SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be in conjunction with, the full text of this document. You should read the entire document before you decide to invest in the [REDACTED].

There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in "Risk Factors" in this document beginning on page 42. You should read that section carefully before you decide to invest in the [REDACTED]. Various expressions used in this section are defined in the sections headed "Definitions" and "Glossary of Technical Terms" in this document.

OVERVIEW

We are a company focusing on molecular-diagnostics-based IVD medical devices and multi-omics life sciences research services. We are dedicated to facilitating clinical diagnostics and driving life sciences research through integrated life science sequencing solutions. Our clinical sequencing solutions encompass proprietary genetic-sequencing-based IVD test kits, genetic sequencer and bioinformatics analysis software, as well as supplementary technical support and laboratory design services. Our IVD test kits primarily include NIPT kit and CNV-seq kit, which are used for detecting genetic anomalies of fetus. Our NIPT kit obtained the Class III medical device certificate in 2017, making us among the first few companies in China to achieve such a milestone. We further developed the CNV-seq kit and obtained the Class III medical device certificate in 2024.

Furthermore, our self-developed NextSeq 550AR sequencer, when used with our test kits and bioinformatics software, forms a synergy, as hospital and ICL customers often prefer life science sequencing solutions providers who have a comprehensive portfolio of IVD products, and prioritize IVD test kits that work seamlessly with their existing sequencing instruments.

SUMMARY

The diagram below sets forth our product pipeline as of the Latest Practicable Date:

	Product Name	Indications	Sample Type	Technology	Classification of Medical Devices	Development Stage[1]	Current Status	(Estimated) Approval Time
						Pre-Clinical Research / Registration Test / Clinical Trial Stage / Registration Approval		
Reproductive Health Screening	Fetal chromosomal aneuploidy (T21, T18, T13) detection kits (NIPT kit)	Fetal chromosomal aneuploidy disorders	Plasma	NGS	III		Registration approval	2017
	Chromosomal aneuploidy and gene microdeletion test kits (CNV-seq kit)	Chromosomal aneuploidy and gene microdeletion	Amniotic fluid	NGS	III		Registration approval	2024
	Fetal chromosomal aneuploidy and gene copy number variation detection kits (U+ kit)	Fetal chromosomal aneuploidy and gene copy number variation disorders	Plasma	NGS	III		Registration test in progress	2028
	Genetic hearing loss test kit	Genetic hearing loss	Dried blood spots	NGS	III		Registration test in progress	2028
	Expanded carrier screening kit	SMA, DMD, Phenylketonuria and other genetic disorders	Whole blood	NGS	III		Design and development in progress	2029
	Thalassemia test kit	Thalassemia	Whole blood	TGS	III		Design and development in progress	2029
Neurodegenerative disease detection	Phosphorylated tau–181 protein assay kit (p–Tau–181 kit)[2]	Alzheimer's disease	Serum	Fluorescent magnetic particles	II		Registration approval	2025
	β-amyloid 1–42 assay kit (Aβ1–42 kit)[2]	Alzheimer's disease	Serum	Fluorescent magnetic particles	II		Registration approval	2025
Equipment and Software	Genetic Sequencer-NextSeq 550AR Sequencer			NGS	III		Registration approval	2017
	Non-invasive prenatal fetal chromosomal aneuploidy analysis software (ANNO_NIPD)			NGS	II		Registration approval	2017
	Chromosomal aneuploidy and gene microdeletion analysis software (ANNO_CHR)			NGS	II		Registration approval	2024
	ANNOSTAR automated sample processing system			—	II		Registration approval	2020
	Fully automatic fluorescent immunoassay analyzer (Dx200 analyzer)[2]			Fluorescent magnetic particles	II		Registration approval	2026
	Fully automatic fluorescent immunoassay analyzer (Dx200S analyzer)[2]			Fluorescent magnetic particles	II		Registration approval	2026
	Fetal chromosomal aneuploidy and gene copy number variation analysis software (U+ software)			NGS	II		Design and development in progress	2029
	Genetic hearing loss test analysis software			NGS	II		Design and development in progress	2028
	Expanded genetic disease gene carrier screening analysis software			NGS	II		Design and development in progress	2029
	Thalassemia gene detection analysis software			TGS	II		Design and development in progress	2029

Notes:

1. Our product development stages are divided into four phases: pre-clinical research, registration and inspection, clinical trial phase, and registration approval.
2. Collaboration mode.

