OVERVIEW

We have, in our ordinary and usual course of business, entered into a number of transactions with certain entity that will become our connected persons (as defined under Chapter 14A of the Listing Rules) upon [REDACTED]. Such transactions will continue after the [REDACTED] and will therefore constitute our continuing connected transactions under the Listing Rules.

CONNECTED PERSONS

The following entities will become our connected persons (as defined under Chapter 14A of the Listing Rules) upon [REDACTED]:

Connected Persons	Connected Relationship
Beijing Annoroad Medical Testing Laboratory Co., Ltd. (北京安諾優達醫學檢驗實驗室有限公司) ("**Annoroad Laboratory**")	A subsidiary of Annuo Fuzhuo, one of our Controlling Shareholders

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

		Annual caps For the years ending December 31,				
Nature of transactions	Counterparties	2026	2027	2028	Applicable Listing Rules	Waiver Sought
		(RMB million)				
Fully-exempt continuing connected transactions						
Trademark Licensing Framework Agreement	Annoroad Laboratory	N/A	N/A	N/A	14A.76(1)(a)	N/A
Non-exempt continuing connected transactions						
Product Provision Framework Agreement	Annoroad Laboratory	50	55	61	14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59 and 14A.71	Announcement and independent Shareholders' approval requirements

EXEMPT CONTINUING CONNECTED TRANSACTIONS

In our ordinary and usual course of business, we have entered into the following transaction which, as our Directors currently expects, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules for the following continuing connected transactions of our Group will be less than 0.1% on an annual basis. Such transactions will be exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Trademark Licensing Framework Agreement

We entered into a trademark licensing framework agreement with Annoroad Laboratory on [•] (the "**Trademark Licensing Framework Agreement**"), pursuant to which we agreed to license certain of our trademarks for Annoroad Laboratory's use in connection with its ordinary course of business and operations (the "**Licensed Trademark**") with a licensing fee of 0.1% of the total revenue of Annoroad Laboratory per annum, which is subject to adjustments from time to time upon arm's length negotiations between the parties, taking into consideration the market rates for trademark licensing, and the positioning of the relevant services under the Licensed Trademark.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

In our ordinary and usual course of business, we have entered into the following transactions which, as our Directors currently expect, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will be more than 5% on an annual basis. Under Rule 14A.76(2) of the Listing Rules, these transactions will be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Product Provision Framework Agreement

Parties

Our Company (for itself and on behalf of its subsidiaries)

Annoroad Laboratory

Principal terms

We entered into a product provision framework agreement with Annoroad Laboratory on [•] (the "**Product Provision Framework Agreement**"), pursuant to which our Group may from time to time provide products to Annoroad Laboratory in the ordinary course of our business, including NIPT kits, CNV-seq kits, sequencing equipment and auxiliary reagents.

The initial term of the Product Provision Framework Agreement shall commence on the [REDACTED] until December 31, 2028, subject to renewal by mutual consent.

We will separately enter into specific agreements with Annoroad Laboratory which will set out the specific terms and conditions according to the principals provided in the Product Provision Framework Agreement.

Pricing terms

For medical devices and test kit products that sells externally, the prices charged to Annoroad Laboratory shall be generally in line with the prices as we offer to other Independent Third Parties in the ordinary and usual course of business, and the terms of the Product Provision Framework Agreement shall be no less favorable than those provided to Independent Third Parties. Besides, certain auxiliary reagent products are primarily for Annoroad Laboratory's internal R&D purposes and are not intended for external sales. For such customized products provided to Annoroad Laboratory, the price is determined based on the cost plus a markup, taking into consideration the amount of products procured by Annoroad Laboratory, the costs of raw materials and labor costs. Based on the foregoing pricing terms, the transactions with Annoroad Laboratory were conducted and will be conducted on normal commercial terms.

