company shall maintain a shareholder register which sets forth the following matters: (1) the name and domicile of each shareholder; (2) the type and quantity of subscribed shares for each shareholder; (3) for stocks issued in paper form, the serial numbers of stocks; (4) the date on which each shareholder acquired the shares.

Increase In Share Capital

Pursuant to the PRC Company Law, an increase in the capital of a company by means of an issue of new shares must be approved by shareholders in a shareholder's meeting. The Articles of Association or the shareholders' meeting may authorize the Board of Directors to decide to issue not more than 50% of the shares that have been issued within three years. However, if the capital contributions are to be made using non-monetary property, they shall be subject to a resolution made by the shareholders' meeting. Where the Board of Directors is authorized and decides to issue shares, and thus results in a change in the registered capital or

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

the number of issued shares of the company, the voting at the shareholders' meeting may not be needed to revise such item set forth in the Articles of Association of the company. Where the Articles of Association or the shareholders' meeting of a company authorizes the Board of Directors to decide on issuing new shares, a resolution of the Board of Directors shall be adopted by two thirds of all the directors. In addition, where a domestic enterprise issuing and listing overseas, the issuer shall file with the CSRC in accordance with the Overseas Listing Trial Measures and submit a filing report, legal opinions and other relevant materials, giving a true, accurate and complete account of shareholders' information and other information.

Reduction of Share Capital

The company shall reduce the registered capital in accordance with the following procedures as stipulated in the PRC Company Law:

- (I) the company shall prepare a balance sheet and an inventory of properties;
- (II) make a resolution at a shareholders' meeting to reduce the registered capital;
- (III) the company shall notify its creditors within 10 days after making the resolution to reduce the registered capital and publish the relevant announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days;
- (IV) a creditor may, within 30 days after receipt of the notification, or within 45 days after the date of announcement if he/she has not received the notification, have the right to request the company to repay its debts or provide relevant guarantees; and
- (V) the company must apply to the company registration authority for a change in registration.

Where a company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless it is otherwise prescribed by any law, or is otherwise prescribed by the Articles of Association of the company.

If a company still has losses after making up for them in accordance with the relevant provisions of the PRC Company Law, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the loss, the company shall not make any distribution to the shareholders, nor shall the shareholders be exempted from their obligation to pay the capital contribution or the share capital. If the registered capital is reduced in accordance with the aforesaid provisions, the item (III) and item (IV) mentioned above shall not apply, but the resolution to reduce the registered capital shall be made by the shareholders' meeting within 30 days from the date of the announcement in the newspapers or on the National Enterprise Credit Information Publicity System. After a company reduces its registered capital in accordance with the provisions of the preceding paragraphs, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

When a company reduces its registered capital in violation of the provisions of the PRC Company Law, its shareholders shall refund the funds they have received, and if the capital contributions of the shareholders are reduced or exempted, such capital contributions shall be restored to the original status; if any loss is caused to the company, the shareholders and the liable directors, supervisors and senior management shall bear the liability for compensation.

Repurchase of Shares

Under the provisions of the PRC Company Law, a company shall not repurchase its own shares except in the following circumstances:

- (I) reduction of the registered capital of the company;
- (II) merger with another company that holds its shares;
- (III) use of its shares for carrying out an employee stock ownership plan or equity incentive plan;
- (IV) request from shareholders who object to a resolution of a shareholders' meeting on merger or division of the company to acquire their shares by the company;
- (V) use of shares for conversion of convertible corporate bonds issued by the listed company; and
- (VI) it is necessary for a listed company to maintain its company value and protect its shareholders' equity.

A resolution of a shareholders' meeting is required for the repurchase of shares by a company under either of the circumstances stipulated in item (I) or item (II) above; for a company's repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) above, a resolution of a meeting of the Board of Directors shall be made by more than two-thirds of directors attending the meeting according to the provisions of the Company's Articles of Association or as authorized by the shareholders' meeting.

The shares acquired by the company according to the above provisions under the circumstance stipulated in item (I) hereof a company shall be deregistered within 10 days from the date of acquisition of shares; the shares shall be transferred or deregistered within six months if the repurchase of shares is made under the circumstances stipulated in either item (II) or item (IV); and the shares in the company held in total by the company after the repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) shall not exceed 10% of the Company's total issued shares, and shall be transferred or deregistered within three years.

A company shall not accept its own shares as the subject matter of a mortgage.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

No company may provide gifts, loans, guarantees or other financial aids for others to obtain the shares of the company or the parent company thereof unless it carries out an employee stock ownership plan. For the benefits of the company, the company may, upon a resolution by the shareholders' meeting or by the Board of Directors under the Articles of Association or the authorization of the shareholders' meeting, provide financial aids for others to obtain the shares of the company or the parent company thereof, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be adopted by two thirds of all the directors.

Any director, supervisor or senior management who is liable for any loss to the company due to violation of the provisions of the preceding paragraph shall make compensations.

Transfer of Shares

The shares held by a shareholder of a company may be transferred to other shareholders or to persons other than the shareholders of the company. Where the Articles of Association of the company have any restriction on the transfer of shares, the transfer shall be carried out in accordance with the Articles of Association. Under the PRC Company Law, a shareholder should effect a transfer of his shares on the stock exchange established in accordance with laws or by any other means as required by the State Council. The transfer of shares by a shareholder must be conducted by means of an endorsement or by other means stipulated by laws or by administrative regulations. Following the transfer of shares, the company shall enter the names and domiciles of the transferee into its share register. Change of the register of members described in the preceding paragraph shall not be registered within 20 days before the convening of a shareholders' meeting or 5 days prior to the base date on which the company decides to distribute dividends. However, where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

Pursuant to the PRC Company Law, shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company's listing on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail. Directors, supervisors and senior management of the company shall declare to the company the shares they hold and the changes thereof during the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the company. They shall not transfer the shares they hold within one year of the date of the company's listing on the stock exchange, nor within six months after they leave their positions in the company. The Articles of Association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management. Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Pursuant to the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, the shareholders of its domestic unlisted shares applying to convert its domestic unlisted shares into overseas listed shares and listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and appoint the domestic company to file with the CSRC.

Shareholders

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, the rights of shareholders include the rights:

- (I) to be legally entitled to assets income, participate in significant decision-making and select management personnel;
- (II) to petition the people’s court to revoke any resolution of a shareholders’ meeting, a shareholders’ meeting or a meeting of the Board of Directors that has been convened or whose voting has been conducted in violation of the laws, administrative regulations or the Articles of Association of the company, or any resolution the contents of which is in violation of the laws, administrative regulations or the Articles of Association of the company, provided that such petition shall be submitted to the people’s court within 60 days of the passing of such resolution;
- (III) to transfer his/her shares legally;
- (IV) to attend or appoint a proxy to attend shareholders’ meeting and exercise the voting rights;
- (V) to inspect and copy the Articles of Association of the company, share register, the minutes of shareholders’ meeting, board resolutions, resolutions of the Board of Supervisors and the financial and accounting reports, and to make suggestions or inquiries in respect of the company’s operations;
- (VI) to receive dividends in respect of the number of shares held;
- (VII) to participate in the distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and
- (VIII) any other shareholders’ rights provided for in laws, administrative regulations, other normative documents and the Articles of Association of the company.

The obligations of shareholders include the obligation to abide by the Articles of Association of the company, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company’s responsibilities in respect of the shares taken up by them and any other shareholder obligation specified in the Articles of Association of the company.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Shareholders' meeting

The shareholders' meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The shareholders' meeting may exercise its powers:

- (I) to elect or replace the directors and supervisors and to decide on their remunerations;
- (II) to consider and approve the reports of the Board of Directors;
- (III) to consider and approve the reports of the Board of Supervisors;
- (IV) to consider and approve the company's profit distribution and loss recovery proposals;
- (V) to decide on any increase or reduction of the company's registered capital;
- (VI) to decide on the issue of corporate bonds;
- (VII) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;
- (VIII) to amend the Articles of Association of the company; and
- (IX) to exercise any other authority stipulated in the Articles of Association of the company.

The shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, a shareholders' meeting is required to be held once a year within six months after the end of the previous accounting year. An interim shareholders' meeting is required to be held within two months upon the occurrence of any of the following:

- (I) the number of directors is less than the number required by the law or less than two-thirds of the number specified in the Articles of Association of the company;
- (II) the total outstanding losses of the company amounted to one-third of the company's total capital stock;
- (III) shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an interim shareholders' meeting;
- (IV) the Board of Directors deems necessary;
- (V) the Board of Supervisors so proposes; or

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

- (VI) any other circumstances as provided for in the Articles of Associations of the company.

A shareholders' meeting is convened by the Board of Directors and presided over by the chairman of the Board of Directors. In the event that the chairman is incapable of performing or is not performing his or her duties, the meeting shall be presided over by the vice chairman. If the vice chairman is incapable of performing or is not performing his or her duties, a director jointly recommended by more than half of directors shall preside over the meeting. If the Board of Directors is unable to or fails to perform its duty of convening the shareholders' meeting, the Board of Supervisors shall convene and preside over such meeting in a timely manner; if the Board of Supervisors fails to convene and preside over such meeting, shareholders who individually or jointly hold more than 10% of the company's shares for more than 90 consecutive days may independently convene and preside over such meeting. If the shareholders who individually or jointly hold more than 10% of the shares of the company request to convene an interim shareholders' meeting, the Board of Directors and the Board of Supervisors shall, within 10 days after the receipt of such request, decide whether to hold an interim shareholders' meeting and reply to the shareholders in writing.

In accordance with the PRC Company Law, a notice stating the time and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting if the shareholders' meeting is convened. Notice of the interim shareholders' meeting shall be given to all shareholders 15 days before the meeting. Shareholders who individually or jointly hold more than one percent of the shares of the company may submit an interim proposal in writing to the Board of Directors ten days before the shareholders' meeting is held. The Board of Directors shall notify other shareholders within two days upon receipt of the proposal, and submit the interim proposal to the shareholder's meeting for deliberation, unless the interim proposal is in violation of any law, administrative regulation or the Articles of Association or fails to fall into the scope of functions of the shareholders' meeting. The company shall not raise the shareholding proportion of the shareholder who brings forward any interim proposal. A company offering shares to the public shall make the notices as mentioned in the preceding paragraphs by way of announcement. The shareholders' meeting shall not make any resolution on any matter not specified in the notice.

According to the PRC Company Law, shareholders present at shareholders' meeting shall have one vote for each share they hold, except the shareholders of classified shares. The company may not have a voting right for the shares it holds.

An accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting pursuant to the provisions of the Articles of Association of the company or a resolution of the shareholders' meeting. Under the accumulative voting system, when the shareholders' meeting elects directors or supervisors, each share has the same voting rights as the number of directors or supervisors to be elected, and the voting rights owned by shareholders can be used collectively.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Under the PRC Company Law, the passing of any resolution at the shareholder's meeting requires affirmative votes of shareholders representing more than half of the voting rights held by the shareholders who attend the shareholder's meeting except in cases of proposed amendments to a Articles of Association, increase or decrease of registered capital, merger, division or dissolution, or change of corporation form, which require affirmative votes of shareholders representing more than two-thirds of the voting rights held by the shareholders who attend the shareholder's meeting.

Minutes shall be prepared in respect of matters considered at the shareholders' meeting and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of Directors

A joint stock limited company shall have a board. However, a joint stock limited company with a relatively small scale or relatively small number of shareholders may dispense with the Board of Directors and have one director to exercise the functions and powers of the Board of Directors as prescribed by the PRC Company Law. If the Board of Directors of a company has more than three members, it may include an employees' representative of the company. Where a company has 300 or more employees, the Board of Directors shall include the employees' representatives of the company unless the Board of Supervisors has been established and includes employees' representatives of the company. The employees' representatives in the Board of Directors shall be democratically elected by the employees through the employees' representative congress, employees' congress or by other means.

The term of office of the directors shall be provided for by the Articles of Association, but each term of office shall not exceed three years. A director may seek reelection upon expiry of the said term. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the 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/her term of office or if the resignation of directors results in the number of directors being less than the quorum. Where a director resigns, he/she shall notify the company in written form, and the resignation shall become effective on the day when the company receives the notice.

However, under any of the circumstances as mentioned in the preceding paragraph, the director shall continue performing his/her duties.