Furthermore, we provide integrated scientific research sequencing solutions to reputable academic and research institutions including: single-cell and spatial sequencing, *de novo* sequencing, resequencing, transcriptome regulation sequencing, microbial sequencing and customized sequencing.

OUR BUSINESS MODEL

Under our clinical sequencing solutions business line, we first procure reagents and equipment components from upstream suppliers. We then develop and sell IVD test kits, a proprietary genetic sequencer and bioinformatics software to hospitals and ICLs. Our IVD test kits are typically delivered in bulk based on our customers' order. Our customers place their orders based on their projected testing volume. We also provide laboratory design and technical support to some customers.

Hospitals equipped with our clinical sequencing solutions can perform the entire genetic testing service in-house. Hospitals that lack such capabilities are themselves the end use customers of ICLs and send the testing samples to ICLs who conduct the entire workflow of in-house genetic testing services. While our IVD test kits are not required to be purchased in bundle with our genetic sequencer or bioinformatics analysis software, hospitals and ICLs who have deployed our genetic sequencer usually prioritize our IVD test kits and their compatible

bioinformatics analysis software due to their familiarity with the operational workflow and trust in our brand. In addition, we sell certain auxiliary reagent kits with Class I medical device certificate, supporting critical steps in sequencing procedures and aiding IVD R&D initiatives.

Under our scientific research sequencing solutions business line, we procure genetic sequencers, reagent kits and other equipment. Our solutions are mainly used for multi-omics research in fields such as agriculture, forestry, animal husbandry and fishery, involving zoological and botanical samples only. Before starting any project, our experts consult customers on specific research objectives and technical requirements, and customers subsequently provide relevant botanical or zoological samples. We then perform the sample processing, library construction, sequencing and bioinformatics analysis. Upon completion, we deliver a closing report detailing the sequencing data, analytical processes and findings.

The following table sets out a breakdown of our revenue by business segment in absolute amount and as a percentage of our total revenue for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)					
Clinical sequencing solutions	**270,013**	**56.9**	**329,354**	**63.6**	**333,955**	**61.0**
CNV-seq kit	/	/	3,780	0.7	13,237	2.4
NIPT kit	218,637	46.1	256,780	49.6	257,549	47.1
Sequencing equipment	34,275	7.2	51,971	10.0	44,333	8.1
— Bioinformatics analysis software	54	0.0	172	0.0	29	0.0
Auxiliary reagents and other services	17,102	3.6	16,823	3.3	18,836	3.4
Scientific research sequencing solutions	**203,898**	**42.9**	**187,717**	**36.2**	**212,749**	**38.9**
Single-cell and spatial sequencing	32,543	6.9	54,350	10.5	74,704	13.7
De novo sequencing	28,746	6.1	22,061	4.3	28,612	5.2
Resequencing	24,894	5.2	23,146	4.5	25,496	4.7
Transcriptome regulation sequencing	36,198	7.6	33,027	6.4	35,518	6.5
Microbial sequencing	2,336	0.5	3,132	0.6	4,702	0.8
Customized sequencing	79,182	16.6	52,002	9.9	43,717	8.0
Others	**843**	**0.2**	**1,017**	**0.2**	**324**	**0.1**
Total	**474,754**	**100.0**	**518,088**	**100.0**	**547,028**	**100.0**

The following table sets forth gross profit and gross profit margin by business segment for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	(RMB in thousands, except for percentage)					
Clinical sequencing solutions	**116,141**	**43.0**	**141,106**	**42.8**	**133,129**	**39.9**
CNV-seq kit	—	—	2,495	66.0	8,958	67.7
NIPT kit	110,552	50.6	133,829	52.1	123,634	48.0
Auxiliary reagents and other services	5,536	32.4	5,062	30.1	2,893	15.4
Sequencing equipment	53	0.2	(280)	(0.5)	(2,356)	(5.3)
— Bioinformatics analysis software	10	17.9	126	73.5	2	6.9
Scientific research sequencing solutions	**37,983**	**18.6**	**41,386**	**22.0**	**57,877**	**27.2**
Single-cell and spatial sequencing	12,273	37.7	18,764	34.5	25,518	34.2
Transcriptome regulation sequencing	13,221	36.5	11,565	35.0	13,888	39.1
Customized sequencing	3,917	4.9	3,360	6.5	3,569	8.2
Resequencing	3,059	12.3	3,048	13.2	6,592	25.9
De novo sequencing	5,290	18.4	4,006	18.2	7,276	25.4
Microbial sequencing	223	9.6	643	20.6	1,034	22.0
Others[(1)]	**683**	**80.9**	**851**	**83.7**	**185**	**57.1**
Total/Overall	**154,807**	**32.6**	**183,343**	**35.4**	**191,191**	**35.0**