Reasons for the transactions

We provide high-quality test kits, sequencers and analysis software to hospitals and independent clinical laboratories for their provision of clinical genetic testing services. Meanwhile, Annoroad Laboratory provides clinical genetic testing services and genetic sequencing research during its ordinary and usual course of business. During the Track Record Period, Annoroad Laboratory procured products such as IVD test kits from our Group to support their clinical and research operations.

Historical amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts for the abovementioned transactions in the ordinary course of our business were approximately RMB41 million, RMB48 million and RMB35 million, respectively. The historical transaction amounts dropped in 2025 primarily due to an increase of suppliers of Annoroad Laboratory's clinical laboratories.

Annual caps and basis of annual caps

The maximum aggregate annual transaction amounts under the Product Provision Framework Agreement for the three years ending December 31, 2028 shall not exceed the caps set out below:

	For the year ending December 31,		
	2026	**2027**	**2028**
		(RMB million)	
Provision of products by our Group to Annoroad Laboratory	50	55	61

The above proposed annual caps of provision of products to Annoroad Laboratory are determined with reference to:

(a) the historical transaction amounts for the abovementioned transactions in 2023, 2024 and 2025;

(b) the estimated increasing demand of our products for the three years ending December 31, 2028 taking into consideration of the increasing market acceptance of our IVD testing products, which may be used by hospitals directly for testing purpose or by medical laboratories such as Annoroad Laboratory who are engaged by hospitals to provide testing services. Such market acceptance is evidenced by our increased revenue in our Clinical Sequencing Solutions and the increase of sales volume of our IVD products; and

(c) the expected business needs of Annoroad Laboratory, our expected sales in IVD medical devices and test kits to Annoroad Laboratory, and unit price we will charge from Annoroad Laboratory which shall be generally in line with the prices we charge from Independent Third Parties for the three years ending December 31, 2028.

WAIVER APPLICATION FOR NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Under Rule 14A.76(2) of the Listing Rules, the transactions under the subsection headed "— Non-exempt continuing connected transactions subject to reporting, annual review, announcement and independent Shareholders' approval requirements" will constitute our continuing connected transactions subject to those requirements under Chapter 14A of the Listing Rules.

As those non-exempt continuing connected transactions are expected to continue on a recurring and continuing basis and have been fully disclosed in this document, our Directors consider that compliance with the announcement and the independent Shareholders' approval requirements (as the case may be) would be impractical, and such requirements would lead to unnecessary administrative costs and would be unduly burdensome to us.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted], waivers exempting us from strict compliance with the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "— Non-exempt continuing connected transactions subject to reporting, annual review, announcement and independent Shareholders" in this section, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this document, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that the non-exempt continuing connected transactions as set out above have been and will be carried out in our ordinary and usual course of business and on normal commercial terms or better, and are fair and reasonable and in the interest of our Company and Shareholders as a whole, and the proposed annual caps for those transactions are fair and reasonable and in the interest of our Company and Shareholders as a whole.

CONFIRMATION FROM THE JOINT SPONSORS

After discussions with our management on the proposed annual caps and reasons for entering into each of the continuing connected transactions described in this section, and considering the view of the Directors and the Joint Sponsors' participation in due diligence, the Joint Sponsors are of the view that the non-exempt continuing connected transactions as set out above have been and will be carried out in the ordinary and usual course of business of our Company and on normal commercial terms or better, are fair and reasonable and in the interests of our Company and the Shareholders as a whole, and the proposed annual caps for those transactions are fair and reasonable and in the interest of our Company and Shareholders as a whole.

INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS' INTERESTS

In order to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

(a) Our Group has implemented internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business unit in order for our Company to commence the necessary additional assessment and approval procedures and ensure that we will comply with the applicable requirements under Chapter 14A of the Listing Rules;

(b) according to the Articles of Association, in the event that there is potential conflict of interest arising out of any continuing connected transactions between our Group and our Controlling Shareholders and/or its associates, in which a Director holds office, such Director shall abstain from voting and shall not be counted towards the quorum for the voting; and

(c) Our Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by our Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of our Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the cap.