Under the PRC Company Law, the Board of Directors may exercise the following powers:

- (I) to convene shareholders' meeting and report on its work to the shareholders' meeting;
- (II) to implement the resolutions passed by the shareholders at the shareholders' meeting;

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

- (III) to decide on the Company's operational plans and investment proposals;
- (IV) to formulate the Company's proposals for profit distribution and for recovery of losses;
- (V) to formulate proposals for the increase or reduction of the Company's registered capital and the issue of corporate bonds;
- (VI) to formulate proposals for the merger, division, dissolution of the Company or change in the form of the Company;
- (VII) to decide on the setup of the Company's internal management organs;
- (VIII) to decide on appointment or dismissal the manager of the Company and his/her remuneration matters, and as nominated by the manager, to decide on appointment or dismissal the Company's deputy general manager and financial officer and his/her remuneration matters;
- (IX) to formulate the Company's basic management system; and
- (X) other authority stipulated in the Articles of Association or granted by the shareholders' meeting.

Any restrictions on the functions and powers of the Board of Directors set out in the Articles of Association may not be asserted against any bona fide third party.

Under the PRC Company Law, a company may, under the Articles of Association, set up an audit committee composed of directors in the Board of Directors, which shall exercise the functions and powers of the Board of Supervisors. It may not have a Board of Supervisors or supervisors. The audit committee shall be composed of at least 3 members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments. Among the members of the Board of Directors of the company, an employees' representative may become a member of the audit committee. A resolution made by the audit committee shall be adopted by more than half of the members thereof. For voting on a resolution of the audit committee, each member shall have one vote. The discussion methods and voting procedures of the audit committee shall be prescribed in the Articles of Association, unless it is otherwise provided under the PRC Company Law. A company may set up other committees in the Board of Directors under the Articles of Association.

Meeting of the Board of Directors 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 meeting may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors or the Board of Supervisors. The chairman shall convene the meeting within 10 days of receiving such

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

proposal, and preside over the board meeting. The Board of Directors may otherwise determine the method of giving notice and notice period for convening an interim meeting of the Board of Directors.

No meeting of the Board of Directors may be held unless more than half of the directors are present. A resolution made by the Board of Directors shall be adopted by more than half of all the directors. For voting on a resolution of the Board of Directors, each director shall have one vote. The Board of Directors shall prepare minutes regarding the decisions on the matters discussed at the meetings, which shall be signed by the directors present.

The directors shall attend the meeting of the Board of Directors in person. Where any director is unable to attend the meeting for any reason, he/she may, by issuing a written power of attorney, entrust another director to attend the meeting on his/her behalf. The power of attorney shall indicate the scope of authorization. The directors shall be responsible for the resolutions made by the Board of Directors. Where a resolution of the Board of Directors is in violation of any law, administrative regulation, Article of Association or resolution of the shareholders' meeting and causes any serious loss to the company, the directors who participate in adopting such resolution shall be liable for compensation to the company. If a director is proved to have expressed his/her objection to the voting on such resolution and such objection has been recorded in the minutes, he/she may be exempted from liability.

Under the PRC Company Law, the following person may not serve as a director of the company:

- (I) devoid of or with restricted civil conduct ability;
- (II) within five years after serving sentence for embezzlement, bribery, infringement or misappropriation of property, or for jeopardizing socialist market economic order, or within five years after serving sentence and being deprived of political rights for crime; within two years after being pronounced for suspension of sentence since the expiration of the suspension of sentence;
- (III) within three years after insolvency and liquidation of such Company or enterprise where the person acted as a director, factory manager or business manager and has been held accountable for the insolvency;
- (IV) within three years after company or enterprise the person acted as legal representative is revoked business license and ordered to shut down for violating law on which the person is held accountable; and
- (V) being listed as a dishonest person subject to enforcement by the people's court due to large amount of unliquidated mature debts.

Where a company elects or appoints a director to which any of the above circumstances applies, such election, appointment or designation shall be invalid. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the Company.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

In addition, the Guidelines for Articles of Association of Listed Companies further stipulates other circumstances under which a person is disqualified from acting as a director of a company, including: (1) a person who has been banned from the securities market by the CSRC where the relevant period remains unexpired; or (2) a person who is banned from doing so in accordance with other laws, administrative regulations or departmental rules.

Under the PRC Company Law, the Board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meeting and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

Board of Supervisors

A joint stock limited company shall have a Board of Supervisors composed of three members or more. However, a joint stock limited company (i) with a relatively small scale or relatively small number of shareholders may dispense with the Board of Supervisors, but may have one supervisor, who shall exercise the functions and powers of the Board of Supervisors, and (ii) may not have a Board of Supervisors or supervisors if it sets up an audit committee composed of directors in the Board of Directors, which shall exercise the functions and powers of the Board of Supervisors. The Board of Supervisors shall consist of representatives of the shareholders and an appropriate proportion of representatives of the Company's staff, of which the proportion of representatives of the company's staff shall not be less than one-third, and the actual proportion shall be determined in the Articles of Association. Representatives of the Company's staff at the Board of Supervisors shall be democratically elected by the Company's staff at the staff representative assembly, general staff meeting or otherwise.

The Board of Supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the Board of Supervisors shall be elected by more than half of all the supervisors. Directors and senior management shall not act concurrently as supervisors. The chairman of the Board of Supervisors shall convene and preside over the Board of Supervisors meeting. Where the chairman of the Board of Supervisors is incapable of performing or is not performing his/her duties, the vice chairman of the Board of Supervisors shall convene and preside over the Board of Supervisors meeting. Where the vice chairman of the Board of Supervisors is incapable of performing or is not performing his/her duties, a supervisor elected by more than half of the supervisors shall convene and preside over the Board of Supervisors meeting.

The supervisors serve three-year terms. A supervisor may serve consecutive terms if re-elected upon the expiration of his/her term. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors results in the number of supervisors being less than the quorum.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

The Board of Supervisors may exercise its powers:

- (I) to review the company's financial position;
- (II) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the Articles of Association or resolutions of the shareholders' meeting;
- (III) when the acts of a director or senior management are detrimental to the company's interests, to require the director and senior management to correct these relevant acts;
- (IV) to propose the convening of extraordinary shareholders' meeting and to convene and preside over shareholders' meeting when the board fails to perform the duty of convening and presiding over shareholders' meeting under the PRC Company Law;
- (V) to submit proposals to the shareholders' meeting;
- (VI) to bring actions against directors and senior management pursuant to the relevant provisions of the PRC Company Law; and
- (VII) to exercise any other authority stipulated in the Articles of Association.

Supervisors may be present at board meeting and make inquiries or proposals in respect of the resolutions of the Board of Directors. The Board of Supervisors may investigate any irregularities identified in the operation of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

Manager and Senior Management

Pursuant to the relevant provisions of the PRC Company Law, a company shall have a manager who shall be appointed or removed by the Board of Directors. The manager shall be responsible to the Board of Directors and exercise his/her functions and powers according to the Articles of Association or the authorization of the Board of Directors. The manager shall attend the meeting of the Board of Directors as a non-voting member.

According to the relevant provisions of the PRC Company Law, senior management refers to the manager, deputy manager, financial officer, secretary to the Board of Directors of a listed company and other personnel as stipulated in the Articles of Association.

Duties of Directors, Supervisors, General Managers and Other Senior Management

Directors, supervisors and senior management shall comply with laws, administrative regulations and the Articles of Association.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Directors, supervisors and senior management shall assume the obligation of loyalty to the company and take measures to avoid the conflict between their own interests and those of the company and may not seek any improper interests by taking advantage of their powers. The directors, supervisors and senior management shall assume the duty of diligence to the company. When performing their duties, they shall, for the best interests of the company, exercise the reasonable care that shall be generally possessed by a manager.

The provisions of the preceding paragraphs shall apply to the controlling shareholder or actual controller of a company who does not serve as a director but actually executes the affairs of the company.

In the meantime, directors, supervisors and senior management are prohibited from:

- (I) embezzling the property or misappropriating the funds of the company;
- (II) depositing company funds into accounts under their own names or the names of other individuals;
- (III) giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;
- (IV) accept commissions from transactions between others and the company for their own benefits;
- (V) unauthorized divulgence of confidential information of the company; and
- (VI) other acts in violation of their duty of loyalty to the company.

A director, supervisor or senior management who contravenes laws, administrative regulations or Articles of Association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

Where a director, supervisor or senior management is required to attend a shareholders' meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders. The Board of Supervisors may demand the directors or senior management to submit reports on the performance of their duties. The directors and senior management shall truthfully provide relevant information and materials to the Board of Supervisors, none of them may impede the exercise of powers by the Board of Supervisors or supervisors.

Where the directors and senior management violate laws, administrative regulations or the Articles of Association in performance of duties to the company, thereby causing damages to the company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the Board of Supervisors to initiate proceedings in the people's court.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Where the supervisors violate the laws, administrative regulations or the Articles of Association in performance of duties resulting in any loss to the company, the aforementioned shareholder(s) may request in writing that the Board of Directors institute litigation at a people's court. Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the Board of Supervisors or the Board of Directors refuses to file a lawsuit or does not file a lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in their own name for the interest of the company. For other parties who infringe the lawful interests of the company resulting in loss to the company, the aforementioned shareholder(s) may institute litigation at a people's court in accordance with the procedure described above. Where any director or senior management violates the provisions of laws, administrative regulations or the Articles of Association, damaging interests of shareholders, the shareholders may file a lawsuit with the people's court.

If a director, supervisor or senior management of a wholly-owned subsidiary of the company violate laws, administrative regulations or the Articles of Association in performance of duties to the company, thereby causing damages to the company, or if the legitimate rights and interests of a wholly-owned subsidiary of the company are impaired by any other person, thus causing any losses, the shareholders of a limited liability company or shareholders of a joint stock limited company individually and jointly holding 1% or more of the total shares of the company for 180 consecutive days or more may request the Board of Supervisors or the Board of Directors of the wholly-owned subsidiary in written form to initiate a lawsuit in the people's court or directly files a lawsuit with the people's court in their own name.

Finance, Accounting and Profit Distribution

According to the PRC Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the financial departments of the State Council. A company shall prepare its financial reports at the end of each accounting year which shall be audited by accounting firm according to law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council. The company's financial and accounting reports shall be made available for shareholders' inspection at the company within 20 days before the convening of an annual shareholder's meeting. A joint stock limited company that makes public stock offerings shall announce its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its after-tax profits for the company's statutory common reserve fund. However, when the cumulative amount of the reserve fund has reached more than 50% of the PRC company's registered capital, it may no longer be allocated. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make up the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

statutory common reserve fund from its after-tax profits, it may, upon passing a resolution at a shareholders' meeting, make further allocations from its after-tax profits to the discretionary common reserve fund. After the company has made up its losses and made allocations to its discretionary common reserve fund, the remaining after-tax profits shall be distributed to shareholders in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association. Profit shall not be distributed for a company's shares held by this company.

Where a company distributes profits to shareholders in violation of the relevant provisions of the PRC Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders and the liable directors, supervisors and senior management shall be held liable for compensation if any loss is caused to the company.

If the shareholders' meeting resolves to distribute profits, the Board of Directors shall do so within six months after the resolution is made.

The premiums received by a company from the issuance of shares at an issue price in excess of the par value of the shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital, and other items required by the financial department of the State Council to be included in the capital reserve shall be classified as the capital reserve of the company.

The reserve of a company shall be used for making up losses, expanding the production and business scale or increasing the registered capital of the company. Where the reserve of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Where the statutory reserve is converted to increase registered capital, the amount of such reserve retained shall not be less than 25% of the registered capital of the company prior to the conversion.

The company shall have no accounting books other than the statutory books. The company's funds shall not be deposited in any account opened under the name of an individual.

After a company reduces its registered capital in accordance with the provisions of the PRC Company Law, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

Appointment and Dismissal of Auditors

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the auditing of the company shall be determined by shareholders at a shareholders' 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' meeting, the Board of Directors or the Board of Supervisors conducts a vote on the dismissal of the accounting firm. The company should provide true and

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or misrepresentation of information.

Amendment to Articles of Association

Pursuant to PRC Company Law, the resolution of a shareholders' meeting regarding any amendment to a company's Articles of Association requires affirmative votes by at least two-thirds of the votes held by shareholders attending the meeting. According to the Guidelines for the Articles of Association of Listed Companies, if the amendments to the Articles of Association approved by the resolution of the shareholder's meeting of shareholders are subject to approval by the competent authority, they must be reported to the competent authority for approval; if they involve company registration matters, the modification registrations shall be handled according to law. Where the amendments to the Articles of Association belong to information required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the regulations.