OUR STRENGTHS

We believe the following competitive advantages have contributed to our success and will help drive our growth in the future: (i) dedication to molecular-diagnostics-based IVD medical devices and multi-omics life sciences research services; (ii) continuous R&D investments and deep technology reserves; (iii) clinically-oriented, diversified product pipeline; (iv) broad sales network and professional sales personnel; and (v) experienced management team and strong support by shareholders.

OUR STRATEGIES

We will continue to pursue the following strategies: (i) advance R&D and commercialization of our IVD products while enhancing our technological reserves; (ii) upgrade our scientific research sequencing solutions; (iii) increase the level of automation in production and services; and (iv) expand sales coverage and continuously increase market penetration.

RESEARCH AND DEVELOPMENT

As of December 31, 2025, we had an R&D team of 66 professionals with relevant R&D experience in the field of genetic technology and bioinformatics, including ten with Ph.D. degrees and 39 with master's degrees. We plan to continuously develop IVD products based on our existing platforms and introduce innovative sequencing technologies for scientific research sequencing solutions.

SALES AND MARKETING

We had an experienced sales and marketing team of 244 employees as of December 31, 2025, as well as an broad distribution network covering 24 provinces and municipalities.

Pricing

Regulatory and policy frameworks play a critical role in shaping our pricing strategy. For instance, Jiangsu Province implemented the first regional centralized procurement program of NIPT services in China. Under this program, hospitals and ICLs are the bidders, and IVD product suppliers provide NIPT kits for these bidders. Only bidders offering services below RMB560 per test may be selected, which may in turn compel NIPT kit suppliers like us to lower NIPT kit prices. The centralized procurement program in Jiangsu Province resulted in a notable increase in the sales volume of our NIPT kits, from 247 units in 2024 to 547 units in 2025, leading to an increase in our revenue of RMB4.8 million. During the same period, the average selling price of our NIPT kits in Jiangsu Province declined from RMB34.2 thousand to RMB25.5 thousand. As a result, the gross profit from the sales of NIPT kits increased by RMB2.6 million in 2024 to 2025, and the gross profit margin decreased from 73.6% to 65.7% during the same period. As of the Latest Practicable Date, Jiangsu was the only province that implemented the regional centralized procurement program for NIPT services.

As of the Latest Practicable Date, our IVD products, are not included on the national or regional healthcare reimbursement programs. In regions such as Jiangsu and Beijing where the NIPT testing service is now covered by regional healthcare reimbursement programs effective from 2025 and 2021, respectively, we adjusted our prices of NIPT kits sold to hospital customers, thereby encouraging their adoption of our products in testing.

OUR CUSTOMERS

Our customers for clinical sequencing solutions primarily comprise hospitals and ICLs. Our customers for scientific research sequencing solutions are primarily academic and research institutions. In 2023, 2024 and 2025, the aggregate revenue generated from our five largest customers was RMB99.2 million, RMB93.2 million and RMB115.0 million, respectively. Revenue generated from our five largest customer during the Track Record Period accounted for 20.9%, 18.0% and 21.0% in 2023, 2024 and 2025, of our revenue for the respective year, respectively.

SUPPLY CHAIN MANAGEMENT

Our principal raw materials for our solutions are reagents, enzyme, test probes, equipment and equipment parts and packaging and labelling materials. Our suppliers primarily comprise raw material and equipment suppliers. Purchases from our five largest suppliers amounted to RMB133.8 million, RMB171.3 million and RMB165.8 million in 2023, 2024 and 2025,

respectively, representing 41.8%, 51.2% and 46.6% of our total purchases for the same respective periods. Our purchases from the largest supplier represented 24.4%, 33.8% and 31.5% of our total purchases in 2023, 2024 and 2025, respectively.