Dissolution and Liquidation

Pursuant to PRC Company Law, a company shall be dissolved for any of the following reasons:

- (I) upon expiry of term of business stipulated in the Articles of Association or occurrence of other circumstances of dissolution stipulated in the Articles of Association;
- (II) the shareholders' meeting has resolved to dissolve the company;
- (III) the company is dissolved by reason of its merger or division;
- (IV) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or
- (V) Where the company encounters serious difficulties in its operations or management that will lead to significant losses to the benefits of the shareholders if the company continues its existence and the situation cannot be resolved by other means, the company is dissolved by a people's court in response to the request of shareholders representing 10% or more of the voting rights of all shareholders of the company.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where a company falls under the circumstance as mentioned in Items (I) or (II) of the paragraph above and it has not distributed the assets to its shareholders yet, it may survive by modifying its articles of association or upon a resolution of the shareholders' meeting.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

To modify its articles of association or make a resolution of the shareholders' meeting according to the provisions of the preceding paragraph, the consent of two thirds or more of the voting rights of the shareholders who attend the meeting of the shareholders' meeting is required.

Where the company is dissolved under the circumstances set forth in item (I), (II), (IV) or (V) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the company's Articles of Association or it is otherwise elected by the shareholders' meeting.

The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

The liquidation committee may exercise following powers during the liquidation:

- (I) to verify the Company's assets and to prepare a balance sheet and an inventory of assets;
- (II) to inform creditors by notice or announcement;
- (III) to deal with and settle any outstanding business of relevant company;
- (IV) to pay all outstanding taxes and the taxes arising during the liquidation process;
- (V) to settle claims and debts;
- (VI) to distribute the company's remaining assets after its debts have been paid off; and
- (VII) to represent the company in civil lawsuits.

The liquidation committee shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days.

A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification.

The creditors shall explain matters relating to their claims and provide evidential documents. The liquidation committee shall register the creditor's claims. In the claims declaration period, the liquidation committee shall not make repayment to the creditors.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' meeting or a people's court for endorsement. The remaining part of the company's assets, after payment of liquidation expenses, employee wages, social insurance fees and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to shares held by them. The company shall continue its existence during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Where the liquidation group finds that the property of the company are not sufficient for paying off the debts after liquidating the property of the company and preparing a balance sheet and an inventory of property, it shall file an application to a people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Upon completion of the liquidation of the company, the liquidation group shall produce a liquidation report, report the same to the shareholders' meeting or the people's court for confirmation, and submit the same to the company registration authority to apply for deregistration of the company.

Where, during the period of survival, a company has not incurred any debts or has paid off all the debts, the company may, upon a commitment of all the shareholders, be deregistered under the summary procedures according to the relevant provisions. The deregistration of a company under the summary procedures shall be announced through the National Enterprise Credit Information Publicity System for a period of no less than 20 days. If there is no objection after the expiry of the announcement period, the company may apply for deregistration of the company with the company registration authority within 20 days.

For a company deregistered under the summary procedures, its shareholders shall be jointly and severally liable for the debts incurred before the deregistration if they have made an untrue commitment.

Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is revoked, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company. Such deregistration of a company will not affect the liability of the original shareholders or liquidation obligors.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Overseas Listing

According to the Overseas Listing Trial Measures, the securities refer to stocks, depositary receipts, and corporate bonds that can be converted into stocks or other securities of an equity nature that are directly or indirectly offered and listed overseas by domestic companies. The direct overseas offering and listing of domestic companies refer to such overseas offering and listing of a joint stock limited company incorporated in the territory of PRC. The indirect overseas offering and listing of domestic companies refer to such overseas offering and listing made in the name of an offshore entity but based on the equity, assets, earnings, or other similar rights of a domestic company that operates its main business domestically.

The Overseas Listing Trial Measures also provide the conditions for overseas offering and listing. An overseas offering and listing are prohibited under any of the following circumstances:

- (I) the listing and financing fall under specific prohibition in the laws, administrative regulations, and relevant national provisions;
- (II) the overseas offering and listing may constitute endangerment to national security as reviewed and determined by competent authorities under the State Council in accordance with law;
- (III) the domestic company and its controlling shareholder(s), actual controllers, have a criminal record in recent three years for corruption, bribery, encroachment of assets, misappropriation of assets, or disruption of socialist market economy order;
- (IV) the domestic company is under investigation according to law for suspected crimes or major violations of laws and regulations, but no clear conclusions have been reached;
- (V) there are material ownership disputes over the equities held by the controlling shareholders or the shareholders whose actions are controlled by the controlling shareholders or actual controllers.

In addition, under the Overseas Listing Trial Measures, where a PRC domestic company submits an application for [REDACTED] to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted.

In the event of the occurrence of any of the following material events after the overseas offering and listing, the PRC domestic companies shall make a detailed report to the CSRC within three working days after the occurrence and public announcement of the relevant event:

- (I) change of control;

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

- (II) being subject to investigation, punishment, or other measures by overseas securities regulatory authorities or the relevant competent authorities;
- (III) change of the listing status or transfer of listing board;
- (IV) voluntary or compulsory termination of listing.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises, which was issued by the CSRC, MOF, the National Administration of State Secrets Protection and the National Archives Administration on February 24, 2023 and implemented since March 31, 2023, a domestic enterprise that provides or through its overseas listed entity, publicly discloses or provides to relevant individuals or entities including securities companies, securities service providers and overseas regulators, any document and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and files with the secrecy administrative department at the same level. A domestic enterprise that provides accounting archives or copies of accounting archives to any entities including securities companies, securities service providers and overseas regulators and individuals shall fulfill due procedures in compliance with applicable national regulations.

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

Pursuant to the PRC Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets 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 on 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 balance sheet 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 on the National Enterprise Credit Information Publicity System within 30 days. The liabilities of the company

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

which have accrued prior to the division shall be jointly borne by the separated companies, unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division.

The PRC Securities Law, Regulations and Regulatory Regimes

The PRC has promulgated a series of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating, and supervising all securities related institutions in the PRC, and administering CSRC. The CSRC is the regulatory executive body of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

On April 22, 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) governing the application and approval procedures for public offerings of shares, issuance of and trading in shares, the acquisition of listed companies, deposit, clearing, and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

The Securities Law of the PRC (《中華人民共和國證券法》) (the “**PRC Securities Law**”) took effect on July 1, 1999, and was revised as of August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019, respectively. The latest revised PRC Securities Law took effect on March 1, 2020. The PRC Securities Law is the first national securities law in the PRC, comprehensively regulating activities in the PRC securities market. It is divided into 14 chapters and 226 articles, including the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies, and the responsibilities of the securities registration and settlement institutions and securities regulatory authorities. Article 224 of the PRC Securities Law provides that domestic enterprises issuing shares overseas directly or indirectly or listing their shares overseas shall comply with the relevant provisions of the State Council. Currently, the issue and trading of foreign-issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

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 SCNPC on August 31, 1994, which became effective on September 1, 1995, and was amended on August 27, 2009, and September 1, 2017. The PRC Arbitration Law is applicable to, among other matters, economic disputes involving foreign parties where all parties had entered into a written agreement to resolve disputes by arbitration before an

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

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. A people’s court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee, the making of an award on matters beyond the scope of the arbitration agreement, or the jurisdiction of the arbitration commission).

Any party seeking to enforce an award of a foreign affairs arbitral body of the PRC against a party 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 (the “**New York Convention**”) adopted on June 10, 1958, pursuant to a resolution passed by the SCNPC 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 recognition and enforcement under certain circumstances, including 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 SCNPC declared that (I) the PRC would 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 New York Convention will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

An agreement has been reached between Hong Kong and the Supreme People’s Court of the PRC for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People’s Court of the PRC adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland and 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》), which became effective on February 1, 2000. The Supreme People’s Court of China issued the Supplementary 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補充安排》) on November 26, 2020, which went into effect on November 27, 2020. The arrangements reflect the spirit of the New York Convention. Pursuant to the arrangements, awards made by PRC arbitral authorities acknowledged by Hong Kong arbitration rules can be enforced in Hong

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Kong, and Hong Kong arbitration awards are also enforceable in mainland China. Where a court of the mainland China finds that enforcement in the mainland China of the ruling made by the Hong Kong arbitral authority will violate public interests of the mainland China, execution of the ruling may be ignored.

SUMMARY OF MATERIAL DIFFERENCES BETWEEN HONG KONG AND THE PRC COMPANY LAW

As a joint stock limited company established in the PRC that is seeking an [REDACTED] of shares on the stock exchange, we are governed by the PRC Company Law and all other rules and regulations promulgated pursuant to the PRC Company Law.

Set out below is a summary of certain material differences between Hong Kong company law applicable to a company incorporated in Hong Kong and the PRC Company Law applicable to a joint stock limited company incorporated and existing in accordance with the PRC Company Law. This summary is, however, not intended to be an exhaustive comparison.

Corporate Existence

According to the PRC Company Law, a joint stock limited company may be incorporated by promotion or raising.

Share Capital

Under the PRC Securities Law, an application for listing shall comply with the listing rules of the stock exchange.

According to the PRC Company Law, a shareholder may make capital contributions in currency, or in kind, intellectual property, land use right, stock rights, creditor’s rights or other non-monetary property that may be assessed in currency and transferred according to law, except the property that may not be used as capital contributions according to any law or administrative regulation. The non-monetary property as capital contributions shall be assessed and verified, which may not be overvalued or undervalued. If there are provisions on the assessment of value in any law or administrative regulation, such provisions shall prevail.

Restrictions on Shareholding and Transfer of Shares

Under the PRC law, the Unlisted Shares, which are denominated and subscribed for in Renminbi, can only be subscribed for and traded by PRC investors, qualified overseas institutional investors or qualified overseas strategic investors. Overseas listed shares, which are denominated in Renminbi and subscribed for in a foreign currency, may only be subscribed for, and traded by, investors from countries and regions outside the PRC or other qualified PRC institutional investors. If the H Shares are eligible securities under the Southbound Trading Link, they are also available for subscription and trading by domestic investors in the PRC pursuant to the rules and restrictions of Shanghai-Hong Kong Stock Connect or Shenzhen- Hong Kong Stock Connect.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

According to the PRC Company Law, the shares issued before a company makes a public offering of shares shall not be transferred within 1 year as of the day when the stocks of the company are listed and traded on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail. The directors, supervisors and senior management of the company shall declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the company. The shares of the company held by them shall not be transferred within 1 year as of the day when the stocks of the company are listed and traded on the stock exchange. Any of the aforesaid persons shall not transfer the shares of the company held within six months after he/she leaves office. Any other restrictions on the transfer of company shares held by directors, supervisors or senior executives may be specified in the articles of association.

Notice of Shareholders' Meeting

According to the PRC Company Law, notice of annual shareholder's meeting must be given not less than 20 days before the meeting, while notice of an interim shareholders' meeting must be given not less than 15 days before the meeting.

Quorum for Shareholder's meeting

The PRC Company Law does not specify any quorum requirement for a shareholder's meeting.

Voting at Shareholder's meeting

According to the PRC Company Law, a resolution made by the shareholders' meeting shall be adopted by the shareholders representing more than half of the voting rights.

A resolution made by the shareholders' meeting on modifying the articles of association, increasing or decreasing the registered capital, as well as merger, division, dissolution or change of corporate form of the company shall be adopted by the shareholders representing more than two thirds of the voting rights.

Variation of Class Rights

According to the PRC Company Law, where any of the matters occurs to a company that issues classified shares and may affect the rights of the classified shareholders, it shall not only be decided by the shareholders' meeting, but also be adopted by shareholders representing two thirds of the voting rights who are present at the classified shareholders' meeting.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Directors

According to the PRC Company Law, where any director directly or indirectly concludes a contract or conducts a transaction with his/her company, he/she shall report the matters relating to the conclusion of the contract or transaction to the board of directors or shareholders' meeting, which shall be subject to the resolution of the board of directors or shareholders' meeting according to the articles of association. Where any of the near relatives of the directors, or any of the enterprises directly or indirectly controlled by the directors, or any of their near relatives, or any of the related parties who has any other related-party relationship with the directors, concludes a contract or conducts a transaction with the company, the aforesaid provisions shall apply. Where a director is removed prior to the expiration of term of office without any justifiable reason, the director may require the company to make compensation.

The PRC Company Law, unlike the Companies Ordinance, does not contain any requirements relating to the declaration of directors' interests in material contracts, restrictions on directors' authority in making major dispositions, restrictions on companies providing certain benefits to directors and guarantees in respect of directors' liability and prohibitions against compensation for loss of office without shareholders' approval.

Board of Supervisors

According to the PRC Company Law, if a joint stock limited company has a board of supervisors, the directors and senior management of the company are subject to the supervision of the board of supervisors.

Derivative Action by Minority Shareholders

According to the PRC Company Law, where any director, supervisor or senior management violates any law, administrative regulation or the articles of association during the performance of duties and causes any loss to the company, shareholders individually or jointly holding over 1% of the shares in the company for more than 180 consecutive days may request in writing the board of supervisors to initiate proceedings in the people's court. If the supervisors violate the relevant provisions of the Company Law, the above shareholders may request in writing the board of directors to initiate litigation at the people's court. Upon receipt of such written request from the shareholders, if the board of supervisors or the board of directors refuses to initiate such proceedings, or has not initiated proceedings within 30 days upon receipt of the request, or if under urgent situations, failure of initiating immediate proceeding may cause irremediable damages to the company, the above said shareholders shall, for the benefit of the company's interests, have the right to initiate proceedings directly to the people's court in their own name.

The Guidelines for the articles of association of Listed Companies also provide other remedies against the directors, supervisors and senior management who breach their duties to the company. In addition, as a condition to the listing of shares on the Stock Exchange, each director and supervisor of a joint stock limited company is required to give an undertaking in favor of the company acting as agent for the shareholders. This allows minority shareholders to take action against directors and supervisors of the company in default.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Protection of Minorities

The PRC Company Law provides that where a company meets any serious difficulty in its operation or management, and the interests of its shareholders will be subject to heavy loss if the company survives, which cannot be solved by any other means, the shareholders who hold 10% or more of the voting rights of the company may request the people’s court to dissolve the company.

The Guidelines for the articles of association of Listed Companies also provide other remedies against the directors, supervisors and senior management who breach their duties to the company. In addition, as a condition to the listing of shares on the Stock Exchange, each director and supervisor of a joint stock limited company is required to give an undertaking in favor of the company acting as agent for the shareholders. This allows minority shareholders to take action against directors and supervisors of the company in default.

Financial Disclosure

According to the PRC Company Law, a joint stock limited company is required to make available at the company for inspection by shareholders its financial report 20 days before its shareholders’ meeting. In addition, a joint stock limited company of which the public offering Shares are offered should publish its financial report.

According to the PRC Company Law, a company shall at the end of each accounting year prepare a financial report which shall be audited by the accounting firm in accordance with the laws.

Information on Directors and Shareholders

The PRC Company Law gives shareholders the right to inspect and copy the Articles of Association, minutes of the shareholders’ meeting, resolutions of meetings of the board of directors or board of supervisors, and financial and accounting reports.

Corporate Reorganization

According to the PRC Company Law, the merger, demerger, dissolution or change to the forms of a joint stock limited company has to be approved by shareholders at shareholder’s meeting.

Statutory Deductions

According to the PRC Company Law, a company shall draw 10% of the profits as its statutory reserve fund before it distributes any profits after taxation. When the aggregate amount of the company’s statutory reserve fund reaches 50% of the company’s registered capital, the company may no longer make allocations from the statutory reserve fund. After a company has made an allocation to its statutory reserve fund from its after-tax profit, it may make an allocation to its discretionary reserve fund from its after-tax profit upon a resolution approved at the shareholders’ meeting.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Remedies of Company

According to the PRC Company Law, if a director, supervisor or senior management in carrying out his duties infringes any law, administrative regulation or the articles of association of a company, which results in damage to the company, that director, supervisor or senior management should be responsible to the company for such damages.

Dividend

Under the PRC Company Law, the residual after-tax profits after a company has made up its losses and accrued reserve shall be distributed by the company in proportion to the shares held by its shareholders, except as otherwise provided for in the articles of association.

Fiduciary Duties

Under the PRC Company Law, directors, supervisors, managers and other senior management personnel of a company have the duty of loyalty and diligence to the company. Such persons shall abide by the articles of association of the company, perform their duties honestly and diligently, safeguard the interests of the company, and shall not use their position and authority in the company for their personal gain.

Closure of Register of Members

According to the PRC Company Law, the register of shareholders shall not be modified within 20 days before any shareholders’ meeting is held, or within 5 days prior to the benchmark date decided by the company for the distribution of dividends. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

DIRECTORS AND BOARD OF DIRECTORS

Power to allocate and issue Shares

The Articles of Association contain clauses that authorize the Board of Directors to issue shares. The Shareholders' Meeting of our Company may authorize the Board of Directors to decide on the issuance of not more than 50% of the issued shares within 3 years. However, if the capital contribution is made at the price of non-monetary property, it shall be resolved by the Shareholders' meeting.

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, 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.

Compensation or payments for loss of office

There are no provisions in the Articles of Association relating to compensation or payments for loss of office.

Loans to Directors

There are no provisions in the Articles of Association relating to loans to directors.

Provision of financial assistance for acquiring the Shares of the Company or shares of any subsidiary

There are no provisions in the Articles of Association relating to provide financial assistance for acquiring the Shares of the Company or shares of any subsidiary, unless for the purpose of Company's equity incentive plan(s) and employee shareholding schemes.

Disclosure of interests in contracts with the Company or any subsidiary

Directors shall not conclude any contract or engage in any transaction with the Company either in violation of the Articles of Association or without the approval of the Shareholder's Meeting and Board of Directors.

Remuneration

The appointment and removal of the members of the Board of Directors as well as their remuneration and payment methods, shall be adopted by the Shareholders' Meeting by ordinary resolution.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Retirement, appointment, removal

The Board of Directors is composed of five to eight Directors. The Directors of the Company are elected by the Shareholders' Meeting. At any time, the Board of Directors should have more than one-third independent non-executive directors, and the total number of independent non-executive directors should not be less than three.

The Board of Directors has one chairman and may have a vice chairman. The chairman and the vice chairman of the Board of Directors shall be elected by more than half of all Directors.

Directors serve three-year terms, and the Director can be re-elected and reappointed at the end of the term. The term of office of a Director shall be calculated from the date of appointment until the expiration of the term of office of the current Board of Directors. If the term of office of a Director expires without timely re-election, the original Director shall still perform the duties of a Director in accordance with laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed ("**the Listing Place Rules**") and the provisions of these Articles of Association before the newly elected Director takes office.

None of the following persons shall serve as our Director:

- (I) a person who has no capacity for civil conduct or having limited capacity for civil conduct;
- (II) a person who has been sentenced to criminal punishment for corruption, bribery, encroachment on property, misappropriation of property or sabotage of the order of the socialist market economy, and less than five years have elapsed since the completion of the sentence, or having been deprived of his/her political rights as a result of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed, two years have not yet elapsed from the date on which the probationary period of probation has expired;
- (III) a person who has served as a Director, factory chief, or manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the insolvency and liquidation of the company or enterprise is completed;
- (IV) a person who has served as the legal representative of a company or enterprise whose business license has been revoked or ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation occurs;
- (V) a person who is listed by the people's court as a judgment defaulter because the amount of debt he bears is relatively large and the debt is not paid off when it is due;

APPENDIX V	SUMMARY OF THE ARTICLES OF ASSOCIATION

- (VI) a person who has been prohibited from entering the securities market by the CSRC, and the time limit has not expired;
- (VII) other contents stipulated by laws, administrative regulations, departmental rules, or the Listing Place Rules.

The election, appointment or employment of the Directors shall be invalid if such election, appointment or employment is against the Articles of Association. If a Director falls into the situations provided in the above-mentioned situations during his/her term of office, the Director shall promptly report to the Company on his own initiative and leave office within one month from the date of the occurrence of the fact. The Board of Directors shall, from the date it becomes aware of the occurrence of the relevant circumstances, immediately cease the performance of the duties of the Director concerned and recommend to the Shareholders' Meeting that the Director should be removed from office.

Borrowing Powers

The Board of Directors shall be entitled to make resolutions for our Company to issue bonds and its Shares under the authorization of Shareholders' Meeting.

Powers of the Board of Directors

The Board of Directors shall exercise the following functions and powers:

- (I) to convene Shareholders' Meeting and report to the Shareholders' Meeting;
- (II) to implement resolutions of the Shareholders' Meeting;
- (III) to decide on our Company's business plans and investment plans;
- (IV) to formulate our Company's profit distribution plans and plans on making up losses;
- (V) to formulate proposals for the increase or reduction of our Company's registered capital, the issuance of bonds or other securities of our Company and listing of Shares of our Company;
- (VI) to formulate plans for the issuance of bonds of our Company (including Convertible Bond);
- (VII) to make a resolution on external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management and connected transactions as authorized by the Shareholders' Meeting;
- (VIII) to decide on establishment of internal management organs of our Company;

APPENDIX V	SUMMARY OF THE ARTICLES OF ASSOCIATION

- (IX) to decide on the appointment or dismissal of our Company's general manager and secretary of the Board and other senior management personnel, and decide on their remuneration, rewards and punishments; to decide to appoint or dismiss our Company's deputy general manager, financial director and other senior management personnel according to the nomination of the general manager, and decide on their remuneration, rewards and punishments;
- (X) to formulate the basic management system of our Company;
- (XI) to formulate proposals to amend the Articles of Association;
- (XII) to manage our Company's disclosures;
- (XIII) to propose to the Shareholders' Meeting the appointment or replacement of the accounting firm that provides audit service to our Company;
- (XIV) to listen to the work report of the general manager of the company and inspect the work of the general manager;
- (XV) to propose the election and replacement of the Director to the Shareholders' Meeting;
- (XVI) to review and approve external guarantees and financial assistance matters beyond the scope of authority of the Shareholders' Meeting;
- (XVII) other powers stipulated by laws, administrative regulations, departmental rules, the Listing Place Rules, the Articles of Association, or powers granted by Shareholders' Meeting.

Matters beyond the scope of authorization of the Shareholders' Meeting shall be submitted to the Shareholders' Meeting for deliberation.

Secretary of the Board of Directors

Our Company shall establish a secretary to the Board of Directors, responsible for the preparation of our Company's Shareholders' Meeting and Board of Directors' meeting, retention of documents, management of our investor relations and our Company's Shareholder materials, and handling of information disclosure matters.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

ALTERNATIONS TO CONSTITUTIONAL DOCUMENTS

In any of the following circumstances, the Company shall amend its articles of association:

- (I) after the revision of the PRC Company Law or relevant laws, administrative regulations and the Listing Place Rules, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations and the Listing Place Rules;
- (II) the situation of the Company changes and is inconsistent with the matters recorded in the articles of association;
- (III) the Shareholders' Meeting has decided to amend the articles of association.

If the amendment of the articles of association approved by the Shareholders' Meeting resolution requires approval by the competent authority, it must be submitted to the competent authority for approval; if it involves Company registration matters, change registration shall be handled in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' Meeting and the approval opinions of relevant competent authorities.

The amendment of the Articles of Association constitutes to the information required to be disclosed by laws and regulations and shall be announced in accordance with regulations.

SPECIAL RESOLUTIONS — MAJORED REQUIRED

The resolutions of the Shareholders' Meeting are categorized as ordinary resolutions and special resolutions. An ordinary resolution shall be adopted by a simple majority of the votes held by the Shareholders (including proxies) attending the Shareholders' Meeting. A special resolution shall be adopted by a two-thirds majority of the votes held by the Shareholders (including proxies) attending the Shareholders' Meeting.

VOTING RIGHTS (GENERALLY AND ON A POLL)

Shareholders (including proxy) shall exercise their voting rights according to the number of voting Shares they represent, and each Share shall have one vote.

Any Shareholder who, in accordance with the Listing Place Rules, is required to waive their voting rights or is limited to only casting affirmative or negative votes on a certain matter shall waive their voting rights in accordance with the provisions. Any Shareholder vote or representative vote that violates relevant regulations or restrictions will not be counted in the voting results.

The Shares held by the Company do not have voting rights, and these Shares are not included in the total number of Shares with voting rights present at the Shareholders' Meeting.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

When the Shareholders’ Meeting deliberates on related transactions, affiliated Shareholders shall not participate in voting.

The Shareholders’ Meeting adopts a registered voting method. The same voting right can only choose one of on-site, online or other voting methods. In case of repeated voting with the same voting right, the first voting result shall prevail.

Shareholders attending the Shareholders’ Meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention.

Where any ballot is not completed in full, is completed incorrectly or unintelligibly, or has no vote recorded, the voter shall be deemed to have waived his voting rights and the voting result for his shares shall be deemed as an “abstention”.

REQUIREMENTS FOR ANNUAL SHAREHOLDERS’ MEETING

The Shareholders’ Meeting are divided into annual Shareholders’ Meeting and extraordinary Shareholders’ Meeting. The annual Shareholders’ Meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

ACCOUNTING AND AUDITS

Financial and accounting policies

The Company formulates its financial and accounting system in accordance with laws, administrative regulations, the Listing Place Rules and the provisions of the Chinese accounting standards.