BUSINESS SUSTAINABILITY

We recorded loss for the year from continuing operations of RMB222.7 million, RMB136.2 million and RMB55.6 million in 2023, 2024 and 2025, respectively. The loss-making position was primarily due to our operational expenses for supporting our business expansion and R&D efforts, as well as finance costs in relation to interest accrued on liabilities from special shareholder rights. We recorded net cash inflows from operating activities of RMB14.6 million in 2024, and net cash outflows from operating activities of RMB26.1 million in 2023. We recorded net cash outflows from operating activities of RMB86.4 million in 2025, mainly due to an increase in trade receivables.

We plan to increase the market penetration of our existing IVD products. During the Track Record Period, we sold 7,038, 8,979 and 9,724 NIPT kits to 61, 79 and 98 hospitals in 2023, 2024 and 2025, respectively, as well as 13, 13 and 14 ICLs in 2023, 2024 and 2025, respectively. We sold 485 CNV-seq kits to 40 customers as of December 31, 2025, with 27 of which were also our NIPT customers, demonstrating the synergy of our different IVD test kits. We are expanding into the ADOD detection market with our newly launched AD test kits.

In terms of our scientific research sequencing solutions, we have covered the core customer base of China's life sciences research. During the Track Record Period, the gross profit margin of our scientific sequencing solutions was 18.6%, 22.0% and 27.2% in 2023, 2024 and 2025, respectively, primarily because we strategically focused on life sciences research projects with higher profit margins. Looking forward, we plan to prioritize sequencing solutions that enjoy high profit margins, such as those requiring extensive bioinformatics analysis.

Moreover, we plan to improve our operational efficiency through the effective cost management. Our operating expenses as a percentage of total revenue was 53.4%, 44.0% and 45.0% in 2023, 2024 and 2025, respectively. Our operating expenses as a percentage of total revenue decreased from 53.4% in 2023 to 44.0% in 2024, mainly because the decrease in research and development costs following the completion of clinical trials for CNV-seq kits. Our operating expenses as a percentage of total revenue remained relatively stable at 44.0% in 2024 and 45.0% in 2025. We expect research and development costs as a percentage of our total revenue to decrease as we complete key milestones for our pipeline products and achieve continuous revenue growth. We plan to expand our production capacity and efficiency by improving the level of automation, thereby reducing labor costs.

SUMMARY

COMPETITION

The life science sequencing solutions market in which we operate is highly competitive and rapidly evolving. We benefit from our R&D capabilities, manufacturing expertise and sales network, face competition from leading domestic and international companies offering similar comparable products and services. Our success depends on our ability to promote and market our solutions, innovate and develop technologies, expand our products, maintain stringent quality standards, and secure and maintain necessary regulatory approvals. Additionally, building strong brand recognition, fostering relationships with institutional customers and offering reliable customer support. For further details on our competitive positioning, please refer to the "Industry Overview" section of this document.

LEGAL PROCEEDINGS AND COMPLIANCE MATTERS

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 caused 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.

COVID-19 EFFECTS

During the Track Record Period, the outbreak of COVID-19 led to the implementation of various governmental control and preventive measures across the world. In response, we suspended our business operations, including the production and product delivery for five days during the outbreak. However, these arrangements did not cause any suspension in our production or delays to our product delivery. Concurrently, to assist in alleviating the effects of the pandemic, we temporarily engaged in the provision of COVID-19 testing services through two entities, which have since been disposed of. This undertaking required the temporary reallocation of certain employees from their ordinary duties in the development and provision of our IVD products to facilitate such testing services. Notwithstanding the foregoing, our Directors confirm that the COVID-19 outbreak did not have a material adverse impact on our overall business, financial condition and results of operations during the Track Record Period.

SUMMARY

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Our Selected Consolidated Statements of Profit or Loss

The following table sets forth selected consolidated statement of profit or loss in absolute amount and as a percentage of our total revenue for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
CONTINUING OPERATIONS						
Revenue	474,754	100.0	518,088	100.0	547,028	100.0
Cost of sales	(319,947)	(67.4)	(334,745)	(64.6)	(355,837)	(65.0)
Gross profit	**154,807**	**32.6**	**183,343**	**35.4**	**191,191**	**35.0**
Other income and gains/(losses), net	16,778	3.5	7,556	1.5	7,775	1.4
Selling and distribution expenses	(108,315)	(22.8)	(115,265)	(22.4)	(119,044)	(21.8)
Administrative expenses	(100,152)	(21.1)	(86,235)	(16.6)	(84,407)	(15.4)
Research and development costs	(44,930)	(9.5)	(26,598)	(5.1)	(42,737)	(7.8)
Other expenses	(1,951)	(0.4)	(372)	(0.1)	(973)	(0.2)
Finance costs	(127,694)	(26.9)	(100,683)	(19.4)	1,685	0.3
Impairment losses on financial assets, net	1,198	0.3	2,053	0.4	(9,050)	(1.7)
Impairment losses on property, plant and equipment	(12,428)	(2.6)	—	—	—	—
Loss before tax from continuing operations	**(222,687)**	**(46.9)**	**(136,201)**	**(26.3)**	**(55,560)**	**(10.2)**
Income tax expense	—	—	—	—	(10)	0.0
Loss for the year from continuing operations	**(222,687)**	**(46.9)**	**(136,201)**	**(26.3)**	**(55,570)**	**(10.2)**
DISCONTINUED OPERATION						
Profit/(loss) for the year from discontinued operation	(17,555)	(3.7)	10,440	2.0	1,171	0.2
Loss for the year	**(240,242)**	**(50.6)**	**(125,761)**	**(24.3)**	**(54,399)**	**(9.9)**
Attributable to:						
Owners of the parent	(238,280)	(50.2)	(125,616)	(24.3)	(54,399)	(9.9)
Non-controlling interests	(1,962)	(0.4)	(145)	(0.0)	—	—

Non-HKFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with HKFRS, we also use adjusted net loss for the year from continuing operations (non-HKFRS measure) as additional financial measure. We believe this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, you should not consider it in isolation form or as a substitute for analysis of our results of operations or financial condition as reported under HKFRS.

SUMMARY

We define adjusted net loss for the year from continuing operations (non-HKFRS measure) as net loss for the year from continuing operations adjusted by adding back (i) professional fees in relation to previous listing attempt, (ii) [REDACTED], (iii) share-based payment expenses, and (iv) interest accrued on liabilities from special shareholder rights. Professional fees in relation to previous listing attempt; share-based payment expenses are non-cash expenses; and liabilities from special shareholder rights will be converted into the Company's equity upon [REDACTED], after which no further interest will accrue. The following table reconciles our adjusted net loss for the year from continuing operations (non-HKFRS measure) to our net loss for the year from continuing operations.

	Year ended December 31,		
	2023	**2024**	**2025**
	(RMB in thousands)		
Loss for the year from continuing operations	(222,687)	(136,201)	(55,570)
Add:			
— Professional fees in relation to previous listing attempt	368	—	—
— [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Share-based payment expenses	29,302	18,894	9,612
— Interest accrued on liabilities from special shareholder rights	125,853	99,108	(2,947)
Adjusted net loss for the year from continuing operations *(non-HKFRS measure)*	**(67,164)**	**(11,787)**	**(30,148)**

We had been at the loss-making position during the Track Record Period and are expected to continue to be loss-making in the foreseeable future. Our loss for the year from continuing operations decreased from RMB222.7 million in 2023 to RMB136.2 million in 2024, primarily due to an increase in gross profit, and a decrease in administrative expenses and finance costs, as well as a decrease in research and development costs. Our loss for the period from continuing operations further decreased to RMB55.6 million in 2025, primarily due to a decrease in finance costs, caused by a interest accrued on liability arising from special shareholders' rights turning from an expense to a net credit in and an increase in research and development costs in relation to our AD kits and compatible analyzers. See "Risk Factors — Risks Relating to Our Business and Industry — We incurred net losses during the Track Record Period and may incur net losses for the foreseeable future."