The Company shall prepare a financial report at the end of each fiscal year, which shall be reviewed and verified in accordance with the law.

The Company shall not establish other accounting books except for statutory accounting books. The assets of the Company shall not be deposited in any account opened in the name of any individual.

Appointment and Dismissal of Accountants

The Company engages accounting firms that comply with the provisions of the Securities Law and the Listing Place Rules to conduct accounting statement auditing, net asset verification, and other related consulting services. The term of employment is one year and can be renewed. The appointment of an accounting firm by the Company must be decided by a majority of Shareholders at the Shareholders’ Meeting, and the Board of Directors shall not appoint an accounting firm before the decision is made at the Shareholders’ Meeting. The Company guarantees to provide the accounting firm it engages with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or falsely report.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

The remuneration of an accounting firm or the method of determining remuneration shall be determined by the Shareholders' Meeting. When the Company dismisses or no longer renews the appointment of an accounting firm, the Shareholders' Meeting shall make a decision and notify the accounting firm 10 days in advance. When the Company's Shareholders' Meeting votes on the dismissal of an accounting firm, the accounting firm is allowed to state its opinions. If the accounting firm proposes to resign, it shall explain to the Shareholders' Meeting whether the Company has any improper circumstances.

NOTICE AND AGENDA OF GENERAL SHAREHOLDERS' MEETING

The Shareholders' Meeting is the organ of authority of the Company. The Company shall convene an extraordinary Shareholders' Meeting within two months from the date of the fact:

- (I) the number of Directors is less than two-thirds of the number specified in the PRC Company Law or the Articles of Association;
- (II) where the Company's unfunded losses reach one-third of the total Share capital paid in;
- (III) where the Shareholder(s) who individually or jointly hold no less than 10% of the Company's Shares request(s) holding of such a meeting;
- (IV) when deemed necessary by the Board of Directors;
- (V) when the Board of supervisors proposes to convene such a meeting;
- (VI) in other circumstances stipulated by laws, administrative regulations, departmental rules, the Listing Place Rules, or the Articles of Association.

The Supervisory Committee has the right to propose to the Board of Directors the convening of an extraordinary Shareholders' Meeting and shall submit it in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of an extraordinary Shareholders' Meeting within ten days after receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' Meeting, a notice of convening the Shareholders' Meeting shall be issued within five days after the Board of Directors' resolution is made. Any changes to the original proposal in the notice shall require the consent of the Supervisory Committee. If the Board of Directors does not agree to convene an extraordinary Shareholders' Meeting or fails to provide feedback within ten days after receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to fulfill its duty to convene a Shareholders' Meeting, and the Supervisory Committee may convene and preside over it on its own.

APPENDIX V	SUMMARY OF THE ARTICLES OF ASSOCIATION

Shareholders who individually or collectively hold 10% or more of the Company's Shares (excluding Treasury Shares) have the right to request the convening of an extraordinary Shareholders' Meeting from the Board of Directors and shall submit it in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of an extraordinary Shareholders' Meeting within ten days after receiving the request. If the Board of Directors agrees to convene an extraordinary Shareholders' Meeting, it shall issue a notice of convening the Shareholders' Meeting within five days after making the Board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the Board of Directors does not agree to convene an extraordinary Shareholders' Meeting or fails to provide feedback within ten days after receiving the request, Shareholders who individually or collectively hold 10% or more of the Company's Shares have the right to propose to the Supervisory Committee to convene an extraordinary Shareholders' Meeting and shall submit a request in writing to the Supervisory Committee. If the Supervisory Committee agrees to convene an extraordinary Shareholders' Meeting, it shall issue a notice of convening the Shareholders' Meeting within five days after receiving the request. Any changes to the original proposal in the notice shall be approved by the relevant Shareholders. If the Supervisory Committee fails to issue a notice of the Shareholders' Meeting within the prescribed period, it shall be deemed that the Supervisory Committee has not convened and presided over the Shareholders' Meeting. Shareholders who individually or collectively hold 10% or more of the Company's Shares for more than 90 consecutive days may convene and preside over the Shareholders' Meeting on their own.

The Company holds a Shareholders' Meeting, and the Board of Directors, Supervisory Committee, and Shareholders who individually or jointly hold more than 1% of the Company's Shares have the right to submit proposals to the Company. Shareholders who individually or collectively hold more than 1% of the Company's Shares may submit temporary proposals and submit them in writing to the convener ten days prior to the convening of the Shareholders' Meeting. The convener shall issue a supplementary notice of the Shareholders' Meeting within two days after receiving the proposal, announcing the content of the temporary proposal.

Except for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals listed in the notice of the Shareholders' Meeting or add new proposals after issuing the notice of the Shareholders' Meeting. Proposals that are not listed in the notice of the Shareholders' Meeting or do not comply with the provisions of the Articles of Association shall not be voted on and a resolution shall not be made by the Shareholders' Meeting.

The convener will notify all Shareholders by announcement 20 days before the annual Shareholders' Meeting is held, and the extraordinary Shareholders' Meeting will notify all Shareholders by announcement 15 days before the meeting is held. The notice of the Shareholders' Meeting shall be in writing and include the following contents:

- (I) the time, location, and duration of the meeting;
- (II) submit matters and proposals for review at the meeting;

APPENDIX V	SUMMARY OF THE ARTICLES OF ASSOCIATION

- (III) clearly state in writing that all Shareholders have the right to attend the Shareholders' Meeting and may appoint a proxy in writing to attend and vote at the meeting. The proxy does not need to be a Shareholder of the Company;
- (IV) share registration date of the Shareholders entitled to attend the Shareholders' Meeting;

The interval between the share registration date and the date of the meeting shall comply with the Listing Place Rules. Once the share registration date is confirmed, it may not be changed; if it needs to be changed, the procedures stipulated in the the Listing Place Rules must be followed.

- (V) name and phone number of the permanent contact person for conference affairs;
- (VI) online or other voting time and voting procedure;
- (VII) other requirements stipulated by laws, administrative regulations, departmental rules, the Listing Place Rules, and the Articles of Association.

The notice and supplementary notice of the Shareholders' Meeting shall fully and completely disclose all specific contents of all proposals. If the matter to be discussed requires independent non-executive directors to express their opinions, the independent non-executive directors' opinions and reasons will be disclosed simultaneously when the notice of the Shareholders' Meeting or supplementary notice is issued.

The resolutions of the Shareholders' Meeting are divided into ordinary resolutions and special resolutions.

The following matters shall be passed by ordinary resolution at the Shareholders' Meeting:

- (I) work reports of the Board of Directors and the Supervisory Committee;
- (II) to review and approve the profit distribution plan and loss recovery plan
- (III) appointment or dismissal of the members of the Board of Directors and the Supervisory Committee, and formulate their salary plans;
- (IV) to make decisions on the hiring and dismissal of accounting firms and the determination of remuneration for our Company;
- (V) to review the Company's purchase, sale, and provision of guarantees within one year of material assets exceeding 30% of the company's total assets;
- (VI) to resolve on the issuance of bonds of the company;
- (VII) to review and approve changes in the Use of [REDACTED];

APPENDIX V	SUMMARY OF THE ARTICLES OF ASSOCIATION

- (VIII) to review and approve of guarantees as provided for in Article 46 of these Articles of Association;
- (IX) to review the Company's equity incentive plan(s) and employee shareholding schemes;
- (X) other matters other than those required by laws, administrative regulations, the Listing Place Rules, or the Articles of Association to be passed through special resolutions.

The following matters shall be passed by special resolution of the Shareholders' Meeting:

- (I) the increase or decrease in registered capital of the company;
- (II) the divisions, mergers, dissolutions and liquidations;
- (III) the amendment to the Articles of Association;
- (IV) other matters required by laws, administrative regulations, the Listing Place Rules or the Articles of Association, as well as those determined by ordinary resolutions of the Shareholders' Meeting with significant impact on the Company, and which require special resolutions to be passed.

TRANSFER OF SHARES

The Shares of our Company issued before the company's [REDACTED] shall not be transferred within one year from the date of [REDACTED] and [REDACTED] of the Company's shares on the stock 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 transferrable by them during each year of their term of office shall not exceed 25% of their total holdings of a single class of Shares of our Company. The Shares that they hold in our Company shall not be transferred within one year from the date of [REDACTED] and [REDACTED] of the Company's shares. The aforesaid persons shall not transfer their Shares of our Company within half a year from the date of their resignation.

If the Shares are pledged within the period of restriction on transfer stipulated by relevant laws and regulations, the pledgee shall not exercise the pledge within the period of restriction on transfer.

APPENDIX V	SUMMARY OF THE ARTICLES OF ASSOCIATION

POWER OF THE COMPANY TO PURCHASE ITS OWN SHARES

The Company shall not acquire its own Shares. However, except for one of the following situations:

- (I) to reduce the registered capital of the Company;
- (II) to merger with other companies holding Shares in the Company;
- (III) to use Shares for employee shareholding schemes or as equity incentives;
- (IV) to acquire the Shares of shareholders (upon their request) who vote against any resolution adopted at any Shareholders' Meeting regarding the merger or division of the Company;
- (V) to use the Shares to satisfy the conversion of the convertible corporate bonds into Shares issued by the Company;
- (VI) to safeguard corporate value and Shareholders' interests as the Company deems necessary.
- (VII) other situations permitted by laws, administrative regulations, [REDACTED] Place Rules and other relevant authorities such as the CSRC.

The Company may choose one of the following ways to purchase its shares:

- (I) Centralized [REDACTED] on Stock Exchanges;
- (II) the manner of the offer;
- (III) other ways permitted by laws, administrative regulations, the Listing Place Rules and other methods recognized by the CSRC.

POWER OF ANY SUBSIDIARY OF THE ISSUER TO OWN SHARES IN ITS PARENT

The Company's holding subsidiaries are not allowed to acquire the Company's shares. If a holding subsidiary of the Company holds shares of the Company due to the merger of the Company, the exercise of pledge rights, etc., it shall not exercise the voting rights corresponding to the shares it holds, and shall dispose of the shares of the Company in a timely manner.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

PROXIES

Any Shareholder who has the right to attend and vote at the Shareholders’ Meeting may attend the meeting in person or entrust one or more persons (who may not be shareholders) as their proxy to attend and vote on their behalf. The power of attorney issued by Shareholders authorizing others to attend the Shareholders’ Meeting shall include the following contents:

- (I) the name of the proxy;
- (II) voting rights;
- (III) respective instructions on affirmative, negative or abstention voting on each item for consideration listed in the Shareholders’ Meeting’s agenda;
- (IV) date of issuance and validity period of the power of attorney;
- (V) signature (or seal) of the Shareholder; If the Shareholder is a corporate Shareholder, the seal of the legal entity shall be affixed.

The power of attorney shall indicate the Shareholder’s proxy can vote according to its own will if the Shareholder does not provide specific instructions.

CALLS ON SHARES AND FORFEITURE OF SHARES

There are no provisions in the Articles of Association relating to calls on Shares and forfeiture of Shares of the Company.

INSPECTION OF REGISTER OF MEMBERS

Our Company establishes a register of members based on the vouchers provided by the securities registration and settlement institution, which is sufficient evidence to prove that shareholders hold our Company’s Shares. Shareholders shall enjoy rights and assume obligations according to the types of Shares they hold. Shareholders holding the same type of Shares shall have equal rights and assume the same obligations.

The transfer of Shares must be recorded in the register of members. In the register of shareholders of overseas listed foreign shares, the original part of the register of shareholders of holders of shares [REDACTED] on the Hong Kong Stock Exchange shall be kept in Hong Kong.

When our Company convenes a Shareholders’ Meeting, distributes dividends, liquidates, or engages in other activities that require confirmation of Shareholder identity, the Board of Directors or the convener of the Shareholders’ Meeting shall determine the share registration date. After the share registration date is closed, the registered Shareholders shall be the Shareholders who enjoy the relevant rights and interests.

APPENDIX V	SUMMARY OF THE ARTICLES OF ASSOCIATION

QUORUM FOR SHAREHOLDERS' MEETING

There are no provisions in the Articles of Association relating to quorum for Shareholders' Meeting of the Company.