Certain Selected Items from the Consolidated Statements of Financial Position

The following table sets forth the selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	(RMB in thousands)		
Total non-current assets	227,989	138,766	115,464
Total current assets	668,331	735,232	656,206
Total current liabilities	1,479,439	319,751	271,903
Net current (liabilities)/assets	**(811,108)**	**415,481**	**384,303**
Total assets less current liabilities	**(583,119)**	**554,247**	**499,767**
Total non-current liabilities	47,346	29,493	19,826
Net (liabilities)/assets	**(630,465)**	**524,754**	**479,941**
Total (deficit)/equity	**(630,465)**	**524,754**	**479,941**

We recorded net liabilities of RMB630.5 million as of December 31, 2023, primarily due to (i) an increase in loss for the year and (ii) dividends of RMB6.1 million. We recorded net assets of RMB524.8 million as of December 31, 2024, mainly due to an increase in special shareholder rights arrangements of RMB1,265.4 million, partially offset by an increase in loss for the year of RMB125.8 million. Our net assets decreased from RMB524.8 million as of December 31, 2024 to RMB479.9 million as of December 31, 2025, primarily due to loss for the period of RMB55.6 million.

Our net current assets remained relatively stable at RMB384.3 million as of December 31, 2025 and RMB375.9 million as of February 28, 2026. Our net current assets decreased by 7.5% from RMB415.5 million as of December 31, 2024 to RMB384.3 million as of December 31, 2025, primarily due to a decrease in assets of a disposal group classified as held for sale of RMB130.6 million as we completed the disposal of Annoroad Laboratory, partially offset by (i) an increase in trade and bills receivables of RMB145.9 million; and (ii) a decrease in other payables and accruals of RMB10.3 million.

We recorded net current liabilities of RMB811.1 million as of December 31, 2023 and net current assets of RMB415.5 million as of December 31, 2024. Such change is primarily due to a decrease in liabilities from special shareholder rights of RMB1,166.3 million as a result of terminating relevant redemption right prior to December 31, 2024, partially offset by (i) a decrease in cash and cash equivalents of RMB131.5 million, (ii) an increase in liabilities directly associated with the assets classified as held for sale of RMB32.7 million, and (iii) a decrease in inventories of RMB23.0 million.

Cash Flows

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

	Year ended December 31,		
	2023	**2024**	**2025**
	(RMB in thousands)		
Net cash flows from/(used in) operating activities	(26,069)	14,635	(86,354)
Net cash flows from/(used in) investing activities	(13,959)	(111,857)	9,654
Net cash flows used in financing activities	(14,727)	(18,353)	(6,474)
Net increase/(decrease) in cash and cash equivalents	(54,755)	(115,575)	(83,174)
Cash and cash equivalents at beginning of year	311,136	256,470	141,202
Effect of foreign exchange rate changes, net	89	307	(44)
Cash and cash equivalents at end of year	**256,470**	**141,202**	**57,984**

In 2023, we had net operating cash outflows of RMB26.1 million. The difference between net cash flows used in operating activities and loss before tax of RMB240.2 million, which consists of loss before tax of RMB222.7 million from continuing operations and loss before tax from a discontinued operation of RMB17.5 million, was the result of (i) adjustment by non-cash and non-operating items, which primarily consist of finance costs of RMB128.3 million, depreciation of property, plant and equipment of RMB37.2 million, share-based payments expense of RMB30.0 million, impairment losses on property, plant and equipment and prepayments of RMB12.4 million and depreciation of right-of-use assets of RMB10.2 million, partially offset by interest income of RMB6.7 million, and (ii) changes in working capital, which primarily consist of a decrease in inventories of RMB49.0 million, a decrease in trade receivables of RMB39.3 million, partially offset by a decrease in trade payables of RMB70.0 million and a decrease in other payables and accruals of RMB30.7 million.

In 2025, we had net operating cash outflows of RMB86.4 million. The difference between net cash flows used in operating activities and loss before tax of RMB54.4 million, which consists of loss before tax of RMB55.6 million from continuing operations and profit before tax from a discontinued operation of RMB1.2 million, was the result of (i) adjustment by non-cash and non-operating items, which primarily consist of depreciation of property, plant and equipment of RMB25.9 million, depreciation of right-of-use assets of RMB6.9 million,

share-based payments expense of RMB9.6 million and impairment losses on financial assets, net, of RMB9.8 million, partially offset by gain on disposal of a subsidiary of RMB9.8 million, and changes in working capital, which primarily consist of an increase in trade receivables of RMB155.3 million, partially offset by an increase in other payables and accruals of RMB54.0 million and a decrease in inventories of RMB22.7 million. We plan to continue to improve our cash flow situations. For detailed strategies and measures we plan to take to achieve long-term profitability, see "Business — Business Sustainability."

WORKING CAPITAL SUFFICIENCY

We maintained sufficient working capital for our operational needs. We recorded net current liabilities of RMB811.1 million as of December 31, 2023, primarily attributable to our liabilities from special shareholder rights. Our liabilities from special shareholder rights decreased by 92.2% from RMB1,264.9 million as of December 31, 2023 to RMB98.6 million as of December 31, 2024 as a result of terminating relevant redemption right prior to December 31, 2024. See Note 27 of Appendix I to this document for details. Consequently, we recorded net current assets of RMB415.5 million as of December 31, 2024 and RMB384.3 million as of December 31, 2025.

To improve our net operating cash flow position, we plan to engage customers with credible payment histories and intensify our collection efforts on outstanding trade receivables, thereby reducing such balances and accelerating cash inflows, while concurrently negotiating with suppliers to extend payment terms on our procurements to better manage cash outflows. In addition, we would continue optimizing the settlement of trade receivables in relation to scientific research sequencing solutions, where customer payments are typically settled in the second half of the year. See "Business — Business Sustainability — Path to Profitability".

As of December 31, 2025, our financial assets at FVTPL amounted to RMB186.9 million, RMB170.3 million of which are structured deposits for short-term liquidity management and daily operations. Our trade and bills receivables amounted to RMB326.3 million, and our cash and cash equivalents amounted to RMB58.0 million. As of December 31, 2025, we had bank loans of RMB3.9 million. Our Directors confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants. Taking into account the aforementioned financial resources available to us, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document. On the basis of the independent due diligence undertaken, the Joint Sponsors concur with the aforementioned views of our Directors.

SUMMARY

[REDACTED] STATISTICS(1)

	Based on an [REDACTED] of HK$[REDACTED] per H Share	Based on an [REDACTED] of HK$[REDACTED] per H Share
Market capitalization of our Shares upon completion of the [REDACTED](2)	HK$[REDACTED]	HK$[REDACTED]
Unaudited [REDACTED] adjusted net tangible assets per Share(3)	HK$[REDACTED]	HK$[REDACTED]

Notes:

(1) All statistics in this table are on the assumption that the [REDACTED] is not exercised.

(2) The calculation of market capitalisation is based on [REDACTED] Shares expected to be in issue immediately upon completion of the [REDACTED].

(3) [No adjustment has been made to reflect any trading results or open transactions of the Group] entered into subsequent to December 31, 2025.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive aggregate net [REDACTED] of approximately HK$[REDACTED] million from the [REDACTED] after deducting the [REDACTED] fees and estimated expenses in connection with the [REDACTED] paid and payable by us, assuming no [REDACTED] is exercised and an [REDACTED] of HK$[REDACTED] per H Share, being the mid-point of the indicative [REDACTED] of HK$[REDACTED] to HK$[REDACTED] per H Share in this document.

We currently intend to use the net [REDACTED] from the [REDACTED] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions: (i) approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK$[REDACTED], will be invested in the research and development of our pipeline products for our clinical sequencing solutions; (ii) approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK$[REDACTED], will be invested in upgrading and transforming our existing laboratories and manufacturing facilities; (iii) approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK$[REDACTED], will be invested for business development in our clinical sequencing solutions and scientific research sequencing solutions in the domestic market as well as our overseas business development; (iv) approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK$[REDACTED], will be invested in expanding our scientific research sequencing solutions and updating relevant technologies; (v) approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK$[REDACTED], will be used for working capital and general corporate purposes.

See "Future Plans and Use of [REDACTED]" for details.

SUMMARY

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in "Risk Factors." Some of the major risks we face include: (i) failure to timely develop new IVD products or deploy innovative sequencing technologies; (ii) we operate in a highly competitive industry, and the sizes of the markets for our current and future offerings may be smaller than our estimation; (iii) uncertainties surrounding regulations relating to the life science sequencing solutions industry; (iv) failure to obtain or renew the regulatory approval for our products in a timely manner and at acceptable costs, or at all; (v) our future offerings may not achieve the same level of widespread market acceptance as our existing offerings; and (vi) governmental policies, may affect our pricing and sales strategies.