RIGHTS OF THE MINORITIES IN RELATION TO FRAUD OR OPPRESSION THEREOF

If Directors and senior management personnel violate laws, administrative regulations, or the provisions of the Articles of Association while performing their duties, causing losses to our Company, Shareholders who individually or jointly hold more than 1% of our Company's Shares for more than 180 consecutive days have the right to request in writing that the Supervisory Committee file a lawsuit with the people's court; If the Supervisory Committee violates laws, administrative regulations, or the provisions of the Articles of Association while performing its duties, causing losses to our Company, the aforementioned Shareholders may request in writing that the Board of Directors file a lawsuit with the people's court. If the Supervisory Committee or the Board of Directors refuses to file a lawsuit after receiving a written request from the Shareholders specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and the failure to file a lawsuit immediately will cause irreparable damage to our Company's interests, the Shareholders specified in the preceding paragraph have the right to directly file a lawsuit in their own name to the people's court for the benefit of our Company. If another person infringes on the legitimate rights and interests of our Company and causes losses to our Company, Shareholders who individually or jointly hold more than 1% of our Company's Shares for more than 180 consecutive days may file a lawsuit with the people's court in accordance with the provisions of the preceding two paragraphs.

If Directors, Supervisors and senior management personnel of the Company's wholly-owned subsidiaries violate laws, administrative regulations, or the provisions of the Articles of Association while performing their duties, causing losses to our Company, or others infringing on the legitimate rights and interests of the Company's wholly-owned subsidiaries resulting in losses, Shareholders who individually or jointly hold more than 1% of our Company's Shares for more than 180 consecutive days have the right to request in writing in accordance with the aforementioned provisions that the Supervisory Committee or the Board of Directors file a lawsuit with the people's court or file lawsuit on Shareholders' own name.

PROCEDURES ON LIQUIDATION

Under the PRC Company Law, a company shall be dissolved for any of the following reasons:

- (I) the expiration of the business term specified in these articles of association or the occurrence of other dissolution reasons specified in the Articles of Association;
- (II) the Shareholders' Meeting resolves for dissolution;
- (III) dissolution is required due to the merger or division of our Company;

APPENDIX V	SUMMARY OF THE ARTICLES OF ASSOCIATION

- (IV) the business license has been revoked, ordered to close down or dissolved in accordance with the law; and
- (V) the Company is dissolved by a people's court in response to the request of Shareholders holding Shares that represent more than 10% of the voting rights of all Shareholders, on the grounds that there are serious difficulties in the operation and management of our Company and its continued existence will cause significant losses to the interests of Shareholders, which cannot be resolved through other means.

If our Company has the reasons for dissolution provided for in the preceding paragraph, it shall publicize the reasons for dissolution through the national enterprise credit information publicity system within 10 days.

The liquidation group shall notify creditors within 10 days of its establishment, and make an announcement in a newspaper or the national enterprise credit information publicity system within 60 days. Creditors shall declare their claims to the liquidation team within 30 days from the date of receiving the notice, or within 45 days from the date of announcement if they have not received the notice.

When applying for creditor's rights, creditors shall explain the relevant matters of the creditor's rights and provide proof materials. The liquidation committee shall register the creditor's rights. During the period of declaring creditor's rights, the liquidation committee shall not pay off the creditor.

After clearing our Company's assets, preparing a balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan and submit it to the Shareholders' Meeting or the people's court for confirmation. The remaining assets of our Company after paying the liquidation expenses, employee salaries, social insurance expenses, and statutory compensation, paying the outstanding taxes, and paying off our Company's debts shall be distributed by our Company according to the proportion of Shares held by Shareholders. During the liquidation period, our Company exists but cannot carry out business activities unrelated to liquidation. Our Company's assets will not be distributed to Shareholders until they have been paid off in accordance with the provisions of the preceding paragraph.

Upon liquidation of the Company's property and preparation of the required statement of financial position 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 a people's court for a declaration of bankruptcy in accordance with the laws. Following such declaration of bankruptcy by the people's court, the people's court shall take over the administration of the liquidation procedure from the liquidation committee.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

After the liquidation of our Company is completed, the liquidation committee shall prepare a liquidation report, submit it to the Shareholders’ Meeting or the people’s court for confirmation, and submit it to our Company registration authority to apply for deregistration of our Company, and announce the termination of our Company. Members of the liquidation committee shall perform their obligation in compliance with laws and shall have the duty of loyalty and duty of care. Members of the liquidation committee are liable to indemnify the company and its creditors in respect of any loss arising from their willful or gross negligence.

Liquidation of a company which is declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

OTHER PROVISIONS MATERIAL TO THE ISSUER OR THE SHAREHOLDERS THEREOF

General Provisions

Our Company is a permanently existing joint stock limited company.

All the assets of our Company are divided into Shares of equal value. The Shareholders are responsible for our Company to the extent of their subscribed Shares, and our Company is responsible for our Company’s debts with all its assets.

From the effective date, this Articles of Association shall become a legally binding document regulating the organization and behavior of our Company, the rights and obligations between our Company and its Shareholders, and between Shareholders, and shall have legal binding force on our Company, Shareholders, Directors, Supervisors, and senior management.

Share and Transfer

In light of our Company’s operational and developmental needs, our Company may increase its capital in accordance with the laws and regulations and subject to a resolution of the Shareholders’ Meeting, by any of the following methods:

- (I) a public offering of shares;
- (II) a private placement of shares;
- (III) allotment of bonus shares to existing shareholders;
- (IV) conversion of reserve funds to share capital;
- (V) other methods permitted by laws, regulations, and Listing Place Rules or approved by CSRC and other competent authorities.

Our Company may reduce its registered capital. Any reduction of our Company’s registered capital shall be subject to the procedures prescribed in the PRC Company Law and other relevant regulations, as well as the Articles of Association.

APPENDIX V	SUMMARY OF THE ARTICLES OF ASSOCIATION

Shareholders

Shareholders are entitled to rights and assumes obligations pursuant to the classification of their shares.

Shareholders holding the same classified Share have the same rights and assume the same obligations. Shareholders of our Company shall enjoy the following rights:

- (I) the right to dividends and other distributions in proportion to the number of Shares held;
- (II) the right to apply for, convene, preside, attend or appoint proxies to attend Shareholders' Meeting and to exercise the corresponding right to speak and vote;
- (III) the right to supervise, present proposals or raise enquiries in respect of our Company's business operations;
- (IV) the right to transfer, give as a gift or pledge the Shares it holds in accordance with laws, administrative regulations and the Articles of Association;
- (V) the right to inspect and copy the Articles of Association, Register of Shareholders, minutes of Shareholders' Meeting, resolutions of the Board of Directors and resolutions of the Board of Supervisors and accounting reports of Our Company and Subsidiaries, eligible shareholders shall enjoy the right to inspect the accounting books and documents of the Company and its wholly-owned subsidiaries;
- (VI) in the event of the termination or liquidation of our Company, the right to participate in the distribution of the remaining property of our Company in proportion to the number of Shares held;
- (VII) Shareholders who object to resolutions of merger or division made by the Shareholders' Meeting may request our Company to purchase Shares held;
- (VIII) other rights provided for by laws, administrative regulations, departmental rules or the Articles of Association.

Where any Shareholder demands to read the relevant information or obtain any of the aforesaid materials, he shall submit to our Company written documents proving the class(es) and number of Shares he holds. Our Company shall provide the relevant information or materials in accordance with the Shareholder's demand after verifying the Shareholder's identity.

APPENDIX V	SUMMARY OF THE ARTICLES OF ASSOCIATION

Shareholders of our Company shall have the following obligations:

- (I) to abide by laws, administrative regulations and the Articles of Association;
- (II) to pay the Share subscription price based on the Shares subscribed for by them and the method of acquiring such Shares;
- (III) not to return Shares unless prescribed otherwise in laws and regulations;
- (IV) not to abuse Shareholders' rights to infringe upon the interests of our Company or other Shareholders; not to abuse our Company's status as an independent legal entity or the limited liability of Shareholders to harm the interests of our Company's creditors;
- (V) to assume other obligations required by laws, administrative regulations and the Articles of Association.

Any Shareholder who abuses Shareholders' rights and causes our 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 our Company as an independent legal entity or the limited liability of Shareholders to evade debts and severely harm the interests of our Company's creditors shall assume joint and several liability for our Company's debts;

Board of Supervisors

Our Company has a Supervisory Committee. The Supervisory Committee consists of three supervisors, including one chairman. The chairman of the Supervisory Committee shall be elected by more than half of all supervisors. The chairman of the Supervisory Committee convenes and presides over meeting of the Supervisory Committee; If the chairman of the Supervisory Committee is unable or fails to perform his duties, a supervisor jointly elected by more than half of all supervisors shall convene and preside over the Supervisory Committee meeting.

The proportion of employee representatives in the Supervisory Committee shall not be less than 1/3 of the number of the Supervisory Committee. The employee representative in the Supervisory Committee shall be democratically elected by our Company's employees through the employee representative assembly, employee assembly, or other forms.

The Supervisory Committee shall exercise the following functions and powers:

- (I) to review and give written opinions on the periodic reports of our Company prepared by the Board of Directors;
- (II) to examine our Company's financial matters;

APPENDIX V	SUMMARY OF THE ARTICLES OF ASSOCIATION

- (III) to supervise the performance by the Directors and senior management of their duties to our Company, to request Directors and senior management to submit reports on the execution of their duties if necessary and propose the dismissal of the Directors and senior management who violates laws, administrative regulations, the Articles of Association, the Listing Place Rules or the resolutions of the Shareholders' Meeting;
- (IV) to demand rectification from the Directors and senior management when the acts of such persons are harmful to our Company's interests;
- (V) to propose the convening of extraordinary Shareholders' Meeting; to convene and preside the Shareholders' Meeting in the event that the Board of Directors fails to perform its duties to convene and preside the Shareholders' Meeting in accordance with the PRC Company Law;
- (VI) to submit proposals to the Shareholders' Meeting;
- (VII) to file lawsuits against Directors and senior management in accordance with laws, administrative regulations, or the Articles of Association;
- (VIII) in case of any queries or any abnormal matters during the business operation of our Company, to investigate, and if necessary, to engage professionals such as accounting firms or law firms to assist its work with expenses being borne by our Company;
- (IX) other functions and powers as specified in the Articles of Association or granted by the Shareholders' Meeting.

General Manager

Our Company has one general manager and may have one or more deputy general manager, appointed or dismissed by the Board of Directors. The general manager, deputy general manager, financial director, secretary of the Board of Directors and other senior management personnel determined by the Board of Directors of the Company are the senior management personnel of the Company. The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (I) to be in charge of the production, operation and management of our Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her works to the Board of Directors;
- (II) to organize the implementation of our Company's annual business plans and investment plans;
- (III) to draft plans for the establishment of our Company's internal management organization;

APPENDIX V	SUMMARY OF THE ARTICLES OF ASSOCIATION

- (IV) to draft our Company's basic management system;
- (V) to formulate the specific rules and regulations of our Company;
- (VI) to propose to the Board of Directors appointment or dismissal of deputy general manager or other senior management;
- (VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (VIII) To decide on the purchase of raw materials, fuel and power, the sale of products, the provision of services, daily business operations, and daily administration and personnel management affairs, provided that the purchase and sale of such assets are matters that must be considered and approved by the shareholders' meeting and the Board of Directors, then the corresponding procedures shall still be carried out in accordance with other provisions of these Articles of Association;
- (IX) to review and approve transactions, external investments, and related party transactions that are not required to be deliberated and approved by the Shareholders' Meeting or the Board of Directors as stipulated in this Articles of Association;
- (X) such other functions and powers conferred by the Articles of Association, the Board of Directors.

The general manager shall attend the Board meeting as a nonvoting delegate and shall be responsible to the Board of Directors.

Reserves

In distributing its current-year after-tax profits, our Company shall allocate 10% of its profit to its statutory reserve fund.

Allocations to Company's statutory reserve fund may be waived once the cumulative amount of funds therein exceeds 50% of our Company's registered capital.

Where the statutory reserve fund is not sufficient to cover any loss made by Company in the previous year, the current year's profit shall be used to cover such loss before any allocation is made to the statutory reserve fund pursuant to the preceding paragraph.

After an allocation to the statutory reserve fund has been made from the after-tax profit of our Company, and subject to the adoption of a resolution by the Shareholders' Meeting, an allocation may be made to the discretionary reserve fund.

The remaining after-tax profit after our Company makes up for losses and withdraws provident fund shall be distributed according to the proportion of Shares held by Shareholders, unless prohibited by the Articles of Association.

APPENDIX V	SUMMARY OF THE ARTICLES OF ASSOCIATION

If our Company distributes profits to shareholders in violation of laws, administrative regulations, regulatory rules of the place where the company’s shares are listed, and the regulations of the relevant national competent authorities such as the CSRC, the shareholders shall return the profits distributed in violation of the provisions to the Company; if losses are caused to the Company, the shareholders and the directors, supervisors and senior managers who are responsible shall be liable for compensation.