See "Risk Factors."

Our Controlling Shareholders

As of the Latest Practicable Date, our Company was directly held by Mr. Xia, Annuo Fuzhuo, Shifeng Huafu and Zhengxuan Annuo as to 9.95%, 4.75%, 20.74% and 18.82%, respectively.

The general partner of Annuo Fuzhuo is Shenzhen Zhengxuan, which is in turn owned by Mr. Xia as to 97.25%. The general partner of Shifeng Huafu is Ningbo Meidixin, which is wholly owned by Shenzhen Zhengxuan. Zhengxuan Annuo has entered into the Concert Party Agreement with Mr. Xia on October 21, 2021, pursuant to which they undertook to vote unanimously when exercising their voting rights in our Company, and Mr. Xia's decision shall prevail if there is any disagreement between Zhengxuan Annuo and Mr. Xia. Mr. Xia is entitled to control the exercise of 54.25% of the voting rights of our Company as of the Latest Practicable Date and [REDACTED]% immediately following the completion of the [REDACTED]. Therefore, Mr. Xia, Shifeng Huafu, Annuo Fuzhuo, Zhengxuan Annuo, Ningbo Meidixin and Shenzhen Zhengxuan constitute the Controlling Shareholders Group. For biographic details of Mr. Xia, please refer to the section headed "Directors, Supervisors and Senior Management — Directors" in this document.

See "Relationship with our Controlling Shareholders."

We have entered into and are expected to continue to conduct certain transactions after the [REDACTED] with certain associates of our Controlling Shareholders, which will constitute non-exempt continuing connected transactions under Chapter 14A of Listing Rules. See "Connected Transactions."

PRE-[REDACTED] INVESTMENT

We have conducted several rounds of equity financing in the past few years. See "History, Development and Corporate Structure — Pre-[REDACTED] Investment."

SUMMARY

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Following the launch of our AD test kits and compatible immunoassay analyzers, we began the commercialization process in 2026. In addition, the sales volume of our scientific research sequencing solutions continued to increase.

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our business, financial condition and results of operations since December 31, 2025, which is the end date of the years reported in the Accountants' Report in Appendix I to this document, and there is no event since December 31, 2025 which would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

DIVIDENDS

No dividends have been paid or declared by our Company during the Track Record Period. The subsidiaries of our Company declared dividends of RMB6.1 million, nil and nil to non-controlling shareholders in 2023, 2024 and 2025, respectively. Currently, we do not have a formal dividend policy or a fixed dividend distribution ratio. Any future declarations and payments of dividends will be at the discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. As advised by our PRC Legal Advisor, any future net profit that we make shall be used to pay or declare dividends after our Board has formulated a profit distribution plan and approved by our Shareholders in a general meeting. However, such net profit must be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such statutory common reserve fund has reached more than 50% of our registered capital.

[REDACTED]

[REDACTED] consist of professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED] and the [REDACTED]. We recorded [REDACTED] of [REDACTED], HK$[REDACTED] and HK$[REDACTED] in 2023, 2024 and 2025, respectively. We expect to incur [REDACTED] of approximately HK$[REDACTED] (based on the mid-point of the indicative [REDACTED] and assuming the [REDACTED] is not exercised), which accounts for approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED]. We estimate the [REDACTED] to consist of approximately HK$[REDACTED] in [REDACTED] fees and HK$[REDACTED] in non-[REDACTED] fees (which consist of fees and expenses of legal advisors and our Reporting Accountant of approximately HK$[REDACTED] and other fees and expenses of approximately HK$[REDACTED]). Among the total [REDACTED], approximately HK$[REDACTED] will be directly attributable to the issue of our Shares, which will be deducted from equity upon the completion of the [REDACTED], and the remaining HK$[REDACTED] will be expensed in our consolidated statements of comprehensive income.

SUMMARY

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of the [REDACTED] of, and permission to [REDACTED] in, our Shares to be [REDACTED] pursuant to the [REDACTED] on the basis that, among other things, we satisfy the revenue/market capitalization test under Rule 8.05(3) of the Listing Rules with reference to: (i) our revenue for the year ended December 31, 2024 exceeds HK$500 million, and (ii) our expected market capitalization at the time of [REDACTED] exceeds HK$[REDACTED].