Profits shall not be distributed to Shares held by the Company itself.

Our Company’s provident fund is used to compensate for its losses, expand its production and operation, or convert it into an increase in our Company’s capital.

The provident fund to make up for the Company’s losses should first use the arbitrary provident fund and the statutory provident fund; if it still cannot be made up, the capital reserve may be used in accordance with the regulations.

After converting statutory reserve funds into capital, the amount remaining in the statutory reserve fund shall be no less than 25% of the Company’s registered capital.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

FURTHER INFORMATION ABOUT THE COMPANY

Incorporation

The Company was established as a joint stock company with limited liability under the laws of the PRC on June 30, 2025 under the name of Geneplus Technology (Shaoxing) Co., Limited (吉因加科技(紹興)股份有限公司).

The Company has established a place of business in Hong Kong at Room 1919, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. The Company was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Non-Hong Kong Companies) Regulation (Chapter 622 of the Laws of Hong Kong) on [●], with Ms. Fong Christine Haiman (方希琳女士) of Room 1919, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong appointed as the Hong Kong authorized representative of the Company for acceptance of the service of process and any notices required to be served on the Company in Hong Kong.

As the Company was incorporated in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association are set out in Appendix IV and Appendix V to this document, respectively.

Changes in the Share Capital of the Company

Save as disclosed in “History, Reorganization and Corporate Structure,” there has been no alteration in the share capital of the Company within two years immediately preceding the date of this document.

Changes in the Share Capital of Our Subsidiaries

Details of our subsidiaries are set out in “History, Reorganization and Corporate Structure” and Note 43 to the Accountants’ Report in Appendix I to this document.

Save as disclosed in “History, Reorganization and Corporate Structure,” there have been no changes in the share capital of any of our subsidiaries within the two years immediately preceding the date of this document.

Resolutions Passed by Our Shareholders

At the extraordinary general meetings of the Shareholders held on November 6, 2025, the following resolutions, among other things, were duly passed:

- (i) the issuance by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares being [REDACTED] on the [REDACTED];

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

- (ii) number of H Shares to be issued shall not be more than [REDACTED]% of the total issued share capital of our Company upon completion of the [REDACTED] and before any exercise of the [REDACTED], and the grant of the [REDACTED] in respect of no more than [REDACTED]% of the number of H Shares initially available under the [REDACTED];
- (iii) subject to the CSRC’s approval, upon completion of the [REDACTED], [REDACTED] Domestic Shares in aggregate held by 45 Shareholders will be converted into H Shares on a one-for-one basis;
- (iv) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association which shall become effective on the [REDACTED], and authorization to our Board to amend the Articles of Association to the extent necessary in accordance with laws, regulations and regulatory rules and requirements from relevant government bodies or regulatory authorities and for the purpose of the [REDACTED]; and
- (v) authorization of our Board or its authorized individual(s) to handle all matters relating to, among other things, the [REDACTED], the issue and the [REDACTED] of H Shares on the [REDACTED].

Restriction on Share Repurchase

For details of the restrictions on share repurchase by our Company, see “Summary of Articles of Association” in Appendix V to this document.

FURTHER INFORMATION ABOUT THE BUSINESS

Summary of Material Contract

The Group [has] entered into the following contract (not being contract entered into in the ordinary course of business) within two years immediately preceding the date of this document that are or may be material:

- (i) the [REDACTED].

Intellectual Property

As of the Latest Practicable Date, the following intellectual property rights were material to the Group’s business.

APPENDIX VI STATUTORY AND GENERAL INFORMATION

Trademarks

As of the Latest Practicable Date, the Group had registered following trademarks which we considered to be material to our business:

No.	Trademark	Registered Owner	Registration No.	Class	Expiry Date	Place of Registration
1.	吉多安	Beijing Technology	83315143	Class 44 Medical Services	July 27, 2035	PRC
2.	移知安	Beijing Technology	80405451	Class 42 Medical Research	February 13, 2035	PRC
3.	吉心安	Beijing Technology	79530165	Class 44 Medical Services	December 13, 2034	PRC
4.	吉长安	Beijing Technology	79549013	Class 44 Medical Services	December 13, 2034	PRC
5.	吉先锋	Beijing Technology	79530159	Class 44 Medical Services	December 13, 2034	PRC
6.	吉迅安	Beijing Technology	79411358	Class 44 Medical Services	December 6, 2034	PRC
7.	吉知原	Beijing Technology	79410317	Class 44 Medical Services	December 6, 2034	PRC
8.	吉因加吉智	Beijing Technology	76422625	Class 9 Scientific Instruments	August 6, 2034	PRC
9.	GINSuper	Beijing Technology	76410467	Class 9 Scientific Instruments	September 27, 2034	PRC
10.	吉早安	Beijing Technology	76230427	Class 44 Medical Services	June 27, 2034	PRC
11.		Beijing Technology	58305226	Class 35 Advertising & Sales	February 20, 2032	PRC
12.	吉因加	Beijing Technology	56854286	Class 44 Medical Services	January 13, 2032	PRC
13.	Gene+	Beijing Technology	50470373	Class 16 Office Supplies	September 6, 2031	PRC
14.	Gene+吉因加	Beijing Technology	46323283	Class 44 Medical Services	July 6, 2031	PRC
15.	吉因家	Beijing Technology	46291290	Class 35 Advertising & Sales	January 6, 2031	PRC
16.	BDCG	Beijing Technology	42082689	Class 42 Medical Research	June 27, 2030	PRC
17.	吉因加	Beijing Technology	37798079	Class 42 Medical Research	January 27, 2030	PRC
18.	吉因加	Beijing Technology	37780926	Class 35 Advertising & Sales	January 27, 2030	PRC
19.	Gene+吉因加	Beijing Technology	37570136	Class 42 Medical Research	September 6, 2030	PRC
20.	GenePlus	Beijing Technology	16896049	Class 42 Medical Research	July 6, 2026	PRC
21.	Gene+吉因加	Suzhou Biomedical	305834881	Class 5 Pharmaceuticals	December 17, 2031	Hong Kong

APPENDIX VI STATUTORY AND GENERAL INFORMATION

Patents

As of the Latest Practicable Date, the Group had registered the following patents in the PRC or overseas which we considered to be or may be material to our business.

No.	Patent name	Type	Registered Owner	Place of Registration	Registration Number	Grant Date
1.	Low-frequency mutations enrichment sequencing method for free target DNA in plasma	Invention patent	Beijing Technology	U.S.	US11001837B2	May 11, 2021
2.	A method for detecting BCR and TCR immune repertoires in plasma cfDNA	Invention patent	Beijing Technology Shenzhen Biotechnology Suzhou Biomedical	PRC	2015104880293	August 3, 2018
3.	A method and system for assessing changes in tumor burden	Invention patent	Beijing Technology Shenzhen Biotechnology	PRC	2017100431877	September 6, 2019
4.	A method and system for evaluating tumor heterogeneity	Invention patent	Beijing Technology Suzhou Biomedical	PRC	2017100431839	March 24, 2020
5.	A method and device for constructing a tumor benign/malignant discrimination model	Invention patent	Beijing Technology	PRC	2020100431277	March 28, 2023
6.	A method and device for simultaneously detecting methylation levels/genomic variations, and insertion fragments	Invention patent	Shenzhen Biotechnology	PRC	2020107747533	February 2, 2021
7.	A predictive indicator for tumor immunotherapy	Invention patent	Beijing Technology Beijing Lab	PRC	202010844019X	November 24, 2023
8.	A method and device for assessing cancer risk based on plasma DNA fragment analysis	Invention patent	Beijing Lab	PRC	2020115412071	November 9, 2021

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent name	Type	Registered Owner	Place of Registration	Registration Number	Grant Date
9.	A method, device, and storage medium for simultaneously detecting DNA methylation and genomic variations	Invention patent	Beijing Lab	PRC	2020115984723	September 28, 2021
10.	A method and device for statistical analysis of sequencing errors in plasma DNA fragment sequencing data	Invention patent	Suzhou Biomedical Shenzhen Biotechnology	PRC	2021100814052	December 14, 2021
11.	A design method for probe combinations used in cancer detection and its application	Invention patent	Beijing Lab Changsha Biotechnology	PRC	2021101900572	April 21, 2023
12.	A method and device for detecting variations based on methylation sequencing data	Invention patent	Shenzhen Biotechnology Suzhou Technology	PRC	2021109602938	September 9, 2022
13.	A composition and its method for oxidizing 5-methylcytosine	Invention patent	Shenzhen Biotechnology	PRC	2021111457754	August 5, 2022
14.	A method for screening differentially methylated regions and its device	Invention patent	Shenzhen Biotechnology Suzhou Technology	PRC	2021113404272	July 29, 2022
15.	A method, device, and storage medium for identifying molecular subtypes of lymphoma	Invention patent	Shenzhen Biotechnology Suzhou Technology	PRC	2021113941732	August 23, 2022
16.	An evaluation method/device and storage medium for homologous recombination repair deficiency	Invention patent	Shenzhen Technology	PRC	2021115725136	May 9, 2023
17.	An analysis method/device and storage medium for whole-genome duplication	Invention patent	Suzhou Biomedical Suzhou Technology Beijing Lab	PRC	2021115725070	March 28, 2023

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent name	Type	Registered Owner	Place of Registration	Registration Number	Grant Date
18.	A method and device for hierarchical screening of methylation markers	Invention patent	Beijing Lab Shenzhen Biotechnology	PRC	2022110676937	August 29, 2023
19.	A method and device for predicting sample origin based on methylation differences	Invention patent	Shenzhen Biotechnology Suzhou Technology	PRC	2022111318281	March 11, 2025
20.	A method and device for simultaneously detecting methylation and mutation information	Invention patent	Beijing Lab Shenzhen Biotechnology	PRC	2022112117932	March 28, 2023
21.	A library construction method for simultaneously detecting methylation, ultra-low-frequency mutations, and fragment information	Invention patent	Shenzhen Biotechnology Beijing Lab	PRC	2022112149539	July 4, 2023
22.	A detection method for tumor-specific mutation status and its application	Invention patent	Suzhou Biomedical Beijing Lab	PRC	2023108890848	October 20, 2023
23.	A design method for cancer-specific core probe sets for MRD detection and its application	Invention patent	Suzhou Biomedical Beijing Lab	PRC	2023108903439	April 29, 2025
24.	A design method for personalized probe sets for MRD detection and its application	Invention patent	Suzhou Biomedical Beijing Lab Shenzhen Biotechnology	PRC	2023108902510	June 25, 2024
25.	A combination of methylation markers for kidney cells and its application	Invention patent	Beijing Lab Shenzhen Biotechnology	PRC	2023118632452	December 6, 2024

APPENDIX VI STATUTORY AND GENERAL INFORMATION

Copyrights

As of the Latest Practicable Date, the Group had registered the following copyrights in the PRC which the Group considered to be or may be material to its business.

No.	Name of Software	Owner	Registration Number	Date of Registration
1.	NoahCare Copy Number Variation Caller	Beijing Technology	2017SR142034	April 26, 2017
2.	NoahCare Structural Variation Caller	Beijing Technology	2017SR141331	April 26, 2017
3.	NoahCare universal small somatic mutation caller	Beijing Technology	2017SR141183	April 26, 2017
4.	Human EGFRKRASALK Mutation Detection Bioinformatics Analysis Software	Beijing Technology	2018SR494119	June 28, 2018
5.	Exosomal RNA Sequencing Analysis Software	Beijing Lab	2020SR0269698	March 18, 2020
6.	Methylation TAPS Data Analysis Software V1.0	Beijing Lab	2020SR0340613	April 16, 2020
7.	Microbial cfDNA Content in cfDNA Analysis Software for cfDNA V1.0	Beijing Lab	2020SR0340617	April 16, 2020
8.	Tumor Precision Therapy 1021-Gene Comprehensive Detection System V1.0	Beijing Lab	2021SR0830354	June 3, 2021
9.	Tumor NGS Automated Analysis and Interpretation System	Beijing Lab	2021SR1247970	August 23, 2021
10.	RNA-seq Analysis Software Adapted for GenePlus Sequencers	Suzhou Biomedical and Changsha Biotechnology	2023SR0010697	January 4, 2023
11.	GenePlus Machine Learning-Based Single-Sample Somatic Mutation Identification Pipeline Software V1.0	Suzhou Biomedical	2019SR0533272	May 28, 2019

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Name of Software	Owner	Registration Number	Date of Registration
12.	cfDNA Motif Feature-Based Early Screening and Diagnosis V1.0	Shenzhen Biotechnology	2020SR1127275	January 4, 2023
13.	Early Screening and Diagnosis Software Based on cfDNA Microbial Features V1.0	Shenzhen Biotechnology	2020SR1126902	September 21, 2020
14.	GenePlus OncoBox Tumor High-Performance Computing Workstation System V2.1.1	Shenzhen Biotechnology	2020SR1598929	November 18, 2020
15.	GenePlus Medical Data Analysis Platform V2.1.3.1	Shenzhen Biotechnology	2020SR1598928	November 18, 2020
16.	GenePlus Bioinformatics Analysis Cloud Platform System	Shenzhen Biotechnology	2020SR1696628	December 1, 2020
17.	GenePlus Clinical Sample Management System V1.0	Suzhou Technology	2022SR1246292	August 23, 2022
18.	GenePlus NGS Clinical Laboratory Management System V1.0	Suzhou Technology	2022SR1372496	September 23, 2022
19.	geneCloudProbe Software V0.0.1	Shenzhen Biotechnology Changsha Biotechnology	2023SR0010687	January 4, 2023
20.	small RNA Identification and Annotation Software V1.0.0	Shenzhen Biotechnology Changsha Technology	2022SR1631500	December 30, 2022
21.	Circular RNA Identification and Analysis Pipeline V1.0.0	Shenzhen Biotechnology Changsha Technology	2022SR1631499	December 30, 2022
22.	Patient Recruitment Self-Registration System V1.0	Beijing Lab	2023SR0177284	January 31, 2023

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Name of Software	Owner	Registration Number	Date of Registration
23.	Tumor Clinical Trial Query Database System v1.0	Beijing Lab	2023SR0435347	April 4, 2023
24.	Tumor Targeted and Immunotherapy Drug Database System v1.0	Beijing Lab	2023SR0435323	April 4, 2023
25.	Health Customer Service Platform V1.0	Shenzhen Biotechnology Changsha Technology	2024SR1097751	July 31, 2024
26.	Early Screening Risk Assessment System V1.0	Shenzhen Biotechnology	2024SR1424646	September 25, 2024
27.	Single-Cell File Reading and Validation Software V1.0.0	Changsha Biotechnology	2024SR1562087	October 18, 2024
28.	Neoantigen Identification and Annotation Software V1.0.0	Shenzhen Biotechnology Changsha Biotechnology	2024SR1596111	October 23, 2024
29.	Viral Insertion Site Detection Software V1.0.0	Shenzhen Biotechnology	2024SR1594767	October 23, 2024
30.	TCR Identification and Annotation Software V1.0.0	Shenzhen Biotechnology	2024SR1600219	October 24, 2024
31.	Scheduler Automated Scheduling Software V1.0	Changsha Biotechnology	2025SR0605917	April 11, 2025

Domain Names

As of the Latest Practicable Date, the Group had registered the following domain names which we considered to be material to our business:

No	Domain Name	Owner	Expiry Date
1.	geneplus.cn	Beijing Technology	February 12, 2031
2.	gene-plus.cn	Beijing Technology	June 12, 2026
3.	raretumor.net	Beijing Technology	January 26, 2026
4.	geneplus.org.cn	Beijing Technology	May 14, 2026
5.	geneplus.ai	Beijing Technology	September 30, 2027

APPENDIX VI	STATUTORY AND GENERAL INFORMATION

DISCLOSURE OF INTERESTS

Disclosure of Interests of Directors, Supervisors and Chief Executive of the Company

Save as disclosed in “Substantial Shareholders” in this document, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the interests and/or short positions (as applicable) of the Directors, Supervisors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any interests and/or short positions (as applicable) in shares, underlying shares or debentures of any of the Company’s associated corporations (within the meaning of Part XV of the SFO) which (1) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (2) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (3) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, will be as follows:

Interests in associated corporation

<u>Associated Corporation</u>	<u>Name of Shareholder</u>	<u>Nature of Interest</u>	<u>Approximate Percentage of Shareholding</u>
Beijing GenePlus Clinical Laboratory Limited. (北京吉因加醫學檢驗實驗室有限公司)	Dr. Yi Xin ⁽¹⁾	Interest held by controlled corporations	30%
	Dr. Yang Ling ⁽¹⁾	Interest held by controlled corporations	30%
	Mr. Xiong Li ⁽¹⁾	Interest held by controlled corporations	30%

-
- (1) On January 1, 2016, Dr. Yi Xin, Dr. Yang Ling, Mr. Xiong Li, Mr. Tian Chao and Mr. Xia Xuefeng entered into a concert party agreement to confirm that they would act in concert when exercising their shareholder rights at the level of Tibet GenePlus. See “Relationship with Our Controlling Shareholders — Our Controlling Shareholders” for details.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

Save as disclosed above, none of the Directors, Supervisors or the chief executive of the Company will, immediately following the completion of the [REDACTED], have an interest and/or short position (as applicable) in the Shares, underlying Shares or debentures of the Company or any interests and/or short positions (as applicable) in the shares, underlying shares or debentures of the Company’s associated corporations (within the meaning of Part XV of the SFO) which (i) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange.

Disclosure of Interests of Substantial Shareholders

For information on the persons who will, immediately following the completion of the [REDACTED], have interests or short positions in the Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of the Company or of any member of the Group, see the sections headed “History, Reorganization and Corporate Structure” in this document.

FURTHER INFORMATION ABOUT DIRECTORS AND SUPERVISORS

Particulars of the Service Contracts

We [have] entered into a service contract or a letter of appointment with each of the Directors and Supervisors in respect of, among others, (i) term of service, (ii) termination, (iii) compliance with the relevant laws and regulations and (iv) observance of the Articles of Association. The service contracts and letters of appointment may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors or Supervisors has entered into any service contracts as a director or supervisor with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

Remuneration of Directors and Supervisors

For details of the remuneration of the Directors and Supervisors, see “Directors, Supervisors and Senior Management — Remuneration of the Directors, Supervisors and Senior Management” and Note 14 to “Appendix I — Accountants’ Report.”

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

Agency Fees or [REDACTED] Received

The [REDACTED] will receive an [REDACTED] in connection with the [REDACTED]. See “[REDACTED].” Save in connection with the [REDACTED], no [REDACTED], discounts, agency fee, brokerages or other special terms have been paid or is payable by the Group to any person (including the Directors, promoters and experts referred to in the paragraph headed “— Other Information — Qualifications of Experts” below in connection with the issue or sale of any capital or security of any member of our Group within the two years immediately preceding the date of this document.

Personal Guarantees

The Directors have not provided personal guarantees in favor of lenders in connection with banking facilities granted to the Group.

Disclaimers

- (a) Save as disclosed in “History, Reorganization and Corporate Structure,” none of the Directors, Supervisors nor any of the experts referred to in “— Other Information — Qualifications and Consents of Experts” below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) Save in connection with the [REDACTED], none of the Directors, Supervisors nor any of the experts referred to in “Other Information — Qualifications and Consents of Experts” below, is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group.
- (c) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this document to any promoter of the Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the [REDACTED] or related transactions as mentioned.
- (d) So far as is known to the Directors, none of the Directors or their associates or any Shareholders who are expected to be interested in 5% or more of the issued share capital of the Company has any interest in the five largest customers or the five largest suppliers of the Group.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

OTHER INFORMATION

Estate Duty

The Directors have been advised that no material liability for estate duty is likely to fall on the Group.

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.

The Joint Sponsors

CMBC International Capital Limited, one of the Joint Sponsors, satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

CCB International Capital Limited, one of the Joint Sponsors, is considered not independent pursuant to Rule 3A.07(7) of the Listing Rules.

The Joint Sponsors have made an application on our behalf to the [REDACTED] for the [REDACTED] of, and permission to [REDACTED], the H Shares to be issued as set out in this document (including any H Shares which may be issued pursuant to the exercise of the [REDACTED]) and the H Shares to be converted from Domestic Shares on the Main Board of the Hong Kong Stock Exchange.

Pursuant to the engagement letters entered into between the Company and the Joint Sponsors, we have agreed to pay the Joint Sponsors an aggregate of US\$650,000 for acting as the Joint Sponsors for the [REDACTED].

Compliance Advisor

The Company has appointed CMBC International Capital Limited as the Compliance Advisor upon [REDACTED] in compliance with Rules 3A.19 and 19A.05 of the Listing Rules.

Preliminary Expenses

The Company did not incurred any material preliminary expense for the purpose of the Listing Rules.

APPENDIX VI	STATUTORY AND GENERAL INFORMATION

Promoters

The information of our promoters when we were established as a joint stock limited company is as follows:

Name of Promoters	Number of Shares held upon our establishment	Shareholding percentage upon our establishment
Tibet GenePlus	681,800	68.18
Tibet LP	318,200	31.82
Total	1,000,000	100.00

Within the two years immediately preceding the date of this document, no cash, securities, amount or benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters named above in connection with the [REDACTED] or the related transactions described in this document.

Qualifications and Consents of Experts

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this document are as follows:

Name of Expert	Qualifications
CCB International Capital Limited	Licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
CMBC International Capital Limited	Licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants under Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong) Registered Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Haiwen & Partners	PRC Legal Advisor to the Company

APPENDIX VI	STATUTORY AND GENERAL INFORMATION

Name of Expert

Qualifications

China Insights Industry
Consultancy Limited

Independent Industry consultant

Consents of Experts

Each of the experts referred to in “Qualification of Experts” above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports, letters or opinions (as the case may be) and the references to its name included herein in the form and context in which they are included.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the seller and purchaser is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see “Appendix III — Taxation and Foreign Exchange.”

Binding Effect

This document shall have the effect, if an [REDACTED] is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided in Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

Miscellaneous

- (a) Save as disclosed in the sections headed “— Further Information about the Company — Changes in the Share Capital of the Company” and “— Changes in the Share Capital of Our Subsidiaries” above, within the two years preceding the date of this document, no share or loan capital of the Company or any of its subsidiary has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash.
- (b) No share or loan capital of the Company or any of its subsidiary is under option or is agreed conditionally or unconditionally to be put under option.
- (c) No founder, management or deferred shares of the Company or any of its subsidiary have been issued or have been agreed to be issued.
- (d) None of the equity and debt securities of the Company or its subsidiary is presently [REDACTED] or [REDACTED] in on any other stock exchange nor is any [REDACTED] or permission to [REDACTED] being or proposed to be sought.
- (e) The Company has no outstanding convertible debt securities or debentures.
- (f) None of the experts listed under the section “— Other Information — Qualifications and Consents of Experts” above:
 - (i) is interested beneficially or non-beneficially in any securities in any member of the Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group save in connection with the [REDACTED].
- (g) The English text of this document and the document shall prevail over their respective Chinese text.
- (h) There has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position of the Group in the 12 months preceding the date of this document.
- (i) The Company currently does not intend to apply for the status of sino-foreign investment joint stock limited company and does not expect to be subject to the PRC Foreign Investment Law.
- (j) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong.
- (k) there are no arrangements under which future dividends are waived or agreed to be waived.

APPENDIX VII	DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document and 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 — Consent of Experts”; and
- (b) a copy of each of the material contract referred to in “Appendix VI — Statutory and General Information — Further Information about Our Business — Summary of Material Contract.”

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 www.geneplus.cn during a period of 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Report prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this document;
- (c) the audited combined financial statements of our Group for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025;
- (d) the report prepared by Deloitte Touche Tohmatsu on the unaudited [REDACTED] financial information of our Group, the text of which is set out in Appendix IIA to this document;
- (e) the PRC legal opinion issued by Haiwen & Partners, our PRC Legal Advisor, in respect of certain general corporate matters and property interests of our Group under PRC law;
- (f) the industry report prepared by China Insights Industry Consultancy Limited, the summary of which is set forth in “Industry Overview”;
- (g) the material contract referred to in “Appendix VI — Statutory and General Information — Further Information about Our Business — Summary of Material Contract”;
- (h) the written consents referred to in “Appendix VI — Statutory and General Information — Other Information — Consent of Experts”;
- (i) 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.

APPENDIX VII

**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES AND AVAILABLE ON DISPLAY**

- (i) the service contracts referred to in “Appendix VI — Statutory and General Information — Further Information about Our Directors and Substantial Shareholders — Particulars of Directors’ and Supervisors’ Service Contracts”; and
- (j) the PRC Company Law and the Overseas Listing Trial Measures, together with their unofficial English translations.